VW Osnabrück: Making weapons for genocide and war instead of convertibles

Dietmar Gaisenkersting
9 September 2026

On Monday, the Volkswagen Group agreed to sell its plant in Osnabrück to Israeli investment firm Aurelius Capital and the state of Lower Saxony. Instead of convertibles, the Israeli-Lower Saxony state-owned company will now produce weapons for genocide and war.

Production of the T-Roc convertible at Osnabrück will end in the summer of 2027. The site is to be converted into a "centre of excellence for security and defence solutions"—a euphemism for the switch to war production.

The state of Lower Saxony is expected to take a 20 percent stake in the joint enterprise, with the venture capital fund Aurelius Capital holding the majority. Former executives from the Israeli and US security sectors were involved in founding the fund; leading figures come from the Israeli military and intelligence apparatus. In the deal, Aurelius Capital is working hand in hand with Rafael Advanced Defense Systems, a state-owned arms manufacturer that builds, among other things, the "Iron Dome" missile defence system. Rafael reports directly to the Israeli Ministry of Defence, and thus to the Netanyahu government.

The VW Group Works Council under Daniela Cavallo has hailed the collaboration with Israel's genocidal regime, describing the deal as "strong news for the site." Israel's largest arms manufacturer will produce, among other things, heavy-duty missile transport vehicles, launch systems, generators and engines in Osnabrück.

The state's Social Democratic Party (SPD)-Green coalition government under State Premier Olaf Lies (SPD), the group works council and IG Metall union have actively driven forward the conversion of a car plant into an arms factory and are celebrating it as a "milestone." Volkswagen, meanwhile, is withdrawing completely from Osnabrück.

At its peak in the 1990s and early 2000s, when the historic Karmann brand built convertibles there, the plant employed up to 10,000 workers. After Karmann went bankrupt in 2009, Volkswagen took over the site, by which time the workforce had already shrunk considerably. Since then, employee numbers have fallen to 1,800.

The works council and IG Metall have agreed that only two-thirds of these jobs will continue at the new arms plant: 400 jobs will be cut immediately, with a further 200 to go "in the near future." Employment protection for the remaining 1,200 workers runs only until the end of 2029.

Nevertheless, the union bureaucrats are delighted. Cavallo speaks of an "important milestone for our colleagues in Osnabrück," with 1,200 people gaining "a future at their site." For Jürgen Placke, works council chairman in Osnabrück, the "takeover of our plant by Aurelius and the state of Lower Saxony is a first major success." And IG Metall chair Christiane Benner fantasises about a "new industrial future for Osnabrück and the region," which would mean "above all security for employees and their families."

How the SPD is putting the economy on a war footing

It is the SPD that has made possible the entry of Israel's state arms industry into Germany, both in the federal government and in the Lower Saxony state government.

Since the summer, the state has been examining whether to take a stake in the plant; according to media reports, the state was considering an investment of at least €200 million. The SPD-Green state government pushed forward the conversion from car to arms production and is now backing it with its own stake.

The deal deliberately outmanoeuvres Qatar, which holds 17 percent of Volkswagen's voting rights through its Qatar Investment Authority sovereign wealth fund, and which had until now opposed Rafael's entry on VW's supervisory board. Exactly one year ago, on 9 September 2025, the Israeli Defence Forces (IDF) carried out a targeted airstrike on a residential building housing the Hamas leadership in Doha, Qatar, killing and injuring several people. Among the hundreds of civilians deliberately killed in Gaza are numerous journalists from the Qatari broadcaster Al Jazeera, including Hamza al-Dahdouh, Ismail al-Ghoul, Rami al-Rifi, Anas al-Sharif and Ibrahim Zaher.

Under the current arrangement, Qatar is being bypassed: VW is withdrawing completely from the plant and selling the factory along with its land and buildings—rather than acting as a partner in the arms business, as originally planned. The new owners, Aurelius Capital and the state of Lower Saxony, are concluding the arms contracts with Rafael independently, removing the legal basis for a Qatari veto.

While Defence Minister Boris Pistorius, together with SPD leader and Finance Minister Lars Klingbeil, are making Germany "fit for war," pouring billions into rearmament and squeezing the

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money out of the population through massive social cuts, their fellow party member Lies has played a decisive role in Lower Saxony in driving forward the plant's sale and repurposing.

