

Germany: Mass layoffs, trade war and war—What is to be done?

Ulrich Rippert
2 November 2025

The crisis in the German and European automotive and supplier industries is assuming catastrophic proportions. Not a day passes without new disastrous news. The major manufacturers—Volkswagen, Mercedes, Bosch, ZF, Porsche, Ford, Audi, etc.—are announcing ever more extensive job cuts, often running to four or five figures. At the same time, hundreds of posts are being eliminated every day in countless medium-sized companies.

A study by the EY consultancy shows that more than 50,000 jobs in the automotive industry in Germany were destroyed within a year.

- **Volkswagen** is cutting 35,000 jobs as part of a rationalisation programme, one in four posts in Germany, including 15,000 in Wolfsburg alone. In addition, wages and salaries are being cut by up to 20 percent.

- **At Ford in Saarlouis** the closure has already been decided. In a few days the last car will roll off the line there. Of the former 7,000 employees, only a dismantling crew of around 1,000 will remain.

- **The Ford parent plant in Cologne**, with its remaining 11,000 employees, is also on the brink. An ARD documentary has revealed closure plans, and the board has announced massive job cuts.

- **Bosch**, the world's largest automotive supplier, is cutting 22,000 jobs. Already last year, Bosch announced the elimination of 9,000 jobs. In September, this number was increased by 13,000. It is the largest reduction in the company's history.

- **ZF Friedrichshafen** had already announced last year that it would cut 14,000 jobs and threatened to spin off the entire powertrain division (20,000 employees). In October, the IG Metall union agreed to massive wage cuts.

The list could be extended almost indefinitely. Many German and European electric vehicle models are finding no buyers and are standing unsold in storage yards.

On top of this come the ever sharper effects of the global tariff and trade war. Although the import tariffs of 25 percent on vehicles and vehicle parts from the EU, which the Trump administration announced in the spring, were later reduced to 15 percent, they still lie well above the previous level of 2.5 percent. Volkswagen, Europe's largest car manufacturer, reported a 37 percent decline in operating profits in the first quarter of 2025 and cites the US tariffs as a key factor.

Last week the crisis intensified again. The Dutch government, under pressure from the US, took control of the chip manufacturer Nexperia, which belongs to the Chinese electronics group Wingtech, and removed the Chinese chief executive. In response, the Chinese government imposed an export stop on the world's largest supplier of simple semiconductor chips.

The effects are devastating. Nexperia manufactures half of the world's standard chips that are found in almost every electrical device and are needed in the automotive industry for window regulators, airbags, LED headlights, engine controllers and much more.

VW and many other corporations are preparing to introduce short-time work and production stoppages. At the beginning of last week, finance

daily *Handelsblatt* headlined an article, "Chip crisis could bring Germany a third year of recession." It wrote: "The federal government expects only mini-growth of 0.2 percent for the current year. That could be void if production in the automotive industry remains at a standstill for longer due to a shortage of chips."

IG Metall, which has more than 2 million members and likes to call itself the largest single trade union in the world, is doing nothing to defend jobs. On the contrary, its officials sit on corporate supervisory boards and are well informed at an early stage about all plans for redundancies. On essential points, they share the employers' and managers' assessment of the economic situation and help to draw up the rationalisation programmes, redundancy and closure plans.

In the trade war, the union officials stand unreservedly on the side of the German corporations, are deepening their collaboration with the government and call for a "national industrial policy"—meaning a stronger and more aggressive assertion of German economic interests around the world. To the Trump administration's economic war and the slogan "America first!" they respond with "Deutschland über alles!"

The IG Metall executive supports the government's policies of military rearmament and war and is pushing for the conversion of production to armaments. Like the corporate chiefs and the government, the IG Metall leadership considers social cuts and wage reductions indispensable in the name of competitiveness and war readiness.

For that reason, it deploys its workplace apparatus, comprising many thousands of trusted representatives and works council members, as factory police to enforce job cuts, wage cuts and social rollbacks. To achieve this, the union sometimes organises pseudo-protests that merely serve to let off steam, and then it proceeds with threats and intimidation against anyone who seeks a serious struggle to defend jobs, wages and social standards.

Many workers are asking what can be done in this situation and are looking for a way to break out of the straitjacket of the trade union apparatus.

The Sozialistische Gleichheitspartei (Socialist Equality Party, SGP) proposes the following strategy:

1. Build new organisational structures.

It is necessary to create a new organisational framework that enables the immense economic and political power of the working class to be brought to bear and allows workers to develop confidence in their own strength. It is the many millions employed in production and administrative roles who create social wealth. The working class is the productive and value-creating force in society.

The SGP has already begun to encourage and support the establishment

of rank-and-file action committees. These unite workers who no longer wish to submit to the dictates of the union officials and who want a serious fight. When works council reps at Ford in Saarlouis and in Almussafes near Valencia, Spain agreed to a shameful “bidding war” and played German and Spanish Ford workers against one another, some workers formed the Ford Action Committee and organised resistance.

Now the task is to build action committees in all workplaces and make it the starting point for a new workers’ movement that places the vital interests of workers and their families above the profit interests of the corporations, shareholders and speculators.

2. Link the fight against job cuts to the fight against war.

Successful resistance requires a correct assessment of the situation. The immediate problems in the workplaces are directly linked to rearmament and war. It is therefore necessary to connect the fight against mass redundancies, wage cuts and social cutbacks with the struggle against military rearmament, war and genocide. The German government’s support for the horrific genocide in Gaza and the tens of billions of euros with which it finances the war and mass slaughter in Ukraine show what it intends here as well.

