A TALE OF TWO CRISES: LABOUR, CAPITAL AND RESTRUCTURING IN THE US AUTO INDUSTRY

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Much of the global auto industry went into a well-documented free fall following the 2007 financial meltdown. The US market was hit particularly hard. The collapse in credit for dealers and consumers combined with skyrocketing fuel prices and wary consumers led to an evaporation of demand. US assemblers saw sales drop 50 per cent and foreign assemblers 40 per cent in 2009 to settle at an almost 30 year low of 10.4 million vehicles in the US.[1] Chrysler and General Motor's (GM) bankruptcy filing that year seemed to signal the long prophesied downfall of Detroit. Citing the negative economic repercussions of the industry's collapse, the US state threw the assemblers a lifeline, trading financial assistance for reorganization. GM and Chrysler emerged from bankruptcy with fewer plants, dealerships and brands, a new ownership structure, and a mandate to produce smaller 'greener' vehicles. In the process unionized autoworkers became partial 'owners' of the 'new' automakers and agreed to sweeping concessions in wages and benefits that put them on par with non-union assembly workers in the US.

While the financial crisis and ensuing auto crisis did force significant change upon the industry, these changes do not represent a fundamental break from the past. Instead, the primary consequence of the crisis has been to accelerate and reinforce ongoing processes of capitalist restructuring, largely at the expense of autoworkers. In fact, GM, Chrysler and Ford have benefited from the recent crisis. It allowed the Detroit Three to rapidly regroup after their competitive strategy of the last two decades failed. This pattern of crisis followed by restructuring is endemic to the auto industry, particularly in big, competitive markets like the US. Assemblers have enacted multiple waves of restructuring in the US since the 1980s that combined with increasing foreign investment have resulted in a constantly evolving industry. The

recent crisis represents a continuation of these dynamics. Thus, from the perspective of capital, the present crisis can be largely situated within the ongoing process of restructuring occurring in the industry.

The same cannot be said for unionized autoworkers in the US. The Detroit Three in partnership with the US government exploited the doomsday atmosphere surrounding the crisis to push through concessions that fundamentally undermine the power of the United Auto Workers (UAW) to protect and improve the working lives of its members. While US autoworkers' fortunes have oscillated in synch with the booms and busts of the industry, their overall trajectory during the past three decades has been one of decline and disorientation. Long-term trends of de-unionization, concessions, and isolation have paved the way for unprecedented concessions. The recent crisis has essentially erased the post-war gains of unionized autoworkers in the industry.

Hence, the crisis has had divergent consequences for capital and labour. For capital it has triggered a rapid restructuring and the restoration of profits, while for workers it has compounded the precarious position of unionized autoworkers by reversing decades of hard-won gains. To better understand the crisis and its differing consequences for capital and labour, it is necessary to situate it within an historical context. Doing so allows us to gain a clearer perspective on the nature of the crisis and, importantly, explore possible avenues for workers to regroup and fight back.

CRISIS FOR CAPITAL

In the fall of 2008, the US auto industry looked like it was headed for disaster. Chrysler and GM reported losses for the year totalling $8 billion and $31 billion respectively. The turmoil in financial markets beginning a year earlier caused the market for asset-backed securities to dry up. Almost overnight consumers found it difficult to finance vehicle purchases and dealers were unable to get credit to purchase inventory from assemblers. Detroit was affected more severely than foreign assemblers because of its overreliance on both the SUV (sport utility vehicle) segment (which had contracted because of skyrocketing fuel prices) and, in the case of GM and Ford, their finance subsidiaries. But the crisis was not confined to US assemblers. The industry is tightly interlinked with complex, overlapping supply chains. For this reason, the collapse in credit markets rapidly generated a chain reaction that threatened the survival of assemblers, suppliers, dealers, workers and the communities who depend on them, particularly in states like Michigan, Kentucky, Ohio, Indiana, Alabama and Tennessee.[2]

GM and Chrysler announced in late 2008 that they would not have

enough cash to continue running operations by 2009 unless they received financial support from the US government. Despite widespread public opposition, in December 2008 the Treasury Department established the Automotive Industry Financing Program (AIFP) under the Troubled Asset Relief Program (TARP). Through the AIFP, the Treasury extended loans of $4 billion and $13.4 billion respectively to Chrysler and GM. The loans were conditional and required the assemblers to submit viability plans to cut costs and streamline operations in line with their declining market share. The assemblers submitted these plans in February 2009 and requested additional financial support because they continued to burn through cash. In March of that year the Obama administration rejected their proposals as 'not sufficient to achieve long-term viability' and demanded the assemblers 'take more aggressive action as a condition of receiving additional federal assistance'. GM and Chrysler were given 60 and 30 days to achieve Obama's restructuring goals or else declare bankruptcy and be forcibly restructured by the US state. Both firms failed to meet their deadlines and declared bankruptcy.[3] Ford had sufficient cash reserves and negotiated a $9 billion emergency credit line, and so managed to avoid bankruptcy.

The bankruptcy process for both firms was classified as a 'court-supervised asset sale'. GM and Chrysler both sold their 'good' assets -- the parts of their companies that they wanted to keep -- to the 'new' GM and Chrysler. Undesirable assets and debt remained at the 'old' companies and were liquidated through a longer bankruptcy process. The goal of the court-supervised asset sale was to get the companies out of bankruptcy quickly, thus accelerating their turnaround.[4]

Chrysler, already majority owned by Cerberus Capital Management (CCM), was divided between Fiat, the UAW Voluntary Employment Benefits Agreement (VEBA) fund and the US and Canadian governments, who would be minority stakeholders.[5] Eight assembler and supply plants were slated to close. To create the 'new' GM, fourteen assembly and parts plants and three warehouses were slated to close, the Hummer, Pontiac, Saab and Saturn divisions were sold or discontinued, and GM was divided between the US government, the UAW and Canadian Auto Workers, the Canadian government, the provincial government of Ontario and unsecured GM bondholders. Although Ford didn't declare bankruptcy it also restructured. It sold its Jaguar and Rover divisions to Tata in 2008, reduced its share in Mazda to just 3 per cent, and in 2010, discontinued its Mercury brand and sold Volvo to Geely.[6]

The automotive crisis and forced bankruptcy restructuring of GM and Chrysler were significant events for both the industry and the individual

firms. The state's intervention and financial assistance allowed the assemblers to rapidly streamline operations and decrease capacity, allowing them to focus on profitable divisions. But the crisis was not the culmination of an overall pattern of decline, nor was it a game-changing event that forced abrupt change on the industry. Instead, the restructuring that occurred was part of an *ongoing* re-organization of the global automobile industry, especially in 'replacement' markets like the US. For years global assemblers have been overhauling operations and designing new strategies to cope with increased competitive pressures. In this section we will situate this restructuring within a broader historical context to shed light on the significance of the crisis for capital.

