

Review clause in German VW contract means no job or location is safe

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At noon Tuesday, the so-called “Future Collective Agreement” that the IG Metall union agreed in December with VW came into force. The World Socialist Web Site has obtained a copy of the new contract and agreement that IG Metall acclaims as a “Christmas miracle.” It proves that the assurances given by the company in return for the elimination of 35,000 jobs and cuts in real wages of up to 20 percent are not worth the paper they are written on.

The IG Metall and its Works Council have lied and betrayed the workforce. They agreed to the new contract just before Christmas because they and their allies in the Social Democratic Party (SPD) absolutely wanted to avoid an indefinite strike at Germany’s largest carmaker during the campaign for February’s federal elections.

Such a strike would have encouraged millions of workers throughout the auto industry, in other industries and in the public services to fight for wages, for better working conditions and for affordable rents. The election campaign would have been completely transformed.

The IG Metall and SPD wanted to avoid this at all costs, since the whole point of the early election is to bring to power a more stable government that will triple military spending, slash social spending, boost stock prices and wage trade war and military war on the backs of the working class.

As late as last Friday, the IG Metall claimed in a flyer that the agreement secured “long-term prospects in the VW regions.” Thorsten Gröger, district manager and negotiator for IG Metall, declared that the union had “succeeded in finding a solution for employees in the VW regions that protects jobs, ensures products and enables future investments.” He said that solutions for the future were possible “without staff cuts.”

Daniela Cavallo, chair of the VW general Works Council, was quoted as saying: “No site will be closed, no one will receive a compulsory redundancy, and the wage level of our company collective agreement is secured in the long term,” adding that this was a “very solid solution.”

Gröger and Cavallo are telling blatant lies. None of it is true. Clause 7 of the “Future Collective Agreement” contains a “review clause” which states: “In the event of significant changes in the basic assumptions or the economic framework conditions,” VW can convene a “review meeting” at which the “parties to the collective agreement will discuss the necessary measures, including socio-political instruments.”

In other words: if the company, under the leadership of VW boss Oliver Blume, decides that the promised jobs massacre and massive wage and salary cuts are not enough to increase the returns for shareholders, all agreements are null and void. Then management and the union will work out new measures and “instruments.”

Site closures are therefore not ruled out, but only postponed. This is being openly discussed in business and trade union circles. The business weekly *WirtschaftsWoche* wrote last week that the collective agreement stipulates “that each site receives so-called factory cost targets.” If a site fails to meet these targets, “additional measures will be defined,” and the viability of the site may be called into question, because “the awarding of new production volumes depends on achieving the targets.”

In particular, the plants in Emden and Zwickau, with around 17,000 employees, stand on the brink of closure. Production of combustion engine cars in Emden finished at the end of 2024, and now e-cars are being produced on only one assembly line. “Insiders say it is hardly possible to be economically viable in the long term,” writes *WirtschaftsWoche*.

The magazine quotes an “insider” as saying that the “Emden concept” is now being implemented at the Zwickau plant. “When the two electric models ID.3 and Cupra Born go to Wolfsburg from 2027, the Zwickau site will shrink from two assembly lines today to just one,” it states. The facelift of the ID.4 will also not come to Zwickau. “What will remain are two Q4 models from Audi.”

The existence of the plant is threatened by this. *WirtschaftsWoche* quotes Dirk Vogel, head of the Automotive Suppliers Saxony network (AMZ), as saying, The plant was designed to build 360,000 vehicles per year, but from 2027 it will build fewer than 130,000 cars—and will therefore no longer be as profitable as it is today. “There is a real danger,” says Vogel, “that Audi will then bring the production of the Q4 e-tron back to the main plant in Ingolstadt, leaving Zwickau without a model at all.”

This is exactly what will happen to the approximately 2,300 employees at the Osnabrück plant in the summer of 2027, when production of the T-Roc convertible will be phased out. Porsche has withdrawn its assembly orders for the plant and is keeping them in its own factories. The small plant in Dresden (340 employees) will cease vehicle production at the end of this year.

In addition to the review clause, which makes a mockery of the supposed job and location security, IG Metall’s “Future Collective

Agreement” contains numerous other measures through which the union is subordinating the workforce to the company’s profit drive.

