

Germany: VW workforce bleeds while the board cashes in—with help from the Works Council and IG Metall

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In December 2024, Works Council leader Daniela Cavallo and IG Metall union district manager Thorsten Gröger announced a “Christmas miracle” at Volkswagen. The miracle consisted of 35,000 jobs being cut and remuneration being reduced by up to 20 percent. With this, according to Cavallo and Gröger, compulsory redundancies and plant closures would be averted and “security for livelihoods, families and future generations” created.

Then, between Christmas and Easter that year, another “miracle” occurred at VW. Cash reserves of €6 billion were suddenly found in the allegedly cash-strapped coffers—slightly more than necessary for the Volkswagen Board of Management members to collect bonuses of up to €1.75 million each!

According to VW Chief Financial Officer Arno Antlitz, the money shower was the result of cancelled investments. In other words, it was stolen directly from the workforce. The IG Metall and Works Council had cited the necessity of huge investments in the course of converting to electromobility to justify the greatest cutbacks in the company’s history, which would save the group €15 billion annually.

Now it is clear: What was taken out of workers’ pockets ends up as a bonus in the bank accounts of the Board; instead of employment security for the workforce, there is a self-service cash dispenser at the top of the company.

Volkswagen has meanwhile said goodbye to the “huge investments.” According to group figures, the investment ratio fell from 14.3 percent of revenue in the car business in 2024 to 12 percent last year. CFO Antlitz has announced that investments will be further throttled in coming years. Instead of the €180 billion

announced one-and-a-half years ago, they would only comprise €160 billion by 2028, even less than in earlier investment cycles.

Anger at the self-enrichment of the Board is enormous. One month before the works council election, the workforce is seething. On the VW intranet, a debate is unfolding about the “scam” being carried out by the Works Council and IG Metall, who are trying to contain the anger by demanding a special payment. There is talk of €5,000. With 120,000 employees, that would amount to €600 million or one tenth of the cash inflow. The special payment is to be paid out in May, i.e., in the month in which the second part of the bonuses for the workforce fall victim to the cuts.

Cavallo and Gröger apparently imagine that the workforce is just as venal and corrupt as they are and can be bought with a one-off alms payment that would not be consolidated into pay scales. The bureaucrats have no objection when it comes to the million-euro bonuses for the Board members. After all, they were proposed by the company’s Executive Committee, in which IG Metall Chairwoman Christiane Benner sits alongside Cavallo, and approved by the Supervisory Board with the votes of the “employee representatives.”

Dirk Kaiser, chairman of the Union for Transformation (GFT), also demands “that the workforce participates in this unexpected money shower before the shareholders,” as he writes on the VW intranet. The GFT had announced it would ally itself with the “Other List” of Frank Patta and the “Alternative” of Dirk Böse after the works council election in the main Wolfsburg plant.

The Christian Metalworkers' Union (CGM), which is also participating in the works council elections, is demanding "at least 8 to 10 percent for all employees." If (!) the company's turnover and profit are right, there should be "something in it for every employee," not just for the Board.

However, IG Metall has already made clear that the orgy of cuts at VW will continue. "The recently selectively high NCF [net cash flow] in the financial snapshot at the end of 2025 does not change the tense situation of the Group," states an extra issue of the works council newspaper *Mitbestimmen*. This remained "characterised by fiercely contested markets and huge investment requirements for the drive transition and digitalisation."

The wage and job cuts are to continue undeterred and be intensified. Currently—as agreed in the "Future Pact" at the end of 2024—the Works Council and Group leadership are working on fundamentally changing the remuneration system in order to achieve long-term wage and salary cuts of a further 6 percent. The "Future Pact" also contains a revision clause with which the Group can retract all assurances if it deems this "economically necessary."

The never-ending attacks on wages, jobs and conditions affect not only VW workers. In the global competition for market share, the car companies have long since ceased to argue about who builds the best vehicles, but rather who squeezes their workforce most efficiently. It is a competitive struggle on the backs of the workforce for lower wages, more pressure and greater exploitation—in the interest of the shareholders.

The cutbacks agreed in 2024, which were officially justified by citing "competitiveness" and the "transformation to e-mobility," were in truth about higher returns for shareholders and million-euro payments for management. The profit rate of the core brand was to be doubled and tripled: to 6.5 percent. Above all, for the owner families Porsche-Piëch (estimated wealth around €40 billion), who own over 53 percent of VW shares, additional billions in profits beckon.

What is happening at VW shows that the entire policy of "social partnership" is bankrupt. IG Metall and its Works Council do not represent the interests of the workforce—as co-managers, they ensure it is squeezed more effectively. Therefore, the workforce must

urgently reorganise and reorient itself. It must build independent rank-and-file action committees.

Concretely, VW Action Committees at every plant should discuss the following demands and their implementation:

- **Revoke the mandate of the Works Council and IG Metall apparatus!** No negotiations behind closed doors with the Group in our name!

- **Rejection of the "Future Pact" contract of Christmas 2024!** Rescission of all cuts and compensation for income losses to date.

- **No legitimisation of the cuts through a special payment!** With the production of vehicles, it is the workforce that generates the billions. The fruits of this labour belong to them.

- **Not a cent for dividends and bonuses!** Instead of handouts to managers and shareholders, funds should be immediately used to secure jobs, workers' purchasing power and meaningful investments in democratically controlled production.

- **For the international cooperation and unity of the global workforces!** The events in Germany are part of an international phenomenon. Worldwide, the trade union apparatuses act as the extended arm of the corporations against the workers. Delegations from the Action Committees, elected at works meetings, must make contact worldwide with the employees of the VW Group, in Europe, the USA, in South America, Asia and Africa.

Contact us to become active now. Send a message via WhatsApp to +491633378340 and register via the form.



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