Volkswagen board votes to close four plants, cut tens of thousands of jobs across Germany

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The executive board of Volkswagen AG has decided to close its German plants in Emden, Hanover, Zwickau and Neckarsulm, which together employ almost 45,000 people. That is according to business weekly *Wirtschaftswoche*, citing an internal paper prepared for the supervisory board, which meets on Friday. Behind the decision stand the billionaire owners of the Porsche/Piëch clan, who are demanding nothing less than the break-up of the group. The plant closures are the first step towards that goal.

Production at the affected sites is to be moved abroad: the ID.4's successor, the ID.Tiguan, moves from Emden to Škoda's Mladá Boleslav plant in 2031. The successor to the Audi Q4 e-tron, currently built in Zwickau, goes to Volkswagen's Bratislava plant in 2031. The Hanover commercial vehicle plant will still receive the contract for an electric van called the "Space" in 2028, but production will move to Pozna?, Poland, from 2032. And the A8's successor will not go to Neckarsulm as usual, but to Leipzig from 2034.

If the owners and group chief executive Oliver Blume get their way, within eight years all German production sites will have been closed or sold off, apart from four: VW in Wolfsburg, Audi in Ingolstadt and Porsche in Stuttgart-Zuffenhausen and Leipzig. Even Zuffenhausen will not escape unscathed: from 2030, the discontinuation of the Taycan line is to cut capacity there by around 30,000 vehicles a year.

The closures are part of a plan to break up the group and cash in its profitable divisions. According to *Wirtschaftswoche*, the executive board is leaving the four plants only one chance to continue producing cars. If they can bring their factory costs down to a competitive level by the end of June 2027, further use of the plants would at least be considered.

According to the supervisory board paper, factory costs at German sites averaged €6,490 per vehicle in 2025, compared with just €2,832 at European sites outside Germany. This figure covers only the direct operating costs, including wages, incurred in assembling a vehicle, and does not include material, development or administrative costs.

Last week, when the VW works council calculated that factory costs make up only one-seventh of a car's total cost, that only two-thirds of that figure is labour costs, and that even "halving pay" would therefore cut the cost per car by only 5 percent, many workers were stunned: "Is that what they're negotiating right now? Halving our wages?"

It has since become clear that the IG Metall union and works council apparatus have evidently been negotiating exactly this behind the workforce's back for some time. They did not say a word about it even at the nine plant meetings held last week.

The plant closures and the break-up of the group are closely intertwined: the executive board plans to spin off the car business and the components division into separate public companies. Volkswagen AG would become a holding company, the low-return plants would be wound down, and the profitable divisions would generate the returns the owners are demanding.

Arms production is set to become one of these profitable divisions: at the plant meetings, components board member Thomas Schmall presented information showing that the company also envisages the manufacture of military drones. For Osnabrück, whose closure was already a done deal, a sale agreement with the Israeli arms company Rafael is imminent; the plant is to produce components and launchers for the "Iron Dome" defence system.

IG Metall and the Lower Saxony state government are opposing the break-up—each for its own reasons. The union apparatus fears for its role as corporate adviser and workplace police force, for which its officials are handsomely paid. Social Democratic Party (SPD) State Premier Olaf Lies, for his part, knows that if the SPD—which put up posters reading "We are fighting for every job" during the Berlin state election campaign—allows these brutal cuts to go ahead, its days will be numbered in Lower Saxony too. Lies is therefore pressing "to use the time remaining before the next meeting to bring the different positions together."

This is plainly impossible. Thorsten Gröger, IG Metall's Lower Saxony regional chairman, complained that it was "clear that this provokes a confrontation none of us wants."

When group chief executive Blume provoked a confrontation in 2024 by demanding the elimination of 30,000 jobs, IG Metall responded by agreeing to cut 35,000 jobs and reduce wages by up to 20 percent, supposedly to prevent plant closures.

Less than two years later, these promises are proving to be lies, as the WSWS warned from the outset. But General Works Council Chairwoman Daniela Cavallo is carrying on as before. After Blume announced plans to cut 100,000 jobs, she calculated that 115,000 jobs were at risk, so that she could later sell a reduction of 100,000 jobs as a "success."

Neither IG Metall and the works council nor the state government reject phasing out car production at individual sites, as long "as many jobs as possible" are preserved. Cavallo, Gröger and Lies also support the switch to arms production, which likewise involves mass job losses. In IG Metall's parlance, a plant closure counts as "averted" if a site is sold off cheaply to an arms company and kept running with a skeleton workforce.

IG Metall and the state government do not, however, want the group's corporate structure broken up. The state of Lower Saxony holds 20 percent of VW, with a guaranteed veto right, and is represented on the supervisory board by Lies and Green Party state education minister Julia Willie Hamburg. Together with IG Metall and works council representatives, they hold a majority on the board.

