



BUSINESS

[UAE](#) [WEEKEND](#) [GULF](#) [MENA](#) [WORLD](#) [BUSINESS](#) [OPINION](#) [CLIMATE](#) [HEALTH](#) [LIFESTYLE](#) [ARTS & CULTURE](#) [TRAVEL](#) [SPORT](#) [PODCASTS](#)

Blow for Detroit's Big Three car makers as 13,000 workers strike over wage row

► Move could cause Ford, GM and Stellantis Jeep dealers to run out of vehicles, driving up prices, if protest action lasts a long time



Members of the United Auto Workers union strike outside the Ford Michigan assembly plant in Wayne, Michigan. EPA

Associated Press

Sep 15, 2023

[Listen In English](#) [Listen in Arabic](#)

Powered by automated translation

About 13,000 US workers stopped making vehicles and went on strike on Friday after their leaders failed to bridge a giant gap between union demands in contract talks and what Detroit's three car makers are willing to pay.

Members of the United Auto Workers union began picketing at a [General Motors](#) assembly plant in Wentzville, Missouri, a [Ford](#) factory in Wayne, Michigan, near Detroit, and a [Stellantis](#) Jeep plant in Toledo, Ohio.

It was the first time in the union's 88-year history that it walked out on all three companies simultaneously as four-year contracts with the companies expired at 11.59pm local time on Thursday.

[The strike](#) will probably chart the [future of the union](#) and of America's home-grown car industry at a time when US labour is flexing its might and the companies face a historic transition from building internal combustion cars to

making electric vehicles.

If the strikes last a long time, they could cause dealers to run short of vehicles and prices could rise. The walkout could even be a factor in next year's presidential election by testing Joe Biden's proud claim to be the most union-friendly president in American history.

"[Workers](#) all over the world are watching this," said Liz Shuler, president of the AFL-CIO, a federation of 60 unions with 12.5 million members.

The strike is far different from those during previous UAW negotiations. Instead of going after one company, the union, led by its pugnacious new president, Shawn Fain, is striking at all three.

READ MORE

[Ford's electric pickup truck is being built in the heart of an Arab community](#)

[California paves way for EV revolution across US](#)

[Global technician shortage threatening transition to electric vehicles](#)

But not all of the 146,000 UAW members at company plants are walking picket lines, at least not yet.

The UAW focused on a handful of factories to prod company negotiators to raise their offers, which were far lower than union demands of 36 per cent wage increases over four years.

GM and Ford offered 20 per cent and [Stellantis, formerly Fiat Chrysler](#), offered 17.5 per cent.

Even Mr Fain has called the union's demands audacious, but he maintains the car makers are raking in billions and can afford them. He scoffed at company statements that costly settlements would force them to raise vehicle prices, saying that labour accounts for only 4 per cent to 5 per cent of vehicle costs.

"They could double our raises and not raise car prices and still make millions of dollars in profits," Mr Fain said. "We're not the problem. Corporate greed is the problem."

In addition to general wage increases, the union is seeking the restoration of cost-of-living pay raises, an end to varying tiers of wages for factory jobs, a 32-hour week with 40 hours of pay, the restoration of traditional defined-benefit pensions for new hires who now receive only 401(k)-style retirement plans, pension increases for retirees and other items.



United Auto Workers members exit the plant and go on strike at the Ford Michigan Assembly Plant on September 15, 2023 in Wayne, Michigan. Getty Images

Starting in 2007, workers gave up cost-of-living raises and defined benefit pensions for new hires, while wage tiers were created as the UAW tried to help the companies avoid financial trouble before and during the Great Recession. Even so, only Ford avoided government-funded bankruptcy protection.

Many say it is time to get the concessions back because the companies are making huge profits and chief executives are raking in millions. They also want to make sure the union represents workers at joint-venture electric vehicle battery factories that the companies are building so workers have jobs making vehicles of the future.

Top-scale assembly plant workers make about \$32 an hour and also receive large annual profit-sharing cheques. Ford said average annual pay, including overtime and bonuses, was \$78,000 last year.

"We're the ones for the last 20 years who have been kind of hoping things would change and we would get back some of the stuff that we lost with the bankruptcy," said Tommy Wolikow, who delivers parts to an assembly line at GM's pickup lorry plant in Flint, Michigan. "And every contract, it just seemed like we didn't get what we deserved."

Mr Wolikow called this year's talks huge and said meeting the company in the middle was not good enough.

"I think it needs to be a little bit closer to the top of what were asking for," he said.

However, the car makers say they are facing unprecedented demands on capital as they develop and build new electric vehicles while at the same time making combustion-engine cars, SUVs and lorries to pay the bills.

They are worried that labour costs will rise so much that they will have to price their cars above those sold by foreign car makers with US factories.

GM chief executive Mary Barra told workers in a letter Thursday that the company was offering historic wage increases and new vehicle commitments at US factories.

GM's offer, she wrote, "addresses what you've told us is most important to you, in spite of the heated rhetoric from UAW leadership".

The limited strikes will help to preserve the union's \$825 million strike fund, which could run dry in about 11 weeks if all 146,000 workers go on strike.

Under the UAW strategy, workers who go on strike would live on \$500 a week in strike pay from the union, while others would stay on the job at full pay. It is unlikely the companies would lock the remaining workers out of their factories because they want to keep building vehicles.

But Mr Fain has said the union would increase the number of plants on strike if it does not receive fair offers from the companies.

It is tough to say how long it will take for the strikes to cut stocks at dealers and start hurting the companies' bottom lines.

Jeff Schuster, head of automotive at research firm Global Data, said Stellantis has the most inventory and could hold out longer.

The company has enough vehicles at or en route to dealers to last 75 days. Ford has a 62-day supply and GM has 51. All have been building as many highly profitable pickup lorries and big SUVs as they can.

Still, Mr Schuster predicted the strikes could last longer than previous work stoppages, including the 2019 strike against GM that lasted 40 days.

"This one feels like there's a lot more at risk here on both sides," he said.

Updated: September 15, 2023, 1:36 AM

[About Us](#) [Contact Us](#) [Sign Up](#) [Work With Us](#) [Privacy Policy](#) [Advertise With Us](#) [Terms & Conditions](#)
[Cookie Policy](#) [Sitemap](#) [Archive](#)

[Follow us](#)