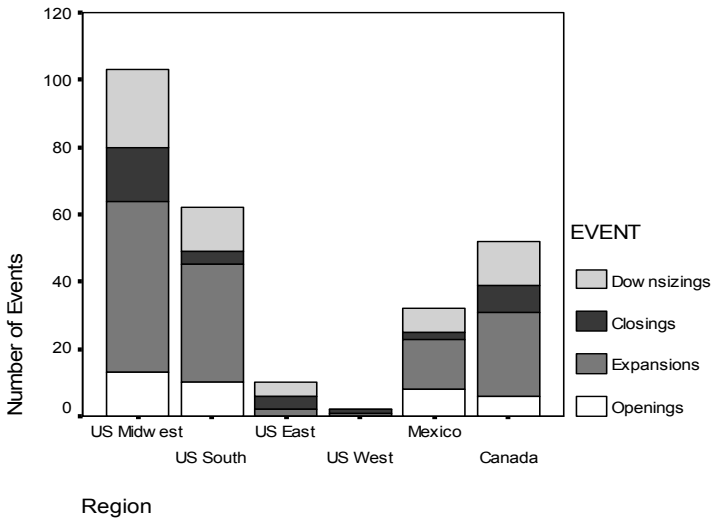
US assemblers have been reorganizing their operations almost continually in the US market since the 1980s, in an attempt to maintain market share in the face of growing competition from foreign assemblers located in the US and abroad. With the emergence of Japanese and European competitors in the 1960s US assemblers gradually lost their monopoly over the global auto industry, especially as imports began to encroach on their home market in the 1970s. To cope they first began to move production of parts and some assembly to the US South and Mexico as a way to cut costs. However, as imports continued to increase, US assemblers pressured the Reagan administration for import restrictions on foreign cars. The resulting 'voluntary' export restrictions catalyzed a wave of investment by Japanese assemblers and suppliers into the US during the 1980s. Foreign firms first moved into the Midwest to take advantage of existing supply networks. However, beginning in the late 1980s foreign supplier investment in the US increased significantly, allowing foreign assemblers to migrate investment southward to take advantage of lower-cost labour.

In response to growing competition on their home soil, US assemblers spent billions restructuring operations during the 1980s. They closed coastal assembly plants and reopened plants in the country's interior to be close to the country's transportation nerve centre, while simultaneously moving more low value-added production to low-wage sites in Mexico.[7] US firms also moved away from producing smaller cars, ceding these segments to Japanese and European manufacturers and focusing on large cars and light trucks.[8] During the late 1980s US assemblers expanded into other brands and segments to improve profitability. For example, GM spent billions acquiring the niche brands Lotus and Saab, Ross Perot's computer company EDS and Hughes Electronics, as well as other ventures in financial services and defence contracting.[9]

The geographical dynamism of the 1980s continued in the 1990s and

2000s. As Figures 1 and 2 show, investment during the last two decades was spatially dynamic, with growth and decline in investment occurring simultaneously, especially in the Midwest.

Figure 1: Reported Assembler Investment, 1988-2006



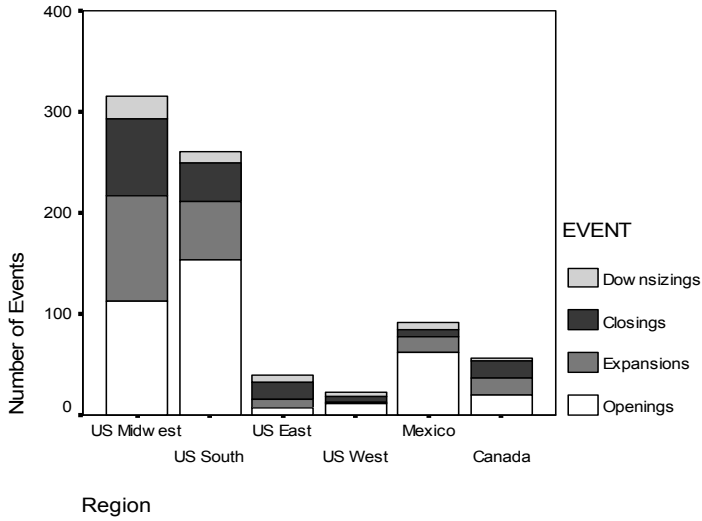
Source: Data is from the Automotive Investment Patterns (AIP) database constructed by the author.[10]

Japanese assemblers expanded production in the US and were joined by European assemblers and global suppliers, mainly from Europe and East Asia. This influx of production was coupled with strategies undertaken by US assemblers and some parts suppliers to lower costs by moving to Mexico and re-tool existing production in the Midwest. Rather than a uni-directional movement of production from traditional manufacturing regions to low-wage sites in the US South and Mexico, the investment pattern in the North American auto industry during the past three decades has been characterized by a reorganization of production, resulting in an 'auto alley' stretching from the Great Lakes to the Gulf of Mexico.[11]

Investment patterns have also been temporally dynamic with no overwhelming trend of decline during the last two decades, but rather a cyclical pattern of growth and decline. As Figure 3 illustrates, reported investment by assemblers and suppliers has experienced peaks and troughs over time in line with broader trends in the economy, but has consistently showed a mix of growth and decline.

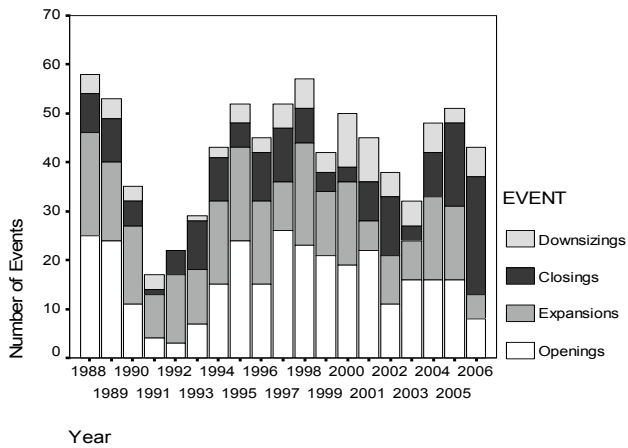
Much assembler investment during the past two decades is characterized

Figure 2: Reported Supplier Investment, 1988-2006



Source: AIP database.

Figure 3: Reported Investment by Assemblers & Suppliers, 1988-2006



Source: AIP database.

by re-tooling existing plants or opening new plants to produce trucks (light trucks, SUVs and minivans). While the US market is generally considered a stagnant 'replacement' market because market saturation is high, its market for trucks has exhibited high growth rates, especially in the 1990s. Light trucks accounted for more than half the total value of all US auto sales by the late 1990s.[12] The widespread popularity of trucks combined with their only marginally higher input demands made them a very profitable offering for assemblers. As shown in Table 1, both US and foreign assemblers shifted their product mix definitively toward trucks between 1995 and 2005. US assemblers decreased cars and increased trucks, while foreign assemblers increased both kinds of investment.

