

A profile of Volvo Group: What the striking New River Valley workers are up against

Gabriel Black

13 June 2021

Nearly 3,000 workers in Dublin, Virginia are entering the second week of their strike against Volvo Trucks North America. The strike began June 7 after the workers rejected by 90 percent a second pro-company contract backed by the United Auto Workers union.

In the first week, it became ever more apparent that workers confront a two-front war. On the one hand, the corporation cut off health care benefits to workers and their families, attempted to continue production with strikebreakers protected by Virginia state troopers, and sent out letters of termination to intimidate strikers. On the other, the UAW continued to do everything in its power to isolate the striking workers. It has done nothing to inform autoworkers and other workers about the strike. Although the UAW sits on a strike fund worth nearly \$800 million, it plans to keep workers on starvation benefits of \$275 a week.

Opposition to this betrayal has been led by the Volvo Workers Rank-and-File Committee, which has insisted that workers need a strategy to win, including full income support paid out of the UAW strike fund and a fight to unify all Volvo workers. In a statement issued on June 8, the VWRFC stated: "3. Unification with other Volvo workers. The deliberate UAW strategy of separating us from other workers at Volvo, particularly Volvo-Mack, ends now. Workers want to unite. If the enemy wants to wage war on us, we must be prepared to open up new fronts in their rear, including at Volvo's operations in Hagerstown, Macungie, and Roanoke, as well as Sweden, France, Belgium, Russia, Brazil, India, and Thailand."

The Volvo behemoth

To fight for this, the clearest picture of what workers are up against is necessary. Volvo Group, the parent company of Volvo Trucks North America, is a formidable enemy. It is a massive, multinational corporation with over 61 billion dollars in assets, operations in over a dozen countries, and substantial resources to buy and influence politicians in every country.

Volvo has restructured over the last 20 years to become the second largest producer of heavy trucks in the world. As workers know, the company ate up Mack (a part of Renault Trucks) in 2001 to expand in the US. Volvo then took over Nissan Diesel in 2007 to penetrate Asia. This was followed up with a 2013 joint ownership of Dongfeng's heavy trucks, a major auto manufacturer in China, and a similar deal in India, with Eicher, in 2008.

This aggressive international development has made the company fabulously rich and profitable. The company took in \$51 billion in sales just in 2019, with \$4.3 billion in pure profit.

According to company reports, **Martin Lundstedt, the CEO, made \$5,272,760 USD in 2020** (calculated from SEK), while workers and their families suffered through COVID-19. Lundstedt's salary alone would be enough to give striking workers a *permanent* \$1,800 annual raise!

But the real money is in the company's stock. The wealth of the owners of Volvo *has almost tripled* over the last year.

In March 2020, the market capitalization—the total value of the company—was at \$22 billion. In March 2021, it stood at \$57 billion! Even if you compare the stock to before COVID, Volvo's owners have still almost doubled their wealth.

In fact, in just a few days, on July 1, 2021, the company is preparing to hand out a massive dividend check to its shareholders at its General Meeting. A total of \$2,318,135,376 is being dished out—money made from the work that is being done on the production line. This on top of \$3.68 billion from earlier in the year.

We calculate that this combined total of nearly \$6 billion would amount to a \$116,954 bonus for the 51,131 blue collar workers of Volvo *worldwide*, not just at the New River Valley plant.

It must be stressed that Volvo's money does not grow on trees. It comes from the workers.

Every day on production lines across the globe, the big banks and financial funds that own Volvo use the company to scrape off profit from the workers. Whether in India or France, Mexico, Canada or Sweden, in all its operations Volvo's profits come from squeezing it out of workers on the production line.

Banks, unions that own the company

This money gets funneled to major banks and investment firms—BlackRock, Vanguard, Industrivärden (Swedish asset manager), SEB, Nordea, JP Morgan, just to name a few—which own the majority of the company's shares.

Volvo's third largest owner is actually the Swedish unions, specifically AMF, an insurance and fund manager run jointly by the Swedish Trade Union Confederation and the Confederation of Swedish Enterprise. Several years ago, the leaders of this fund were implicated in a scandal involving their paying themselves massive bonuses and pension payouts, while simultaneously cutting the pensions given to ordinary Swedish workers.

Sound familiar?

Just as Swedish union representatives profit from partnering with Volvo, the UAW sits on the boards of major truck and car companies in the US. For example, Ray Curry, who signed the rotten deal with Volvo, sits on the board of Daimler AG, owner of Freightliner Trucks. This allows UAW executives to make lucrative salaries in jointly controlled funds. Representatives of IF Metall and Unionen (two of the largest Swedish trade unions) are on the board of directors of Volvo Group, as is the VFF pension fund executive. These "worker representatives" have not said a word about the strike in New River Valley and do not intend to.

Buying politicians

Wherever it has its operations, Volvo exercises powerful influence over prime ministers, presidents, governors. On June 10, CEO Martin Lundstedt was made a Knight of the Legion of Honor at the residence of the French ambassador to Sweden “for his commitment to the industry in France.” During the EU summit four years ago, held in Gothenburg, Sweden, Lundstedt hosted French Prime Minister Emmanuel Macron, known as the “President of the Rich” in France, and Sweden’s prime minister at Volvo Group’s headquarters.

In the United States, Volvo and its affiliates spent \$750,000 in 2020 to lobby politicians and another \$131,646 on campaign contributions in Virginia, Oregon, North Carolina and other states. Republicans like US Senator Shelley Moore Capito from West Virginia received 51.15 percent of the donations and Democrats like Senator Mark Warner in Virginia received 48.85 percent. This has resulted in huge tax cuts and other incentives for its operations at New River Valley, Hagerstown (Maryland) and elsewhere.

