Growing unrest, resistance to the break-up of the Volkswagen Group

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This week, the Volkswagen Group executive board began preparing employees of the core VW brand for a further round of cutbacks, extending measures that began at the end of 2024. The process could ultimately end in the break-up of one of the world's largest car makers.

Nine plant meetings are planned by the end of the week, including in Emden, Salzgitter, Kassel, Hanover, Zwickau, Chemnitz and Dresden. The two plants in Wolfsburg and Braunschweig held the first meetings Wednesday.

According to the works council, more than 10,000 employees followed the plant meeting in Wolfsburg, both inside and outside Hall 11. Additional screens were set up outside the hall to broadcast the proceedings. In Braunschweig too, where head of components Thomas Schmall defended the cost-cutting drive, thousands attended the meeting.

The IG Metall union organised its usual toothless protest. In front of the podium, shop stewards held up banners reading, "Stop the flight from collective bargaining!" and "Our jobs are not your balance sheet correction!" CEO Oliver Blume's speech was repeatedly interrupted by loud whistling. But these stage-managed protests cannot disguise the fact that IG Metall and the works council are collaborating closely with the executive board and playing a key role in pushing the cutbacks through.

Works council Chairwoman Daniela Cavallo called for "cooperation between the social partners" to be intensified in light of the difficult situation. She said: "Our trust in this executive board, and particularly in its chairman Oliver Blume, has been damaged. Not yet irreparably. But damaged."

In Wolfsburg, CEO Blume again stressed that there was no competitive level of production planned for the plants in Emden, Hanover, Zwickau and Neckarsulm for the 2030s. "But that does not mean that plant closures have been decided," he claimed, adding that was always the last and most expensive solution. On the announced additional job cuts, Blume said, "The frequently cited figure of around 50,000 jobs worldwide is not a target. It is a theoretical calculation—derived from our costs."

Cavallo declared that the works council would not accept plant closures. But Blume also left the question open, stressing that the executive board had not yet made any decisions on the matter. Both sides are using the uncertainty over plant closures to justify the elimination of even more jobs, while imposing wage cuts and cuts to social benefits. Behind the scenes, far-reaching plans already exist to break up the entire VW Group and streamline its most profitable divisions for profit.

Last Friday, Blume stated in a video that the situation at VW was "more than critical" and that the savings made so far were not sufficient. "We are oversized," he said. Up to 100,000 jobs would have to be cut across the entire group—including at Audi and Porsche. That would double the job cuts already agreed with IG Metall and the works councils.

On Monday morning, shortly before the first two plant meetings, news weekly *Der Spiegel* and other media outlets reported on a cutback plan by the VW leadership under the heading "Group Target Picture 2030." Blume had already put four plants in Germany up for discussion beforehand. According to "Group Target Picture 2030," the VW plants in Zwickau and Emden are to end production in 2031, VW's commercial vehicle plant in Hanover in 2032 and the Audi plant in Neckarsulm in 2034.

The closure or sale of the VW plant in Osnabrück is already a done deal. Here, the only remaining question is which arms company will take over the plant and part of its workforce.

Under this deliberately leaked plan, only the Audi production plant in Ingolstadt and VW's main plant in Wolfsburg would remain. Blume is also said to be planning "structural reforms," namely spinning off Volkswagen into its own public limited company. The plan to split off the components plants—chiefly in Kassel (Baunatal), Braunschweig, Salzgitter and Chemnitz—into a separate division had already been publicly discussed beforehand.

Such a split would circumvent the Volkswagen Act and strip the state of Lower Saxony, which holds a 20 percent stake in VW, of its veto rights over key decisions. So far, however, no job cuts have ever been blocked by an SPD (Social Democratic Party) state government. The split is aimed above all at dividing the workforce and carving up the group: the most profitable parts are to be cashed in on the stock market, while the rest are discarded or shut down.

The experience since the "Christmas miracle"

As a result of the December 2024 cutbacks, which IG Metall and the works council hailed as the "Hanover Christmas miracle," VW is saving €15 billion a year—€1.5 billion through wage cuts and around €13.5 billion through the destruction of 35,000 jobs and a reduction in capacity of more than 730,000 vehicles. Workers' real wages have been cut by up to 18 percent.

What has happened since exposes the lies used to justify the cutbacks.

In February 2026, cash reserves of €6 billion suddenly turned up in the corporation's coffers—enough to pay board members bonuses of up to €1.75 million each. Blume himself received a salary of more than €7.4 million in 2025. Chief Financial Officer Antlitz admitted that the windfall came from cancelled investments. For a long time previously, the radical cuts had been justified as necessary "investments in future viability."