Table 1: Automobile Production in North America by Region (1995, 2005)

1995	US Midwest	US South	US East	US West	Mexico	Canada	Total
US Cars	2,812,610	1,335,068			339,798	679,057	5, 166, 533
US Trucks	3,362,022	1,111,537	436,725		61,716	961,350	6, 033, 350
JV Cars	367,093			229,393		116,610	713, 096
JV Trucks				123,257		59,258	182, 515
Asian Cars	1,233,261	333,236			54,700	196,269	1, 817, 466
Asian Trucks	99,514	132,554					232,068
Euro Cars		11,876			156,422	7,588	175, 886
Euro Trucks							0
Total	**7,874,500**	**2,924,271**	**436,725**	**352,650**	**712,636**	**2,020,132**	**14, 320,914**
2005							Total
US Cars	1,709,434	354,493			408,805	982,403	3, 455, 135
US Trucks	3,794,246	1,699,974	14,489		483,395	759,159	6, 751, 263
JV Cars	272,632			248,471			521, 103
JV Trucks				158,927		189,997	348,924
Asian Cars	1,236,663	383,252			343,684	424,560	2, 388, 159
Asian Trucks	481,130	745,448			66,111	266,952	1, 559, 641
Euro Cars		124,846			300,386		425, 232
Euro Trucks		95,558			1,009		96, 567
Total	**7,494,105**	**3,403,571**	**14,489**	**407,398**	**1,603,390**	**2,623,071**	**15, 556, 024**

Note: Vehicles are non-commercial. 'Trucks' includes light trucks, SUVs, and minivans. Chrysler is considered a US firm in 1995. J.V. refers to East Asian/US joint-venture assembly plants. Source: Production data compiled by author from Automotive News Market Data Book (1996; 2006).

In addition to re-tooling for increased truck production, during the 1990s and early 2000s GM and Ford tried to improve market share and profitability through internal restructuring. Ford bought Volvo, Rover, Aston Martin, Jaguar, and increased its control over Mazda, and GM bought Hummer, Daewoo and a controlling share of Isuzu. US firms also reshuffled their

existing structures during the 1990s: GM sold Lotus, EDS and Delphi, while Ford spun off Visteon.[13] As GM and Ford 'de-verticalized' their supply operations, independent suppliers found the need to expand, and former in-house suppliers developed new partnerships with foreign assemblers, pushing them to open new plants.[14] As illustrated above in Figure 2, many suppliers, both foreign and of North American origin were pressured to follow assembly plants in order to retain or get contracts. Tier 1 suppliers also evolved to take on more responsibility for manufacturing and design.[15] For example, in the late 1990s Delphi was asked to coordinate Mercedes' entire supply chain stretching 1500 miles from Juarez, Mexico to Tuscaloosa, Alabama.

Restructuring in North America during the 1990s was part of a global process of restructuring. Whereas new assembly capacity in the 1980s was mostly of Japanese origin, in the 1990s American, European and Korean firms began rapidly increasing investment in emerging markets. Global assemblers looked to corner new growing markets in countries like Vietnam, China, India, Pakistan and the Philippines where market saturation rates were very low. Trade barriers were also relaxed in many countries during the 1990s, and with Triad (North America, Western Europe and Japan) market competition increasing rapidly, global assemblers hoped to develop new avenues of future growth. However, the potential of these markets seemed uncertain after the Asian economic crisis. By the end of the nineties many analysts suggested that firms had overestimated demand in emerging markets, and global assemblers and suppliers continued to rely on profits from Triad markets, particularly the US market.[16]

At the same time Ford and GM evolved to rely more heavily on their finance divisions (Ford Credit and GMAC) as a source of revenue and to compensate for their difficulty generating profits outside of truck production. The cost of credit was relatively low during the late nineties, allowing Ford and GM to gain huge profits from finance. In a highly competitive and cyclical industry like auto, revenue from credit activities is attractive because it represents a more steady income stream than profits from productive activities. Profits from their finance subsidiaries enabled GM and Ford to prop up unprofitable segments (like existing car models) worldwide while simultaneously acquiring new firms and expanding into developing markets. It is estimated that finance contributed 54 per cent of Ford's net income in 1996,[17] and in the 1989-2006 period 93 per cent of GM's consolidated net income was produced by GMAC.[18] While these statistics tend to overstate the role of finance because the finance subsidiaries were subsidized by the automakers through purchase incentives, GMAC and Ford Credit were

nonetheless an important source of profit. For example, between 2001 and 2006 GM received over $8 billion in cash dividends from GMAC.[19]

The rise of finance also supported the industry as a whole during this period. As Krippner argues, free-flowing credit -- a result of US state policies in the 1980s and 1990s -- 'fueled asset price bubbles in financial markets and real estate markets'.[20] These bubbles, particularly the housing bubble, created a consumption boom as homeowners took advantage of declining interest rates to re-finance their homes, often borrowing additional funds to spend on home improvement, debt, and luckily for the auto industry, new vehicles.[21] Ford and GM were able to use easy credit conditions to offer substantial incentives to new customers, maintaining sales for US assemblers in the face of growing competition. The housing boom also provided an additional revenue stream for GM and Ford because GMAC and Ford Credit were heavily entrenched in mortgage markets. By 2006 GMAC's ResCap operation was servicing $412 billion of mortgages and owned $69 billion in mortgage loans, totalling almost 40 per cent of GMAC's receivables.[22]

GM and Ford's strategy of relying on trucks and finance to support their global operations was successful during the nineties. They regained the market share they had lost during the 1980s because SUVs delivered excellent margins and credit was cheap. But, because US firms used earnings from trucks and finance to prop up unprofitable segments rather than develop new offerings in other segments, they were left vulnerable to decreasing market share. Asian (and European) manufacturers took advantage of the product gap and at the same time started offering more vehicles in the segments where US assemblers were popular. As the market slowed down after 2000, US firms' market share continued to slide and factories were kept running by huge rebates and fleet sales. The subprime mortgage crisis put an end to this dead-end strategy. Ford Credit and especially GMAC's (majority owned by CCM after 2006) exposure to the imploding housing market, in combination with the industry slowdown and Detroit's sliding market share, created a perfect storm for the subsidiaries and all but locked them out of the credit markets when the financial crisis hit.[23]

Broadly speaking, the crisis showed the limits of growth in replacement markets like the US, Europe and Japan. The ten year production and sales boom in the US from 1995 to 2005 simply heightened competition in a market already characterized by overcapacity. With demand stalled in the US and Europe, and future sales uncertain, US firms began to ramp up efforts to expand faster into developing markets, especially those that were relatively unscathed by the downturn like China and India. In 2009 total new car sales in BRIC nations amounted to 20 million units, roughly one-third of the

global total, and it is estimated that by 2050 half of all cars worldwide will be sold outside the Triad region. China overtook the US in 2009 as the largest domestic market for automobiles in the world, and is currently GM's largest market. Toyota, Ford and Honda are all increasing productive capacity in China, scrambling to catch up with Volkswagen, GM, and Hyundai, who invested early and have a firm grasp on the market. VW alone controls nearly 20 per cent of the Chinese market. Smaller assemblers are also keen to expand in China because of its large appetite for luxury vehicles. China is now BMW's second largest market and the third largest market for Jaguar Land Rover.

