Silent Deindustrialisation: The White-Collar Jobs Crisis

Europe's policymakers may be accustomed to the classic signs of deindustrialisation. The shipbuilding yard that shutters overnight, decimating an entire town's employment in one fell swoop. The car factory that once produced a thousand cars per day now barely managing a few dozen. Or the drastic tale of Chinese workers dismantling an entire steel mill in Dortmund only to ship it 8,000 km away and rebuild it, piece by piece. And what comes next: shuttered local businesses, declining local tax bases, weakened public services, and disaffected citizens.

But what happens when deindustrialisation is silent? When the crucial pieces of value-add in a company are stripped away without fanfare through voluntary severance packages and outsourcing to lower-cost countries, or replaced by machine learning systems trained by the very workers they replace? The picture may look different, but the result is the same.

White-collar jobs today make up about 41% of Europe's manufacturing workforce.[1] In some countries, the share of white-collar workers has already outpaced that of blue-collar workers. In Germany, 52.1% of workers are white-collar. In Sweden, it is 58.5%. More people in our sectors are performing knowledge-intensive tasks from behind a desk or in front of a laptop than ever. They might be administrators, designers, project managers, technical writers, IT specialists, customer relations staff, or any number of other roles. In some national contexts, white-collar workers have their own unions and coordinate with blue-collar unions, while in other countries there is only one union for both white- and blue-collar workers. In either case, the trade union movement is strongest when blue and white-collar workers and their respective unions coordinate to successfully anticipate and manage industrial change. **As part of our Enough is Enough campaign to guarantee an industrial future for European workers, industriAll Europe is highlighting the fact that white-collar jobs are under attack across several sectors and countries, with disastrous consequences for Europe's industrial future.**

White-collar work has come under growing pressure in recent decades, as automation and artificial intelligence spread through the workplace. In 2022, around 8.5 million people worked as office clerks in the EU, just over 4% of all jobs, and Cedefop forecasts that about 720,000 of these jobs will disappear by 2035, a fall of more than 8%.[2] In manufacturing, the decline is already under way: across eight Western European countries, office and administrative support jobs in the sector fell by 7.3% between 2022 and 2025, with Germany alone losing 90,000.[3] Some groups face an even starker outlook. About 1.6 million people in the EU worked as "other support clerks" in 2022, a group that includes HR assistants. Their numbers fell by about a third between 2012 and 2022, and a further 25% fall (about 400,000 jobs) is forecast by 2035.[4] In high-income countries, one in three jobs is exposed to generative AI, and clerical jobs

[1] industriAll Europe, *A Union Toolbox for Organising White-Collar Workers in Industry* (BEREP project), November 2024. https://news.industriall-europe.eu/documents/upload/2024/11/638681508852957774_White-collar_toolbox_EN.pdf
[2] Cedefop, "Office clerks: skills opportunities and challenges". https://www.cedefop.europa.eu/en/data-insights/office-clerks-skills-opportunities-and-challenges-2023-update?etransnolive=1
[3] Eurostat, "Employed persons by occupation and economic activity (NACE Rev. 2)". https://ec.europa.eu/eurostat/databrowser/view/lfsa_eisn2/default/table
[4] Cedefop, "Other support clerks: skills opportunities and challenges". https://www.cedefop.europa.eu/en/data-insights/other-support-clerks-skills-opportunities-and-challenges-2023-update?etransnolive=1

remain the most exposed.[5] Several high-profile white-collar job cuts at large multinationals have also drawn attention to the risks of deindustrialisation and lost innovation at Europe's largest firms.

Case Study 1: Opel

Car manufacturer Opel, a subsidiary of Stellantis, is the textbook case of hollowing out through white-collar job cuts. From the 'Laubfrosch', which brought assembly-line production to Germany in 1924, to the 'Olympia', which pioneered the self-supporting all-steel body in 1935, Opel has a deep legacy of industrial ingenuity and quality excellence. However, when the PSA Group (the precursor to Stellantis) took over the company in 2017, it soon targeted Opel's Rüsselsheim development centre, which handled vehicle development and employed about 7,000 engineers. About 2,000 development jobs were earmarked for transfer to the engineering services firm Segula, with around 700 transferring and the rest taking severance packages.[6] Years later, the consequences of this shift became clear. In July 2025, the Segula Deutschland branch announced the closure of two test centres, affecting hundreds of jobs.[7]

