

An international strategy for autoworkers

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The four-year labor agreements covering 140,000 General Motors, Ford and Fiat Chrysler workers in the United States will expire a month from now. The striving of autoworkers to improve their living standards—after more than a decade of falling real wages—has pit them against the entire corporate and political establishment which is determined to continue cutting real wages and turn the US into a cheap-labor haven.

This battle has both national and international implications. The financing, design and manufacture of cars and trucks involves tens of million of workers in one of the most globally integrated industries on the planet. Transnational corporations like Toyota, VW, GM, Nissan and Ford operate on six continents. They are driven to slash labor costs, increase exploitation and maximize profits to satisfy the unrelenting appetite of global finance capital.

This raises the necessity for autoworkers to develop an international strategy in opposition to the global auto giants. It also means a fight against the unions, which promote nationalism and collaborate with the companies to pit workers against each other in a fratricidal competition for jobs.

As talks between the Big Three US-based automakers and the United Auto Workers began, Ford announced it was shipping production of two small car models from a factory in suburban Detroit to a “location outside of the United States.” Industry analysts have pointed to expanding investment in Mexico—where automotive wages are now lower than in China—as a powerful weapon to blackmail US workers into accepting even more concessions.

Right on cue, the UAW has sought to dampen expectations of significant wage increases by declaring that the supreme issue in contract talks is “job security.” This has long been the UAW bureaucracy’s code phrase for more sacrifices, even though decades of

concessions have been accompanied by the wiping out of nearly a million US auto jobs since 1979.

Speaking like the company stooge he is, UAW Vice President Jimmy Settles, the lead bargainer with Ford, said, “We have to negotiate smart. We don’t want to negotiate them out of business.” He was speaking of a company that has made \$53 billion in profits since 2010.

The UAW is the chief enforcer of wage-cutting, which it sees as decisive in attracting investment back from China, Mexico and other low-wage countries and boosting the number of dues-paying union members. This week, Ford announced it was relocating production of several truck models from its plant in Escobedo, Mexico to a Cleveland-area plant in Avon Lake, Ohio.

“Working with our partners in the UAW, we found a way to make the costs competitive enough to bring production of a whole new generation of work trucks to Ohio,” said Joe Hinrichs, Ford’s president of the Americas.

In the aftermath of the crash of 2008, the Obama administration orchestrated the Wall Street restructuring of the auto industry. With the aid of the UAW, tens of thousands of jobs were wiped out; income protection for laid-off workers was eliminated; the corporations dumped their retiree health care obligations and expanded the two-tier wage system, which pays workers hired after 2007 little more than half the wages of traditional workers.

Wages levels have fallen so low in the US that the carmakers have all but threatened to shut down production in neighboring Canada, which is “not what I would call the cheapest jurisdiction in which to produce,” according to Fiat Chrysler boss Sergio Marchionne. More than 1,000 workers at GM’s Oshawa, Ontario plant face the loss of their jobs after GM announced it was moving production of the

Camaro to Lansing, Michigan. In response, the local union president urged GM to reconsider, saying it could take advantage of the Canadian auto union's own version of the two-tier agreement, which forces new-hires to wait 10 years before they earn top pay.

Every wage and benefit concession granted by the unions only increases the international whipsawing of workers. With international investors complaining that VW is "only" realizing a three percent profit margin, compared to 10 percent for GM and Ford, the world's third largest automaker is now embarking on a ruthless cost-cutting drive against its 600,000 worldwide employees. The campaign is being spearheaded by VW's new chairman of the supervisory board, IG Metall union president Berthold Huber, who is paid \$1.04 million a year.

The deepening of the world economic crisis, including the downturn in China, the continued stagnation in Europe and the collapse of car sales in Brazil and Russia, will only lead the auto executives and financiers to intensify their war against autoworkers.

Since the financial meltdown seven years ago, the resistance of autoworkers has grown on an international scale, with strikes erupting in China, Brazil, Turkey, India, Mexico, South Korea and other countries. The unification of autoworkers is blocked, however, by nationally-based trade unions that insist workers make endless sacrifices to boost the position of "their" own capitalists in the world market.

As far back as 1988, the International Committee of the Fourth International, the world Trotskyist movement, explained the significance of the globalization of production and outlined a strategy for the working class.

"The objective unity of the international working class is being strengthened by profound economic processes," the ICFI wrote in its 1988 perspectives document. "It has long been an elementary proposition of Marxism that the class struggle is national only as to form, but that it is, in essence, an international struggle. However, given the new features of capitalist development, even the *form* of the class struggle must assume an international character. Even the most elemental struggles of the working class pose the necessity of coordinating its actions on an international scale."

Workers in every country must be unified on the basis of a common struggle against their common enemy: the capitalist system.

The campaign by the Socialist Equality Party to build an international opposition among autoworkers has already received a strong response, with workers subscribing to the WSWs Autoworkers Newsletter throughout the US. In the coming weeks, the SEP and its sister parties around the world will do everything possible to link up American workers with their brothers and sisters in Canada and Mexico and in Latin America, Europe, Asia and Australia.

The SEP urges workers to build rank-and-file action committees in every factory, democratically run by workers and free of the control of the UAW in the US and its counterparts in other countries. Such an initiative is essential in developing the industrial and political counter-offensive of the working class against the global capitalist system, which is the root cause of inequality, austerity and war.



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