India has also seen extremely rapid growth -- in 2009 its domestic market for passenger cars grew by over 25 per cent. In the past two years Ford, Nissan, GM, Toyota, Honda and Volkswagen have all expanded their productive base in India, building new assembly plants and expanding their supplier networks. Ford has recently announced that India will be its new small-car hub and has begun exporting Ford Figos from India to South Africa. Recent investments combined with the massive presence of Subaru in India have pushed India ahead of Japan as the largest global producer of 'basic' low-cost cars. Thailand and Indonesia have also seen a surge in new investment. Ford has designated Thailand as its export hub to the ASEAN region and is in the process of constructing a new assembly plant there, and Volkswagen is constructing its first assembly plant in Jakarta.

However, while new growth is likely to be concentrated in countries like China, India and Brazil, most experts agree that the lion's share of automotive production and sales will take place in North America, Western Europe and Japan for the near future. The clustering of skilled labour, sunk capital, and well-established supply-bases in combination with political pressure push assemblers and suppliers to continue investing in or near traditional manufacturing regions. Indeed, after a brief hiatus following the automotive crisis, new productive investment has resumed in the US. Kia opened a plant in West Point, Georgia in 2009 to produce Sorento cross-overs and is currently expanding the plant to build sedans. After decades of producing exclusively in Mexico, Volkswagen is opening an assembly plant and supplier park in the US. VW's complex in Chattanooga, Tennessee will start producing mid-size sedans in 2011. And Toyota has restarted production of Corollas at its new plant in Tupelo, Mississippi.

The Detroit Three are also building new capacity. GM is investing $336 million to retool its Detroit-Hamtramck plant to produce the Volt as part of its new 'green' strategy.[24] Chrysler is investing $600 million to retool its Belvidere, Illinois plant, replacing the Dodge Caliber with a new small

car. Detroit assemblers also remain heavily invested in SUVs. With demand spiking for these vehicles once again, particularly for smaller cross-overs, assemblers are restarting production at shuttered plants. GM is currently developing the next generation Cadillac Escalade and Chevy Suburban, because it argues there are still few major players in this segment of the auto industry. More recently, in December 2010 Ford announced it was investing $600 million in its Louisville, Kentucky plant to build small SUVs.

In addition to new investment, US assemblers have been raking in profits since the crisis. Ford actually gained market share in 2009 and 2010, posting its highest profit in a decade to become the world's most profitable auto company last year. GM's November 2010 IPO illustrates perhaps best of all the upswing of the industry. It pulled in over $20 billion in the offering, signalling a growing investor confidence in the future of the company, and the US auto industry. GM is also developing a new finance subsidiary called GM Financial to offer leases, and sub-prime loans in an effort to sell more vehicles and compete with its former subsidiary GMAC (now called Ally).[25]

So then, what has been the impact of the automotive crisis for the Detroit Three? The crisis forced the industry to regroup after the boom of the 1990s fizzled and easy credit conditions disappeared. US firms in particular have had to readjust after their trucks and finance strategy proved unable in the long run to prop up the rest of their operations. But this evolution has not been earth-shattering -- the 'new' US auto manufacturers are essentially slimmer versions of the old ones. Using the financial assistance and authority of the US state, they've simply eliminated some unprofitable lines and cut their costs faster than they would have otherwise, allowing a rapid turnaround to profitability. Although credit is less available, US firms will continue to rely on finance as a source of profit and cushion against the cyclicality of the industry. They are also moving slowly into the (notoriously unprofitable) small car market and will continue to focus on SUVs with a slight shift toward smaller SUVs.

Recasting the recent crisis in a historical context shows that it is part of a continual process of 'creative destruction' in the auto industry over the past three decades, with firms opening plants, closings plants, buying companies and then spinning them off later. Rather than an overall pattern of decline, or an abrupt shift after the crisis, the dynamics of the industry are better understood as a continual process of reorganization. The inherent cyclicality of the industry combined with rising competition both in the US and globally suggests this kind of restructuring will be a permanent feature of the industry.

CRISIS FOR LABOUR

When Chrysler and GM asked the US government for financial assistance in late 2008 the public response was unenthusiastic to say the least. A wide spectrum of voices blamed the industry crisis on high-cost labour, with the general sentiment: 'US taxpayers should not bail out the UAW.'[26] This perspective was echoed by the US government. When it did finally agree to extend Treasury money to GM and Chrysler, one of its main conditions was that the assemblers restructure their labour agreements to match those at non-union assemblers in the US. This is ultimately what has occurred. By the spring of 2009 the UAW had agreed to implement a tiered wage system for all new hires in which wages were cut in half to around $14.50 an hour, a six year wage freeze on all new GM and Chrysler hires, a strike ban until 2015 for Chrysler and GM workers, the elimination of the Jobs Bank, and a host of other concessions.[27]

This victory of capital over the UAW was a long time coming. While the industry has been cyclical with its upswings and downswings in sales and production, and constant restructuring, the situation for autoworkers since at least the 1980s has been a steady downward trend in terms of unionization rates, bargaining power, and workplace rights. Just as the recent financial crisis allowed US assemblers to quickly restructure their productive operations, it also gave them an opportunity to speed up the dismantling of their labour agreements. They used the shock of the financial crisis and swift downturn in the auto industry to extend concessions originally applied only to certain groups of the UAW to the whole membership. In this section we will embed the recent crisis and its impact in the broader narrative of decline and disorientation experienced by US autoworkers over the past three decades.

