

# iT-Magazin

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IG Metall's industry magazine

# NOT ON OUR WATCH

## IT WORKERS FIGHT BACK AGAINST SWEEPING CUTS

## CAN AI HELP?

How works councils and IG Metall are shaping the use of artificial intelligence

# CHANGE DEPENDS ON US

André Arenz
is an executive board member of IG Metall. A trained electronics technician, he is responsible for workplace and employee participation policy and information technology.



*Photo: Lando Hass*

Dear colleague,

Some say that when Germany's car industry coughs, the IT sector catches a severe bout of flu. The trouble is that the car industry has more than a cough: it has a splitting headache and aching limbs. Instead of focusing on the issues and products of the future, it is suffering from an obsession with cutting costs and a fever for offshoring.

For too long, Germany's most important industrial sector has simply watched others steal a march on it. Much of this crisis was made in corporate headquarters driven by short-term returns. In some areas, crucial decisions about the future were delayed for far too long. Other regions built strategic advantages early on in electric mobility, software expertise and the platform economy. We must draw the right lessons. Now.

For those of us in IT, this means that businesses supplying industry depend on its lifeblood – and that flow is faltering badly. If we allow every possible cut to be made in the very digital fields we need, we will simply be abandoning our industrial base, needlessly and despite having excellent foundations. IG Metall will not let that happen!

This issue of IT Magazine therefore focuses on engineering service providers and the IT sector as a whole. We also examine the political framework needed to turn technological transformation, particularly artificial intelligence (AI), into innovation that benefits employees and society.

Our members in workplaces, including engineering service providers, are fighting back. And many colleagues are joining IG Metall in these uncertain times – welcome to the world's largest individual trade union! This is essential if we are to overcome crises successfully and shape the future. We are taking to the streets together and sounding the alarm with companies and politicians—for example, at the demonstrations we called for across Germany at the end of September. Employees from Cariad, IAV and other major companies took part. Your response is the right one: we can overcome this crisis only together.

The same applies within companies: We are fighting for every single job and every prospect for the future. Our experience shows that lost expertise and dismantled structures cannot simply be restored at will.

Meaningful employee participation is a key to plans for the future. Only with it can AI and other strategic issues be shaped in ways that employees can accept and businesses can profit from.

Since the summer, as a newly elected executive board member, I have had the privilege of shaping the future with IG Metall members, leading on employee participation and serving as the union's 'chief techie'. My aim is clear: digitalisation must serve people and promote good work. That applies to businesses and to IG Metall itself.

We, too, will continue to develop our organisation. Anyone who asks others to take an active role in transformation must meet that standard themselves.

I look forward to this new role. It brings change, responsibility and the chance to help shape the future. IT workers know better than most that change is part of everyday working life. That makes it all the more important to shape it together, rather than simply let it happen. So let us get to work together!

André Arenz



‘A future, not sweeping cuts!’ At IG Metall’s automotive day of action in Berlin on 21 September, employees from IT and engineering services companies protest loudly against unimaginative job cuts and site closures.

# UPROAR AND RESISTANCE

Jobs axed, sites shut: Germany’s engineering service providers and information technology companies are suffering an unprecedented loss of staff. If many boardrooms get their way, the drain will continue. But employers have reckoned without their workforce. More employees are organising in IG Metall and fighting back with real force.

Text: Kathryn Kortmann | Photos: Gordon Welters

It is a miserable day in Berlin’s Moabit district: wet, windy and grey. Shortly before 1 pm this Monday, the demonstration starts moving. The Berlin workforce of automotive engineering service provider IAV (Ingenieurgesellschaft Auto und Verkehr) has just attended a staff meeting a little over 1.5 kilometres from its Helmholtzstraße site, ahead of IG Metall’s nationwide automotive day of action on 21 September. Afterwards, employees march back to work together with banners and IG Metall flags. Colleagues from other engineering services and IT companies join them, including Cariad, MBition and Bosch Digital. Their banners spell out what they want: a ‘future’. And because this is an international sector, specific demands appear in English: ‘We’re here to stay!’, ‘for secure automotive jobs’ and ‘a vision for our future’.

