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UAW Sets a Strategy on Foreign Car Plants

By MATTHEW DOLAN

The United Auto Workers union said it is prepared to spend hundreds of millions of dollars in a bid to organize employees, including a new push for hourly factory workers at foreign-owned car plants in the U.S.

The effort is part of a major shift in focus by the UAW, which had spent most of the past 75 years extracting better wages and benefits from the three Detroit auto makers.

Now, after two of the Big Three were forced into bankruptcy, in part because of uncompetitive labor contracts, the union's new president intends to make a major push this year to organize workers at U.S. plants owned by makers such as Toyota Motor Corp., Volkswagen AG and Hyundai Motor Co.

It will be a tough slog. Many of these plants are located in "right-to-work" states that historically have been unfriendly to unions, and where unionized workplaces can't compel a worker to join a union or pay the equivalent of union dues. Moreover, there has been almost no call by workers at these plants for unionization.

"I think this is an unprecedented effort by the UAW and pivotal to its survival," said Harley Shaiken, a professor at the University of California, Berkeley, who specializes in labor issues. But he said the union faces many barriers, including pay at many of these plants that is on par with the Detroit Three's and efforts by the foreign companies to paint the union as unnecessary and counterproductive.

UAW President Bob King signaled in an interview the union is willing to take a much less confrontational approach to foreign car makers than it did decades ago in battles to become established at the Big Three.

But if the companies don't agree to a set of rules being promoted by the union to ensure what it calls free and fair union elections, he indicated the fight could turn nasty—and global.

The UAW, he said, would hold demonstrations at the corporate headquarters of these companies outside the U.S. as well as at their U.S. plants. In addition, it would picket their dealerships in the U.S. and abroad, and sports events globally that are sponsored by the car companies.

Mr. King said he will tap the union's strike fund of more than \$800 million for the push, calling it the best way to protect his current membership. "We have, in many ways, pretty deep pockets in terms of what we're willing to spend," said Mr. King, adding that the union already approved spending \$60 million on organizing at its convention in June. "We have really unlimited resources to devote to this. It's unlike anything that's been seen in the UAW in many, many years."

The move is a marked shift for a union that spent the last four years in retreat. It lost thousands of members, agreed to reduce entry-level wages in new contracts with the Detroit makers and gave back lucrative benefits and job protections in exchange for ownership stakes in once-bankrupt General Motors Co. and Chrysler Group LLC.

For years, the UAW was blamed for generous benefits and cumbersome work rules that many said led in part for the near-collapse of GM and Chrysler. But UAW officials now take credit for the union's newly cooperative role, arguing it helped improve profitability, worker productivity and vehicle quality at the Detroit Three.

Union leaders are attempting to contrast those gains against recent quality problems at Toyota. Mike Goss, a Toyota spokesman, said the company's commitment to quality remains high and its treatment of workers fair and generous, such as avoiding hourly worker layoffs.

UAW officials plan an effort to persuade nonunionized workers that a company with UAW representation is better equipped to compete in an increasingly competitive auto market. The car industry includes more than 575,000 U.S. workers, with about 108,000 employed by foreign car companies that largely are nonunion, according to the Center for Automotive Research in Ann Arbor, Mich.

The new strategy under Mr. King, a lawyer by training who was elected to the union's top job last summer, is built on a set of 11 principles to be presented to the targeted companies.

The principles, which were made available to the Journal, including pledges to refrain from coercion, intimidation and threats to workers from either side. Another provision calls for both union and management to avoid promising better wages or benefits based on a worker's vote for or against the UAW.

UAW officials said the principles are designed to give the union better protections to organize. They also aim to assure the company that if the agreement is followed and workers reject the union, the UAW will walk away without protest. Mr. King said the Detroit makers already abide by the principles.

So far, the foreign car companies have given the idea a lukewarm reception, saying they are reviewing the UAW's principles and arguing they already provide a fair chance for workers to decide on unionization.

In interviews, several company officials said they provide their workers competitive pay and benefits, and see no need for a union. "Each time the UAW conducted a campaign that led to a union election at our Smyrna (Tenn.) assembly plant, employees voted overwhelmingly against organizing," said a Nissan Motor Co. spokesman.

VW and Honda Motor Co. said they had no comment. A representative for Hyundai's U.S. plants didn't return calls.

The UAW also plans to create a global organizing institute, which will bring in about 30 student interns from South Korea, China, Brazil, India and Germany to visit workers at nonunion car factories. They would help with understanding the business culture of the companies' home country, union officials said.

The union's goal, said Mr. King, is to have at least one foreign auto maker organized by year's end.

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