A crucial factor in the weakening position of US autoworkers has been the restructuring of the industry described above. The influx of new, non-union investment, coupled with significant movement of production to low-wage sites in the US South and Mexico, has put a great deal of pressure on unionized workers. The influx of non-union, foreign suppliers has been particularly damaging. By the 1990s, US assemblers could for the first time legitimately threaten to outsource components, modules and even whole systems away from their in-house parts suppliers and workers to new companies often located only a short distance away. In the 1970s and increasingly in the 1980s the Detroit Three began sourcing many low-value added products, like wiring harnesses and spark plugs, from low-wage plants in the US South or Mexico, but remained dependent on in-house parts manufacturers for more complex and higher value-added components. The influx of Tier 1 suppliers like Bosch and Denso in the 1990s and 2000s,

and rising competition amongst supplier firms, allowed US firms to shift the power dynamic and demand major concessions from workers (and suppliers) at the local level in exchange for the 'right' to continue making a product.[28]

De-verticalization has been compounded by the inability of the UAW to organize new investment by assemblers and suppliers. While the total number of jobs in the US auto industry stayed relatively constant from 1950 to 2005, dropping in the years since, the number of unionized workers has declined sharply over the past three decades. This is partly a result of dramatic productivity gains at the Detroit Three -- they simply need fewer workers to produce the same number of cars -- and partly a result of outsourcing and Detroit's decreased market share. Although estimates vary, the US auto industry today is between 30 and 50 per cent unionized, compared with 90 per cent in the early 1980s. UAW membership dropped from 1.5 million in 1979 to just 557,099 at the beginning of 2006. Today it is less than 350,000 with about two-thirds of membership actually employed in the auto sector. New investment simply hasn't been unionized. Suppliers created 200,000 jobs between 1990 and 2000 alone, but the number of these jobs that are union is negligible. Fewer than 30 per cent of suppliers are unionized despite the fact that over 70 per cent of production workers in the industry are employed by suppliers.[29]

Rising numbers of non-union jobs combined with decreasing numbers of union members has isolated unionized auto workers, making them more vulnerable to concessions, particularly at the local level. UAW attempts to stem trends of outsourcing and attrition through the development of cooperative relationships with the Detroit Three have proven ineffective. This has pushed local unions to negotiate directly with assemblers to save jobs. Throughout the 1990s unionized locals agreed to reorganizing production, implementing work teams and flexible 'production cells' in exchange for promises of investment in plants and new products. But these moves have rarely prevented outsourcing and have ultimately undercut the union's power in a classic divide-and-conquer scenario.

The dismantling of worker gains at Delphi is an important example of the weakening of the UAW because it served as a template for concessionary bargaining prior to and during the recent auto crisis for the workers at the Detroit Three.[30] Delphi is the former in-house parts manufacturer for GM. It was consolidated during the 1990s and spun off as an independent entity in 1999, making it for a time the largest supplier in the world. Delphi workers were members of the UAW and at the time of the spin-off were covered under the same contract as GM.

With Delphi's primary customer GM's market share sliding and the UAW national contract up for renegotiation in the fall, in early 2003 Delphi began publicly complaining about its labour costs, citing high wages and legacy costs as major impediments to future growth. The company had readily matched the GM contract in the 1999 negotiations and had even given hourly workers a raise, but by 2003 it was calling for a new order. It argued that if it could cut its workforce by 5000 and implement a tiered wage structure it would be competitive with non-union suppliers in the US like Johnson Controls and Lear.[31] The UAW agreed. Using an undemocratic 'supplemental agreement' to the national contract, Delphi and the UAW executive board negotiated the tiered structure in 2004 in which new workers would be paid half the wage of existing workers. In return for its cooperation Delphi promised to keep open three 'threatened' plants in Michigan, Alabama and Kansas.[32]

A year later, after Delphi was charged with fraud by the Securities and Exchange Commission (SEC) for systematically 'overstating its assets and understating its liabilities', the company again demanded concessions.[33] It brought in Steve Miller -- the CEO known for taking Bethlehem Steel into bankruptcy, dumping its pensions onto the Pension Benefit Guaranty Corporation and cutting off health insurance for retirees -- to pressure workers to reopen their contract. Miller argued that if Delphi couldn't reach agreements with GM and the UAW to cut its labour costs substantially it would not last until the 2003 UAW contract expired.[34] It proposed cutting wages to $10 an hour, eliminating cost of living allowances (COLA) and the Jobs Bank, and reducing benefits, vacations and holidays.[35] The company also wanted greater leeway to hire temporary workers. Miller famously quipped: 'Globalization has taken away the ability to have someone who mows the lawn or sweeps the floor to get $65 an hour.'[36]

When Delphi declared bankruptcy in the fall of 2005 the message to workers was the more cuts the union provided, the more factories Delphi would keep open and vice versa. The Delphi bankruptcy was the biggest bankruptcy to date in the auto industry and workers (and the UAW) were under enormous pressure to make concessions. As the editor of *Automotive News* presciently opined:

> Whether the unions willingly negotiate or the bankruptcy court voids Delphi's labour agreements…wages and benefits will be cut, plants will close and workers will lose their jobs. It is inevitable… [T]here is no way to stop what is part of the natural order because protectionism cannot work…Once the new competitive equilibrium is set during the Delphi reorganization, it will become

> the standard for other suppliers and the bogey for the Big 3 when they head into bargaining in 2007.[37]

The UAW yielded to the pressure, negotiating a 'Special Attrition Program' in which 24,000 jobs were cut, and all new hires were temporary or second-tier workers. After the agreement the company went on a hiring spree of temporary workers in places like Milwaukee and Alabama. Delphi went further with its demands, filing a request with the bankruptcy judge to cancel its labour agreements with the remaining workers unless they agreed to additional concessions. The UAW ultimately approved the elimination of COLA, the Jobs Bank, defined pensions, and agreed to the sale or closure of 24 plants in the US.

Although various industry and bankruptcy experts challenged the validity of the filing and the financial crisis at Delphi, the company's actions elicited little opposition from the UAW leadership.[38] In fact, the UAW didn't even show up to court on the day of the filing. The union accepted that previous gains were no longer sustainable. Speaking to rank-and-filers in 2006, UAW President Ron Gettelfinger argued: 'This isn't a cyclical downturn. The challenges we face aren't the kind that can be ridden out. They're structural changes, and they require new and farsighted solutions.'[39]

These 'farsighted solutions' have since become apparent. The UAW's failure to resist Delphi's concessionary demands laid the groundwork for an almost identical scenario at the Detroit Three. As predicted, during the 2007 contract negotiations Detroit made a push to extend the Delphi concessions to unionized assembly workers across the industry. Again the UAW went along, agreeing to tiered wages and a separate health and pension plan for new 'non-core' workers such as materials movers, general stores managers, and finished vehicle drivers. Wages for non-core work were modelled after the second-tier wages negotiated at Delphi. The UAW also agreed to take on healthcare responsibility for workers and retirees through a voluntary employment benefits agreement (VEBA), removing the costs from Detroit's books.[40] Despite these concessions, when GM and Chrysler asked the US government for financial assistance in late 2008, the UAW was publicly excoriated. According to the White House press secretary, Detroit had 'unworkable labour contracts' and was operating under an 'obsolete business model'. Politicians argued that unionized labour 'had brought the industry to its knees', its 'affluent wages and benefits prevent[ing] the Detroit automakers from successfully competing'.[41]

A key condition for receiving financial assistance from the US state was that GM and Chrysler 'make every effort to achieve labour cost parity

with the [non-union] transplants'.[42] In particular it demanded that GM and Chrysler:

> (1) achieve total compensation packages (wages and benefits) competitive with transplants, (2) apply work rules that are competitive with transplants, and (3) eliminate any compensation or benefits, other than customary severance pay, to employees that have been fired, laid off, furloughed or idled.[43]

These demands by the state put the UAW in a very tough position. By saying that worker concessions were the only way GM and Chrysler would survive, the US state made it nearly impossible to construct an alternative that wouldn't isolate the UAW further.

