

United States - Another Restructuring: A Challenge for the UAW

Thursday 11 May 2023, by [FEELEY Dianne](#) (Date first published: 1 May 2023).

WITH THE NEW UAW International Executive Board (IEB) sworn in and the 2023 UAW Bargaining Convention concluded, the union must focus on the upcoming negotiations for its Big Three auto contracts.

Contents

- [The Backstory](#)
- [Democratizing the UAW](#)
- [Preparing for the 2023 Contract](#)

For their part, Ford, General Motors and Stellantis (formerly Chrysler) are gearing up as the industry pivots toward electric vehicle (EV) production. The 2023 contract will set a pattern for this new world of vehicles.

By 2025, in order to restructure their corporations, GM will spend \$35 billion and Stellantis \$35.5 billion to set up battery plants and reorganize assembly plants. Ford upped its commitment to EV production from \$30 to \$50 billion by 2026. By 2027, Ford promises to produce two million EVs, representing one-third of their world-wide production. By 2030, half will be electric.

However, most of the batteries have been manufactured overseas, primarily in China. Other Asian corporations with expertise in research and manufacturing are South Korean and Japanese. For U.S. production this has meant long supply chains, which became more precarious during the pandemic — just as EV production took off.

Passage of the Inflation Reduction Act changes the equation. The act supports domestic manufacturing of batteries, setting maximum percentages of foreign components. The act also provides a substantial \$7,500 tax subsidy to the EV customer. This carrot-and-stick approach, combined with state and local subsidies, makes building battery gigafactories near plants very attractive.

Since the American Recovery Act of 2009 U.S. auto companies have been setting up domestic battery plants, small joint ventures with Chinese and South Korean corporations eager to expand. But this relatively slow growth took off in 2021 with 15 new or expanded plants costing \$40 billion. Last year U.S. companies invested \$73 billion more.

General Motors worked with LG Energy Solution to build three battery plants. Now the Warren, MI plant is up and running with 1300 workers. The Lansing, MI plant — at a cost of \$7 billion — will be in operation in 2024 with four sites and 4,000 workers. The third plant will be located in Spring Hill, Tennessee. The partnership, Ultium Cells, consists of LG producing the battery cells while GM builds the pouches. However, the partners were unable to move ahead with a fourth plant. GM is now finalizing details with Samsung SDI to identify a fourth site.

Meanwhile LG is continuing its work with Honda and Stellantis. Volkswagen is working with the South Korean firm, SK Innovations.

Ford has set up joint ventures with the Chinese corporation CATL (Contemporary Amperex Technology Company, Limited), which has 13 plants in Asia and Europe. Ford and CATL is developing BlueOvalCity in Stanton, Tennessee for 6,000 workers and another in Glendale, Kentucky with a projected workforce of 5,000.

Ford's latest venture is a wholly owned subsidiary in Marshall, MI, where CATL will provide the research and technological innovation — mere consultants in the ever-changing process of battery production. The \$3.5 billion plant will employ 2,500 employees when it opens in 2026. Much of its infrastructure will be subsidized by a \$1.86 billion grant from the Michigan Strategic Fund and other state funding sources.

This subsidy, like others given to set up battery plants, has been questioned by groups such as Good Jobs First, both for its size as well as for a lack of transparency.

Given this new phase of restructuring, plants assembling EVs will have 30% fewer parts, requiring less storage space, more robots and fewer workers.

Stellantis has already idled its Belvidere, IL assembly plant, putting 1300 workers out in the street within minutes of its surprise announcement. Its Sterling Heights Assembly Plant was put on notice that reorganization will downsize the work force.

Analysts predict battery production will create 150,000 direct jobs, while others will be lost by reducing assembly work. This might not seem to be a problem if the industry were what it was in the 1950s and '60s. Workers would have transfer rights. But that's no longer to be expected.

