

# Volkswagen plans worldwide pay freeze until 2030

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The Volkswagen Group plans to freeze the salaries of its roughly 650,000 employees worldwide until 2030. This emerges from internal documents for the international top management, which were first reported by the *Süddeutsche Zeitung* (SZ). On Monday morning, the European and World Works Councils confirmed the plans on the group intranet. The freeze affects not only the workforce of the core VW brand but also the workforces of subsidiaries such as Audi, Porsche, Škoda, Seat, Cupra and Traton, among many others.

For the 275,000 employees in Germany, a four-year pay freeze, with inflation remaining at the same rate, would mean a real wage loss of 12.5 percent. Inflation currently stands at 3.4 percent and is expected to rise further next year.

The plans are said to be part of the savings programme, internally called “Group Target Picture,” drawn up by VW CEO Oliver Blume. It speaks of a “realignment” of international collective bargaining. The budget the group makes available to fund pay raises is to be slashed. The SZ reports a “pay freeze until 2030,” suspending pay raises until the start of the new decade.

From the fourth quarter of 2026—that is, with immediate effect—new guidelines are to apply worldwide that will push pay down even further: the reduction of variable pay elements, special payments and benefits; “higher productivity, more worktime flexibility and the reduction of overtime”; and further job cuts, especially outside production.

This sets the parameters for the pay negotiations that have only just begun for workers in Germany. Both in the in-house negotiations for the core VW brand and those for the wider metal and electrical industries, the IG Metall union has demanded just 5 percent more pay, making clear in advance that it is prepared to agree to cuts in real wages.

The current pay freeze is only the latest escalation of an all-out assault on the workforce that is already far advanced.

With the 2024 so-called “Christmas miracle,” the IG Metall and works council agreed with the company to eliminate 35,000 jobs and cut wages by up to 20 percent for the 130,000 employees of the core VW brand in Germany. In March 2026, group CEO Oliver Blume raised the job cuts to 50,000 across the group.

At the beginning of September, the supervisory board, led by

IG Metall chief Christiane Benner and General and Group Works Council chair Daniela Cavallo, unanimously approved the elimination of a further 50,000 jobs, including 25,000 in Germany. The likely closure of four plants in Emden, Zwickau, Hanover (all VW) and Neckarsulm (Audi) was “noted,” as IG Metall claims.

At the end of September, VW then terminated 10 of 13 collective agreements that regulate key working conditions—such as the length of the working week, holiday entitlements, shift allowances and special payments, as well as the rules on dismissal, pension provisions, continued payment of wages during sickness, and so on. The plans for a pay freeze have now been added.

The SZ speculates that IG Metall is likely to “respond with resistance to the announcement of a multi-year pay freeze” and will “try to prevent the plans by all means.” That is an illusion.

The first to comment on the pay freeze was the VW World Works Council, whose president is none other than Daniela Cavallo, chair of the General and Group Works Council at VW. According to the union, she had already known about the pay freeze a few days earlier—at the end of last week.

The World Works Council plays down the executive board’s actions with words such as “absurd,” “act of folly” and “wishful thinking.” It writes, “Such wishful thinking on the part of the employer side in Wolfsburg can never become reality.” After all, it adds, collective bargaining matters in the VW Group were still decided locally, by the respective contracting parties on the ground. “And of course the unionised workforces will in future, too, demand their fair share everywhere in the world and, if in doubt, enforce it with emphasis. Yesterday, today, tomorrow.”

That is brazen. Do Cavallo and her scribblers think VW workers are stupid? Neither yesterday nor today were the 130,000 VW employees covered by the in-house collective agreement able, with the help of IG Metall and its works councils, to “demand their fair share and enforce it with emphasis.” In the 2024 savings package, alongside the job and wage cuts, the bureaucracy gave up an agreed pay rise of 5.5 percent. The supposed “job security until 2030” with which Cavallo and IG Metall chief negotiator Thorsten Gröger are trying to placate the workforce, rules out only redundancies for

operational reasons—jobs are being destroyed through severance payments and phased early retirement. According to VW, 30,000 employees across the group have already taken up these options since the end of 2024. Now a further 25,000 in Germany alone are to be added.