The UAW ultimately agreed to concessions in May 2009 that expanded the 2007 give-backs.[44] The new concessions extended second-tier (half-pay) wages to all new hires, loosened restrictions on the use of temporary workers, cut supplemental unemployment benefits (SUB pay), eliminated COLA, froze wages for new workers at GM and Chrysler for six years and barred GM and Chrysler workers from striking until 2015. Despite these concessions the Treasury determined that the companies had still not implemented satisfactory viability plans and must declare bankruptcy. The bankruptcy restructuring compounded the concessions by closing plants and forcing workers to compete for the remaining jobs. The bankruptcy restructuring also deepened autoworkers' dependence on Detroit's profitability because it transformed the UAW and the VEBA into a partial 'owner' of GM and Chrysler.

While the industry has rebounded in the two years since the crisis, the situation for autoworkers has only worsened. The experience of workers at GM's Lake Orion, Michigan plant is telling. As part of its post-bankruptcy agenda to develop profitable small cars, GM decided to re-tool the idled plant to build the subcompact Aveo and compact Verano. However, GM and the UAW Executive negotiated a secret agreement in which only 60 per cent of laid-off employees would be brought back at Tier 1 wages. The rest of the workforce would be forced to come back at a second-tier wage of $14.50 an hour, stay on layoff, or transfer 250 miles to GM's Lordstown plant. This came as a shock to workers who voted in 2009 to extend second-tier wages only to new hires. The justification for this new arrangement was that in order to produce a profitable small car the UAW and GM had agreed to 'work together…to arrive at innovative ways to staff these operations' in the 2009 contract.[45] Apparently 'innovative' staffing is code for low-cost

labour.

These trends are likely to continue. GM and Ford recently announced that they will hire at least 36,000 new workers over the next few years, all at a second-tier wage. With demand having rebounded, factories are running all out with workers clocking maximum overtime. Under the current national contract Detroit can hire up to 25 per cent of their total workforce at second-tier wages.[46] In addition, Detroit is implementing strategies targeted at individual plants to lower labour costs and expand its second-tier workforce. For example, at a parts plant in Saginaw GM workers voted to 'buy down' their wages. Workers would receive a $40,000 pay-out if they agreed to decrease their wages from $18.50 to $12 an hour.

And with many workers making half what they used to, GM has announced that it will invest more in labour-intensive production because its costs are more manageable now that the UAW allows a range of employment options including Tier 1 and Tier 2 workers, flex workers who work two to three days a week, temporaries and workers on 'temporary assignment'.[47] GM has also opened a non-union plant in Brownstone, Michigan near Detroit to produce lithium-ion batteries. It is GM's first non-union plant in over three decades. Of the thousands of laid-off workers in the area, none were called in to the plant. This is significant because GM claims to be channelling its resources toward this kind of technology in the future. Is non-union production its future too?

One thing is certain. The recent crisis has meant something very different for workers and capital. After years of complaining about the drag of labour costs, US assemblers have finally managed to downgrade their working conditions to match non-union plants. After the concessionary model proved easy to implement at Delphi -- not a single workday was lost in opposition -- it was only a matter of time before it was extended to workers at the Detroit Three. When the industry hit the skids in 2008 Detroit and the US government seized the opportunity, reversing nearly every gain unionized autoworkers made in the post-World War II period.

Thus, instead of conditions at non-union foreign assemblers improving over the years to match those of US assemblers, US assemblers in partnership with the US state have simply pushed down working conditions to match those of non-union firms. GM now pays only $2 more per hour in labour costs than Toyota, compared with industry estimates of over $30 an hour in recent years.[48] And new assemblers feel little pressure to offer wage parity. Wages at the Hyundai plant in Alabama and the Kia plant in Georgia start at about $15 and max out at $21 an hour. Volkswagen's Chattanooga workers will start at $14.50 and top out at $19.50 with workers in the supplier park

making about $10 an hour. But non-union autoworkers aren't complaining. West Point, Georgia -- the site of Kia's new assembly plant -- was once a textile town until textile firms abandoned the town in favour of low-wage sites outside the US. Kia jobs are a godsend compared with available service jobs. The plant received 43,000 applications for the original 1,200 assembly jobs.

While Detroit has been working toward this outcome for years, it's worth emphasizing that the US government played a direct role in the restructuring and forced concessions. Its demand for work rules and wages to match non-union firms effectively negates the right of workers to collectively bargain to better their wages and working conditions. Work in the auto industry is dangerous, gruelling and alienating. The gains that autoworkers achieved over the years mitigated the difficulties of the job to a small degree and allowed workers to support a family and send their kids to college. On second-tier wages UAW families are eligible for food stamps. The dismantling of autoworker gains in recent years has also opened the door to similar moves by other manufacturers. Harley Davidson, Mercury Marine and Kohler have all erected two-tier systems.[49]

BEYOND THE CRISIS

Needless to say the atmosphere at unionized assemblers and suppliers is tense, especially with contract negotiations between the UAW and Detroit coming up in September 2011. Despite the renewed profitability of Detroit, reversing the tiered wage system is not on the agenda for the UAW. The union believes lower wages are essential to Detroit's survival. According to UAW President Bob King: 'We know it's pretty hard to support a family and everything on a $15 an hour wage, but we also know that we have to keep General Motors and Ford and Chrysler competitive.'[50]

With tiered wages off the table, the UAW is planning a push to organize non-union plants in the US instead. But it won't try to organize from the ground up as in past failed attempts to organize non-union assemblers. This time the union will borrow a tactic from the SEIU and try to convince non-union assemblers like Nissan and Toyota to voluntarily sign a 'non-disparagement agreement' in which each side agrees not to censure the other during the campaign, thus promoting a fear-free election environment. The UAW believes that workers are afraid to join the union because the company will move to a low-wage, non-union site if they do. By establishing neutrality and emphasizing the UAW's mission to 'add value' and promote the employer's success, the union believes both auto manufacturers and workers will see the benefit of the union. If auto manufacturers do not agree

to neutrality agreements, the UAW plans to pressure them through a political smear campaign highlighting assembler abuses in the US and abroad.[51]

The deep-seated, anti-union attitude of foreign assemblers in the US makes the viability of this plan doubtful. Foreign assemblers like Nissan and Honda have taken great pains to avoid unions. It seems highly unlikely that now, when their market share is strong, their brands are popular, and the UAW is the weakest it has been in decades, that they will voluntarily invite the union in. But, whether the plan is practical or not, the nature of the strategy indicates a deeper problem within the UAW. The underlying premise is that workers are too afraid of capital flight to organize, so instead, the union will bypass the rank-and-file and go directly to management to ask its permission to unionize the plant. This not only destroys the potential of empowering rank-and-file workers, but also justifies management's use of capital flight and plant closure to repress workers.

