

UAW exposes secret 2014 deal with Volkswagen to recognize union

Shannon Jones**28 June 2016**

The United Auto Workers (UAW) revealed last week that it had signed a secret agreement with Volkswagen (VW) for union recognition at its Chattanooga, Tennessee, plant in the wake of a vote by workers against representation by the UAW.

The disclosure came in the midst of an escalating conflict between the UAW and VW over the status of skilled trades workers at the Chattanooga plant, who in a separate vote opted to join the UAW. Management has challenged the vote and is presently refusing to negotiate a contract.

According to the UAW, VW officials signed the agreement to recognize the UAW in exchange for the UAW dropping a lawsuit challenging the vote against union representation by plant production workers. The union dropped its challenge to the vote, but, says the UAW, VW never fulfilled its part of the bargain.

According to Gary Casteel, UAW secretary treasurer, "Volkswagen never fulfilled its commitments to recognize the union as a representative of its members. The unfulfilled commitment is at the heart of the ongoing disagreement between the company and the union." The UAW said the deal developed out of talks with VW's then-chief financial officer, Dans Dieter Poetsch, who has since been promoted to chairman.

VW did not dispute the existence of an agreement but insisted that the document was not a legally binding contract. It said the agreement represented a labor policy designed to facilitate meetings between worker representatives and management, not a collective bargaining agreement.

In an earlier statement, Karlheinz Blessing, head of VW human resources, said, "If the UAW wants to organize the American auto workers at our plant in Chattanooga it has to do so by itself, like the IG Metall does it in Germany. The VW management board or the

IG Metall cannot handle this for the UAW."

The revelation of this secret agreement between the UAW and VW is a further devastating exposure of the anti-working-class character of the UAW. Behind the backs of workers, who had already voted to reject UAW affiliation, the union tops conspired with management to unilaterally impose the UAW on a recalcitrant workforce.

For its own reasons, VW decided not to recognize the UAW, perhaps because the deal was too obviously undemocratic. The company had initially sought the assistance of the UAW in forming a works council at the Chattanooga plant, similar to works councils at its plants in Germany, as a means of imposing cost-cutting in the name of "co-determination." To do this, it needed the participation of the UAW because the set-up would be illegal under US labor law without the participation of a supposedly independent union.

In November 2014, VW announced the establishment of the Volkswagen Community Organization Engagement program. It would authorize the UAW to conduct plant meetings with corporate executives if it could obtain just 15 percent support. If the UAW were able to reach thresholds of 30 percent or 45 percent support, it would obtain additional privileges, including more meetings with executives.

It could not be installed as sole bargaining agent unless it could demonstrate that it had more than 50 percent support. The UAW has not been able to achieve this level of support at any Asian or European transplant auto factory.

In the meantime, the UAW petitioned for a separate union recognition election among skilled trades workers at the Chattanooga plant. The National Labor Relations Board certified the UAW as the winner of the election in March; however, VW has so far refused to

negotiate on the grounds that any bargaining unit must include production workers as well as skilled workers. The company has filed a challenge to the results of the UAW certification in federal court.

Whatever the outcome of the various maneuvers between the UAW and VW, this episode once again demonstrates the dependence of the auto union on the patronage of management. The UAW is a union in name only; it functions as a pro-management police force, seeking to drive up productivity and slash costs in the name of maintaining “competitiveness.”

As part of a UAW-VW “neutrality agreement,” the union promised management that it would engage in “maintaining and where possible enhancing the cost advantages and other competitive advantages that [Volkswagen] enjoys relative to competitors in the United States and North America.”

That meant, in other words, that the UAW would impose cuts on the Chattanooga workforce similar to those it imposes at the Detroit-based automakers, including a starting wage, which was at the time about half of standard base wages. New starting full-time workers at the VW plant earned substantially more than that.

In its drive to impose itself on workers at VW, the UAW has had the support of the German IG Metall trade union. IG Metall recently joined with the UAW in demanding that VW negotiate with the skilled trades unit at the Chattanooga plant.

In Germany, IG Metall has played a key role in company attempts to impose the costs of its emissions cheating scandal on the backs of workers. At a meeting of shareholders last week, IG Metall chief Joerg Hofmann, who is also a member of the VW supervisory board, defended former CFO Dieter Poetsch against charges of mishandling the emissions scandal.

Last year, IG Metall presented a proposal to VW management aimed at saving €5 billion. IG Metall has also collaborated with VW to impose job cuts at the company’s MAN SE truck division in Munich. It also helped force through the closure of the GM-Opel plant in Bochum, Germany, the first auto factory to be closed in Europe since World War Two.

Clearly, the UAW would like to establish a collaboration with VW in the United States similar to that enjoyed by IG Metall with VW in Germany, with attendant perks and privileges including seats on

supervisory boards and possible advancement to top management positions with executive-style salaries.

The problem that both the UAW and VW face is that workers do not want to have anything to do with a so-called workers organization that flaunts its collaboration with management. VW workers in Chattanooga, many of whom worked in plants in Michigan and other Midwest states, are well aware of the record of the UAW, which has presided over the destruction of hundreds of thousands of auto jobs and the closure of hundreds of factories.

Workers need genuinely democratic, representative organizations, not fronts for management. The Socialist Equality Party calls for the formation of rank-and-file committees in the factories, independent of the UAW, to fight for decent and secure jobs and healthy working conditions. This requires that workers reject the pro-capitalist and nationalist program of the UAW.



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