

Enough is enough: Defend every job at Germany's Volkswagen

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26 June 2026

The VW Group Executive Board, led by Oliver Blume, is determined to cut 100,000 jobs, twice as many as previously planned. It intends to close the VW plants in Hanover, Zwickau and Emden, as well as the Audi plant in Neckarsulm, which together employ 40,000 people, and to break up the Group in its present form. This was reported Friday by *Manager Magazin*, citing an “insider.”

According to the report, senior management approved the plan at an Executive Board meeting on 24 June. It is to be presented to the Supervisory Board on 9 July, half of whose members are trade union and works council representatives. According to *Manager Magazin*, Blume ordered that the proposal be signed by all participants at the Executive Board meeting to ensure that no one backs out once it becomes public knowledge.

Blume has every reason to be cautious. His plan is a declaration of war not only on VW workers, but on all car workers in Germany and internationally. Mercedes, Stellantis (Opel), Ford and other car manufacturers are pursuing similar attacks. If they go ahead, not only will the livelihoods of the workers directly affected and their families be at risk, but also those of hundreds of thousands more who depend directly or indirectly on the car industry.

There has not been a comparable wave of job cuts since the Great Depression of the 1930s, which led directly to the Nazi dictatorship and the Second World War. This must not be allowed to happen under any circumstances.

Today, too, the destruction of jobs and the rise of war and dictatorship are two sides of the same coin, arising from the intractable crisis of the capitalist system. According to *Manager Magazin*, Blume's concept was developed by the consultancy firm Boston Consulting Group, which, in collaboration with the Tony Blair Institute, also drew up plans for a “Trump Riviera” and an “Elon Musk Smart Manufacturing Zone” in the Gaza Strip. Among other things, these plans envisage the “voluntary” resettlement of 500,000 Palestinians to Somalia, Egypt, Jordan and other countries.

The Porsche-Piëch clan, which sets the course at the Volkswagen Group with 53 percent of the voting rights, is also said to have exerted massive pressure. Fearing for its multibillion-euro fortune, it operates according to the motto: maximum profit at any price.

The idea of dissolving the Group in its current form and spinning off the VW brand is said to have originated with Manfred Döss, the chief legal officer, who has close ties to the Porsches and Piëchs. Lucrative parts could then be floated on the stock market and cashed in according to the hedge funds' “vulture” principle, while the rest would be sold off at rock-bottom prices and scrapped. The VW Law, which grants the German state of Lower Saxony a blocking minority with a 20 percent stake, would also become a thing of the past.

This process of dissolution has already begun. On Wednesday, the Volkswagen Group announced that it had sold 51 percent of its heavy-duty engines subsidiary, Everlence, to the US investor Bain Capital. Everlence, originally part of MAN, was regarded as the jewel in the Volkswagen Group's crown, since the large engines and turbines it manufactures are barely affected by economic fluctuations. The deal brought VW around €7.4 billion.

No resistance to the drastic cuts can be expected from IG Metall and its works councils. They are in cahoots with the major shareholders and the federal government in defending corporate profits.

IG Metall President Christiane Benner, General Works Council Chair Daniela Cavallo and IG Metall Regional Director Thorsten Gröger responded to the revelations in *Manager Magazin* with a terse, six-line statement.

“Attacks on the VW Act, co-determination and our sites are irresponsible threats,” the statement reads. Note the order: first come the VW Act and co-determination, which secure lucrative posts for trade union officials and works council members, and only then the sites. Jobs are not mentioned at all.

Finally, the statement calls on the Executive Board to “finally do its job and focus on its actual work: competitive products, technologies, group structures and synergies – and, consequently, job security.”

This is not what resistance looks like. The fact is that IG Metall and the works council were not taken by surprise by the Executive Board's plans. They have been working with it for years to generate “competitive products” and “synergies” at the expense of the workforce, in other words, to boost profits.

In December 2024, IG Metall and the works council agreed to the loss of 35,000 jobs and a 20 percent pay cut at the core VW brand. They justified this by claiming that, in return, the Group had ruled out plant closures. The figure was later increased to 50,000 for the Group as a whole. It was foreseeable that, as had happened previously at Opel Bochum and Ford Saarlouis, every concession would be followed by the next attack, until the last worker had left the plant. The VW Action Committee had repeatedly warned against this.

This is exactly what has come to pass. According to Blume's figures, 28,000 employees have already agreed to “voluntary” redundancies. Many workers have learned the hard way, through painful experience, just how much pressure the Group and the works council exerted on them.

Encouraged by the concessions made by IG Metall, the Executive Board is now preparing its next attack, and can once again rely on the support of the trade union and the works council.

