

United States: Beyond the 2019 UAW Negotiations in the car industry

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Except for the oldest strikers I met on the picket line during the UAW-General Motors negotiations, autoworkers did not remember a time when, if you passed a 90-day probationary period, you earned full pay and benefits. Back then, temporary workers were only hired during the summer months in order to cover vacations.

But since the economic crisis of the early '80s every contract negotiated has required the membership to accept concessions. The union explained this was necessary in order to keep the Big Three afloat. Once the companies got back on their feet, members would be able to win back what had been given up. Despite the billions the corporations have made over four decades, that moment never came.

Although the UAW negotiates a pattern contract for General Motors, Ford and Fiat-Chrysler Automobiles (FCA), it chooses to negotiate with the one they feel will give them the best offer, and then uses that as a template for the others. With the signing of the 2019-23 contracts, it is reasonable to conclude that concessions are here to stay.

UAW officials needed to take on GM as the initial target in negotiating the 2019 contract because the previous November GM announced it was “unallocating” products at five North American plants, four in the United States. Since the 2015 contract was supposed to guarantee job security, the announcement blindsided the UAW (and Unifor, the Canadian union). Plants have been closing for some time, but doing so just months before the opening of negotiations was a deliberate “in your face” tactic.

By the time negotiations opened, three of the U.S. plants were closed and the fourth, the Detroit-Hamtramck plant, was limping along with a third of its workforce. Workers had transferred to other plants but had not pulled up roots, hoping to return home.

The two issues on top of the strikers' agenda were “Keep the plants open” and “Make the temps permanent and equal to other UAW members.” Yet despite the 40-day strike at GM neither demand is embedded in the new contract. In fact, the agreement recognized the closure of the three plants and even added a distribution center to the list. Only the Detroit-Hamtramck plant will remain open. The contract also required the UAW to drop its lawsuit against the closure of the Lordstown, Ohio plant. While the Ford contract okayed the closing of the Romulus, MI plant under the FCA contract the Maryville, MI plant will be shuttered.

Instead of going into negotiations with the demand “Everyone tier one,” the UAW talked about “a

path” to permanent status. And that’s what they got, as they split the difference between the corporate demand for labor flexibility and thousands of temporaries who lack even minimal job security.

Starting in January 2020, full-time GM and Ford temps who have been continuously working three or more years can be added to the seniority list and advance on the wage ladder. (The following year that will be reduced to a two-year window.) FCA, where temps represent 20% of the total workforce, has a different formula.

Who Wins?

This paltry “win” signals that from now on, hiring at GM and Ford will mean working under disciplined conditions for at least two years as a temporary. Those laid off for more than 30 days must begin all over again.

The UAW, the corporations and the media all call the contracts a “win-win,” citing as proof a large signing bonus, a wage increase and profit sharing along with no added health care costs.

These are small potatoes in comparison to the expansion of a tiered system with a long probationary period, continued outsourcing of work at lower wages with few benefits and the red circling of parts plants and distribution centers with an inferior wage scale. And then there’s the same ineffectual language about moratoriums on plant closings.

When the UAW was founded in the 1930s as an industrial union, it demanded and won roughly the same wages and working conditions for its members whatever their job classification. The UAW’s strength came from wall-to-wall organizing that bound its membership together.

That solidarity also extended into the past and future: members respected retired workers from whom they inherited their decent contracts and sought to build on them. We prided ourselves on leaving better conditions to next generation. For many, the struggles UAW members waged over the years are stories of their own families.

Thirty-five years ago — with more than 1.5 million workers — auto’s labor costs represented about eight percent of the industry’s total cost. Today — with a Big Three workforce of slightly more than 150,000 — labor costs have declined to five percent. The cost has been whittled down through cutting minutes of break time, instituting a strict absence policy, requiring those hired since 2007 to work at reduced wages and few benefits, outsourcing whole departments and hiring temporaries who are saddled with low wages and bare bones health care coverage.

In the 2015 contract, autoworkers’ highest goal was to bring up at least the wages of the second-tier workers (now termed “in progression”) to match the pay of those hired before 2007. When the tentative agreement didn’t do that, the FCA workers voted it down; UAW officials were forced back to the negotiating table.