Clause 2 regulates the falsely termed “job security.” According to this, employees are obliged to accept “assigned tasks,” with Works Council reps and managers deciding what is “reasonable.”

If the number of jobs to be cut is not reached or needs to be increased due to the economic situation, working hours can be reduced “collectively to up to 28 hours per week.” Other measures must be agreed upon first: “reduction of overtime, reduction of work time accounts, use of cross-location mobility, short-time work.”

The abolition of the so-called “company wage agreement 1,” agreed on 20 December, still entails a possible jobs cut beyond the contractually guaranteed number. The more than 30,000 employees covered by this agreement work 33 hours (production) or 34 hours (administration) per week. They are to switch to “company wage agreement 2” and work 35 hours per week. *WirtschaftsWoche* concludes that the one or two additional weekly hours will have an impact on the number of employees, writing that “Additional jobs could be lost.”

In section “3.1 Location Commitments” of the “Future Collective Agreement,” location agreements are demanded for each plant, in which “concrete binding commitments” on “plant occupancy, planned unit numbers, competence development, factory cost targets, workforce development and product returns” must be included.

These location agreements will serve as the basis for the further exploitation and blackmail of the workforces at the individual plants.

For VW’s main plant in Wolfsburg, *WirtschaftsWoche* already indicates the direction of developments. Around 65,000 of the workers affected by the agreement currently work there, around 20,000 of them in vehicle and component production.

“It is not yet known how many people in production will be redundant,” the magazine writes. But around 29,000 of the jobs to be cut at Volkswagen by 2030 are expected to be in the state of Lower Saxony, where the Wolfsburg plant is located. “Of course, Wolfsburg will bear the brunt—it is by far the largest location,” the magazine quotes an insider as saying.

WirtschaftsWoche assumes that around 15,000 jobs will be cut at the company’s headquarters.

In addition, around 4,000 of the 12,000 jobs in technical development in Wolfsburg are to be cut by 2030. VW wants to “reduce hourly rates for development costs.” Škoda and VW Brazil are to take on work in the future, as they have “the necessary capacities.”

A reduction in VW’s administration facilities, the so-called indirect areas, has also already been decided. The aim is to reduce personnel costs there by 20 percent by 2026.

The magazine states:

According to an insider, it has now been agreed that an additional three percent of personnel costs will be saved in the years 2027 to 2030. In total, they are talking about a 32

percent reduction in personnel costs in the indirect areas at VW.

Further wage cuts—over and above those already negotiated—will be implemented through the agreed “modern remuneration system.” The introduction of a “new remuneration system will reduce the collectively agreed remuneration (excluding vested rights) on 1 January 2027 by 6 percent,” states point 5 of the December agreement.

Future pay increases for employees—which IG Metall has already announced for 2027—will be offset against their vested rights until the end of 2030. “If the individual vested rights have not yet been offset by 6 percent on 1 January 2031, they will be offset against the 5.5 percent wage increase that takes effect on 1 January 2031.”

From the outset, IG Metall and its officials expected the workforce to oppose them as soon as the fog of lies, half-truths and distortions lifted and the true content of the agreement they had helped create became apparent. That is why the negotiating committee under Gröger agreed before Christmas that the holiday allowance would be abolished and continued as an “IG Metall membership bonus.” This is to prevent VW employees from leaving the union in their thousands. Gröger, Cavallo and Co. see themselves and their apparatus as company police charged with the enforcement of corporate interests against the workforce and their own members.

On Friday they wrote in their flyer: “The agreement certainly does not trigger any celebrations, but it creates security for livelihoods, families and future generations.” Now that it is becoming clear that there is no security for the workforce and their families, they can anticipate a storm of protest.

This anger and outrage need a clear political and organisational perspective. VW workers who want to stand up against the capitulation of the IG Metall apparatus must build independent rank-and-file action committees that fight for the social interests of the workforce and not for the profit interests of the shareholders.

At the beginning of the year, we wrote:

Only to the extent that power is wrested from the hands of the bureaucracy and transferred to the workers in the factories can the unions become instruments of the class struggle again.

It is time to counter the attacks from above with class struggle from below. To do so, please contact us using the form, or simply send a message to +491633378340 via WhatsApp.



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