In reality, the concessions that the UAW has taken over the years, starting from the crisis of 1979 and accelerating in the crisis of 2008, have left autoworkers with insecure jobs. Workers have lost equal wages and benefits, endure the intensification of work along with strict absentee policies, and have been robbed of cost-of-living increases.

Skilled tradespeople have been de-skill, expected to work on jobs for which they were not trained. Autoworkers have been pitted against each other nationally and internationally as companies whipsawing one plant against another to extract further concessions.

The Backstory

This decline in the working lives of autoworkers was justified by UAW officials who have controlled the union's leadership positions through an Administration Caucus (AC). Over the years the AC began to see things more from the company's point of view. They administered the union as a fiefdom, demanding loyalty from local officials if they expected the union to service their grievances.

The AC has been challenged by formations opposed to giving in to management. Most important was New Directions, which formed after Jerry Tucker, an assistant regional director, organized locals to win contracts that other officials claimed were unwinnable.

While New Directions was a militant response to the concessions the UAW took in the aftermath of the 1979-83 recession, it was still around when GM and Chrysler sold off some of their parts plants in order to downsize. This move enabled the corporation to place conditions on the supplier,

including on-time delivery of a quality part as well as requiring documentation on the rate of worker absenteeism.

Although UAW officials promised to maintain the master contract for these supplier plants, they eventually told members to accept the introduction of two-tier wages and benefits in order to save their jobs. The lower rate would only apply for new hires and wouldn't affect them. Those who opposed the deal were branded as unreasonable. Solidarity was just a song.

Two-tier contracts became the norm in the supplier plants and spread throughout the industry during the 2008-09 economic recession. The bailout of GM and Chrysler came with the Obama administration's demand that both employers and employees sacrifice to keep the industry afloat. UAW officials testified in Congress in support of the company's bailout.

Dissidents set up an Autoworker Caravan and drove to Washington, DC to demand that in exchange for the bailout, government-owned facilities could move toward building a mass transportation system with trains, electric buses and trucks.

Instead, UAW officials sold assembly workers on the need to sacrifice by accepting two tier. Ford, which didn't need a bailout, also demanded two tier, and officials sold that to the membership as well.

In all subsequent contracts autoworkers have prioritized getting rid of the tiers, but despite some improvements, the tiers remain.

Democratizing the UAW

Not until more than a dozen high-ranking UAW officials were caught red-handed — taking favors from company officials or stealing \$3.5 million from union funds — did members realize how our own officials had completely failed us. A federal monitor was appointed to see that the union strengthened its institutions to prevent corrupt practices from continuing.

Since the delegate system for electing top officers was a crucial mechanism for the AC retaining its control Unite All Workers for Democracy had been campaigning to elect top officers by "one member, one vote." With the monitor in place, the UAWD recommended holding a referendum on the voting method. The monitor agreed and a referendum held in 2021. One member, one vote won, and the UAW constitution amended.

Having won the vote for a direct election, UAWD put together a slate of seven (half the total IEB positions). Our campaign slogan was "No Corruption, No Concessions, No Tiers." Most UAWD members would have been pleased if one or two candidates won but in fact all seven, plus one independent, won.

Under UAW rules, the winner must receive more than 50% of the vote, consequently three out of the 14 offices were in a runoff. Counting the ballots began on March 1st, less than a month before the 2023 Bargaining Convention opened.

By March 4th most of the votes had been counted and two of the three candidates won. But the office of the president was still too close to call. Shawn Fain, the UAWD-backed candidate ran ahead of Ray Curry, the Administration Caucus-backed candidate who had been serving as president. But 1800 ballots remained unopened until their eligibility was verified just two days before the opening of the convention. Fain won a narrow victory (50.2%) but ran first in seven of the nine UAW regions.

Although the convention had been planned by Curry and his team, with delegates elected a year beforehand, Fain was able to establish a more open atmosphere. Previously staff had been deployed to patrol the convention floor, providing canned speeches to select delegates. This time they were instructed not to intervene in the proceedings. Gone, too, were the noisemakers that belittled those who dared to make a critical remark.