After Stellantis slumped to a €22.3 billion loss in 2025, 2026 brought the next blow. On 10 April, the company announced that the Rüsselsheim Tech Centre would shrink again from about 1,650 engineers to about 1,000.[8] This direction of travel – underinvestment and shifting of key innovation teams out of the core business operations – was confirmed in May 2026. Under a partnership with Leapmotor, which is 21% owned by Stellantis, Opel will handle design, chassis, seats and lighting for a new electric compact SUV while the Chinese partner will supply the electric architecture and battery.[9] The problem is that the electric architecture and battery are the key components of next-generation automobile production, and if Opel cannot learn how to do this itself, its future remains deeply uncertain. The entire Rüsselsheim site now employs fewer than 8,000 people, compared with 19,000 in 2017.

Through all this hollowing out, shareholders at parent company Stellantis were still paid. Stellantis paid out €4.7 billion in dividends in 2024 alone, and €19.5 billion in total between 2017 and 2024.[10] Unions have not been silent in the wake of these egregious corporate actions: IG Metall shop stewards adopted a resolution on the cuts announced in April, and even Rüsselsheim's mayor issued a statement in support of the affected workers.[11] On 12 May, about 1,000 people joined a works council protest at Adam Opel Haus and workers continue to put pressure on management to propose a strategy that would actually secure a long-term future for Opel.

[5] ILO, Sep 2025. https://www.ilo.org/resource/article/generative-ai-work-what-it-means-jobs-europe-and-beyond
[6] Electrive, April 2026. https://www.electrive.net/2026/04/14/stellantis-strafft-opel-entwicklungszentrum-ruesselsheim/
[7] Eurofound, 2026. https://apps.eurofound.europa.eu/restructuring-events/detail/203608
[8] WardsAuto, April 2026. https://www.wardsauto.com/news/stellantis-job-cuts-opel-hq/817412/
[9] ms-aktuell, August 2026. https://ms-aktuell.de/welt/opel-stellenabbau-ruesselsheim-23-08-2026/
[10] industriAll Europe, Sept 2026. https://news.industriall-europe.eu/documents/upload/2026/9/639239573524316807_Enough_is_Enough_iAE_Campaign_Briefing_1.pdf
[11] Rüsselsheim Mayor Statement, 2026. https://www.ruesselsheim.de/presse/2026-04-10-statement-von-oberbuergermeister-patrick-burghardt-zum-angekuendigten-stellenabbau-bei-opel-in-ruesselsheim

Case Study 2: BASF

Recent developments at chemicals giant BASF show how offshoring white-collar work goes hand in hand with generous shareholder payouts. The company first reorganised its Global Business Services unit in 2021, cutting up to 2,000 jobs – about 600 of them in Ludwigshafen, BASF's flagship production site and the largest connected chemical site in the world.[12] In March 2024, BASF announced a further €1 billion a year in cost reductions at Ludwigshafen by 2026, targeting non-production areas.[13] BASF never explained how it would cut business services this deeply without weakening the site. Management nevertheless deemed it a job well done: six months later, it committed at least €12 billion to shareholders for 2025–2028, including around €4 billion in share buybacks.[14]

Dividends to shareholders at BASF have averaged about €2 billion a year regardless, it seems, of the company's profit, which was as low as €0.2 billion in 2023. It must be asked what the ultimate point of €1 billion a year in 'savings' is if double that amount is then paid out to shareholders, instead of management asking every stakeholder (workers, managers, owners) to share the burden equally to regain core profitability. In the end, it is jobs, mainly white-collar, that have gone: headcount at BASF fell by about 4,800 in 2024–25.[15] By mid-2026, the number had risen to 7,000 positions eliminated since January 2024, two-thirds of them in Germany, and the main Ludwigshafen site fell below 30,000 full-time staff for the first time since 1954.[16] The bad news has not stopped either. Reports emerged in February 2026 that finance, HR and business services would move from Berlin to India by 2028, affecting 2,800 Berlin posts.[17] In September, the IT subsidiary BASF Digital Solutions announced it would shrink from about 1,900 to under 900 by 2030, moving tasks to India and Malaysia under a framework agreement on severance and job security.

