

Further rollback for workers in UAW-GM deal

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19 September 2011

The United Auto Workers reached a tentative agreement Friday night on a new four-year labor agreement covering 49,000 hourly workers at General Motors. The deal marks a new stage in the UAW's complicity in the destruction of all of the gains won by auto workers since the 1930s.

While the details of the deal have yet to be released, officials of both GM and the UAW have hailed the agreement for securing the future profitability of the largest US automaker. They praise it for allowing GM to remain competitive with the low-cost nonunion factories in the southern states operated by European and Asian carmakers.

In pursuit of this goal, the Obama administration forced GM and Chrysler into bankruptcy in 2009 and demanded massive cuts in auto workers' wages and benefits in return for government loans to the companies.

Since the last contract in 2007, every worker has lost between \$7,000 and \$30,000 in wages and benefits due to the concessions granted by the UAW. The new agreement does nothing to recoup any of these losses, even though GM has made \$5.7 billion in profits so far this year and is sitting on a cash hoard estimated at more than \$30 billion.

Under the new agreement:

- The majority of workers will see no hourly pay raise. The UAW has accepted a wage freeze since 2003 and it abandoned cost of living adjustments (COLA) in 2009, resulting in a de facto 20 percent wage cut, taking inflation into account.

- In lieu of a wage increase, workers will be paid a one-time bonus of \$5,000 after the contract is ratified. As one analyst for *Automotive News* noted, the bonus is for four years and does not keep up with the rate of inflation. "And unlike inflation," he added, "a signing bonus doesn't compound."

- Tier two auto workers—making \$14 to \$16 an hour, or

half the wages of traditional workers—will see a meager increase of between \$2 and \$3 an hour over the next four years. This will bring their annual straight-time earnings from \$29,120 to a maximum of \$35,360, just above the upper income limit for a family of four in Michigan to qualify for food stamps.

- The wage increase for tier two workers is more than offset by the UAW's agreement to allow GM to vastly increase the proportion of workers who will receive the near-poverty second-tier wage. The factory in Spring Hill, Tennessee will be reopened and production expanded in Wentzville, Missouri, most likely on the proviso that GM be allowed to expand the percentage of tier two workers, as the UAW has done at other plants such as Orion Assembly in suburban Detroit.

- GM will offer buyouts to thousands of higher-paid skilled trades workers, who currently make up a quarter of the workforce. This is a further step towards creating a majority low-paid workforce, to be expanded eventually to 100 percent.

- The UAW has accepted an expanded "profit-sharing" program, which reportedly includes a pay-for-performance scheme that will tie pay to "quality improvement" and productivity—a formula for brutal speedup and a rash of industrial accidents.

- Finally, GM's 400,000 retirees and their dependents, who were stripped of dental and optical care in 2009, will see no improvement in benefits. The UAW—which took control of a depleted retiree health care fund—will be in charge of implementing future benefit cuts.

Echoing GM officials and Wall Street analysts, the UAW praised the fact that the agreement would not

increase the automaker's "fixed costs." This only underscores that the UAW—after three decades of labor-management "partnership"—has completely abandoned any conception that workers have independent interests that must be protected, regardless the economic fortunes of the companies.

According to the UAW, everything that affects workers—wages, working conditions, job security, retirement benefits—must be subordinated to the profits of the auto bosses. This allows the companies to operate virtually risk-free, as any loss in profitability will be paid for by the workers in the form of lost pay and benefits. Meanwhile, the corporate executives and big investors will be able to rake in huge returns—based on a reduction of labor costs by 30 percent or more—even under conditions of an economic slowdown and stagnant car sales.

This corresponds to the interests of the wealthy businessmen who comprise the UAW leadership and who control the organization's substantial ownership stake in GM, Ford and Chrysler. The UAW executives no doubt asked their Wall Street advisors to calculate how much the new deal will drive down labor costs and potentially boost the value of their corporate shares.

The maintenance of low wages is key to the strategy of the UAW to boost its dues base. It wants to lure production back into the US and convince the foreign automakers to let it into their plants in the South by demonstrating that they can make more money with the UAW than they can without it. In essence, the UAW is selling its services to the bosses as an apparatus for suppressing and policing the workers and helping to increase their exploitation.

In a statement issued Friday night, UAW President Bob King claimed the deal was "good both for our members and for the company." Through "the collective bargaining process," he said, "we can provide decent wages, benefits and employment rights for workers while ensuring quality products and healthy profits for employers."

In fact, the whole process is a travesty of collective bargaining. The UAW does not bargain on behalf of the workers. It negotiates on behalf of the "collective interests" of the auto bosses and the union apparatus. By agreeing to a no-strike clause, it seeks to ensure that there will be no collective resistance to the demands of the companies.

So naked is this betrayal that industry analyst David Barkholz of *Automotive News* wrote, "Pundits have called the new UAW and General Motors contract a win/win.

I'll amend that to win/win/lose." GM and the international union met their goals, Barkholz wrote, but "the contract is a loser for GM's 49,000 rank-and-file."

While GM can share a tiny fraction of future profitability with workers, he writes, "If there's no profits, no-profit sharing." UAW President Bob King "benefits because the deal went smoothly and he can point to the process as proof to the [foreign-owned] transplants that the union has changed its stripes to cooperative partnership."

Barkholz worries that the ratification vote—which is to take place over the next week to ten days—will be close, and warns that Ford workers—who defeated efforts by the UAW to force them to accept a no-strike deal—will never accept it. In fact, the bulk of the media is speculating whether it is possible to ram through this sellout.

Auto workers should begin organizing now to vote down the contract and mobilize the strength of all auto workers—GM, Ford, Chrysler and non-union workers—in a common industrial struggle to restore all wage and benefit concessions, abolish the two-tier system, secure a substantial wage increase and full cost-of-living adjustment for all workers, and guarantee the right to a decent paying job for auto workers throughout the US and internationally.

The defeat of the contract requires a rebellion against the UAW and the formation of new organizations of struggle controlled by rank-and-file workers themselves, together with the fight for an entirely new political perspective.

There must be a political fight against the Obama administration and both political parties of big business and the development of an independent political movement of the working class.

In opposition to capitalism, auto workers must revive the militant and socialist traditions that animated the sit-down struggles of the 1930s. There must be a fight for the unity of the entire working class—in the US and internationally—to carry out the socialist reorganization of the economy, including the nationalization of the auto industry and the banks under workers' control.



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