The AC still has an army — particularly a large number of appointed officials. They are in the habit of following orders rather than representing the membership. They made their feelings known at the convention — as one delegate opposed to changing the procedure so that more resolutions could come from the convention floor — argued, “The rules have worked for us in the past and we need to keep them the way they are.”

Surprisingly the most interesting convention discussion occurred over a resolution brought by UAW graduate students at Harvard University. They explained that the university was attempting to outfox their local by reducing the number eligible to be covered under the UAW contract. Pointing out how this tactic was similar to what autoworkers faced with tiers, they asked for the convention to adopt a resolution for “wall-to-wall” organizing.

Members of the Administration Caucus, angry about the election results, decided to table the motion. But a few minutes later, 9A Regional Director Brandon Mancilla invited all delegates and guests to join the makers of the motion for a discussion after the session. The following day a slightly amended resolution was introduced, discussed and passed.

In accepting this invitation, some AC delegates were able to react positively. Given that both Chuck Browning — one of the three vice presidents and now the top AC official — and Shawn Fain stressed the importance of unity in the upcoming negotiations, hopefully this will be possible.

The reality is that the AC sided with the companies for so long that the union is unprepared to organize the fight needed for this transition. The battery workforce may not see a reason to join a union if the concessions continue. So the task of the new leadership, including those from the Administration Caucus, is to organize a campaign around contract negotiations that can engage the entire membership.

Preparing for the 2023 Contract

The fight for a decent contract must break through the long-established union culture that views membership as an insurance policy. A successful member-based campaign strategy needs to be a beehive of activity with “all hands on deck.”

Empowering workers can bring forward new leaders to build the coordination necessary. This is our challenge — it’s an enormous responsibility and a short window.

Traditionally UAW strike preparation was asking the membership for a strike vote but keeping a tight lid on the state of the negotiations. That’s considered top secret until negotiations have produced a contract and the “highlights” are distributed to members.

An informational meeting is held, which is about the only place a question might be answered, and sharp debates have happened there, but it’s very late in the game.

When negotiations are stalled and a strike proceeds, workers are instructed not to talk to the press — authorized UAW spokespeople will do that. Even the printed signs strikers carry are standardized

and uninformative.

Given the stakes for the 2023 contract, Fain and the IEB understand that a routinist approach is deadly. They want to build a contract campaign, but many of the appointed representatives and local leaders, even if won over to doing something differently, haven't been learned to listen to members and don't necessarily have the required organizing skills.

Nor has the membership been encouraged to consider how it's possible to win a better contract. We've been schooled in putting forward demands only to learn months later they have been discarded because they aren't possible.

A contract campaign begins far before negotiations start. The issues are primarily developed not at a negotiating table but at work sites where workers signal the coming battle through everyday struggles.

Clearly UAWD members and supporters will be key in discussions, organizing on the job and more. Such a campaign can't stop when punching out either. We need to bring discussions to our homes and spread the word throughout our communities. Everyone needs to know about our central issues.

As the negotiations proceed we will need to show management that we are prepared to back up our bargaining team. This means wearing buttons, writing group grievances, delivering them to management, organizing rallies and informational pickets, reaching out to other unions for support.

Once there is a tentative agreement, we need the time to read and discuss the proposal before any vote takes place. Through the power of knowing and acting on our strengths, we can build a democratic UAW.

A key UAWD-organizer, Scott Houldieson — who works at the Chicago Ford assembly plant — remarked: "We believe that solidarity unionism based on rank-and-file democracy can be the basis for turning our union around. I am looking forward to starting the next chapter in the storied history of the UAW."

Dianne Feeley

P.S.

• Against the Current, No. 224, May/June 2023:
<https://againstthecurrent.org/atc224/another-restructuring-a-challenge-for-the-uaw/>