

Strike of General Motor Workers in USA

About 48,000 workers belonging to all the plants of General Motors (GM) including the workers throughout USA are striking indefinitely since September 2019. The strike is called by the United Autoworkers Union (UAW). The striking workers are demanding for pay raises and other benefits. This is the first nation-wide strike in USA after two decades. This strike is the result of decade of employees' frustration with the company which severely cut back benefits and pays for workers during the great recession. Though the company subsequently has begun earning handsome profits, it has not withdrawn the cut-backs of benefits or pay reduction. This caused for the resentment of workers against the company's policies of exploitation that has goaded them into striking for pay rise and other benefits as their just demands.

Due to the strike for past six weeks GM is losing as much as \$90 million a day. Due to strike at GM its supplies too are hit.

In solidarity with GM workers strike in USA, the GM workers in Mexico too went into strike. The UAW is giving a \$ 275 weekly stipend to each striking worker, though this amount is not enough to pay all their bills. In Warren, Michigan, GM employees are collecting food diapers and baby foods to help striking workers get by. The workers strike is receiving support from unions in other industries.

The UAW after discussions with management of GM has recently released the particulars of a tentative four year contract and persuading its members to approve the tentative deal reached with the management of GM. If a majority votes for it, the six week strike will end and workers will return to work.

On perusal of the particulars of the tentative deal reached between the management of GM and UAW, it is apparent that the forces of globalization proved to be stronger than the collective bargaining power of the union.

According to the tentative deal the workers are guaranteed a 3% pay rise and 4% lump sum increase in alternate years. When this pay rise is compared with the contract of 2015, this is not a great benefit, since in 2015 without any strike the pay was raised to the same levels. However, presently the GM agreed to lift the \$ 12,000 cap on profit sharing. So there is no limit to the cut workers can get from GM's profit. Right now they each get \$1,000 for every \$1 billion the company earns.

The GM agreed to keep working the Detroit-Hantrank factory, which was one of the four factories slated for closure before the strike began.

Now a process started for temporary workers to become permanent employees and for newer hires to earn full pay rate in less time. The top wage rate is increased from about \$ 30 to 35 per hour.

Permanent workers will get an \$ 11,000 signing bonus, and temporary workers will get \$ 4,500. This bonus basically covers the wages they lost during the strike period.

However the GM has not accepted to move car production from Mexico to a closed down factory in Ohio. Instead now the GM promised to open an electric car battery factory near the closed Lords Town plant. But this factory would only employ a few hundred people at lower wages. The GM has not accepted to move its assembly lines from a factory in Mexico to Lords Town in USA, since the labour costs are much cheaper in Mexico.

After six weeks of strike, the condition of lack of wages is creating a lot of pressure on workers to take whatever deal they can get.

Though the tentative deal is not a great achievement and victory for striking workers, UAW is persuading the workers to approve the deal by voting for it. Most of the UAW affiliates have voted in favour of the deal, but workers at the Spring-hill Tennessee assembly plant have voted against the deal. The voting at Lords Town plant scheduled for Wednesday is postponed by one day. The UAW will announce its final results on Friday (25-10-2019). But according to the media news, the [classstruggle-oct-2019-la-strike-general-motor-workers](#)

UAW's tentative four year contract will be approved by the workers despite dis-agreement and opposition from certain sections of the members of the union.

This experience of GM workers' strike in USA not only shows how the forces of imperialist globalization have the upper hand, but also shows how a strike in one particular sector by itself cannot win the dispute unless and other-wise the entire workers of all industrial sectors join forces and enter into strike to gain upper hand over the monopoly capital owned MNCs. The experience also warns the workers to overthrow the bureaucratic leadership of the trade unions and establish trade union democracy and democratic leadership that acts on the collective decisions and aspirations of union members in conducting a strike, its withdrawal and entering into agreements with the corporate managements. (24-10-2019)

Top 1% up \$21 Trillion Bottom 50% down \$900 Billion

Recently, the Federal Reserve of the USA released a new data series called the Distributive Financial Accounts, which provide quarterly estimates of the distribution of wealth in America. The series goes back to 1989, and runs to the fourth quarter of 2018.

The insights of this new data series are many, but for this post here I want to highlight a single eye-popping statistic.

In 2018, whereas the top 1 percent owned nearly \$30 trillion of assets, the bottom half owned less than nothing, meaning they have more debts than they have assets. This is a result of the economic policies followed in the US for the past 30 years, because of which the top 1 percent massively grew their net worth while the bottom half saw a slight decline in its net worth. Between 1989 and 2018, the top 1 percent increased its total net worth by \$21 trillion. The bottom 50 percent actually saw its net worth decrease by \$900 billion over the same period.