Management and the owner families want to break up this arrangement. The VW brand, like Audi and Škoda before it, is to be spun off as an independent subsidiary of the Wolfsburg-based holding company. The executive board and owners are threatening to push this through at an extraordinary shareholders' meeting in late October or early November.

The Porsche/Piëch clan is set on a collision course. The *Frankfurter Allgemeine Zeitung* quotes an "insider" describing the mood within the families: "There's a hardline faction that says: we need to let this escalate now. Partly to show that things can't go on like this."

While the workforces are being kept in the dark about their future, the bureaucrats of IG Metall, the works council and the state government sit down with VW management to hammer out the attacks.

This can only be prevented if the workforce takes matters out of the hands of the union and works council apparatus—and does so quickly. Time is short. Blume has promised that "a perspective" will exist for every plant within six to 12 months. By then at the latest, IG Metall, the state and the group will have coordinated their attacks on behalf of the shareholders. The mandate must be withdrawn from the highly paid officials, whose own futures are secure, in any case.

To this end, the VW Action Committee must be built up and strengthened. Everyone who wants to fight to defend their jobs and plants must organise within it, regardless of whether they belong to IG Metall or another union. What matters is the will to fight: the will to stop standing by as wealthy IG Metall and works council officials enforce the interests of the super-rich on the backs of the workforce.

The austerity diktats must be rejected. The profit demands of the owner families and shareholders can no longer be allowed to set the standard for decisions. When the billionaire Porsche and Piëch families demand that returns be raised to 8 to 10 percent to remain creditworthy and avoid scaring off investors, they are only demonstrating one thing: their profit system is at an end and can no longer be reconciled with the vital interests of the workforce.

The almost 100,000 Volkswagen AG employees create all the value. The billions generated every year belong to them. The livelihoods of the workforce must take precedence over the profits of the billionaires.

If the oligarch families now also want to abolish the Volkswagen Act—the 1960 law that gives the state of Lower Saxony special voting rights and a veto over the company—in order to cash in the remaining profitable parts of their work of destruction, this crowns their family history: a history of exploitation and plunder.

This special arrangement at VW is a direct consequence of Nazi rule and the collaboration of Ferdinand Porsche and Anton Piëch with Adolf Hitler. The Nazis founded Volkswagenwerk GmbH in 1937/38; Ferdinand Porsche was its chief executive and received a personal commission from Hitler to design a "people's car" (Volkswagen). What was produced in what is now the main Wolfsburg plant, however, was not cars for the people but military vehicles. Porsche's son-in-law, Anton Piëch, ran the main plant as chief executive from 1941 to 1945.

The money with which Porsche and Piëch built up the plant did not come from their private wealth but from the assets of the trade unions, which the Nazis had confiscated. The founding share capital of 50 million reichsmarks was provided by the German Labour Front (DAF), which had seized it from the banned trade unions; a further 80 million reichsmarks followed later.

This entanglement of the Porsche and Piëch families with the Nazis is the reason for VW's special status today. In 1949, the British military government handed trusteeship of the plant to the state of Lower Saxony. Ownership was meant to be shared with the federal government and the trade unions, but the German Trade Union Confederation (DGB) waived its rights. In 1960, the GmbH was converted into a public company; 60 percent of the capital was issued as "people's shares," mostly to small shareholders, while the federal government and the state of Lower Saxony each held 20 percent. The federal government sold its stake to VW in 1988.

The fact that the families of Nazi collaborators own the group today is due to an agreement negotiated in 1948 between Ferdinand Porsche's children and then VW chief Heinrich Nordhoff. Ferry Porsche and Louise Piëch secured VW's recognition of the family's design rights to the VW Beetle. The family thereafter received a licence fee for every Beetle built and secured the exclusive general import monopoly for VW vehicles in Austria, out of which grew the highly profitable Porsche Holding Salzburg. The millions in revenue generated this way over the decades provided the capital with which the families, who until then had only controlled the sports car brand Porsche, gradually bought up a majority stake in the Volkswagen group from 2005 onwards.

The fortune of the heirs to this dynasty—built on expropriated trade union funds, arms production and the use of forced labourers—must be expropriated. The estimated nearly €40 billion must be used to secure wages and every job and to improve working conditions. The workforce must decide what is produced and how. They, and their mothers and fathers before them, built up the company with their money and their labour.

We call on all Volkswagen employees to get in touch with us to take this up. Contact us via the form below or send a message via WhatsApp to +49 163 3378340.

To contact the WSWS and the Socialist Equality Party visit:

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