

“Work more for the same money”—33,000 Mercedes-Benz employees protest in Germany

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On Friday, 3 July, more than 33,000 Mercedes employees protested nationwide against the company’s cost-cutting drive. The vehicle manufacturer had previously announced longer working hours and pay cuts in a letter and a video message—tantamount to a declaration of war on the workforce. The “Next Level Performance” savings programme agreed to by the union-led works council at the end of 2024 is now being further intensified. In Sindelfingen, the group’s largest production site, more than 20,000 employees gathered. Further protests took place at the Mercedes-Benz plants and subsidiaries in Stuttgart (company headquarters) and Untertürkheim, Bremen, Rastatt and Kuppenheim, Berlin/Marienfelde, Düsseldorf, Hamburg and Germersheim.

The protests were directed against the company leadership, but indirectly also against the IG Metall union and its works council reps, who have repeatedly pushed through cost-cutting measures and plant closures. The high level of participation surprised even IG Metall, which had organised the protest. According to the *Stuttgarter Zeitung*, the chairman of the group works council, Ergun Lümalı, was “overwhelmed by this enormous willingness to protest” in Sindelfingen: “Even the protest-hardened Ergun Lümalı did not expect this,” the paper wrote. Lümalı’s speech was aimed at breaking the fighting spirit of the assembled workforce.

At its core were his complaints about management decisions—decisions in which he himself and IG Metall had been actively involved. He acknowledged that the anger among the workforce was growing. The decision “is massively unsettling and demotivating many colleagues,” he said. “Instead of creating prospects for production sites and employment, pressure is being built up.” Lümalı’s real concern is the growing opposition at the grassroots, which threatens to burst the control mechanisms of IG Metall and could lead to workers acting independently and defending their rights. Like a management consultant, he advised management: “Anyone who wants to safeguard competitiveness must invest in strong products, modern technologies and German plants.”

Letter to the workforce

The letter sent by the company to the workforce on 26 June

contained nothing new for IG Metall. It was drafted in coordination with the union, which has already agreed to far-reaching cost-cutting measures at the German plants. At the end of May, the *Stuttgarter Zeitung* reported that the company considered labour costs in Germany too high and saw this as a threat to its competitiveness. “We are examining various options for becoming more efficient and are holding intensive talks with our social partner, with the aim of developing jointly viable solutions,” the company said at the time. That is corporate speak for a deal that the “social partners” (i.e. management and unions) are negotiating behind the backs of the workforce.

The letter invokes the structural crisis of the automotive industry in order to burden employees with the costs of the international crisis of capitalism and rearmament. It disguises the attack on jobs and wages as a “shared sacrifice.” Referring to the escalating global trade war, it says this threatens the “export-oriented business model that has been our success story for decades.”

The Chinese market, once a source of strong sales growth and high profits, had stalled. Chinese car manufacturers were engaged in “ruthless competition” and were pushing “with very lean cost structures and a high pace of innovation into new markets, including Europe.” Germany as a production location had lost considerable competitiveness, the letter stated. German sites had become significantly more cost-intensive over the years than foreign sites.

No other manufacturer employed as many people per vehicle produced in Germany as Mercedes-Benz. Management and “employee representatives” shared responsibility “for safeguarding the long-term future viability of our company in Germany” and they would jointly seek solutions in the coming months. The workforce must work more for less money, the company concludes: “Working hour must become cheaper—in development, sales, administration and production. The most direct and, in our view, fairest way: we should work more for the same money in all areas.”

As an immediate measure, the so-called “T-Geld,” an annual special payment amounting to 18.4 percent of the monthly basic salary, is being deferred for 90,000 employees from this July to next year. The bonus system for managers will be tied even more closely to company success than before. In addition, jobs are being relocated abroad. “And yes, in future we will relocate some products and administrative functions to more competitive international sites in order to secure the company’s long-term

success,” the letter states. At present, two-thirds of the workforce, totalling around 108,000, are employed in Germany.

In addition to the letter, Britta Seeger, the board member responsible for personnel and IT, published a video message on the intranet in which she summarised the initial decisions. Management was reviewing all pay components and special payments; one had to take a close look at what could still be afforded.