While the threat of plant closure is real -- workers do lose jobs to capital mobility and imports -- it is necessary to put globalization and capital mobility in perspective. As we showed in the first part of this essay, the restructuring of the auto industry over the past three decades is not a simple globalization story of investment leaving for low-wage sites. Instead, it has been a story of constant restructuring with growth and decline occurring simultaneously in time and space. By not challenging popular accounts of globalization and capital mobility in the US auto industry, the UAW gives support to management threats to move if workers unionize or try to protect their rights from concessions. And as the recent crisis highlighted, concessionary bargaining has no end. The more the union gives, the more it is asked to give, dividing workers, undermining solidarity, and destroying the viability of the UAW. The message to both union and non-union autoworkers should be that the auto industry is here to stay, so workers across the industry must fight to rebuild solidarity and put an end to fear-based repression.

The first place this rebuilding must occur is within the UAW itself. The tiered wage structure in combination with expanding numbers of temporary workers has greatly undermined solidarity within the union. Rank-and-filers in the UAW recognize this fact and have taken the lead in rebuilding solidarity since the crisis. At an Indianapolis stamping plant last year GM workers, despite heavy pressure from GM and the UAW International, voted overwhelmingly against reopening their contract to allow buy-downs and tiering. And in an historic turnaround, in the fall of 2009 Ford workers voted against a national contract demanding additional concessions. After GM and Chrysler emerged from bankruptcy in 2009 with more concessions than Ford, the company argued that its workers should agree to further

concessions to even the score and make Ford more competitive. In particular it demanded limits on the right to strike, a wage freeze, and the removal of restrictions on entry-level hires. But Ford workers had had enough. When Bob King gathered workers together on the shop floor of Dearborn Truck to convince them to vote in favour of the concessions he didn't get past his first sentence. According to UAW activists, when King asked members if they could hear him, a worker shouted 'No!' sparking a chorus of 'No's', foot stomping, and clapping. King left without another word. The contract was rejected by over 70 per cent of membership in production and 75 per cent in skilled trades, with some locals rejecting it by 90 per cent.[52]

The recent crisis demonstrates that the UAW's strategy to battle neoliberalism and globalization through concessions is untenable. Concessions have been unable to preserve jobs, wages, or benefits, and in the long run have ultimately threatened the very survival of the unionized auto sector. As Marx and Schumpeter emphasized long ago, capital continually re-invents itself. Auto manufacturing in the US will evolve and continue to experience cycles of decline and growth, but it is here to stay. If auto unions are to recover from the crisis they must also reinvent themselves and fight back against fear-based repression. Rank-and-file workers are taking the lead in this process, even as they face opposition from the UAW leadership. To succeed workers must rebuild solidarity within the union by reversing the tiered wage system and demanding equal pay for equal work. And rather than looking for 'big' victories like unionizing the foreign assemblers, workers should start organizing drives at the hundreds of non-union suppliers in the US where workers are desperate for a union. At the same time, workers and the union must also look to the future of the industry and become advocates of more sustainable transportation, placing themselves in the vanguard of green technology development. Doing so will restore the power of autoworkers and in the process help to revitalize the US labour movement.

NOTES

I would like to thank Sam Gindin and Pankaj Mehta for commenting on an early draft of this paper.

1 In this essay, use of the term 'foreign' generally refers to firms not of US-origin that operate or invest in the US.

2 United States Government Accountability Office (USGAO), 'Summary of Government Efforts and Automakers' Restructuring to Date', *Report to Congressional Committees*, GA-09-553, 2009.

3 Ibid.

4 Ibid.
5 In June 2011 Fiat bought the US government's share of Chrysler and began negotiations to buy out both the Canadian government's and the UAW VEBA's share.
6 Ford sold Aston Martin in 2007.
7 James M. Rubenstein, *A Changing U.S. Auto Industry: A Geographical Analysis*, New York: Routledge, 1992.
8 Carl H. A. Dassbach, *Global Enterprises and the World Economy: Ford, General Motors, and IBM, the Emergence of the Transnational Enterprise,* New York: Garland Publishing, 1989.
9 Stan Luger, *Corporate Power, American Democracy, and the Automobile Industry*, Cambridge: Cambridge University Press, 2000; Alex Taylor, 'The Death of the Sport-Utility Vehicle Foretold', *Fortune*, 8 July 1996, p. 22.
10 The data tracks all openings, expansions, closings and downsizings reported in every issue of the weekly trade journal *Automotive News* from 1988 to 2006. The AIP database is intended to illustrate *trends* in investment over time and space rather than a census of all events. Nicole M. Aschoff, *Globalization and Capital Mobility in the Automobile Industry*, Ph.D. Thesis, Johns Hopkins University, Baltimore, 2010. Refer to Chapter 2 and Appendix 1 for a detailed discussion of the AIP database.
11 Aschoff, *Globalization and Capital Mobility*; Thomas Klier and James Rubenstein, *Who Really Made Your Car: Restructuring and Geographic Change in the Auto Industry*, Kalamazoo: W.E. Upjohn Institute for Employment Research, 2008.
12 Julie Froud, Sukhdev Johal, Adam Leaver and Karel Williams, *Financialization and Strategy: Narrative and Numbers*, New York: Routledge, 2006.
13 Restructuring in the auto industry rarely follows a coherent long-term plan because competition and the cyclicality of the industry force assemblers to please the markets through frequent, high-visibility restructuring programs. As Froud et al. argue: '[T]he stock market can often change its shallow, collective mind much more rapidly than giant firms can change their strategies. Thus, in a first period, the market may encourage or even demand supposedly value-creating moves by individual firms which may then in a second period provide the basis for general condemnation of the industry and a call for strategy reversal.' Froud et al., *Financialization and Strategy*, p. 44.
14 De-verticalization refers to the process by which vertically integrated firms such as GM and Ford outsourced in-house production to independent suppliers.
15 The automotive industry is commonly divided into the categories of original equipment manufacturers (OEMs) who manufacture cars and their original equipment suppliers. Parts that are installed on cars outside the factory, after the sale, are considered part of the aftermarket (AM) production network. Original equipment suppliers fall into three tiers. Tier 3 suppliers are generally the smallest and produce individual parts such as hoses, gaskets, etc. Tier 2 suppliers are larger and produce a range of products that include more complicated components and sometimes modules. Tier 1 suppliers are the largest suppliers and produce a wide range of parts, components, and modules. Tier 1 suppliers

are now often delegated responsibility for organizing Tier 2 and 3 suppliers by assemblers, and sometimes produce entire systems for cars.