Their anxiety about the future is palpable that lunchtime, including at the rally afterwards. Colleagues fear for their jobs as companies repeatedly raise alarming scenarios – and increasingly put them into practice. Production is no longer the only activity moving to low-wage countries. More development work is also destined for places where labour costs are a fraction of Germany’s, the so-called best-cost countries. ‘That is why we are sending a clear message today in support of keeping Germany an automotive powerhouse,’ said Matthias Huras, chair of Cariad’s works council in Berlin, at the day of action. ‘For all the talk of transformation and digitalisation, ultimately, it is we, the people, who make the much-quoted “Made in Germany” seal of quality a success. ’At that point, Matthias Huras had no idea what Cariad’s management was already planning, or what it would announce to its roughly 4,700 employees just nine days later, on 30 September, at four simultaneous staff meetings in Berlin, Ingolstadt, Wolfsburg and Mön-

sheim: around 1,600 further job cuts. ‘That would put one in three jobs at Cariad at risk,’ says Huras. ‘No wonder the announcement caused an uproar in Berlin’s Zoo Palast cinema, where our staff meeting was held.’

## Cariad scraps almost all its collective agreements

The board of VW’s software subsidiary also announced that it was terminating collective agreements covering, for example, pay, holiday, weekly working hours and the right to work remotely. It did not terminate the job security agreement, which rules out compulsory redundancies at Cariad until the end of 2029, although the board makes no secret of its dislike of that agreement too. Huras is convinced that ending the remote working agreement is intended to help eliminate the planned 1,600 jobs as quietly as possible, ‘because long commutes make it simply impossible for many people to come into the office every day’. Efficiency cannot have been the reason for ending it, he says: ‘With homeworking in place, our error rates have fallen steadily in recent years, and our efficiency has risen enormously.’

Every job Cariad cuts takes expertise with it, ‘which we will never recover’, warns Flavio Benites, head of IG Metall’s Wolfsburg office. ‘Value creation in vehicles has long been shifting towards software. Cutting back here jeopardises the future of our industrial base.’ It also creates strategic dependencies with incalculable risks, as recent global crises have repeatedly shown. Nevertheless, the VW Group intends to reduce investment in its software subsidiary by around €6.1 billion by 2031, relying on partnerships far overseas rather than development and innovation made in Germany. Software architecture for Western markets is to be developed in a joint venture with US electric carmaker Rivian, and for the Chinese market with carmaker Xpeng.

## ‘We will not go quietly’

Employees, however, are by no means prepared to go quietly. ‘Together with IG Metall, we are fighting for every job,’ says Matthias Huras. ‘Our IT specialists now also understand that we need a strong partner like the union alongside us.’ In the wake of the staff meetings on 30 September alone, colleagues joined IG Metall in droves to fight for their jobs and for innovation from Germany.

‘We are loud. We are many. We are the economy,’ IAV works council chair Tanja Schneider also called out to colleagues demonstrating at the day of action. IAV has shown in recent months what people can achieve when they stand together. ‘As recently as May, our Berlin site was due to close altogether,’ says Schneider. But management had reckoned without IG Metall and the many active colleagues who joined the union and ‘stood together and kicked up a real fuss at every German site’, Schneider recalls.





Matthias Huras (top) chairs Cariad’s works council in Berlin; Tanja Schneider (bottom) chairs the works council at IAV’s Berlin site. They and their colleagues are worried about their jobs. At the automotive day of action, they make their message unmistakable: ‘We are here to stay’ (page 5 bottom).

After months of negotiations, IAV and IG Metall finally agreed a collective agreement for the company's future over the summer, securing at least all its sites. The company has also committed to winning additional orders. Compulsory redundancies are ruled out until the end of 2028, provided enough employees volunteer to leave under an agreed restructuring settlement and social plan. 'The agreement softens the impact of the job cuts,' said Thilo Reusch, IG Metall's chief negotiator at IAV, when the deal was reached in early August. 'It gives people some certainty at a time of great anxiety.' IAV is nevertheless sticking to its announced workforce reduction of around 40 per cent, leaving roughly 3,000 employees – now on a voluntary basis.