Lümalı criticised that IG Metall had not been informed about the deferral of the special payment, describing it as a “unilateral decision” that showed what “pressure” currently existed in the company. What he did not mention: the contract negotiated by IG Metall itself allows the company either to defer the payment or to cancel it altogether. In June, in business daily *Handelsblatt*, supervisory board chairman Martin Brudermüller had already vehemently called for an end to the 35-hour week and a return to the 40-hour week without more pay. This corresponds to the intentions of the government and is welcomed by the entire industry. Brudermüller justified his demand with the deepening crisis and high labour costs, stating that it was “reasonable” to work longer again for the same pay.

Works council and IG Metall ready to cooperate

Mercedes group works council chairman Lümalı signalled his willingness to compromise in an interview with newsweekly *Der Spiegel*. Given the current low capacity utilisation of the plants, this was “not expedient,” he said. The contract bargaining party was IG Metall. Without a corresponding willingness on the part of the union, there could be no negotiations, he emphasised, adding: “But we know that IG Metall and the employers’ association are in constant talks.” The Südwestmetall employers’ association and IG Metall Baden-Württemberg had already agreed the “Pforzheimer Accord”—officially the “Agreement on Safeguarding Jobs, Innovation and Competitiveness”—22 years ago. It enables companies, in “exceptional situations,” to deviate downwards from existing collective agreements. This includes cutting or cancelling special payments and changing working hours without full wage compensation.

According to the *Stuttgarter Zeitung*, neither company management nor IG Metall wanted to comment on whether the extension of working hours was a topic in the “intensive talks.” Legally speaking, Mercedes cannot unilaterally extend working hours, but employees should harbour no illusions that IG Metall will prevent this. According to the *Stuttgarter Zeitung*, citing IG Metall, the union will “only” agree if “clearly defined quid pro quos are included that employees can enforce,” such as binding site guarantees or investment commitments.

The so-called “plant defence” claims of IG Metall are a trap—the sole purpose of this nationalist demand in a world of globalised production is to divide the workforce and secure the company’s profits. At the beginning of 2026, Mercedes relocated production of the A-Class from Rastatt to the Hungarian plant in Kecskemét,

saving 70 percent on labour costs. To assure the low costs, IG Metall was directly involved in introducing the “social partnership” model at the Hungarian plant where it helped build trade union structures in Kecskemét and maintains a cross-border partnership office there. It trains the local Hungarian unions in organisational matters, advises them “strategically” and supports them in collective bargaining.

The “Next Level Performance” savings programme agreed between the works council and the executive board in December 2024 was intended to save €5 billion annually. In 2025, the group saved €3.5 billion, which is now to be increased through the new attacks. Without citing a specific figure, the company had emailed 40,000 employees working outside production, asking them to leave the company in return for severance payments. Under enormous pressure and threats from management and the union, 5,500 have done so. According to *Handelsblatt*, citing sources within the group, personnel costs have fallen noticeably as a result of these departures. However, management was “not completely satisfied” with the final number. The annual profit-sharing payment was also significantly reduced, falling from €7,300 per employee in 2023 to €5,220 in 2024 and €3,139 in 2025.

The Mercedes group sold 2,160,000 vehicles in 2025, 229,000 fewer than in 2024. For the 2025 financial year, shareholders were awarded a total dividend of €3.3 billion at the annual general meeting in April 2026. Mercedes CEO Ola Källenius received €8.8 million.

The high level of participation in Friday’s protest action is an expression of growing opposition among workers to IG Metall’s collaboration with management. Employees at Mercedes, Volkswagen, Bosch, Mahle and throughout the automotive and supplier industries have had enough of the constant sell-offs.

The shop stewards at Mercedes Untertürkheim recently adopted a resolution calling for resistance against the government and the corporations. “We are active in our union and demand that demonstrations against the greed of the bosses, against the government and for a better future be organised as soon as possible. Up to and including strike action. And if the union leadership drags its feet, then we’ll do it ourselves,” it states. However, the resolution calls on employees to wait and see whether the “union leadership” will side with the workers and organise strikes. This is either naive or a calculated manoeuvre. The entire trade union apparatus, rooted in nationalism, supports “social partnership” and the German government’s multi-billion rearmament policies.

The struggle to defend jobs and against the government’s massive rearmament and war policy cannot be waged within the prevailing trade union framework. The immediate task of Mercedes workers is to form independent rank-and-file action committees and build a network with employees at Volkswagen, Bosch and internationally.



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