Unless Cavallo and her apparatus are stopped, the “unionised workforces” will only lose, today and in the future. On September 3, the supervisory board—with the votes of the IG Metall representatives and works councillors—unanimously approved the “Future Plan 2030,” which seals the elimination of 50,000 jobs and threatens the closure of four plants in Germany. By 2030, the operating margin is to rise to nine percent. In other words, the IG Metall and works council representatives on the supervisory board sacrificed the livelihoods of the workforce to the profit interests of the shareholders, who include the billionaire Porsche and Piëch families (32 percent stake) and the sheikhdom of Qatar (17 percent).

The IG Metall functionaries are fully aware of this. Gröger himself stated, “While profits are privatised, entrepreneurial costs and risks are now to be shifted onto the workforce.” He and Cavallo are organising it. That is the whole purpose of Germany’s system of “co-determination,” which they defend tooth and nail—the legalised corruption of the union and works council leaders.

And VW Group workers must be clear about one thing. The current pay freeze is not the end of the attacks. The group will respond to the continuing slump in sales in China—its most important market after Europe—with the next round of savings programmes and debates about plant locations.

In the first nine months of 2026, Volkswagen delivered only around 1.38 million vehicles in China. That is 30.2 percent fewer than in the same period last year. In the third quarter alone, sales slumped by 38.5 percent to just under 406,000 vehicles. Extrapolating this trend over the full year, the China result would be well below 2 million vehicles, compared with around 2.69 million in 2025.

However, many of the investment plans that have already been cut still assume significantly higher sales in China, of around 2.7 million vehicles. Under current market conditions, this assumption appears hardly realistic any longer, since the crisis does not affect Volkswagen alone.

The Chinese passenger car market as a whole shrank by around 22 percent in the first nine months of 2026. Combustion-engine vehicles in particular are losing ground; the market for “New Energy Vehicles” (NEVs)—that is, battery-electric vehicles and plug-in hybrids—has also recently been declining. At the same time, NEVs now account for well over half of new passenger car sales. While electrified drive-trains are dominating the market in China (80 percent expected in 2027), NEVs made up only around five percent of Volkswagen’s deliveries in China in 2025.

In other words, the slump in China will accelerate. Chinese

workers will pay with the halting of production there, and European workers with the closure of numerous plants.

Business daily *Handelsblatt* is already reporting that the VW supervisory board will not be able to complete the so-called planning round this year. Normally, it decides in the autumn on spending for the coming five years. After €165 billion of investment in the previous round, €135 billion is now up for a vote. The decisions are chiefly about which products will be allocated to the more than 110 plants in the group network, and about investment in software, battery technology and automated driving. Not only jobs at the VW Group but also at numerous suppliers depend on these decisions.

Against this background, Cavallo’s strong words about “fierce confrontations” and even “strikes” are a fraud. As in 2024, she will go along with every attack on the workforce, because that is what she is paid for.

Workers must not rely on an apparatus that makes common cause with management. A fight to defend plants, jobs, wages and working conditions is possible not *with* but only *against* Cavallo, Gröger, Benner and the union apparatus they stand for.

What is needed is the building of independent rank-and-file action committees, elected by the workers, without full-time union officials. They must also overcome the isolation of the plants and unite the workforces internationally—against the nationalist programme of “defending national production sites” that the company, the union and the European and World Works Council deliberately use to play off workers at the different plants against each other. The attacks at VW are being coordinated worldwide; the resistance must be as well.

VW workers can repel the worldwide attack by the VW executive board under Blume only by mobilising worldwide. We call on workers in Germany, Spain, Portugal, Hungary, Poland, Slovakia, the Czech Republic, Italy, Britain, Mexico, Brazil, the United States, China, India, South Africa and at all other VW sites to contact us. Fill out the form below or send a message via WhatsApp to +491633378340.



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