

# The UAW: A purveyor of cheap labor for the US auto industry

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In recent comments, officials of the United Auto Workers union have made clear that they are willing to expand the number of workers being paid near-poverty wages as part of new contracts the UAW will negotiate this summer with Ford, General Motors and Chrysler.

This only underscores the utterly fraudulent character of the negotiations that will take place and the contracts that will emerge from them. The whole rigamarole is a cover for the collusion of two business entities—the auto companies and the labor contracting business run by the UAW executives—at the expense of the workers. UAW inc. is setting out to rope in new members and increase its dues flow by making \$14 an hour the benchmark for the entire industry.

The UAW first accepted the “two-tier” wage system in 2007, claiming that the \$14-an-hour wage—half of what workers were traditionally paid—was a temporary measure that would be reserved for a select number of newly hired non-production workers. In 2009, the UAW extended the lower wage to all new-hires as part of its agreement with the Obama administration in the restructuring of GM and Chrysler. It then signed a similar deal with Ford to keep that company “competitive.”

The expansion of poverty-level wages for auto workers was a critical component of the Obama administration's economic program. Acting on behalf of the financial elite, the administration saw the attack on auto workers as the initiation of a drive to slash the wages and increase the exploitation of the whole of the American working class. Obama has done nothing to address the greatest jobs crisis since the Great Depression, enabling big business to use mass unemployment to force down wages and slash benefits at an unprecedented rate.

The assault on auto workers did not end with the 2009 contracts, however. Last summer, the UAW began to extend the lower wages to current workers. The union attempted to ram through a 50 percent wage cut for

workers in Indianapolis. Then, behind the backs of GM workers at the Lake Orion assembly plant in suburban Detroit, the UAW agreed to cut wages in half for 40 percent of the plant's 1,550 workers.

The lower wage, the UAW said, was part of an “innovative labor agreement” mandated under the terms of the GM bailout to allow the company to profitably produce small cars in the US instead of South Korea or Mexico.

This week, following the UAW's bargaining convention in Detroit, UAW Vice President Joe Ashton, who is heading up contract negotiations with GM, made an appearance at the Lake Orion plant, where he was asked whether the union would be open to applying the lower wage to other plants. “We will look at anything when it comes to negotiations that will retain jobs,” Ashton replied. “We can talk about wages and benefits, but if you don't have jobs, wages don't matter much.”

This offer to extend the \$14 wage rate is reportedly linked to efforts by the UAW to get GM to reopen plants in Janesville, Wisconsin and Spring Hill, Tennessee, and to keep operations going at a plant in Shreveport, Louisiana that is scheduled to close in 2012. Under the UAW's proposal, the bulk, if not all, of the workforce at these plants would be paid the lower wage.

The UAW has long justified concessions in wages and benefits as the means of “defending jobs.” The underlying but unstated premise is that the duty of the union is to ensure corporate profits—by helping to impoverish and speed up the workers.

The balance sheet of this policy of capitulation and betrayal is a catastrophic decline in jobs. Hourly employment levels at the Big Three auto companies have plunged from a peak of 1.5 million jobs in 1979 to 372,000 in 1999 and 114,000 today. Entire cities—such as Detroit, Flint and Cleveland—have been devastated.

The US auto companies have no intention of

significantly increasing employment. The restructuring of the industry by the Wall Street executives on Obama's Auto Task Force changed the business model of the car companies so as to ensure high returns for big investors even under conditions of falling demand and declining market share. The precondition was a brutal attack on the jobs and living standards of auto workers—a process overseen by the UAW—which has resulted in bumper profits and CEO payouts, like the \$56 million Ford's Alan Mulally pocketed last year.

The UAW's own business model is based on marketing itself as the purveyor to the auto bosses of a highly exploited and cheap labor force. Having seen its membership rolls fall to the lowest levels since shortly after its founding in 1935, the union's growth strategy is to convince the auto giants that they can make more money by shifting production back to the US rather than maintaining it in low-wage havens in Asia, Latin America and Eastern Europe.

The UAW has similarly set out to convince Toyota, Honda and other Asian and German automakers that operate non-unions plants in the US that it is in their interests to allow the UAW into their plants because the union can guarantee low wages and high productivity and will devote all its energies to suppressing the resistance of the workers.

Appealing directly to the heads of these companies, UAW President Bob King recently declared, "We're building on the success of the Big Three in saying the UAW leadership and the UAW membership delivers the best quality, the best productivity and the best attendance record. We're really committed to the success of companies where we represent workers."

In preparation for the contract talks with the Big Three, the UAW is also considering proposals to replace increases in base wages with a pay-for-performance scheme that would tie pay to productivity, quality improvements and profits. This would erode the legal requirement for the bosses to pay a set wage and throw workers back to the conditions of industrial slavery they fought to abolish 70 years ago.

The United Auto Workers, like the official trade union apparatus as a whole, has an antagonistic relationship to the workers it claims to represent. The media and the pseudo-left groups that defend the official unions continue to talk about "negotiations," "bargaining" and "unions" as if there was a fundamental conflict between the UAW and the bosses and the UAW stood on the side of the workers. Neither proposition is true.

The term "negotiating" means nothing when the UAW holds a substantial ownership stake in the companies, identifies openly with their interests, and enforces no-strike and binding arbitration clauses that criminalize any collective resistance by the workers.

There is enormous opposition building up to the UAW, as the rebellions by rank-and-file workers over the last year in Indianapolis and Fremont, California have shown. Moreover, there is a new mood of resistance in the working class as a whole, highlighted by the month-long battle in Wisconsin, against the unrelenting attacks of big business on jobs, living standards and workplace rights.

The best efforts of the union executives, in close partnership with the Democratic Party, will not be able to prevent the emergence of working class opposition. Auto workers, like their class brothers and sisters throughout the country and internationally, will fight back.

The situation facing auto workers is, however, a concentrated expression of a crisis of leadership that confronts the working class as a whole. The success of these struggles depends on the formation of new organizations—rank-and-file committees independent of the unions and democratically controlled by the workers themselves.

Most importantly, workers need a new political perspective. The role of the UAW is inextricably tied to its political alliance with the Democratic Party and the capitalist system. The UAW, as with the union apparatus as a whole, defends absolutely the right of the corporations to run the economy so as to maximize the profits of the executives and Wall Street. From this flows the UAW's demand that auto workers accept their own impoverishment.

The fight to defend the jobs and wages of auto workers must be linked to the struggle of the working class as a whole to take political power and transform the economy on the basis of social need, not private profit. This is the fight for socialism.

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