## Jobs gone, expertise lost – for good

Around 500 colleagues are explicitly excluded from this scheme. IAV has identified them as holders of core expertise. Tanja Schneider sees this as a clear sign that management, too, recognises the risks of moving research and development to best-cost countries. Germany's exacting standards and exceptional engineering skills earned it a global reputation for good reason, 'a reputation now being carelessly outsourced and put at risk', she says. And: 'Once we cut jobs carrying that much expertise, they are lost for ever.'

Herbert Rehm, IG Metall's officer for the engineering services sector, is seeing the same unimaginative job cuts as at IAV across the industry. Capgemini, a French group that develops IT solutions for Mercedes among others, is closing its sites in Frankfurt and Nuremberg and cutting almost a third of its jobs. Rehm reports similar news from Magna Engineering, Akkodis, EDAG and Bertrandt, still Germany's largest employer among engineering service providers. He attributes this above all to the close ties between these companies and the automotive industry.

'Around 70 per cent of engineering services companies work for the automotive sector,' he says. And, as everyone knows, that sector is struggling, with disastrous consequences for engineering service providers. Yet instead of launching projects with a future, companies are moving their remaining work and contracts to low-wage locations such as Morocco, India and south-eastern Europe to offset cost pressures.

## IG Metall presses for local content

IG Metall has long called on the sector to diversify and develop new business areas. Yet there is little sign of innovation, even though this industry is particularly well placed to drive it. Part of the problem lies in the political framework companies face in Germany and Europe. 'We need an active industrial policy with far more local content rules to protect us in a world dominated by unfair trading practices, state-subsidised exports and tariffs,' says Herbert Rehm. 'IG Metall is putting real pressure on policymakers to deliver.'

Local content means that a certain share of the value created under public contracts or funding must originate in Europe. Such rules would reduce dependence on other world regions and discourage companies from casually outsourcing key capabilities and engineering expertise abroad. 'We have some very tough nuts to crack,' says Rehm. 'It will not happen overnight.' The automotive deal agreed in October by Chancellor Friedrich Merz and French President Emmanuel Macron at least points in the right direction on local content by promoting electric mobility 'made in Europe'. Research and development should also benefit: manufacturers would be required to carry out a substantial share of this work within the European Union. ■



# TO HELL WITH IT?

Artificial intelligence (AI) is transforming the IT sector. Employees fear for their jobs. IG Metall activists see the risks of the new technology – and its opportunities.

Text: Andreas Schulte | Photo: Thomas Niedermüller



'Companies are trying to use AI to put employees under pressure,' says Anika Holtermüller, a works councillor at engineering service provider IAV. She argues that it is time to turn the tables.

Time and again, the medium-sized Berlin internet company has made a remarkable change of direction when a fast-moving market threatened its business model. When hosting customers stopped coming, it built websites. As websites lost ground to social media, its 20 employees soon began developing smartphone apps. Now it is once again fighting for survival. AI is turning the industry upside down.

'Some of our employees have less to do; others are using AI so that we work very efficiently. The situation is unclear. We can barely predict where this will lead in the long term,' says the managing director. He does not want to name his company publicly, fearing for customer loyalty in an already difficult situation.

The Berlin software company is representative of an entire sector. From small IT outfits to large corporations, there is profound uncertainty across Germany about the upheaval caused by artificial intelligence. Will sweeping job cuts follow? Will my skills still be needed? AI has long since become a workplace issue, and therefore an issue for IG Metall and its works councillors. They want to steer its development in an orderly direction.

In Brussels, Martin Peters represents the interests of EU workers at the European trade union federation industriAll. An experienced IG Metall official, he spent years supporting works councils and members, negotiating collective and works agreements, and fighting for jobs and decent working conditions. IG Metall then sent him to Brussels, where he maintains contacts with the Commission and the European Parliament. He is currently a welcome guest at IG Metall events, because everyone wants to know what is coming out of Brussels.

Some decidedly positive things, Peters reports. He hopes for benefits from the Cloud and AI Development Act (CADA).