As early as the end of April, Blume had presented his “vision for the future” to the Supervisory Board, which also includes Benner, Cavallo

and eight other representatives from IG Metall and the works council. It anticipated large parts of the Executive Board's plans that have now come to light. For instance, it already hinted at the closure of the plants in Hanover, Zwickau, Emden and Neckarsulm. The parts plants in Braunschweig, Salzgitter and Baunatal were also already in the firing line.

In mid-June, *Manager Magazin* reported on how the 180-page "transformation paper" that Blume had presented to the Supervisory Board had come about. IG Metall and the works council had been privy to the strategic plans to largely dismantle the Group from the outset and had been working on them behind the scenes.

As part of anonymous "belief audits," Boston Consulting Group had asked the Group Executive Board and members of the Supervisory Board, including representatives from IG Metall and the works council, to honestly assess the state of the company and formulate radical strategic measures. In the process, six of the nine Executive Board members surveyed assessed the Volkswagen Group as being "at risk of collapse." The remaining three classified the situation as "risky."

The Executive Board consequently concluded that the Group needed to be fundamentally realigned. According to *Manager Magazin*, leading Group representatives assessed that the principle that had previously underpinned the business—developing cars in Germany, building them in Europe and selling them worldwide—was no longer working. IG Metall and the works council therefore knew what was in store for them. And they had been able to read about it in writing since the Supervisory Board meeting at the end of April at the latest.

On 18 June, Blume announced with satisfaction to shareholder representatives at the virtual VW Annual General Meeting that VW was on track with its plan to cut 50,000 jobs across the Group by 2030. At the core brand, VW, alone, around 19,000 jobs would be cut by the end of this year.

Blume also reported that manufacturing costs at VW's German sites had already fallen by more than 20 percent by 2025. The Group expects annual net savings of more than €6 billion by 2030. The wage and job cuts agreed to at the end of 2024 have already begun to yield results.

Blume, who earns €7.4 million a year, has had to temporarily forgo some of his own bonuses and has lost his top spot in the DAX salary rankings. But he is working determinedly to climb back to the very top. He promised shareholder representatives significantly higher returns. His "plan for the future" will, he claims, enable the Group to achieve an operating return on sales of 8 to 10 percent by 2030 despite "zero market growth," and significantly increase net cash flow in the automotive division.

A week later, the Executive Board approved the drastic cost-cutting plan, which *Manager Magazin* has now made public. This is embarrassing for IG Metall and the works council. Their insistence that they will "do everything in their power to prevent" plant closures is reminiscent of a burglar caught in the act shouting "Stop thief!" to divert attention from himself.

They may well call a few protests to let off steam, and then sit down again with the Executive Board and the shareholders to agree on the next round of cutbacks. That is why it is high time to take action ourselves:

Build the VW Rank-and-File Committee

To build resistance against the cutback plans, workers must organise themselves within the VW Rank-and-File Committee, completely independently of IG Metall and its works councils. Its aim is to unite all workers ready to fight—manual workers, white-collar workers, permanent staff and agency workers. There is no place for trade union officials within it.

The Rank-and-File Committee is democratically organised, meaning that the members have the final say. It does not seek well-paid positions on co-determination bodies, which are bound by secrecy and the maintenance of industrial peace and which serve to enrich the bureaucrats. Nevertheless, the Rank-and-File Committee will use every opportunity—including works council elections—to champion its goals.

The Rank-and-File Committee defends, as a matter of principle, all jobs at all sites. It categorically rejects any concessions on wages, pensions or working conditions. It is not the group's financial situation, but the struggle itself that determines whether wages and jobs will be preserved.

One of the Rank-and-File Committee's most important tasks is to forge links with other sites both at home and abroad. It will not allow the Group's various sites and brands to be played off against one another, nor will it allow the trade unions to drive a wedge between the work forces in Germany, China, Mexico, the USA, the Czech Republic or Spain.

The VW Action Committee is a member of the International Workers Alliance of Rank-and-File Committees (IWA-RFC), which coordinates the growing resistance in workplaces across industries and worldwide.

We urge VW workers to follow the campaign of IWA-RFC member Will Lehman, who was recently nominated as a candidate for the presidency of the American United Auto Workers (UAW) union. Lehman works at Mack Trucks, a Volvo subsidiary, in Pennsylvania. His aim is not to replace the current UAW apparatus with another, but to abolish the apparatus and hand control over to the members. His campaign is resonating strongly with US autoworkers.

Get in touch with us today. Fill out the form or send a message via WhatsApp to +491633378340.



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