Trade unions have been quick to point out the long-term damage of this white-collar downsizing, calling it a clear case of offshoring and outsourcing. BASF is withdrawing investment from Germany while investing billions in Asia, and domestic know-how and skills are being lost with it. On the other hand, through all this industrial turmoil, the December 2025 Ludwigshafen site agreement negotiated by IGBCE shows what unions can win: compulsory dismissals were ruled out until 2028 and around €2 billion of investment a year was agreed to.

Cutting white-collar jobs is bad for workers – and for business

On a balance sheet, white-collar jobs often look like the easiest place to cut because the value of a human resources manager, administrator, engineer or software developer is not readily visible in a quarterly report. This approach could spell disaster for Europe's industrial core right at the moment when we have the opportunity to rebuild manufacturing and create entirely new value chains in Europe – and companies will need white-collar expertise to pull off such a feat.

[12] BASF, 2021. https://www.basf.com/my/en/media/news-releases/global/2021/01/p-21-114
[13] The Chemical Engineer, March 2024. https://www.thechemicalengineer.com/news/further-job-losses-expected-as-basf-announces-more-cost-cutting-at-its-ludwigshafen-site/
[14] BASF, September 2024. https://www.basf.com/global/en/media/news-releases/2024/09/p-24-287
[15] BASF, 2025 Results. https://www.basf.com/global/en/media/news-releases/2026/02/p-26-020
[16] Yahoo Finance, BASF Q2 earnings call, July 2026. https://finance.yahoo.com/markets/stocks/articles/basf-q2-earnings-call-highlights-080319338.html
[17] IT Boltwise, February 2026. https://www.it-boltwise.de/basf-plant-stellenverlagerung-von-berlin-nach-indien.html

A firm's basic ability to recognise, absorb and apply new knowledge is a function of its staff – and the prior knowledge they bring – and is usually built through its own research and development rather than outsourced. This learning capacity is systemic, relying on the links between employees and teams, as well as the individuals themselves. Therefore, when you remove staff or shrink a team, you lose both what the workers know and the firm's overall ability to learn. Unfortunately, because a firm's capacity to learn is intangible and the benefits indirect, white-collar departments are often prone to underinvestment, even though this hurts firms in the long run – which is precisely why industriAll Europe is sounding the alarm, as we see many companies reducing white-collar jobs.

Much of the information used in technical problem solving is also what economists call 'sticky' – costly to acquire or transfer to a new location. Think about the specific challenges faced when trying to master raw materials processing in Unterbreizbach, Germany, or battery manufacturing in Sagunto, Spain, production processes where every incremental efficiency gain is crucial. In these situations, problem solving often happens where that knowledge sits and not in a far-off location. In fact, competitive success depends on the office and the shop floor working together. Firms that combine science-based R&D with 'learning by doing' – testing ideas directly on the shop floor to get quicker feedback – are more likely to innovate than those relying on either alone.[18] In the 1980s, Japanese carmakers did just that and started to develop cars faster and with far fewer engineering hours than their US and European rivals.[19] Empowering, rather than limiting, white-collar workers' abilities increases innovation: research from several European countries shows that when workers have discretion to solve complex problems, firms innovate more in-house.[20]

White-collar work is also often not cut but shifted to third-party contractors to free up cash on the balance sheet. Of course, there are instances in which a consultant or supplier may be better positioned to handle specific engineering or technical problems, while many small and medium-sized companies cannot manage all their research & development or product design in-house. However, a 2016 Hans-Böckler-Stiftung study of Germany's engineering service providers, which depend on the car industry for almost 60% of their business, found they are often used by industrial clients to reduce their own core workforces and personnel costs, in an underbidding competition that has no winners, with the losers being the employees.[21] Management tells us that downsizing will restore competitiveness, but it is investment in skills, not cuts, that drives innovation and competitiveness, while the expected gains of downsizing – lower costs, higher profits, boosted share prices – often fail to materialise.[22]

