

Volvo announces multi-billion dollar payout to shareholders, while UAW parrots company line that there's no money to meet workers' demands

Marcus Day
5 June 2021

Volvo Truck's parent company, Swedish-based Volvo Group, is planning on handing out roughly \$2.3 billion to shareholders, the proceeds from the sale of its Japan-based subsidiary UD Trucks (formerly known as Nissan Diesel).

The massive payout to the company's wealthy investors comes as nearly 3,000 workers at Volvo Truck North America's New River Valley plant in southwestern Virginia are engaged in an increasingly militant and determined struggle with the company over its proposal for a new six-year contract.

The company has thus far adamantly refused to concede to workers' demands to end the hated multi-tier wage and benefit system and significantly raise pay. It is attempting to force through an agreement in a vote this Sunday, June 6, which essentially repackages the proposal workers already overwhelmingly voted down by 91 percent last month.

Volvo has left it to United Auto Workers officials to sell the agreement to workers. Workers, for their part, have formed the Volvo Workers Rank-and-File Committee, which has issued statements calling for a massive defeat of the latest UAW sellout agreement.

At meetings on the contract largely boycotted by workers earlier this week, UAW officials confronted angry questions about the concessions in the deal. Acting as representatives of the company, not workers, they claimed that there was "no money" to immediately end the tier system.

This pro-corporate line is repeated ad nauseum and used to justify virtually every attack on workers, and every refusal of their demands. It is, in reality, a lie.

The \$2.3 billion handout to wealthy investors is set to be confirmed at an "Extraordinary General Meeting" of shareholders on June 29.

The multi-billion-dollar proceeds from the sale of UD Trucks come on top of the company's largest dividend payment in its history earlier this year. On March 31, shareholders approved a dividend of SEK15 per share (\$1.81) from the company's 2020 profits, amounting to approximately \$3.68 billion.

The company's dividends and the money from the sale of UD Trucks will go overwhelmingly to sections of the financial aristocracy that control the large banking and investment houses and multinational corporations, and which in turn hold much of Volvo's shares.

- According to company data, Volvo's largest shareholder is Swedish investment firm Industrivärden, which has a total of 170,200,000 shares. The firm would receive 1,616,900,000 Swedish kronor, or approximately \$195 million, from the proceeds of the UD Trucks sale alone, not taking into account the previously announced dividend.

- The second largest stockholder, China-based Geely Holding Group, is an automotive giant privately held by billionaire Li Shufu (net worth, \$18.7 billion). Geely has a total of 167,247,516 shares and would receive roughly \$192 million.

- The third-largest stockholder, US investment firm

BlackRock, holder of nearly 100 million shares, would receive the equivalent of over \$111 million.

Significantly, the trade union bureaucracy will get their own cut, albeit of a more “modest” scale. Unionen, the largest trade union in Sweden and the holder of 4,510,542 shares, would receive a roughly \$5.1 million payout.

In a company press release announcing the proposal, Volvo Chairman Carl-Henric Svanberg (former chairman of British oil giant BP) stated, “The Board believes that the Volvo Group's improved profitability, resilience in downturns and strong financial position enable a distribution of the proceeds from the sale of UD Trucks to the shareholders.” Svanberg, with 2,000,000 shares, is set to get his own multi-million payout.

When it comes to justifying piling up the fortunes of the world's financial aristocrats even further into the stratosphere, corporate management has nothing but sunny language of “strong financial positions” and “improved profitability.” A couple billion here and a couple billion there, why not?

But when it's a matter of meeting workers' basic demands for higher wages, decent working conditions, health care and a secure retirement, the company pocketbooks snap shut.

Volvo workers at NRV have formed the Volvo Workers Rank-and-File Committee (VWRFC) to fight for their interests independent of the UAW. Volvo workers can contact the VWRFC at volvowrfc@gmail.com or text to (540) 307-0509?.



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact