

The mass layoffs in Germany's auto industry and the global war on jobs

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The threatened mass layoffs at the Volkswagen Group mark a new stage in the ruling class's worldwide drive to slash industrial employment and reorganize production for trade war and rearmament. Plans call for up to 100,000 job cuts across the group and the closure of four German plants employing roughly 40,000 workers.

These closures would follow the destruction of 35,000 German jobs already agreed by Volkswagen, IG Metall and the works council in December 2024. Across the group, management now wants to double the existing target of 50,000 cuts by 2030.

Volkswagen also intends to reduce annual global production capacity from 10 million vehicles currently—roughly 12 million before the pandemic—to 9 million, eliminate up to half its model lineup and consolidate development, administration and other functions through digitization, artificial intelligence and shared services.

The supervisory board rejected CEO Oliver Blume's complete proposal Thursday, but the previously agreed to cuts remain in force, while Volkswagen is proceeding with reductions in models, production capacity and "parallel structures" as management and the union bureaucracy negotiate the form of the next round.

Germany, Europe's largest economy and its manufacturing center, is at the crest of a global layoff wave. More than 100,000 German auto and supplier jobs have disappeared since 2019, and the German Association of the Automotive Industry expects another 125,000 to go by 2035. Some 124,000 manufacturing jobs were destroyed last year. Four Volkswagen closures would devastate entire cities and industrial regions.

In Canada, Stellantis has indefinitely mothballed Brampton, Ford's Oakville plant has remained idle for years, GM has ended production at CAMI and Oshawa has lost its third shift. In the United States, automakers are using automation to eliminate jobs throughout production and logistics.

The corporations are forcing workers to bear the cost of weaker-than-expected EV sales. Volkswagen completely

rebuilt its Zwickau plant as its electric vehicle showcase. It is now threatened with closure. GM promoted Factory Zero as the centerpiece of an American electric vehicle renaissance. It now has only a skeletal workforce while management introduces some 50 additional robots to the factory floor.

The assault on autoworkers forms one front in a far broader ruling-class counteroffensive against jobs. In the United States alone, employers announced 1.2 million cuts last year, while technology companies eliminated nearly 245,000 positions worldwide. Corporations are deploying AI, automation and restructuring as instruments of a deliberate class strategy: slashing labor costs and extracting ever greater profits from workers to sustain a crisis-ridden financial system, while governments divert social wealth to rearmament and war.

Defeating the layoffs requires an international offensive by the working class across the globally integrated auto industry. Organizing that offensive is the aim of the International Workers Alliance of Rank-and-File Committees (IWA-RFC), founded in 2021 to unite workers' struggles across countries and industries.

Workers must reject subordination to "their own" governments and act across national borders. This requires a fight against union bureaucracies that blame foreign workers while aligning with management and the capitalist parties.

An independent Volkswagen Action Committee, formed by rank-and-file workers against management and IG Metall, and affiliated with the IWA-RFC, is organizing opposition to the cuts. "We need this new organisational structure in order to break the dictatorial control of the union officials and works council, with their constant intimidation and threats," it explained in a statement this week.

It called for "coordinated strikes at all sites" and action "up to and including the occupation of plants and departments threatened with closure," together with unity and cooperation with workers across the world.

IG Metall instead preaches labor-management "co-determination," the legal and formal integration of the union

apparatus with management. Labor representatives hold half the seats on Volkswagen's supervisory board, while the SPD-led government of Lower Saxony appoints two more. IG Metall and the SPD thus exercise a functional majority. Works councils that co-manage operations extend throughout the company.

The union already agreed in December 2024 to cut German capacity by 734,000 vehicles and annual labor costs by €1.5 billion. It allowed real wage cuts of up to 20 percent, reduced hours without full compensation and more than halved training positions. Approximately 28,000 workers have already been pressured into "voluntary" departures.

The bureaucracy functions consciously as an instrument of class rule. It is enforcing a strike truce while management prepares the largest jobs massacre in Volkswagen's history. Even the limited protests it has called are explicitly declared not to be "warning strikes." Instead of industrial action, IG Metall diverts workers into appeals for a better business plan and the restoration of German competitiveness.

Union bureaucrats in other countries promote the same nationalist poison. The United Auto Workers demands "Build Here to Sell Here" requirements, punitive tariffs and a one-to-one ratio between domestic sales and production. Unifor promotes the corresponding defense of Canadian capitalism.

But automobile production is among the world's most internationally integrated processes. "America First," "Germany über alles" and similar nationalist programs have never saved a single job. By splitting workers along national lines, they enforce a global race to the bottom, telling workers that sacrifices are required for national competitiveness.

The layoffs are bound up with preparations for war. Conflicts over market share, raw materials and supply chains are assuming military form with the support of the unions. Germany is carrying out its biggest rearmament since Hitler. Core defense spending will rise by nearly one third next year to €109 billion, and to €130.1 billion including military aid to Ukraine and other security spending. The United States is seeking to raise military spending from \$1 trillion to \$1.5 trillion as it expands its war against Iran, escalates the conflict with Russia and prepares for war with China.

These resources are being extracted from the working class. The German government is attacking healthcare, pensions, unemployment benefits and sick leave while forcing the unemployed toward low-paid work. Threatened auto plants are already being discussed as sites for armaments production.

A war economy requires lower labor costs, suppressed strikes and industrial capacity directed toward military priorities. The bureaucracy is auditioning for a role in

wartime dictatorship. Under Shawn Fain, the UAW supports converting auto plants to military production and proposes government-management-union bodies to "rationalize" North American supply chains and turn the continent into a base for US wars.

"The international trade war is becoming a prelude to a world war," the Action Committee warned, pledging that it "will develop and discuss plans for how the fight against mass redundancies can be combined with mobilisation against war and rearmament."

Defending jobs requires a movement to overthrow the union apparatus, transfer power to the rank-and-file and unite workers internationally. The statement points to Will Lehman, a Mack Trucks worker and socialist who was nominated for UAW president on a program of abolishing the bureaucracy and transferring power to rank-and-file committees.. It quotes Lehman: "This struggle must not stop at a factory gate or at a national border. In it, workers must be united across all plants, in all industries and all countries."

The right to employment and a decent wage must take precedence over the wealth of the Porsche and Piëch families and shareholder profits. The oligarchs must be expropriated and production placed under workers' control. Productivity gains from automation must shorten the working week without any loss in pay rather than destroy livelihoods.

Workers possess immense social power. The urgent task is to build rank-and-file committees at every plant and unite them through the International Workers Alliance of Rank-and-File Committees in a coordinated international struggle.



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