

# Workers at Detroit's 'Big 3' ratify labor contract: union

November 20 2023, by John BIERS



UAW President Shawn Fain greeted members attending a rally in support of the labor union strike last month in Chicago.

Workers from Ford, General Motors and Stellantis ratified new contracts with hefty wage hikes, their union announced Monday, closing the books

on an historic autoworkers strike at the three Detroit giants.

Members of the United Auto Workers voted 64 percent across the three companies in support of the contracts, said a UAW press release marking the official conclusion of the first-ever simultaneous stoppage at the three companies.

"The members have spoken. After years of cutbacks, months of our Stand Up campaign, and weeks on the picket line, we have turned the tide for the American autoworker," said UAW President Shawn Fain.

"The Stand Up Strike was just the beginning," Fain added. "Now, we take our strike muscle and our fighting spirit to the rest of the industries we represent, and to millions of non-union workers ready to Stand Up and fight for a better way of life."

The deal—the most generous increases for auto workers in decades—includes a 25 percent wage increase for hourly employees, which the UAW said would result in a pay boost of at least 33 percent following cost-of-living and other adjustments.

Other key provisions include an acceleration of pay progression levels for junior employees; the reopening of a key Stellantis assembly plant in Illinois; boosts in retiree benefits; and commitments from automakers for a "just" transition to electric vehicles.

The roughly six-week stoppage drew the attention of Joe Biden, who made history as the first US president to stand on a picket line and who cheered ratification on Monday.

"These contracts show that when unions do well, it lifts all workers," said Biden whose statement that noted that the pay increases at the Big Three were followed by wage hikes at US factories of Toyota, Honda, Hyundai

and Subaru, which are non-union.

UAW negotiators reached tentative agreements in late October with Ford, Stellantis and GM, setting the stage for worker votes on the pacts. Employees went back on the job after the tentative agreements were announced.

The strike began with three factories employing nearly 13,000 people in mid-September, before the walkouts spread to more sites and eventually saw 45,000 of the UAW's 146,000 "Big Three" members downing tools.

Michelle Kaminski, a professor at Michigan State University who specializes in labor relations, described the mood in Michigan as "relieved" after the voting among rank-and-file workers was closer than observers expected.



Ford Chief Executive Jim Farley said the company will need to identify new efficiencies to offset the added costs from the new labor contract that ended a costly strike.

"It seems like the union really got a lot," Kaminski said, noting that the most junior employees won some of the biggest gains because they had been compensated the least.

But that meant some employees hired in the years after post-2008 contract concessions "wanted more," she said.

The union hopes the success of the contract will revive organizing efforts at foreign automakers where the UAW has struggled to make inroads. Tesla is another often-mentioned organizing target.

## **Higher costs**

Meanwhile, the Detroit companies are ramping back output.

As automakers raised their offers, executives expressed increasing concern that the wage hikes could derail the industry's costly build-out of new EV infrastructure.

Ford hailed the agreement Monday but also reiterated that it will need to identify new cost cuts to offset the increased expense of the labor contracts.

"We are pleased the agreement has been ratified and we are very happy for our more than 57,000 UAW-represented employees and their

families," said Ford Chief Executive Jim Farley.

Farley said the company is on track to reach full production schedules at strike-hit plants in the coming days.

"It's also imperative that we continue to attack cost and waste throughout our operations," Farley said. "The reality is that this labor agreement added significant cost, and we are going to have to work very hard on productivity and efficiency to become more competitive."

General Motors also applauded the ratification. "We can now move forward as one team doing what we do best—delivering great products for our customers and winning together," said CEO Mary Barra.

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