Volkswagen supervisory board rubber-stamps 50,000 more job cuts in secret deal with IG Metall union

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Anyone who heard Friday's news that Volkswagen's supervisory board had unanimously approved the elimination of a further 50,000 jobs could not help but ask: Is there truly no limit to the betrayal of the workforce and union members by IG Metall and its works council representatives?

Under Germany's two-tier corporate system, a supervisory board oversees the separate executive board that runs day-to-day operations. By law, VW's supervisory board is split equally ("parity based") between shareholder and employee representatives. On this board, the so-called employee representatives, together with the Social Democratic Party (SPD)-governed state of Lower Saxony (which itself owns a major stake in VW), hold a majority and could have blocked the executive board's plans. Instead, they caught the workforce off guard, brought forward the supervisory board meeting originally scheduled for Friday and agreed in full to the diktats of the billionaire Porsche-Piëch clan, who hold a majority stake in the corporation.

The decision taken by the Volkswagen Group's supervisory board can only be described as historic. The trade union apparatus has made itself the direct enforcer of the executive board and the owners. Some 75,000 jobs in Germany, and tens of thousands more worldwide, are to be destroyed.

Without any discussion with union members or the more than 600,000 employees worldwide, a handful of highly paid union bureaucrats, bought off by the corporation, have taken it upon themselves to decide the fate of many thousands of working-class families, agreeing at a secret overnight meeting to every demand of the executive board and the families that own the company.

As recently as last Wednesday, all IG Metall and works council representatives repeatedly stated publicly that the supervisory board would not approve the restructuring plan drawn up by VW group chief executive Oliver Blume. Just two days later—on Thursday evening—the supervisory board unanimously adopted it.

The supervisory board was originally due to meet on Friday. But according to *Manager Magazin*, citing an "insider," the SPD state premier of Lower Saxony, Olaf Lies, who sits on the supervisory board, met secretly with the VW executive board on Wednesday evening to negotiate the restructuring package. IG Metall Chairwoman Christiane Benner and General and Group Works Council Chairwoman Daniela Cavallo were reportedly then brought in. By morning, the details had been worked out.

On Thursday, the supervisory board's presidium met first. Besides Lies, Benner and Cavallo, its members include supervisory board chairman Hans Dieter Pötsch and owner representatives Hans Michel Piëch and Wolfgang Porsche, as well as Rita Beck (deputy works council chair of Audi Ingolstadt) and Gerardo Scarpino (managing director of the General and Group Works Council), Cavallo's right-hand man.

After the presidium reached agreement, the supervisory board meeting originally planned for Friday was moved forward to Thursday evening. There, every member of the supervisory board rubber-stamped the restructuring plan—alongside the presidium members, including works council and IG Metall officials Harald Buck (Porsche), Daniela Nowak (VW Braunschweig), Karina Schnur (MAN Truck & Bus), Conny Schönhardt (IG Metall executive board) and Matías Carnero Sojo (SEAT).

In this way, the leaderships of the SPD, IG Metall and the works council agreed in secret meetings within the space of 24 hours to an unprecedented jobs massacre.

The executive board and the owner families had demanded the elimination of a further 50,000 jobs, including 25,000 in Germany. This is now being implemented to the letter. Combined with the cuts already agreed, the jobs massacre in Germany alone now totals 75,000 positions.

In addition, 45,000 jobs at the four German plants remain under direct threat. According to IG Metall, the executive board has "certified acute competitive disadvantages" at Emden, Hanover, Neckarsulm and Zwickau, and does not intend to "allocate them successor products from 2031 to 2034." This did not yet provide "any certainty," the union says, and "alternative uses" are to be examined—in other words, a sale, preferably to the arms industry.

The 25,000 jobs to be destroyed outside Germany are of no interest to either IG Metall or Cavallo's works council. Citing the executive board's 146-page restructuring plan, German investigative outlet *Correctiv* reported that a fifth plant would have to close. Management sources said this could affect the Gy?r site in Hungary.

According to the report, the Spanish brand Seat is also under review and could be discontinued "by the end of 2029 at the latest." Seat was founded in 1950, belonged to Fiat until 1982, and was later taken over by VW.

All this is intended to secure the owners' key objective: raising profits. An operating return on sales of 9 percent is to be achieved within three years. It stood at 3.8 percent at the mid-year point in 2026. In addition, investments of €135 billion are planned for 2027 to 2031, down from planned investments of €180 billion in 2024. It was these supposedly urgently needed funds that were used in 2024 to justify the elimination of 35,000 jobs and wage cuts of up to 20 percent.

Cavallo is quoted in a Volkswagen Group press release as saying, "The future plan is a necessity for successfully leading our group into the next decade, without the measures involved coming one-sidedly at the expense of the workforce." In doing so, Volkswagen was "once again upholding the equal priority of job security and economic viability."

One can only rub one's eyes in disbelief. What is Cavallo talking about—she who has several hundred thousand euros transferred into her account by VW every year? For the workforce, every nightmare scenario has come to pass. Yet while Benner, Cavallo and company have coldly abandoned the workforce, they have fought passionately for their own social interests. The threatened spin-off of the core VW passenger car brand and the components division was off the table, Benner and Cavallo declared with satisfaction—meaning the attack on the corporatist structures that bind the bureaucracy to the company had been successfully fended off.

