

IG Metall union supports conversion of companies like VW to arms production

Volkswagen plans for tanks instead of Tiguan SUVs

Ludwig Weller
25 March 2025

Last week, the parties in the Bundestag (parliament) agreed to the largest arms deal since the Nazi regime. With one trillion euros in play, the management boards of the crisis-ridden industrial conglomerates can smell new profits.

This includes Volkswagen (VW). At its annual press conference on March 11, Europe's largest carmaker reported a significant decline in profits for 2024. At the same time, CEO Oliver Blume announced changes for the coming year and confirmed press reports that "in view of the current world situation" plans are being discussed "to enter the arms business."

Germany's largest arms company Rheinmetall has recently shown a keen interest in taking over and repurposing VW plants for the production of military vehicles and equipment. At the centre of this is the VW plant in Osnabrück, which Rheinmetall boss Armin Papperger has described as "very suitable" for conversion to military production.

The plant, which has so far produced convertibles and small series, could potentially be converted to manufacture military vehicles such as armoured personnel carriers. Rheinmetall is apparently also interested in other VW sites, such as Dresden, according to *Auto-Motor-Sport* magazine.

Recently, there have been increasing reports that various German industrial companies want to start producing military goods. These are both traditional companies and startups, especially so-called defence tech startups, which are sensing the billions in profits to be made from AI-controlled drones and mini-tanks.

The IG Metall trade union is a driving force behind this. As early as February 2024, it concluded an armament pact with the Social Democratic Party (SPD) and the arms industry. A position paper entitled "Securing sovereignty and resilience", which was jointly adopted by IG Metall, the SPD's Economic Forum and the German Security and Defence Industry Association (BDSV), states:

A comprehensive industrial policy concept for the defence industry does not yet exist. However, such a concept is indispensable to ensure the industry's performance and to enable its possibilities for product development and product production of relevant defence systems in the dimensions of land, air and sea.

Over eleven pages, it details proposals as to how national and European armaments projects can be made the "decisive driving force" for Germany as a "high-tech production location."

Jürgen Kerner, the deputy chairman of IG Metall—who is also a member of the supervisory boards of Airbus, Thyssenkrupp, Siemens, Siemens Energy, MAN Truck & Bus and Traton—struck a militaristic tone in line with the ruling class, which is once again counting on war:

2024 is the year of decision for the defence industry in Germany. Although politicians emphasise its importance for the security of our country and Europe, the special fund for the Bundeswehr does not automatically lead to the strengthening of domestic industry, contrary to what one might think. Rather, it is in danger of falling by the wayside when more and more is being purchased overseas and the government is not ensuring that companies in Germany take on maintenance and upgrades. We finally need a defence industrial policy.

The Bombardier plant in Görlitz, taken over by Alstom in 2021, has already been sold to the arms company KNDS. The more than 170 years of continuous production of wagons and rail vehicles will be discontinued; instead, military equipment for the war in Ukraine will soon be produced there.

The well-known Cologne-based engine manufacturer Deutz also wants to enter the arms business. Engines for wheeled armoured vehicles promise higher profits than agricultural machinery.

The Meyer shipyard in Papenburg, which has built huge cruise liners so far, could soon specialise in warships. Last summer, the federal government and the state of Lower Saxony helped the fabulously wealthy Meyer family dynasty out of their crisis with €400 million in support and guarantees of €2.8 billion.

The aim was not so much to save thousands of endangered jobs, as Chancellor Olaf Scholz and the local branch of the German IG Metall announced, but to secure maritime military capacity. According to various reports, the Meyer shipyard, which includes the Neptunwerft in Rostock, could be converted into a large central naval shipyard. Experts assume that five frigates could be built there annually.

Owners of capital and financial speculators expect huge business from the conversion of civilian industrial companies into armaments

and weapons foundries. Just as ThyssenKrupp, Volkswagen, Daimler and BMW once made their money from armaments during the Second World War—after having previously financed Hitler’s rise to power—they are now once again betting on war and German great power politics.

IG Metall and other trade union bureaucracies are supporting the corporations in this conversion to a war economy. They are, so to speak, standing to attention.

Volkswagen’s conversion to armaments ties in with its history as Hitler’s model armaments factory. On the German television channel ZDF, VW and Porsche boss Oliver Blume said that there was “a great deal of leeway”—including in the direction of the armaments industry. He considered entry into arms production to be a possibility in view of the uncertain future of Volkswagen sites in Germany. Blume said:

We are looking very specifically at what is necessary there if, for example, it should also be about [producing] military vehicles. You have to check that out.