The company has very close ties to Virginia’s Democratic governor, Ralph Northam. Last April, Northam appointed Franky Marchand, the vice president and general manager at Volvo Trucks’ Dublin plant, to join his COVID-19 Business Task Force. The purpose of the task force was to advise the governor on how to ease restrictions on businesses as the deadly pandemic was spreading across workplaces and wildcat strikes by autoworkers in Michigan, Ohio and other states, in defiance of the UAW, forced the shutdown of auto, truck and other manufacturing facilities.

Per-student spending in Virginia is down eight percent since 2008 and Northam’s budget-cutting has repeatedly provoked strikes and protests over the last several years at the state capitol in Richmond by educators, whose salaries are far below the national average. That did not stop the governor from handing the company \$16.5 million in grants, along with other incentives from the Virginia Enterprise Zone Program, when Volvo announced the expansion of the New River Valley plant in 2019. At the time, the governor gushed about Volvo being the “bedrock of this community” that has “fueled the regional economy.”

Northam is now protecting Volvo’s interests by deploying Virginia state troopers, at taxpayers’ expense, to escort scabs through the Volvo workers’ picket lines.

Worker allies

Volvo and its international competitors like Daimler have long used the globalization of production to pit workers around the world against each other in a race to the bottom. The UAW and other unions, which are based on a hopelessly out-of-date nationalist perspective, are incapable of responding to globalization in any progressive fashion, and instead have sought to join the corporations’ efforts to divide and weaken the working class.

But the global integration of production has created unprecedented conditions for waging a global struggle to defend the jobs, living standards and working conditions of all workers, no matter what country they are from.

As the *World Socialist Web Site* stated:

The Volvo workers in Dublin, Virginia, are well aware of the fact that the corporation, headquartered in Gothenburg, Sweden, employs almost 100,000 workers in production facilities located in 18 different countries, spanning every continent. Many of these facilities are interdependent, requiring a flow of products from one plant to another. Contrary to the claims of the bureaucracy that resistance to the corporations is hopeless, the workers realize that their potential power, if organized and deployed globally, is immense.

If New River Valley workers want to fight this massive machine, they cannot do it alone. The advantage of fighting against a multinational corporation is that there are many other workers who are doing the same job, under similar conditions, in other parts of the globe.

Here is a list of the major centers of Volvo Group’s major operations around the world. Workers cannot fight in isolation. The company runs a global operation; workers must give them a global strike.

In addition to reaching out to their coworkers in Pennsylvania, Maryland and other states, workers should establish lines of communication with their brothers and sisters in Europe, where tens of thousands of workers are on the production line every day. Likewise in India, a vital artery for the Asian market. Right now, most of these workers in other countries do not know about your strike—the company, the UAW, and the unions in other countries are quiet as they can be. Tell your coworkers what you are doing and find allies in the process.

North America (all centers)

- Lehigh Valley Mack Trucks, Macungie, Pennsylvania: 2,100 employees

- Hagerstown, Maryland: 1,700 employees

- Middletown Remanufacturing Center, Pennsylvania

- Volvo Construction Equipment in Shippensburg, Pennsylvania: 800 employees

- Nova Bus employees (1,500 workers): Plattsburgh, NY; Saint-Eustache, Quebec; Saint-Francois-du-Lac, Quebec

- Volvo Group Mexico, Mexico City: 1,300 employees

- Volvo Penta, Lexington, Tennessee: 130 employees

- Volvo Distribution Center, Byhalia, Mississippi: 500 employees

Europe (major centers)

- Tuve plant, Gothenburg, Sweden: 1900 employees

- Blainville plant, Lyon, France: 1,900 employees

- Skövde, Sweden: 3,000 employees

- Umeå, Sweden: 1,600 employees

- Ghent, Netherlands: 2,300 employees

- Kaluga, Moscow, Russia: 700 employees

- Renault Trucks, Bourg-en-Bresse, France: 1,350 employees

- Vénissieux Engine Plant, France: 700 employees

Asia (major centers)

(Volvo has 12,000 employees in India across all its companies. Three main factories located near each other in Bangalore employ 3,500 factory workers.)

- Hoskote Trucks assembly, Bangalore, India

- Peenya Construction Equipment, Bangalore, India

- Pithampur Commercial Vehicles, Bangalore, India

- Brisbane, Australia: 600 employees

South America (major centers)

- Curitiba, PR, Brazil: 3,700 employees

Africa (all centers)

- Truck assembly, Durban, South Africa: 170 employees

The way forward

Billions of dollars exist in company coffers to meet the demands of the workers. Likewise, millions of dollars exist in the UAW strike fund to fund a strike.

Only by expanding the strike, rejecting the lie that there is no money, and expanding the network of rank-and-file committees to genuinely advance the interests of workers will this strike be won. At the same time, it is the duty of all workers, especially the workers in the auto industry, to come to the aid of the Volvo workers and break the isolation of their strike by the corporatist UAW.

Workers need their own organizations that represent their interests and fight, with everything they have, to win the strike. Workers at Volvo should join the Volvo Workers Rank-and-File Committee and have a coordinated *international* outreach to spread awareness of the strike and find and make allies for this struggle in the process.

Already, workers from many countries have sent statements of support to the striking Volvo workers. The *World Socialist Web Site* will give workers all the assistance possible to establish lines of communication with workers around the world and coordinate their efforts to win this critical battle.

Volvo workers can contact the Volvo Workers Rank-and- File Committee at volvowrfc@gmail.com or text to (540) 307-0509 ? .



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact