

VW Group increases job cuts to 50,000 to boost profits

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Volkswagen Group CEO Oliver Blume presented the business figures for the past year at the corporation's annual press conference on Tuesday and announced an intensification of the automaker's ongoing jobs massacre. The chair of the general and group works council at VW, Daniela Cavallo, immediately promised him the support of the trade union apparatus.

In a communication to shareholders, Blume announced that 50,000 jobs would be cut in Germany alone, including 35,000 jobs at the core VW brand, 7,500 at Audi, 1,900 at Porsche and 1,600 at the software subsidiary Cariad.

Around three weeks ago, *Manager Magazin* had already reported that costs across the entire group would be reduced by 20 percent by the end of 2028, equating to annual cutbacks of €60 billion (US\$69.1 billion). The closure of entire plants is also reportedly planned.

Now, management and the IG Metall union are setting about drafting further plans for job cuts. It was true that costs in the three largest vehicle plants had already fallen by a fifth, Blume boasted on Tuesday. But it would not stop there. "The direction is right, but we must continue to work massively. We will leave no stone unturned," he threatened.

In a special edition of the works council bulletin published by Cavallo, she joined in this chorus and did not waste a single word on the impending increase in job cuts. The bulletin is exclusively concerned with the group's balance sheet, which Cavallo and the trade union apparatchiks view through the same lens as Blume, the executive board and the shareholders.

"The group's balance sheet does not start off badly at all," write Cavallo's editors. Deliveries in 2025 were stable at 9 million vehicles, and turnover stagnated at €322 billion. "But then the impacts: Profit from current operations (EBIT) halved compared to the previous year by 53 percent to just under €9 billion." This was allegedly the worst figure since the Dieselgate slump in 2015-2016. The fact that the net profit did not fall quite as sharply, by 44 percent to €6.9 billion, is swept under the carpet by the IG Metall.

The intention is simple: The dramatically presented "collapse in profits" is used by Blume and Cavallo as a justification for the coming massive attacks on the workforce at all group subsidiaries.

Yet the fall in profits is the result of management decisions and global political developments—not the responsibility of VW workers who have been worked to the bone. Blume and Cavallo term this "special effects." The largest part of the almost "€9

billion in special effects" fell to Porsche. The corporation, which was also led by Oliver Blume until the end of last year, "saddled the balance sheet with almost €5 billion," the IG Metall works council claims.

This is exactly the view of management. In reality, Porsche's retreat from the electrification of its fleet specifically for the US market—i.e., the reintroduction of the production of combustion engines—is costing around €5 billion. However, Porsche still did not make a loss, but "only" just under €100 million in profits or €5 billion less than in the previous year.

US import tariffs would reportedly have a €3 billion impact. In addition, "the major restructuring projects" added up to a good billion euros. By this, the IG Metall works council means the costs for severance pay and partial retirement arrangements in order to push through the already agreed destruction of well over 40,000 jobs.

Alongside the US tariffs, the Wolfsburg-based group is under pressure in China from the competition there, particularly in electric cars, and the same applies to Europe. According to Blume, the current war against Iran would depress demand for luxury cars.

Thus, under these difficult conditions, the group still made €9 billion in profit, almost €7 billion after taxes. The dividend on ordinary shares will be €5.20 per share. Therefore, the Porsche-Piëch clan, the main shareholder, will pocket €800 million in dividends alone.

And yet there are complaints: The rate of return is supposedly far too low. It stood at 2.8 percent in 2025 but must rise to up to 5.5 percent again. The families owning major shareholdings (estimated wealth around €40 billion) are demanding not €0.8 billion but €1.5 billion in dividends!

In other words, the employees—that is, the workers who create all the value with their labour—are to pay with their jobs and their wages for trade war and war, management mistakes and the greed of the shareholders. Daniela Cavallo and the entire IG Metall apparatus unreservedly support this impending decimation. They are demanding that the brutal cuts they have pushed through at the core VW brand be extended to Porsche, Audi and other brands and parts of the group.

Their undisguised joy over the increased rate of return at VW and Škoda can only be explained in this way. "It is all the more pleasing that the Core brand group [VW and Škoda] has contributed to the stabilisation of the key figures in the group," the works council bulletin states. The reason for this, it goes on, was

the “good work on costs of all involved.” “Without cost discipline and savings programmes, the situation would be even more drastic. It is therefore good and right that the core VW brand in particular has turned the helm around,” the works council continues to cheer. “Its earning power reached 3 percent despite the headwinds,” the highly paid works council members rejoice. “The core brand achieves a total return of almost 5 percent, delivering almost €7 billion in profit!”