The crisis in the automotive industry is not a temporary cyclical downturn that will subside in the foreseeable future and lead back to stable conditions. Nor is it a structural or “transformation” crisis triggered by the switch to e-mobility, which will be overcome once the new technology succeeds. Rather, the crisis in the auto industry is a sharp expression of the historical crisis of the capitalist system on a world scale. The dense international integration and globalisation of production mean that there is no longer any “national” car—or any other purely national product—in any country. Globalisation has vastly intensified the contradiction between international production and the outmoded nation-state system upon which capitalism rests.

Every country is now fighting over raw materials, energy sources and markets; the international trade war is becoming the prelude to a world war. In the last century this historical crisis of capitalism already produced fascist dictatorships and two world wars.

It then became clear that there is only one social force capable of stopping the drift to war: the international working class. The First World War was ended by the working class taking power in Russia and establishing the first workers’ state. The Second World War ended with the defeat of Nazi Germany, with the Soviet Union bearing the main burden in the fight against the German war machine and losing 27 million workers and soldiers.

Today, too, the struggle against war again moves to the centre of the class struggle. War leads to dictatorship and conscription and renders all collective agreements on wages and labour rights null and void. The German government is driving forward the biggest rearmament programme since Hitler and is financing it through massive social cuts targeting the unemployed, pensioners, schools and the healthcare system. It is supported in this by all parties in the Bundestag (parliament).

Within the action committees, plans must be worked out and discussed as to how the fight against mass redundancies can be linked and coordinated with the mobilisation against war and rearmament.

3. Make internationalism the central strategy.

Trade war and war go hand in hand with hysterical nationalism and chauvinism. With their calls for a national industrial policy and “securing [national] production sites,” the trade union bureaucrats spread the poison of nationalism. They divide the working class and play workers in one country against those in other countries or even other regions.

The action committees counter this reactionary policy of divide-and-rule with the strategy of the unity and close cooperation of the world working class. Workers have no fatherland—not in war and not in trade war. Workers everywhere face the same or very similar problems and confront the same global corporations and governments that are intensifying exploitation and brutally suppressing any resistance.

The recent mass demonstrations in the US against the dictatorial measures and social attacks of the Trump administration, in which many millions participated, herald an insurgent movement of American workers. This radicalisation of US workers is of world historic significance.

When the Soviet Union was dissolved three and a half decades ago, this was accompanied by an intensive propaganda campaign portraying the US as the centre of freedom and democracy. Today, with its fascist attacks on elementary democratic rights and social institutions, the Trump government is showing the true face of US imperialism. While governments around the world are captivated by the ruthlessness and brutality of the Trump administration and adopt its methods, the growing opposition of American workers to Trump provides a vital ally for the European and international working class.

There are already action committees in several US car plants. The International Workers Alliance of Rank-and-File Committees (IWA-RFC) is becoming ever more important and is turning into a centre for building a new workers’ movement.

Resistance is also growing in Europe. In France, millions took part in protests and strikes against pension cuts and social attacks by the hated Macron regime. In Italy, 2 million demonstrated against the fascist policies of Meloni and her support for the genocide in Gaza. Dockers in several countries stopped shipments of weapons to Israel. As the European Union morphs ever more clearly from an economic association into a military and war alliance, the mobilisation and cooperation of European workers are increasingly opening the path to building the United Socialist States of Europe.

The fight for internationalism also means the principled defence of immigrants and asylum seekers. The criminal and inhuman deportation policy of the German government and its support by the trade union apparatuses must be fought by every means.

4. Build action committees as independent organs of struggle and socialist education.

The action committees reach out to all workers who are fighting against mass redundancies, social cuts and war and who want to break the control of the trade union apparatus. At the same time they form a platform for spreading and discussing socialist perspectives and for building the Socialist Equality Parties as the new revolutionary workers’ parties in Germany and around the world.

Many workers complain that no party in the Bundestag represents their interests, and this is true. The Social Democratic Party (SPD), now in government with Merz and the Christian Democrats, switched sides long ago and is the main war party of German imperialism. While Defence Minister Pistorius tours the country preaching the need for “war readiness,” SPD leader and Finance Minister Klingbeil is pushing through an austerity budget that hacks every social area to pieces and triples military spending.

The Left Party is no alternative. When its Stalinist predecessor ruled in the former East Germany, it described its regime as “real existing socialism” and now claims that it is possible to humanise and make capitalism more “social,” while at the same time supporting the Merz government. Its claim that the far-right Alternative for Germany (AfD) can be combated through cooperation with the current government is utterly bankrupt. It is exactly the opposite. The Merz government is working more closely with the AfD, and its war policy is paving the way for the far right.

The government coined the term “new era,” by which it means the transition to war readiness, social attacks, dictatorship and fascism.

The creation of action committees marks a turning point in the struggle of the working class. Just as the ruling class is once again drawing on the reactionary traditions of imperialism, war and fascism, the working class must draw on its revolutionary, socialist traditions. Workers in the automotive and all other industries must approach and prepare every action to defend their jobs, wages and social standards from this standpoint.

If you agree with this orientation, we call on you to contact us in order to put a stop to the incessant attacks. Fill out the form or send a WhatsApp message to +49 163 3378340.



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