The revised version promised that second-tier wages would rise over an eight-year period. The contract passed but many voted no, emphasizing that an eight-year progression in a four-year contract wasn’t adequate. Furthermore, the lower tier never reached top pay, and the contract failed to restore either a pension or health care after retirement.

Handicapping a Possible Win

Despite the fact that the Big Three employs only 10% of the workers it had 35 years ago — and at lower real wages — UAW officials believe they have done what's needed to keep members working. They go into negotiations with low expectations. That was certainly true in 2019. Secondly, the UAW did little to prepare for a strike. This meant the strike lacked strength:

- From their offices at Solidarity House UAW officials did not organize union members to stop the closure of the “unallocated” plants nor work with Unifor to organize a public campaign. They did not mobilize the membership to refuse overtime and use work-to-rule tactics to show GM they meant business. They did not initiate group grievances, have workers show up at management offices with complaints, or coordinate the wearing of union t-shirts, buttons and caps. (To its credit Unifor approached the UAW to mount a joint campaign only to be turned away. Unifor also took out full-page newspaper ads and organized a few demonstrations.)
- Solidarity House did not direct local union meetings beforehand to discuss upcoming contract demands, plan strategy and fan out to churches and community organizations to request their solidarity.
- Although the 2018 Bargaining Convention raised the strike pay from \$200 a week to \$250 and finally \$275, that was hardly enough to sustain members or scare the corporation into believing the strike was capable of making a dent in their profitability. With more than \$800 million in the strike fund, the union had the capacity to raise the pay to \$1,000 a week, sending a powerful message!
- There was no call for mass rallies at GM headquarters or mass picketing at the various plants. Community members did bring food to the strikers and flock to the picket lines, but if a call had gone out, people would have responded in an organized way.
- Solidarity House never suggested that Ford and FCA workers take a day (or more) and spend it on the picket line. (Of course many did go before or after work.)
- While a few UAW locals not in the auto industry leafleted in support of the strikers at GM dealerships, this was never a plan the union adopted.

While the UAW is noted for having a democratic Constitution and not paying its officials outrageous salaries (although these have edged up in the last years), the UAW has proven corrupt at the top.

So far the federal government has charged a baker's dozen FCA executives and UAW officials of misappropriating funds from joint training centers. All have plead guilty and several are currently in prison. According to the RICO lawsuit GM filed against FCA, the payoff included allowing FCA a higher percentage of second-tier and temporary workers than at Ford and GM.

At the Bargaining Convention outgoing UAW president Dennis Williams attributed corruption to a few rotten apples. But it is clear that this corruption extended well beyond stealing from joint training programs and taking kickbacks from vendors.

After a four-year investigation, the federal government has begun indictments against top officials for misappropriation of union funds. The smell of corruption disgusts UAW members, particularly as Vance Pearson, director of Region 5, was indicted just before the GM negotiations. The union allowed him to participate in the negotiations and only midway through was he put on paid leave.

Federal charges have not been brought against Officials A and B, but it is likely these are former

president Dennis Williams and Gary Jones, elected UAW president in June 2018. Just as the Ford contract was being approved, six union locals passed resolutions bringing both Jones (who had also taken a paid leave) and Pearson up on charges that could lead to their trial, conviction and ouster from the union.

Within days the UAW Executive Board filed charges against Jones and Pearson as well. Both quickly turned in their resignations from their offices and the UAW, perhaps to avoid the humiliation of a trial and preserve their union pensions.

Rory Gamble, recently voted UAW president by the Executive Board, has outlined a few rules to weed out internal corruption. But he is also a member of the Administration Caucus, allowed and minimized the corruption. Will changing a few rules be enough to quell the dissent that has locals calling for a special convention? And given the hold that the Administration Caucus has over officers, is there enough leadership within the ranks to step forward?

The corruption that came along with concessions is embedded in the joint programs that the union and companies administer, yet despite selling off the buildings, the programs continue under the new contract.

How Could the UAW Have Won?