The 120,000 employees of the core VW brand know what Cavallo means by “good work on costs,” “cost discipline and savings programmes.” That is, the so-called “Christmas miracle of Hanover” heralded in December 2024. At that time, Cavallo for the works council and Thorsten Gröger for the IG Metall, together with VW management, agreed not only to the destruction of 35,000 of the 120,000 jobs but also to wage and salary cuts of up to 20 percent.

The benefits are borne by the shareholders and also the managers, which Cavallo and the IG Metall try to cover up. They end their bulletin by pointing out that the group’s management board, “as decided in 2024”, was waiving 11 percent of its basic remuneration for 2025, amounting to €3.4 million. But that conceals the bonuses board members pocket in return. Blume, for example, received €7.4 million last year, including pension provisions and variable remuneration for several years. That is “little” only from the standpoint of his remuneration in 2024. At that time, he had received over €10 million.

The fact is that the slumps in the board’s salaries do not follow the slumps in profit due to the €6 billion cash flow that “suddenly” appeared at the end of 2025. Massive savings, particularly in development expenses, investments and inventories, ensured this. However, the decisive factor was the passing on of the group’s receivables to its dealers for cars that are not yet even in their showrooms.

Through this “sleight of hand” or “trick,” as financial experts called it, Blume alone receives around 2 million euros. The remaining board members receive annual bonuses the same as in the previous year. In total, the VW management board is pocketing bonuses of around €13.6 million for 2025.

The shareholders, the board and the works council members cannot get enough. The carousel of job destruction and wage cuts is turning faster and faster.

In addition to the massive cutbacks, to which many thousands more jobs and possibly entire plants will fall victim, the rate of return is also to be increased through close cooperation with the armaments industry. Porsche SE, the holding company of the Porsche and Piëch families, had already announced in the summer of last year that it would enter the armaments sector. First, an investment platform for defence tech start-ups (satellites, drones, cybersecurity) is to be built up, in which the holding company later intends to directly participate with €500 million.

At VW sites such as Dresden or Osnabrück, where the production of civilian vehicles has been phased out or will be phased out next year, negotiations with the armaments industry are in full swing. Only recently, developers in Osnabrück presented two prototypes for military vehicles based on the Amarok and Crafter models. Truck subsidiary MAN is also in close contact

with Germany’s second-largest armaments corporation, Rheinmetall.

Volkswagen would thus return to its old traditions. VW was founded in 1937 by the Nazi regime—not only for the KdF “Volkswagen” but primarily as an armaments company. Only a few hundred KdF cars were built in Wolfsburg, but tens of thousands of military vehicles, mines and rockets were produced by 20,000 forced labourers. The profiteers then as now were the Porsche and Piëch families.

Works council chair Cavallo had also signalled her approval for this at the end of last week. “I am of the opinion that Germany and Europe must become more independent in the area of defence,” she said in an interview with the dpa (German Press Agency). This could be a perspective for the Osnabrück plant in particular, she said. “We are examining all possibilities to position the Osnabrück site to be future-proof,” Cavallo said. Armaments were an option here.

The struggle to defend jobs and against the transfer of VW into the war machine must not be left to the IG Metall and its works council reps. They are henchmen of the executive board and support the war policy of the federal government.

The workforce at all sites and in all brands must urgently reorganise and reorient itself. It must build independent rank-and-file action committees that are led by trustworthy colleagues, democratically organised, which lead the resistance and coordinate it internationally.

The campaign currently being waged by autoworker Will Lehman in the US in the United Auto Workers (UAW) union is of great importance and very instructive in this regard. Lehman is running for the office of UAW President, who is elected by the membership. He advocates the abolition of the trade union apparatus and the transfer of power to the workers on the shop floor. To this end, he campaigns for the building of a network of rank-and-file committees, rejects class collaboration with the corporations and fights against the nationalism that incites workers of different countries against each other.

Lehman pursues the goal of mobilising the economic power of the workers and combining the defence of jobs with the struggle against militarism and war. Lehman’s campaign has already met with a great response and is supported by workers from various industries and countries.

Workers at VW should also build their own action committees. Get in touch with us to become active now. Send us a message via WhatsApp to +491633378340 and register via the form.



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Socialist Equality Party visit:

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