16 Timothy Sturgeon, and Richard Florida, 'Globalization and Jobs in the Automotive Industry', A Study by Carnegie Mellon University and the Massachusetts Institute of Technology, Final Report to the Alfred P. Sloan Foundation, March 2000.

17 Froud et al., *Financialization and Strategy*.

18 Richard J. Anderson, Cristina Muise and David Gancarz, 'Partial Divestitures as an M&A Alternative: The Case of GMAC', *The Journal of Corporate Accounting & Finance*, 21(January/February), 2010.

19 Anderson et al., 'Partial Divestitures'.

20 Greta Krippner, *Capitalizing on Crisis: The Political Origins of the Rise of Finance,* Cambridge: Harvard University Press, 2009, p. 224.

21 Gerald F. Davis, *Managed by the Markets: How Finance Reshaped America*, Oxford: Oxford University Press, 2009.

22 Anderson et al., 'Partial Divestitures'.

23 Ibid.

24 As US assemblers adjust their plants and products in line with their decreasing market share, investment seems to be shifting away from Canada and back toward the US, reversing investment trends of the 1980s when Canada was a favoured destination of new investment.

25 David Welch and Dakin Campbell, 'Why Ally Financial and GM, Once Family, Are Now Rivals', *Markets & Finance*, 24(February), 2011.

26 James Sherk, 'Auto Bailout Ignores Excessive Labour Costs', *Heritage Foundation*, 19 November 2008, available at http://www.heritagefoundation.org; Sven Gustavson, 'Auto Bailout Shifts to Political Assault on UAW', 2009, available at http://www.mlive.com.

27 The far-reaching concessions agreed to by the UAW put a great deal of pressure on Canadian autoworkers to agree to similar give-backs. In March 2009 the CAW agreed to a wage freeze and other concessions but has thus far resisted a tiered wage structure such as the one adopted by the UAW.

28 In March 1996 Delphi workers went on strike in Dayton, Ohio at two GM brake plants, shutting down 61 Delphi plants within a week. Two years earlier, the union had agreed to reorganize production, implementing work teams and flexible 'production cells' in exchange for a promise of substantial investment in the plant by GM. GM failed to keep its part of the agreement, outsourcing new brake contracts for the 1998 Chevrolet Camaro and Pontiac Firebird to Robert Bosch instead.

29 Office of Aerospace and Automotive Industries, 'US Automotive Industry Employment Trends', *US Department of Commerce*, 30 March 2006.

30 See Aschoff, *Globalization and Capital Mobility* for a detailed case study of Delphi.

31 Delphi cut 5,000 jobs shortly after it was spun-off from GM in 1999.

32 This illustrates the short term thinking of the union. The company decided to close these plants anyway (just two years later), but achieved an historic feat of the tiered wage system.

33 Form 8-K Current Report, Securities and Exchange Commission, 1 March 2005; Form 8-K Current Report, Securities and Exchange Commission, 8 June 2005.
34 Joseph B. White, 'Delphi Negotiates with GM, UAW about Big Revamp', *Wall Street Journal*, 5 August 2005.
35 Jeffrey McCracken and Lee Hawkins Jr., 'Delphi Asks Union for Deep Cuts as Chapter 11 Deadline Nears', *Wall Street Journal*, 7 October 2005.
36 Jeffrey McCracken, 'Delphi Seeks Further Concessions: In Addition to Wage Cuts, Greater Leeway is Requested to Hire Non-union Workers', *Wall Street Journal*, 28 October 2005.
37 Edward Lapham, 'Delphi's Wage War Will Reshape U.S. Labour Market', *Automotive News*, 14 November 2005.
38 The only challenge from labour the company faced was from a group of dissident workers inside the UAW called the Soldiers of Solidarity whose efforts achieved the few benefits Delphi workers received during the bankruptcy proceedings.
39 Jeffrey McCracken, 'In Shift, Auto Workers Flee to Health-Care Jobs', *Wall Street Journal*, 11 September 2007.
40 The VEBA was a boon for Detroit automakers. In 2007 the UAW agreed to take on the cost (and risk) of health care for workers and retirees in exchange for a lump sum and company stock. The nature of the transfer, especially the agreement to receive payment in the form of stocks, made UAW members extremely vulnerable to the ups and downs of share prices in a notoriously cyclical industry. During the 2009 bankruptcy restructuring GM and Chrysler were able to decrease their financial obligations to the VEBA in exchange for an increase in preferred stock, decreasing the likelihood that the VEBA will be able to cover the health care costs of UAW members and retirees in the years to come.
41 Sherk, 'Auto Bailout Ignores'; Steve Finlay, 'Kiss Babies, Bash Auto Industry', *Ward's Auto World*, 1 June 2008; Clive Crook, 'Does Obama Still Want Stronger Unions?', *National Journal*, 22 November 2008.
42 USGAO, 'Summary of Government Efforts', p. 26.
43 Ibid., p. 27.
44 The concessions were negotiated first at Ford and then expanded at GM and Chrysler prior to bankruptcy. The Jobs Bank was also eliminated in late 2008.
45 Jane Slaughter, 'UAW Members Protest 50% Wage Cut at GM Plant, Demand a Vote', *Labor Notes*, 21 October 2010.
46 David Barkholz, 'Detroit 3 are Expected to Add 36,000 Tier 2 Jobs by 2015', *Automotive News*, 12 April 2011.
47 Detroit has been slowly increasing the number of temporary workers it employs, especially since 2007. See Jane Slaughter, 'Auto Workers Stuck in Two-Tier System', *Automotive News*, May 2011, p. 8.
48 While GM and Toyota have historically paid comparable wages in the US, GM's total compensation costs have been much higher than Toyota because of its large number of retirees. This cost disparity worsened as GM's active working population decreased over the past three decades due to productivity

gains and decreased market share, while its retiree pool increased. However, recent concessions in combination with the VEBA have largely eliminated this cost differential.

49 Louis Uchitelle, 'Unions Yield on Wage Scales to Preserve Jobs', *New York Times*, 19 November 2010.

50 Dee-Ann Durbin, 'GM, Chrysler Investing in New Small Cars', *Associated Press*, 31 October 2010.

51 Jane Slaughter, 'UAW says it will go "All In" to Organize Foreign-Owned Auto Plants', *Labor Notes*, 24 January 2011.

52 Brent Snavely, 'UAW Members Defeat Proposed Changes to Ford Contract', *Detroit Free Press*, 2 November 2009; Brett Hoven, 'Ford Workers Reject New Concessions -- Build a Movement to Change the UAW', 5 November 2009, available at http://www.socialistalternative.org.