'The legislation could boost demand for specialists in European cloud, data centre and AI infrastructure,' says Peters. Through CADA, the EU wants more AI to be developed in Europe rather than, for example, India or Morocco. The act seeks greater European sovereignty and more IT made in Europe, stemming the flow of highly skilled jobs to the Far East, Africa and the USA. Only the staunchest free-market advocates still see this as protectionism. Even employers' associations now recognise that Europe must act for its own IT industry and against unfair competition. The legislation is unlikely to take effect before 2027, however.

Peters also hopes the Industrial Accelerator Act (IAA) will provide greater security for jobs and sites. The act is intended to strengthen European industry, for example through local content requirements. Public contracts would stipulate that a certain share of the value created must originate in Europe. The EU has ambitious aims for this legislation: manufacturing's share of EU economic output is to rise from 14.3 to 20 per cent by 2035. Behind this lies concern about an increasing shift of activity abroad, particularly to China.

Although the act does not explicitly mention artificial intelligence or the IT sector, Peters stresses the indirect effect. Keeping key industries such as steel on the continent ultimately also helps the IT specialists employed in them, directly or indirectly, he argues. 'Industrial value creation includes development,' says Peters. AI will play a decisive role in the competitiveness of tomorrow's steelworks. In Pohang, South Korea, for example, AI controls blast furnace smelting processes, making a substantial contribution to energy efficiency. Reason enough for trade unions to engage with AI.

The IAA is especially important for the EU automotive industry, he says. New cars would then have to retain a 70 per cent share of value from European production. Parliament is still discussing the Industrial Accelerator Act and a separate initiative for the car industry, the Automotive Package. 'If the IAA and Automotive Package are introduced together, important research and development resources could remain in the country. Many development jobs in the car industry would be preserved,' says Peters. And time is running short. The exodus from automotive engineering service providers has already begun. VW's software subsidiary Cariad plans to cut 1,000 of its 4,300 jobs. IAV, another VW subsidiary, wants to reduce its workforce from more than 5,000 to 2,970 (see also the report beginning on page 3).

What can be done? At IAV, the works council and IG Metall are countering the employer's twists and turns. Anika Holtermüller is an IAV works councillor through and through, yet she has no intention of demonising AI. She even runs seminars on the technology as a sideline. Of course AI is now everywhere in IT, she says, 'just as Allen keys are everywhere in IKEA furniture': a tool, a means to an end. That is one side of the coin. The other? 'Companies are using promises of productivity gains to put employees under pressure,' Holtermüller explains. 'With AI, one person is supposed to do the work of four.' That creates pressure to perform and social pressure.

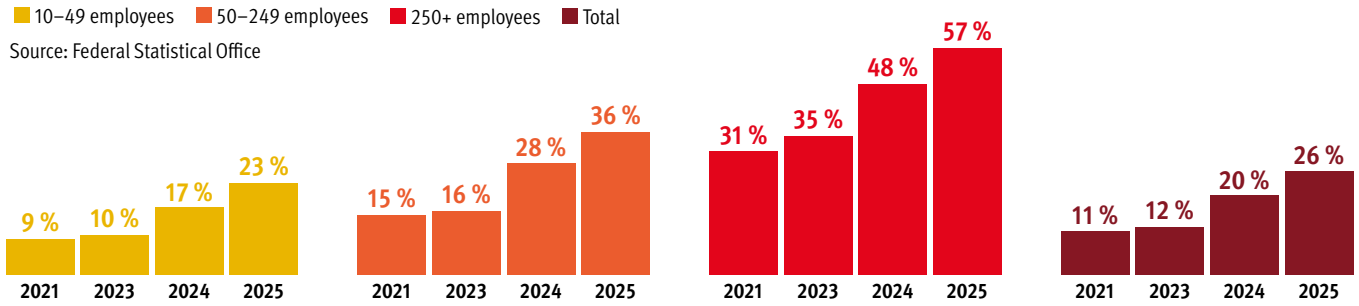
She wants to push back and build counter-pressure. At IAV, for example, the works council and IG Metall worked with a consultancy on an alternative to the planned cuts, exploring how IAV could regain lost market ground. 'So far, we have come up with 800 ideas,' Anika says, 'and AI plays a part in many of them.' That is what you might call turning the tables. To counter employers' visions while using AI sensibly, works councils and workforces need more knowledge, says Holtermüller. 'Very few colleagues really understand AI well. We must give our people the skills to use it.' Employers also have a responsibility here.