[18] Jensen et al., "Forms of knowledge and modes of innovation", Research Policy, 2007. https://www.sciencedirect.com/science/article/abs/pii/S0048733307000340
[19] Clark, Chew & Fujimoto, "Product Development in the World Auto Industry", Brookings Papers, 1987.
[20] Arundel et al., "How Europe's economies learn", Industrial and Corporate Change, 2007. https://academic.oup.com/icc/article/16/6/1175/693404
[21] Blöcker, Branchenanalyse Entwicklungsdienstleister, Hans-Böckler-Stiftung Working Paper 017, 2016, p. 5. https://www.boeckler.de/fpdf/HBS-006398/p_fofoe_WP_017_2016.pdf
[22] Cascio, "Downsizing: What do we know? What have we learned?", Academy of Management Executive, 1993. https://journals.aom.org/doi/full/10.5465/ame.1993.9409142062

Case Study 3: Volvo Cars

2024 was a standout year for Volvo Cars, with record revenue over SEK 400 billion and an operating margin of 6.8%. Yet, due to what the company said were high tariffs, weak EV demand and high costs, it launched a SEK 18 billion savings plan in spring 2025, of which about SEK 5 billion targeted personnel costs.[23] The company announced around 3,000 job cuts, roughly 15% of its office workforce.[24] CEO Håkan Samuelsson was explicit that these cuts were "white-collar in almost all areas, including R&D, communication, human resources", and that most would fall in Gothenburg.[25] By October 2025, around 1,000 employees in Sweden had left, around 500 voluntarily and around 500 through forced exits, alongside a similar number of consultants who were let go. The cuts reached all departments and were applied largely on a last-in-first-out basis.

Unions fought hard to manage these cuts fairly and in an orderly way, winning extended notice periods for those affected. Unionen club chair Jörgen Olsson called the cuts extremely tough, and the Academics' Association at Volvo Cars, which represents engineers, described tough negotiations over seniority and qualifications. The comparatively orderly process and outcome reflect Sweden's model of managing industrial change through strong social dialogue and transition systems.

It is hard not to suspect that these cuts are part of an outsourcing and contracting strategy. In June 2025, it was also announced that the IT services firm HCLTech had expanded its engineering services for Volvo Cars from its Gothenburg centre, backed by global offshore and nearshore delivery centres.[26] No explicit link to the job cuts was stated, and CEO Samuelsson has called fears that Volvo Cars' parent company, Geely, will centralise R&D in China "a misunderstanding".[27]

Even so, Volvo is cutting its own engineers while a contractor with offshore delivery centres expands its engineering work. That is the pattern of silent deindustrialisation. The squeeze has also not stopped. In August 2026, Volvo Cars announced that its Stockholm office will close on 1 March 2027, with about 450 staff moving to Gothenburg. And in September 2026, it announced a global hiring freeze covering about 20,000 office staff, including external and internal recruitment, contingent workers and external services.[28]

[23] Volvo Cars, 2025. https://www.volvocars.com/intl/media/press-releases/63BF9CDA493AF797/
[24] Reuters, May 2025. https://www.reuters.com/business/autos-transportation/volvo-cars-cut-3000-jobs-restructuring-2025-05-26/
[25] Reuters, May 2025. https://www.reuters.com/business/autos-transportation/volvo-cars-cut-3000-jobs-restructuring-2025-05-26/
[26] HCLTech, June 2025. https://www.hcltech.com/press-releases/volvo-cars-and-hcltech-collaborate-drive-transformation-engineering-services
[27] TT News, May 2025. https://www.ttnews.com/articles/volvo-car-ceo-talks-china
[28] eletric-vehicles, Sept 2026. https://eletric-vehicles.com/geely/volvo/volvo-cars-freezes-office-hiring-as-cash-drains-shares-hit-record-low/

Case Study 4: ArcelorMittal

ArcelorMittal is the largest, most explicit case of white-collar offshoring within European industry. In February 2025, it emerged that the company planned to expand its business services hub in India, with the assurance that no actual steel production was moving. However, in April the company then announced two separate plans at once: about 600 jobs, mainly in production, were to be cut at seven French sites, from Dunkirk to Montataire.[29] Separately, up to 1,400 support posts were to move to India.[30] With a €1.8 billion decarbonisation plan for Dunkirk then on hold, European Commission Executive Vice-President Stéphane Séjourné called the company's decision at the time "incomprehensible". In May, about 190 more Belgian jobs were also at risk in Ghent, Genk, Geel and Liège, with administrative services likewise heading to India.