Because UAW officials think that relationships built up over the years with corporate executives and their negotiating skills produce “win-win” contracts, organizing the membership for a contract campaign hasn’t been high on their priority list.

Yet if we look at successful strikes, whether we go back to the auto sitdowns in 1936-37 that resulted in the first UAW contracts or whether we look to the numerous teachers’ strikes today, the key to success is in the ability of union members to unite around core demands and appeal to the community to stand with them. In the 2019 negotiations, while strikers spoke of their priorities and found a sympathetic audience, the negotiating team blunted those clear demands because they had no confidence that they were winnable.

In the months before the negotiations, GM and Ford announced their restructuring plans. In particular GM’s CEO Mary Barra prioritized autonomous and electric car research and development as she announced the plant closings. But the UAW’s Research Department concluded that the production of electric vehicles would lead to a substantial job loss and therefore offered no advice to the UAW negotiators.

This restructuring is on top of a geographical shift in production. While 20 years ago 80% of auto manufacturing came from plants in North America, Western Europe, Japan and South Korea, today that share is below 50%. In 2018 North American production stood at 16.4%. Just 10.2% of the vehicles are made in the United States.

UAW officials ignored these realities, demanding only that GM bring back vehicles now made in Mexico, where workers earn less than two dollars an hour. Instead of helping Mexican autoworkers form a democratic union and bring up their wages, the UAW raised a demand that cut across any solidarity those workers might lend to the strikers.

The failure to build a powerful strike was matched by the failure to provide a strategy that could secure good jobs as the industry transitions. Without a program to reverse a shrinking U.S. manufacturing base, the UAW negotiating team could only tinker with what the corporations

proposed.

But before we look at what kind of program the UAW could have outlined, let's look at how the Chicago teachers expanded their contract negotiations by raising issues that seemed far beyond the classroom: the need for affordable housing.

Their well-thought out three-part demand revealed that there were 17,000 public school students who were either homeless or lived in temporary shelters. Thousands more were living in precarious housing. Since teachers and support staff are required to live in a city where housing is expensive, the strikers raised the broader need for affordable housing.

Of course they didn't win all their demands, but raising the issue made a deep impression on everyone who heard them.

By opening up a discussion about what it takes to have "Schools Chicago students deserve," the strikers won important demands for themselves and their students. These included librarians and nurses for their schools, and concrete measures for homeless students. Their strike challenged the mayor's priorities.

Now back to work, the teachers will monitor the contract to make sure its provisions become a reality. And they will also continue to advocate around community issues.

What if the UAW had opened negotiations by demanding the Big Three immediately move to develop a mass transportation system within the framework of the Green New Deal? It could have challenged the corporations to end their participation in the fossil fuel economy.

Such a visionary plan, backed by the mobilization of workers and their communities, wouldn't win first time out. But it would have exposed the Big Three — despite a press release or two about their greening their plants — as failing to move to a different transportation model. The earth can no longer sustain an industry built on the individual vehicle.

Under government order, corporations retooled quickly for war production as World War II approached. So we know it is possible to retool today to build the infrastructure necessary to eliminate fossil fuel as an energy source. If corporations can't carry this out, the government needs to help unions and community partners do so.

Just as the Chicago teachers' strike was inspiring, a UAW call for a massive restructuring of transportation would stimulate a serious discussion about how swiftly we can move to eliminate a fossil fuel economy. And those who have profited from the irrational production of millions of vehicles each year must be the ones to foot the retooling.

If this seems far from a contract, perhaps that's because negotiating labor costs are detached from the disaster fast approaching. For those who would say this perspective is utopian, listen to Mary Barra, who challenged the UAW by claiming job security can't be guaranteed but "earned."

Now-closed GM plants — Lordstown, Flint, Ypsilanti and so on — earned prizes for excellence, so the workers from those plants must find that comment particularly callous. Yet in the corporate world where the market is all, that's the reality.

So why are we wasting our time in a game of musical chairs when corporations keep eliminating the chairs? Why not face up to climate change and develop a perspective for reorganizing how we live and work? We need to reject corporate disregard for our future and forge our collective vision.

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P.S.

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<https://solidarity-us.org/beyond-the-2019-uaw-negotiations/>