## AI replaces the next generation of specialists

Empowering people is also the task of Meike Zehlike, co-founder of Team Passerelle, an AI institute established by IG Metall itself. Its work centres on understanding AI and asking how it can be used without trampling on employees' interests. 'Particularly in companies investing heavily in AI applications, hardly anyone looks at things from the employee's perspective,' she says. She too is travelling extensively, speaking to IG Metall activists and advising works councils. She already sees clear negative effects on jobs: 'In IT, AI currently means that junior programmers are barely being recruited at all.' AI is increasingly taking over the very tasks performed by the next generation of specialists. 'In the longer term, the situation for juniors should ease somewhat, because companies need young people, not least because of demographic change.'

The key is to shape AI in the workplace, through works councils backed by a strong union. They, in turn, need expertise. IT specialists active in the union are therefore very welcome. They can support their works councils, for example by serving on an AI committee if the council establishes one. 'We must bring all our resources together,' says the AI expert. 'That includes knowledgeable colleagues.' ■

**How many businesses use artificial intelligence in Germany**




Source: Federal Statistical Office

## Innovate 2.0 meeting

# A receptive audience for IG Metall

IG Metall is stepping up its efforts in the digital economy and semiconductor industry. At a meeting of union staff and volunteer activists in Dresden, participants discussed how to sharpen IG Metall's profile in the industries of the future. They explored employees' needs, new forms of union involvement, and the next steps towards effective employee participation structures and, ultimately, collective agreements. The two-day working meeting, Innovate 2.0, brought together activists from Berlin's digital economy and Dresden's semiconductor industry. One thing became clear: employees are receptive to IG Metall's concerns. Volunteer representatives from MBition, Cariad, Bosch and Zeiss Digital Innovation (ZDI) were among those attending. 'The meeting was a great success,' said Ines Beeck, deputy chair of IG Metall Berlin. 'It showed us clearly that employees in the industries of the future need and want IG Metall.'



Photo: IG Metall

## DeepL

# Staff elect their first works council

A new era began at DeepL on 30 June 2026 with the election of its first works council. 'Achieving this is a powerful example of employee participation,' says Jan Brauburger, a union official in IG Metall Berlin's digital team, referring to the obstacles management had placed in the way of the election, hindering and delaying it. A key aim of the new eleven-member council is to act proactively, so that 'hundreds of colleagues are never again suddenly confronted with the news that they are losing their jobs', says Brauburger. Shortly after the election process began, the company announced plans to cut around 250 posts.

DeepL, known for automated online translation, is regarded as a flagship of Germany's AI companies and is headquartered in Cologne. The Berlin digital team supported the election because the initiative for workplace representation came from the company's office in the capital. Employees had made an initial attempt to elect a works council in 2024, but it failed after management put considerable pressure on colleagues.

## ICT pay

# Collective agreements mean higher pay

IG Metall has once again published an up-to-date pay analysis for the nformation and communication technology (ICT) sector in 2026. The figures show once more that employees in companies covered by collective agreements earn more than employees in companies without a collective agreement. More information on IG Metall's latest survey is available online at itk-entgeltanalyse.igmetall.de.

## SAP

# Employer puts a price tag on jobs

Software giant SAP will not extend its expiring works agreement on job security. Instead, the works council and employer have negotiated a new framework works agreement governing reorganisations. Parts of the works council and IG Metall find the result unsatisfactory on key points. Where continued employment and preserving jobs once had 'top priority', the wording now refers only to 'socially responsible support for processes of change'. There is still no explicit exclusion of compulsory redundancies.

'What we have here is not job protection,' says IG Metall works councillor Eberhard Schick. 'It is a framework for winding things down, with a price tag attached to jobs.'


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