These “co-determination structures” are nothing other than the legalised bribery of works council members and the trade union apparatus. Last year, Benner and Cavallo each received more than €380,000 for their supervisory board membership alone—and they sit on several boards. “Ordinary” supervisory board members receive a fixed payment of €170,000 per financial year; those who also sit on committees receive up to €150,000 extra. In 2025, all IG Metall representatives together received almost €2.4 million from VW.

Part of the deal was the appointment of Erika Rasch as the executive board member for human resources. Under the co-determination rules, it is normally IG Metall that decides who fills this post, which carries an annual salary of €7 to €8 million—the most financially lucrative position available to a trade union official. In exchange for the preservation of co-determination and the legalised corruption that comes with it, IG Metall has now accepted the Porsche and Piëch families’ preferred candidate.

On October 1, Rasch is to join VW from supplier Bosch, where she most recently headed the entire global human resources division and played a leading role in designing the “HR Strategy 2030” programme, which will claim 22,000 jobs. She brings “new perspectives and ideas,” supervisory board chairman Pötsch said approvingly, and has “extensive experience in workplace co-determination”—in other words, in collaborating with works councils and IG Metall to cut jobs.

The supervisory board’s unanimous approval of the executive board’s restructuring plan is the final, damning proof that the workforce must free itself from the union apparatus. To protect its own privileges, this apparatus will without hesitation sacrifice the last plant, the last employee, the last IG Metall member.

VW is merely the starkest expression of an international phenomenon. Workers everywhere in the world are confronted with the fact that union apparatchiks draw up and enforce the attacks together with corporate executives. In the German auto industry alone, some 100,000 jobs have been destroyed since 2019, with a further 125,000 to follow by 2035. In the US, China, Mexico, Canada and many other countries, corporations are responding to the general crisis of capitalism with a jobs massacre, wage cuts and intensified exploitation.

The union apparatuses are not negotiators who can be pressured “from within their own structures” into taking up a fight. They stand on the other side of the barricade—they are co-organisers of the jobs massacre. Every attempt to “reform” them or “push them to the left” leads only to frustration, demoralisation and, ultimately, strengthening the right wing.

The way out lies in building independent rank-and-file action committees—elected by the workers themselves, accountable to the workforce and free of full-time union officials or works council barons. These committees must proceed from the principle that workers’ rights take precedence over the profit interests of the owner families and must defend every single job. They must overcome the fragmentation of individual plants imposed by IG Metall and unite the workforce across locations and industries.

Such a struggle cannot be confined within national borders. The Volkswagen Group is a transnational corporation. Workers in Germany, Hungary, Spain, the US, Mexico and China face the same attacks from the same company. Every concession the unions make in one country encourages corporations to intensify their attacks worldwide.

For this reason, the *World Socialist Web Site* and the Sozialistische Gleichheitspartei (Socialist Equality Party, SGP) support the International Workers Alliance of Rank-and-File Committees (IWA-RFC), founded by the International Committee of the Fourth International as a democratic organ of the international class struggle in the twenty-first century. Its aim is to coordinate the struggles of workers in different companies, industries and countries, and to direct the immense social power of the working class against the corporations and the capitalist system—towards a global counteroffensive of the working class.

The model for this struggle is the campaign of Will Lehman, the 39-year-old autoworker at Mack Trucks in Pennsylvania who is running for president of the US autoworkers’ union, the UAW, as a socialist and internationalist.

Lehman shows how a principled struggle within the union must be waged. His campaign does not aim to “reform” the UAW bureaucracy or replace one bureaucrat with another, but to mobilise the broadest layers of autoworkers in a mass movement in order to abolish the bureaucracy, transfer power to the membership—that is, to the rank and file—and return the union’s resources to the workers.

At the same time, the fight to defend jobs must be linked to the fight against militarism and war—since the billions being squandered on rearming the Bundeswehr (armed forces) and on the wars of the imperialist powers are being taken directly from working people.

The great betrayal at VW, and the aggression with which the owner families are enforcing their profit drive, point to two important conclusions:

First, the VW oligarchs must be expropriated. Their founding capital rested on Nazi terror and forced labour, and their present-day fortune of €40 billion was produced by generations of workers. It must be used for the benefit of the workforce.

The arrogant claim by the billionaires that mass layoffs, wage cuts and plant closures are indispensable to save their profit system means that capitalism has reached its end point and can no longer be reconciled with the vital interests of the population.

If there is something society can no longer afford, it is not the welfare state and jobs—it is the billionaire oligarchs of the Porsche and Piëch families.

Production at every site must be placed under workers’ control, and all of society’s resources must serve the social needs of the working class—the class that creates all value—rather than the profit interests of the rich.

Second, the building of the VW Action Committee must be accelerated and intensively pursued. IG Metall and the works councils stand exposed as accomplices and co-conspirators of the billionaires. A new organisational structure is indispensable. That is why we are fighting for the unification of all VW employees in independent action committees, across plants and borders, as part of the International Workers Alliance of Rank-and-File Committees (IWA-RFC) and in preparation for an international socialist revolution.

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