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Stand up for your rights! The United Auto Workers' victory against the 'big three'

The historic strike of the United Auto Workers (UAW) against the 'big three' US automotive companies (Ford, General Motors and Stellantis) has concluded with a victory for the union

The strike started at midnight on 14 September 2023, the deadline for signing the renewal of the collective agreement between UAW and the three biggest US auto companies. It was the first time that UAW had called a strike against all the 'big three' at once. But instead of striking at all plants at the same time, the union asked its members to walk out at selected locations within the companies' production chains. UAW called this strategy a 'stand-up' strike, with reference to the historic 'sit-down' strikes in the 1930s, which resulted in the union gaining employer recognition in the auto industry. Initially, the union struck at only three plants – one for each company – in Michigan (Ford), Ohio (Stellantis) and Missouri (General Motors). It then extended its mobilisation to other locations during the negotiations in order to put more pressure on management. At its peak, the strike involved approximately 50,000 of the 140,000 UAW members in the 'big three' companies. While 2023 was a year of notable industrial action in the United States – even Hollywood actors took to the picket lines – the UAW strike was particularly significant, given the extent of what was gained and its potential ramifications for the relaunch of the US labour movement. Moreover, UAW's successful tactics – which I will describe below – might provide inspiration for other unions around the world.

The union's bargaining platform and the strike's outcome

The union, led by new president Shawn Fain – elected only a few months earlier – had put forward an ambitious bargaining platform. This included a raise of 40 per cent over four years, reintroduction of wage indexation in the form of cost-of-living adjustment (COLA) clauses, measures to ameliorate the conditions of temporary workers and reduce labour force segmentation, improvements in pension benefits and health-care provisions, and the introduction of a four-day, 32-hour working week at the same rate of pay. The union also hoped to tackle the question of the transition to electric vehicles (EV), which threatens to lower wages and working conditions. 'Big three' plans for producing components for electric vehicles (such as batteries) include creating joint ventures with other companies and opening non-unionised factories paying lower wages. In its proposals, UAW cited the fall in real wages as a result of inflation and the rise in the companies' profits over the past few years, which led to a 40 per cent leap in CEO compensation, the same raise the union asked for. Other demands, such as the reintroduction of COLA clauses, were intended to restore what the union had lost through concessionary bargaining in the wake of the 2008 global financial crisis and the bailout of the US auto industry.

After six weeks of strike action, on 25 October 2023 Fain announced that UAW had reached an agreement with Ford, including a 25 per cent wage increase over the next four and a half years (with an immediate raise of 11 per cent), the reintroduction of COLA, the elimination of wage tiers, and a faster transition to stable employment for temporary workers.¹ Taking into consideration the effects of wage indexation, wage growth should be around 33 per cent for those on the top rates and 67 per cent for those on starting

¹ See: https://uaw.org/wp-content/uploads/2023/10/HourlyHighlighter-Ford_FINAL.pdf

rates. The effect will be even greater for precarious ‘temp’ workers, who will see wage increases of up to 150 per cent over four years. By the end of the agreement, a full-time Ford worker will be earning approximately US\$84,000 per year. All in all, the increase reached by the new collective agreement is greater than the last four agreements combined.

The union also won the ability to strike against plant closures, a key element in trying to avoid the transition to electric vehicles becoming a race to the bottom. The agreement with Ford also includes greater information and consultation rights for the union regarding the introduction of new technologies, and investment in training for its members on these issues. Crucially, with regard to battery and electric vehicle factories the agreement also provides for collective agreement extension to workers at two factories, one in Michigan and one in Tennessee, once UAW completes the unionisation process there.

Following the announcement of the agreement, UAW members returned to work at Ford factories. This increased pressure on Stellantis and General Motors. On 28 October, UAW announced that it had also reached agreement with Stellantis, essentially identical to the one reached with Ford, because the union followed a strategy of ‘pattern bargaining’. But Fain also highlighted some aspects specific to the Stellantis agreement. The first is that the company has committed to adding 5000 additional jobs over the next few years, even though at the beginning of negotiations it had signalled its intention to *cut* 5000 jobs instead. In addition, in a significant turnaround the company pledged to reopen a plant in Belvidere, Illinois, which it had closed in March 2023, and also promised to open an EV production line there. Finally, Fain announced that the union will have the right to strike not only over factory closures – as already achieved at Ford – but also if the company goes back on its investment promise. Commenting on the agreement, Fain did not mince words: ‘we are changing the course of the war against the

American working class'. On 30 October, General Motors also capitulated, granting terms similar to those reached by UAW with Ford and Stellantis.

The dispute thus ended with a significant success for the union and its new leadership. Granted, UAW did not win on all the items in its bargaining platform. It was unable to obtain the introduction of a shorter working week on the same pay. The general average wage increase is 25 per cent, below the 40 per cent target, and the union managed to extract only limited concessions from the companies on pension and health-care benefits. This explains why in some plants union members rejected the agreement, although the overall approval rate was at 68 per cent at both Ford and Stellantis, and 55 per cent at GM. But the gains achieved by the new contracts are still very significant, especially for the more precarious workforce, and reverse the concessionary bargaining followed by the union in the aftermath of the 2008 global financial crisis. Moreover, the union leadership promised that issues such as health care and pensions, which are particularly important to older union members, will be central in the negotiations on contract renewal in 2028.