Shortly before Christmas, the VW management, IG Metall and works council had agreed to cut 35,000 jobs and reduce wages by 20 percent. Now it is a matter of the concrete implementation of this. The assertions of management and IG Metall that no plant will be closed can now be seen for what they really are.

On ZDF, Blume avoided talking about the closure of plants such as those in Osnabrück and Dresden, instead saying that there must be a “large space for solutions.” He said the company had a responsibility to take care of the future of the employees of the endangered plants.

Exploratory talks are presumably already underway between VW, Rheinmetall and government representatives. A Rheinmetall spokesperson emphasised that the “conversion” of the VW plant in Osnabrück would be associated with high costs, and that such investments could only be made if secure orders were guaranteed by the government. The new federal government will very quickly set in motion such arms orders in order to implement the promised rearmament.

Rheinmetall CEO Papperger emphasised that talks are regularly held with Volkswagen—not least because Rheinmetall and VW cooperate in the construction of trucks. On Wednesday, Rheinmetall also published its annual report, according to which, group sales in 2024 rose by an incredible 36 percent to almost €10 billion. Particularly noteworthy is the fact that the production of weapons, tanks and ammunition now accounts for 80 percent of the group’s earnings.

What is not well known to the public so far is that the Volkswagen Group is already producing military vehicles. Among other things, the Amarok M, a military version of the first generation of the VW pick-up, is being produced together with Rheinmetall. And the VW subsidiary MAN supplies large numbers of base vehicles for the heavy Rheinmetall military trucks, which are also being used in the NATO war against Russia in Ukraine.

And VW is even involved in tank production. Volkswagen’s subsidiary Renk, a gearbox manufacturer, supplies gearboxes not only for water and wind power plants but also for warships and tanks—including the German Leopard and Puma tanks, the British Ajax and the Turkish Altay.

It is therefore becoming increasingly clear that the massive job cuts at VW and the freed-up production capacities, including some of the

labour force, are to be used for extensive war production.

In this way, the VW Group is continuing its history as a Nazi state-owned enterprise. With the beginning of World War II in 1939, Volkswagen was fully converted to armaments production.

In 1934, Adolf Hitler had announced the construction of a “people’s car” at the International Motor Show in Berlin. Ferdinand Porsche—grandfather of Wolfgang Porsche, chairman of the supervisory board of Porsche Automobil Holding and today a VW billionaire—was commissioned by the German Automobile Industry Association to construct this *Volkswagen*.

In 1935, the German Labour Front (DAF) founded the Gesellschaft zur Vorbereitung des Volkswagen mbH (Company for the Preparation of the Volkswagen) and eventually organised the construction of the factory and a specially created town, which is now called Wolfsburg.

However, the “Kraft-durch-Freude-Wagen” (KdF, Power through Joy Car) was designed but never built, and production was switched to war. The KdF car was converted into a military amphibious vehicle and armoured car. From then on, Volkswagen produced vast quantities of bazookas, anti-personnel mines and parts for the Ju88 aeroplane and V1 rocket.

The Nazi state-owned company worked closely with the SS, which provided unlimited access to forced labour, prisoners of war and concentration camp inmates. Up to 20,000 forced labourers toiled in Wolfsburg until they were worn out or worked to death. From 1942, the company even set up its own concentration camp, called “Arbeitsdorf” (Labour Town), on the factory premises. Many forced labourers also had to live in the disused wash houses of the No. 1 factory hall. According to VW, around two-thirds of the workforce were forced labourers in 1944.

It was only in 1986 that the Volkswagen Group commissioned historian Hans Mommsen to investigate the company history and it took another ten years before his study was published. The murderous conditions of exploitation and the history of the former arms factory, which was involved in the war of extermination against the Soviet Union, did not fit into the narrative of post-war Germany’s “social market economy” and “social partnership” with the trade unions.

The situation of Soviet prisoners was particularly cruel, with many dying. Between 1940 and 1945 alone, 365 children and babies died, most of whom had been taken from forced labourers directly after birth. Forced labourers had to wait until 1998 for a few meagre compensation payments. It was only 53 years after this forced labour that the filthy rich Porsche/Piëch family, who hold a major stake in the company, set up a relief fund in the hope that there were hardly any remaining survivors entitled to compensation.

Today, Volkswagen workers are confronted with the return of VW’s brutal past.



To contact the WSWs and the Socialist Equality Party visit:

[wsws.org/contact](https://www.wsws.org/contact)