

# UAW bids to set up company union at Tennessee Volkswagen plant

Jerry White  
5 November 2013

The United Auto Workers is engaged in behind-the-scenes maneuvers with Volkswagen to get the German automaker to recognize the UAW at its two-year-old assembly plant in Chattanooga, Tennessee. The UAW hopes to do this without even a certification vote by the factory's 1,600 workers, which it would claim to represent.

Having failed to win any such votes at European and Asian-owned car factories over the past three decades, the UAW is relying entirely on VW management to establish a "union" at the Chattanooga plant, which would in all respects be a wholly owned subsidiary of the company.

Working with the German metalworkers' union IG Metall, the UAW has encouraged the automaker to establish a German-style "Works Council" at the Tennessee plant, which would consist of representatives of hourly and salaried workers. Such councils in Germany are required by law to represent the company, not workers and are prohibited from calling strikes.

Unfortunately for the UAW, US labor law prohibits the establishment of such company-dominated bodies without the presence of an ostensibly "independent union." Otherwise such organizations would be considered company unions, which were outlawed under the National Labor Relations Act in 1935. The NLRA was passed in response to the mass upheavals of the Depression era, when tens of millions of workers fought for the right to organize unions, including the UAW, free from the interference of the corporations.

After decades of degeneration—which had its roots in the anti-communist purges by the union bureaucracy in the 1940s, the political subordination of the unions to the Democratic Party and American capitalism, and finally the fatal undermining of all nationally based labor organizations by the globalization of production—the UAW has come full circle by offering itself as a company union.

In his column in the *Chattanooga Times Free Press* earlier this year, UAW International Executive Board member and Region 8 Director Gary Casteel boasted that the UAW was bringing forth "the first new model of employee representation since passage of the NLRA of 1935: a model based on full employee participation, cooperation and collaboration."

In fact, this is a return to company unionism. This was spelled out in the cards the UAW passed out to VW workers to sign up, which read in part:

"We, the employees of Volkswagen, are joining together to create the most successful Volkswagen Chattanooga facility possible. We recognize that our job security and our success as employees are bound up with the success of our company.

"We commend and embrace the Volkswagen philosophy of co-determination and aim to contribute to the production of the highest quality products, safe and efficient production methods, and the overall profitability of Volkswagen.

"We choose to be represented by the UAW because, by working together, we can make the Passat the #1 car in the United States."

The UAW has claimed that more than half of the Chattanooga workers have signed such cards, which they claim are as legally binding as a certification vote. According to the *Detroit Free Press*, "[UAW President Bob] King said the union and the company now are discussing the best way to establish recognition. He is unsure whether the company will voluntarily recognize the union or if a certification vote will be necessary, but he said forcing a vote would be more divisive."

Reuters has reported, however, that sources close to top executive board at VW said last month the board would ultimately insist on a formal vote by workers.

Bernd Osterloh, the head of VW's global works council and an IG Metall member who serves as deputy chairman

of the company's supervisory board of directors, has sought to intimidate workers into recognizing the UAW. With VW now deciding whether to build a new seven passenger sports utility vehicle in Tennessee or Mexico, Osterloh told workers in a statement, "It would be good if the Chattanooga factory already had a works council because what's also at stake at the moment is another model for our US factory."

This prompted several workers last month to file a lawsuit with the National Labor Relations Board charging that VW officials were coercing them to join the UAW. While the National Right to Work Foundation is supporting the lawsuit for its own right-wing purposes the charges are essentially true.

VW has a long history of collaboration with IG Metall, the global works council and Osterloh in particular. For decades, the auto-making giant was considered the symbol of what was called the "German model of workers' participation" and "co-determination" or *Mitbestimmung*, which involved the closest collaboration between the company, the trade unions, the works council and the Social Democratic Party.

This sordid relationship came to light in a 2005 court case, which revealed that the company in the course of two years paid out some €780,000 (\$937,000) to works council members, including Osterloh's predecessor Klaus Volkert, for unauthorised expenses like visits to brothels during trips around the world. (See: "The miserable end of the "Volkswagen model")

Meanwhile, the works council imposed cost-cutting measures on VW workers used to tear up collective agreements throughout the entire industry. Before taking over chairmanship, Osterloh implemented the "5000 times 5,000" contract in 2001, in which VW hired 5,000 new workers who were paid by results instead of hours worked, received at least 20 percent lower pay and were subjected to more "flexible" work conditions. Osterloh also played a key role in stabbing Belgian VW workers in the back by offering more cost-cutting in Germany, leading to the layoff of thousands of workers at the company's Brussels plant.

The UAW has long looked with envy to the company and state-sanctioned role of the unions and works councils in Germany. Having lost two-thirds of its membership since 1979, the UAW is looking to a "new model of labor relations" in order to revive its flow of dues income.

UAW President King's pitch to foreign-based transnationals is that the UAW will provide them the

same "success" as it has the Detroit automakers where labor costs have been reduced by nearly 30 percent the last six years and the factories are pumping cars out at a higher rate—with fewer workers than ever before. This year, GM, Ford and Chrysler are on the road to surpass their 2012 profits of \$12.3 billion.

The UAW has rejected any struggle to improve the conditions of VW workers. On the contrary, the wages of VW workers—starting at \$14.50 an hour and rising to \$19.50 after three years—are already slightly higher than second tier workers at UAW-represented plants in Detroit.

Union executives are arguing against right-wing politicians, like Tennessee Senator Bob Corker who say recognition of the UAW will hurt VW. Casteel pledged that if the union and its new works council were recognized, it would help the company "increase their through-put, quality, efficiency and health and safety."

Recognition of the UAW will not advance VW workers one iota, as claimed by the various pseudo-left bagmen for the UAW, such as the *Labor Notes* publication. On the contrary, it will entangle them in a labor-management-government conspiracy to exploit them even more.

Auto workers in Chattanooga and other transplants need organization. But the beginning of a struggle to unite the working class to defend the right to secure and decent paying jobs requires a clear sighted understanding of the collapse of the old trade unions in the US, Germany and around the world.

The revival of the workers' movement requires a rejection of the pro-capitalist and nationalist outlook of the unions, their political subordination to the parties of big business and the development of a socialist political perspective to guide the international struggles of the working class.



To contact the WSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**