Behind UAW's victory against the 'big three'

Even pundits with little sympathy for trade unions recognised that UAW had scored a major victory. Jim Cramer, a former hedge fund manager and popular TV stock analyst, commented that 'UAW was very underestimated the whole way [...] Fain just beat them [the automakers] everywhere. It was very much guerrilla action. It was very smart.'² How can we make sense of this victory? While it has limitations (Bieler, 2018; Nowak, 2022), the Power Resources Approach (PRA) is a helpful heuristic device for analysing the outcome of workers' collective action. In particular, Refslund and Arnholtz

² See: <https://www.youtube.com/watch?v=rTdBDT5JDTg>

(2021) distinguish between structural, associational, institutional, ideational and coalitional power resources.

A lower unemployment rate gives workers more structural power³ as they are less exposed to so-called 'market discipline'. The tight US labour market – nearing full employment – provides a good opportunity for strike action, as shown by the increase in the rate of industrial disputes across the country throughout 2023. But UAW was also able to make use of another form of structural power, arising from workers' positions within the production process.⁴ The union announced the first three strike locations only two hours before contract expiry, so that companies would be unable to guess which facility would be shut down and have less time to prepare counter-measures. The same pattern applied to each extension of the strike. Moreover, while initially the union announced the new strike locations every Friday during Fain's Facebook live sessions, as the dispute went on strikes tended to be called without warning, targeting the more profitable segments, such as trucks and SUVs. This made the 'stand-up' strike very effective: even without an all-out strike, the union was able to inflict significant damage on the 'big three', while being able to sustain payment of US\$500 a week strike pay for each striker through its strike fund. The union also used a carrot-and-stick strategy: during some weeks, it would refrain from extending the strike to reward an automaker for making progress in the negotiations, thereby pitting the companies against each other. While under neoliberalism labour's institutional power resources have been depleted, especially in the United States, workers were also able to take advantage of some features of labour law to further enhance their workplace bargaining power. For instance, those UAW members not on strike could still inflict financial damage on a company

³ Wright calls this 'marketplace bargaining power'.

⁴ Or, in Wright's words, 'workplace bargaining power'.

by refusing voluntary overtime, which the union made sure to communicate through a bulletin entitled 'Working Without a Contract/Know Your Rights'.

Having a strike fund is a form of associational power, which accrues from workers' collective organisation. While UAW's union density in the auto sector has fallen overall, the union still organises more than 140,000 members among the 'big three'. The new union leadership – which was elected thanks to the efforts of union activists campaigning for more transparent and democratic internal procedures – focused also on members' involvement. Fain used a weekly livestream on social media to update members (and the general public) on progress in the negotiations, something unheard of in the past. This part of the union's communication strategy was highly effective. The ideational frame used by Fain – that of a struggle between the working class and the billionaire class (represented by the automakers' CEOs) – resonated with the US public, as shown by the consistent support for the union's stances registered by pollsters during the strike. Beyond the picket lines, the union also made use of public rallies to gain support for its cause and foster its coalitional power.

The union has also been able to use the forthcoming US presidential elections – which will be held in autumn 2024 – to garner political support. Auto producing states such as Michigan have played a fundamental role in recent elections. Moreover, in contrast to other unions, UAW has not yet announced its official endorsement for US president Biden for the next Presidential election. This prompted Biden – whose domestic policy is based on reviving the American middle class – to visit the UAW picket lines in Michigan, the first time in history a sitting president has done so. Commenting on the agreement reached with Stellantis, Biden called it 'a testament to the

power of unions and collective bargaining to build strong middle-class jobs while helping our most iconic American companies thrive'.⁵

Conclusion

The dispute in the US auto sector comes after a general revival of union mobilisation in the country after years of relative stagnation. Mobilisation was aided by a tight labour market but also by bolder choices by unions. The ramifications of UAW's achievement could be significant in galvanising even more workers to strike to improve their working conditions and raise the stakes even higher. In the automotive sector, UAW's challenge is now to extend its representation to other automakers operating in the United States that are not currently unionised, such as Tesla, but also foreign brands such as Toyota, Honda, Hyundai and Volkswagen. These brands pay, on average, lower wages than unionised automakers and thus far have vehemently resisted attempts at union organising. Most of their productive facilities are located in Southern 'right to work' states, which present less favourable ground for union organising. It is no coincidence that, after UAW announced its agreements with the 'big three', some of these companies announced their own wage rises in an effort to pre-empt future union organising. Fain called these raises 'the UAW bump', which stands for 'U Are Welcome', while announcing the union's intention to launch an organising campaign. As reported by the US organising and media project Labor Notes, UAW's organising drive will target 150,000 workers who are currently employed by 13 non-union automakers, roughly the same number as UAW members at the 'big three'.⁶ Differently from in the past, when the union would focus its

⁵ <https://www.whitehouse.gov/briefing-room/statements-releases/2023/10/28/statement-from-president-joe-biden-on-historic-tentative-agreement-between-stellantis-and-uaw/>

⁶ <https://labornotes.org/2023/11/auto-workers-direct-momentum-toward-organizing-plants-across-us>

organising efforts on a single plant, it will employ a simultaneous organising drive across different automakers and seek to replicate the ‘surprise effect’ of its stand-up strike. This approach – known as ‘momentum organising’ – ‘is predicated on generating momentum from each fight, opening up multiple fronts in what the union hopes will swell into a tidal wave of organising’.⁷

But the challenge issued by UAW is even broader. The contract with the ‘big three’ will expire on 30 April 2028, and Shawn Fain has called on other unions to align the deadline with that date as well, so that starting on 1 May of that year – International Workers’ Day – contract renewals become an opportunity to ‘begin to flex our collective muscles’.

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⁷ <https://labornotes.org/2023/11/auto-workers-direct-momentum-toward-organizing-plants-across-us>

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