At almost the same time, the executive board announced an additional 20 percent cost reduction across all brands—saving €60 billion a year, six times the 2024 programme. In May 2026, Blume presented the supervisory board with a 180-page corporate plan that for the first time envisaged specific plant closures. Audi chief Döllner openly warned that the "continued existence of the German car industry" was at stake.

The message is unmistakable: Plant closures were planned from the outset. The assurance that they had been averted by the "Christmas miracle” was a deliberate lie, designed to smother resistance among the workforce.

War economy and competition from China

Behind the cutbacks lies not management failure but the restructuring of German industry in the service of profit maximisation and war preparation. VW is not suffering losses; net profits last year came to almost €7 billion. Of that, more than €2.6 billion flowed to shareholders as dividends.

But that is still not enough. Shareholders—above all, the Porsche-Piëch clan, who own a large slice of the VW group—regard the current return of 3.8 percent as too low. Blume further inflamed feelings among the workforce when, in an interview with *Bild am Sonntag*, he demanded that employees accept further cuts (“Everyone has to pull their weight”).

Two factors are accelerating the cutbacks.

First, the escalating trade war and growing competition from Chinese manufacturers. VW is losing massive ground in China, its most important sales market—not only because of the economic crisis there but, above all, because Chinese electric car makers such as BYD are capturing market share with technologically superior and cheaper vehicles. This competition is by no means confined to China any longer. Chinese manufacturers are pushing into Europe, Southeast Asia and Latin America. The VW executive board’s response is to ruthlessly squeeze its own workforce in order to raise the profit margin per vehicle.

Second, the shift to a war economy. The hundreds of billions of euros the German government has earmarked for rearmament are opening up new sources of profit for corporations. VW has maintained its own “Defence and Human Resources Consulting Team” since 2020 to further develop strategic initiatives in the security and defence field.

Armin Papperger, CEO of arms giant Rheinmetall, has already described the VW plant in Osnabrück as “very suitable” for tank production. Works council Chairwoman Cavallo has stated that arms production is “an option” for Osnabrück. And Lower Saxony State Premier Olaf Lies (SPD) has called for better utilisation of the plants through “additions,” such as arms production.

IG Metall already concluded a rearmament pact with the SPD and the arms industry back in February 2024. In the future, VW engineers are to mass-produce not cars but drones, munitions and military vehicles. In doing so, the group is directly reconnecting with its history as a Nazi arms manufacturer, which used forced labourers during the Second World War to produce anti-tank weapons, mines and V-1 rockets.

Preventing the next round of cutbacks

It is time for VW workers themselves to take action and wrest control from the IG Metall apparatus and the works council. These bodies are working to contain the growing anxiety and anger among the workforce in order to implement the attacks demanded by the Porsche-Piëch owners and the capital markets.

Over the coming months, the IG Metall apparatus and the VW General Works Council under Daniela Cavallo intend to work out the mechanisms for achieving the calculated savings. The SPD-led state government, IG Metall and the works council have announced that they will present their own proposals for saving billions at the upcoming supervisory board meeting in early September.

This “alternative savings plan” bodes nothing good. When Blume called for the elimination of 30,000 jobs in 2024, the IG Metall and works council apparatus agreed with him on the elimination of 35,000 jobs, along with wage and salary cuts of up to 20 percent.

Volkswagen works council Chairwoman Cavallo and IG Metall District Secretary Thorsten Gröger justified these, the most sweeping attacks in the postwar period, by claiming they would prevent compulsory redundancies and plant closures. The WSWS explained at the time that the closure of entire plants had not been averted, only postponed. This is now being confirmed.

Withdraw the mandate from the IG Metall apparatus and the works council—Build the VW Action Committee!

At this week’s plant meeting, Cavallo left no doubt that she and her works council apparatus are preparing the next round of social cutbacks. “My position is clear,” she said. “We have fought for employment security, and we will continue to fight in the future to ensure that changes take place in a socially responsible way.”

She does not intend to prevent the next wave of job cuts and plant closures but to shape them “in a socially responsible way.” Opposition to this is to be nipped in the bud. That is why the works council and IG Metall do not allow any discussion at the plant meetings. The workforces are being strung along and fobbed off with vague announcements from management and equally vague promises from the works council reps.

The fight to defend jobs can be waged successfully only if workers withdraw their mandate from IG Metall and the works council and build independent rank-and-file action committees that are democratically organised and coordinate resistance internationally. The fight against the cutbacks and against war requires a break with so-called “social partnership” and an orientation towards the international unity of the working class.

Get active now. Get in touch with us and strengthen the VW Action Committee. Send a message via WhatsApp to +49 163 3378340 and register via the form below.