Then came a second wave. In January 2026, the company told an extraordinary European Works Council meeting that it was studying whether it could remove about 6,000 support posts – roughly 11% of its 48,500 European staff, in IT, HR, finance, commercial, order management and supply chain – with the work again going to India and Poland. IndustriALL Global Union has estimated the total, with further production cuts included, at 9,500 jobs.[31]

These cuts come as shareholders are consistently rewarded. ArcelorMittal returned $1.7 billion to shareholders in 2024 on net income of just $1.3 billion. In 2025, it raised its dividend to $0.55 a share, bought back $262 million worth of shares and proposed a further increase to $0.60 a share for 2026. Public money has also played a crucial role in providing ArcelorMittal with the financial headroom to exert downward pressure on the workforce while expanding shareholder payouts: half of the cost of the now-scaled-back €1.3 billion electric arc furnace at Dunkirk is to be supported through French energy-savings certificates and made conditional on EU trade protection and a long-term power contract.[32]

Workers' anger at these cuts is palpable, especially as industriAll Europe has been working closely with the majority of European steel employers to address major global trade and overcapacity issues and find a viable pathway for Europe to produce low-carbon steel. There have been multiple actions against ArcelorMittal over the last two years. Belgian unions ABVV, ACV and ACLVB protested at the European Works Council in Luxembourg in May 2025 against cuts in Belgium.[33] The CGT union in France has called for nationalisation in order to stabilise production and guarantee an investment plan. industriAll Europe and IndustriALL Global Union held a day of action at the May 2026 shareholder meeting.[34] However, in June 2026, the company closed the European Works Council consultation unilaterally, which the council has said is a clear breach of EU law.

[29] Eurometal, https://eurometal.net/arcelormittal-to-cut-600-jobs-in-france-amid-escalating-steel-crisis-in-europe/
[30] Eurofound, European Restructuring Monitor. https://apps.eurofound.europa.eu/restructuring-events/detail/202726
[31] industriAll, https://admin.industriall-union.org/wp-content/uploads/2026/05/ArcelorMittal-Investor-Brief-April-2026.pdf
[32] ArcelorMittal France, February 2026. https://france.arcelormittal.com/actualites/arcelormittal-confirme-la-construction-d-un-four-electrique-a-dunkerque
[33] VRT, 21 May 2025. https://www.vrt.be/vrtnws/nl/2025/05/21/vakbond-europese-ondernemingsraad-arcelormittal-staal-duurzaam-s/
[34] industriAll Europe, 4 May 2026. https://news.industriall-europe.eu/Article/1498

Organising White-Collar Workers

White-collar workers now make up a large and growing share of European industry. The share of workers with tertiary education in EU manufacturing continues to rise and the number of workers who process information rather than materials or energy is only growing. Compared with white-collar staff in other sectors, workers in the manufacturing sector are far more likely to work in technical and engineering roles that draw on STEM skills. And unions have been on the move to organise white-collar workers. Many unions reach engineers and professionals before they ever set foot in a workplace through student organising. In Nordic white-collar unions, student membership is often free, and there are also typically reduced fees for young working members. Unions have also learned to speak directly to the lives of white-collar workers. In Austria, the trade union GPA built a dedicated webpage on "all-in" contracts, which are common among white-collar staff, so workers can check whether they are being paid correctly. In Germany, IGBCE publishes a labour-law guide written specifically for white-collar workers in the chemical sector. industriAll Europe has made white-collar workers a priority since our Congress in June 2016, when we set up a Horizontal Working Group for white-collar workers. The group feeds into our policy committees on industrial policy, collective bargaining and social policy, and company policy, as well as our task force on building trade union power.

A call to action for policymakers: stop the silent deindustrialisation

Policymakers have learned to watch for plant closures. They must now learn to see the silent loss of the knowledge that keeps those plants competitive. The reasons for taking action are numerous: when engineering, R&D and business functions leave, they rarely come back; offshoring knowledge work harms innovation in the home economy; and development and production are often so closely tied that one cannot move away without the other following. These decisions to cut jobs are not driven by long-term strategy either. In a survey of more than 400 executives, 78% said they would sacrifice long-term value to smooth earnings.[35] Left to the market, Europe will keep underinvesting in the people who make innovation possible.

[35] Graham, Harvey and Rajgopal, "The Economic Implications of Corporate Financial Reporting", NBER Working Paper 10550, 2004. https://nber.org/system/files/working_papers/w10550/w10550.pdf