Lies called the agreement a "genuine industrial opportunity" for Osnabrück, pointing to the "changed security situation" and the "increased need for security." Lower Saxony wanted to help ensure that this "creates value and secure employment," he said. A pro-war policy could hardly be stated more plainly.

In converting Germany into a nation geared for war, the SPD can rely on the IG Metall union. Many trade unionists and workers have pointed with outrage to the union's own constitution, under which IG Metall commits itself to "peace, disarmament and international understanding" and aims for the "democratisation of the economy while keeping neo-fascist, militarist and reactionary elements at bay."

The IG Metall and works council apparatus has openly aligned itself with the government's massive rearmament programme. For Jürgen Kerner, IG Metall's deputy chairman, the question is not whether the union agrees to the conversion to war production, but "how it can best support it."

The sale of the VW plant in Osnabrück marks a turning point: for the first time, an entire car plant is being converted into an arms factory. Investment funds already see Osnabrück as a test case for the conversion of further VW plants.

If IG Metall and the works council have their way, the four plants in Emden, Hanover, Neckarsulm and Zwickau, where the end of car production is already settled, may also be "rescued" by the arms industry. Last week, in a historic betrayal, IG Metall and the works council agreed together with the owner families and management to cut a further 50,000 jobs and phase out these four plants.

The union officials have since vehemently denied that this sealed the plants' closure: they claim to have merely "taken note" that these plants had "acute competitive disadvantages" and would "not be considered for follow-up products from 2031 to 2034." It should therefore be examined, they say, whether there were "alternative uses"—in other words, a sale, preferably to the arms industry.

The conversion of VW into a part of a war economy by the Porsche/Piëch families and the state follows historical precedent. Volkswagen was founded by the Nazis in 1937, after the destruction of the Communist Party of Germany (KPD), the SPD and the trade unions, as the "Gesellschaft zur Vorbereitung des Deutschen Volkswagens mbH" (Company for the Preparation of the German Volkswagen, Ltd). With the outbreak of war in 1939, the company switched entirely to arms production, manufacturing Kübelwagen (a light, open-topped military utility vehicle) and Schwimmwagen (an amphibious variant), both built on the Volkswagen chassis, as well as aircraft parts and the V-1 rocket.

The company's development was financed with funds seized from the banned trade unions and with huge profits from wartime arms production and forced labour. This is the basis of the two families' present-day fortune of around €40 billion.

Today, it is the SPD that is playing the decisive role in gearing up Germany for war. The trade unions, generally led by Social Democrats, support this drive. As early as February 2024, IG Metall had concluded a formal "rearmament pact" with the SPD and the arms industry: "Germany's own defence capabilities on land, in the air and at sea must be further developed and, where necessary, newly built up, in order to secure the industry's capacity," the document states, which was signed by IG Metall, the Federal Association of the German Security and Defence Industry (BDSV) and the SPD's Economic Forum.

The attack on jobs, working conditions and wages is part of an escalating class war that is inseparably bound up with the return to war and militarism. Hundreds of billions of euros are being invested in rearmament. According to its own figures, the federal government has transferred more than €43.3 billion to Ukraine since February 2022 and provided or committed military support worth around €57.6 billion.

Berlin supports the Netanyahu government with billions of euros' worth of arms in its genocide of the Palestinians and its war against Iran. In the first half of 2026 alone, approved arms exports to Israel came to just under €800 million—compared with around €650 million over the preceding three years.

The conversion to arms production must be rejected. The defence of jobs cannot be left to the trade unions, which act as the paid agents of the corporations. Instead, independent rank-and-file action committees must be built to coordinate struggles across industries and countries, as part of the International Workers Alliance of Rank-and-File Committees (IWA-RFC).

The nationalist policy of the trade unions, which plays off one plant against another and supports the government's war policy, must be countered with the international unity of the working class—regardless of nationality, origin or skin colour.

The fight for jobs and against war requires a socialist strategy: the needs of the working population must take precedence over corporate profits; the dictatorship of the corporations must be broken and their enterprises transferred into public ownership.

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