Globalization and Organized Labor: The Decline and Transformation of the United Auto Workers in the 1980s

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“We all realize the company is scaling down. We're not telling them how to run things, we just want to get into the decision-making.” -- Local 212 president Joe Zappa, 1979

“The fresh bargaining spirit appears most dramatically in the auto industry... Just as auto negotiations were the vanguard of progress for other industries and unions in labor’s glory days, so now are auto negotiations pacesetters during labor’s decline.” --Jack Barbash, labor relations expert, 1985.

“[A]fter years complaining about supervision, I now had the chance to participate. And it was more than token participation... Now, if anyone complains about a supervisor, we’re partly to blame.” -- Local President Tony DeJesus

Early in 1988, a New York Times article entitled “Detroit’s Strange Bedfellows,” provided its readers with a vivid, even convivial, example of labor-management cooperation at work:

The U.A.W.’s bargaining team and G.M.’s top negotiators had gone off together to Japan, shrine of the new managerial wisdom. During their 10-day visit—financed by G.M.—the two groups toured numerous factories together. They took meals together, went drinking together, even shopped together. After dinner one night, G.M. executives, clutching glasses of sake, joined in a chorus of "Solidarity Forever," the U.A.W. anthem. Back in Detroit, the talks went far more smoothly than the experts had anticipated. The union did not even have to set a strike deadline.


What made this new and different, what accounted for the “strange bedfellows” in the article title, was what was often referred to in the 1980s as “jointness.” The term implied that unions and management could put aside the conflictual relationships of the past, emulate the cooperative Japanese model, and unite in order to defend the profitability of US firms, and the jobs of American workers.

In the 1980s, “jointness,” was studied, and generally celebrated, by scholars working in the field of labor-industrial relations (LIR). Indeed, the “new labor relations” then emerging out of America’s workplaces was frequently presented as the answer to the general erosion of the US world economic position, especially its manufacturing sector, as it continued to lose ground to Japan, West Germany, and other competitors, a dawning epoch of union-management cooperation.5

Nowhere was jointness more studied, and more celebrated, than in the US auto industry—where the nation’s foremost industrial union, the United Auto Workers (UAW) established unprecedented relations with the Big Three US automakers—beginning dramatically in 1979 with its support of the federal bailout of Chrysler Corporation and continuing through the joint management of the General Motors (GM) line of Saturn vehicles. But Chrysler and Saturn were only the summit peaks of a whole range of cooperative initiatives that reached all the way down to the shop floor, initiatives through which UAW officials increasingly took on many tasks traditionally associated with management.

By the late-1990s, LIR literature holding up “jointness” and the “new labor relations” as the cutting edge of a new economy began to quietly dissipate, nudged aside by a still newer research agenda focused on the impact of globalization on industrial production. But the concept of globalization, as deployed both by academics and in popular culture, emerged only after the processes that define it—the disaggregation of industrial, managerial, and financial processes across national boundaries—had taken hold of the auto industry. Indeed, by the time the neologism came into broad use, globalization had already reached a very advanced stage in the world of car manufacture.

Yet, the new literature on globalization did not subject the old literature on jointness of labor-management cooperation of the 1980s to critical scrutiny. It was at most described, but never itself analyzed as an integral feature, let alone an active force, of economic globalization in the 1980s. This paper begins to undertake such a study.

What emerges most immediately is the overall ineffectiveness of “jointness”—at least if its stated aims of making US industry competitive and saving jobs be taken at face value. Its best known examples—the Pontiac Fiero car and the UAW-GM ventures at Saturn and the NUUMI (New United Motor Manufacturing, Inc.) plant in California—are considered today spectacular failures. And though jointness cannot be declared the cause of these collapses, neither did it result in their success, as advocates claimed it would.6

Furthermore, and on a much broader level, in spite of jointness, the market position of the Big Three continued to erode throughout the 1980s, dipping to 23 percent of global market share by the end of the decade, down from over half in the 1960s. Between 1978 and 1986, the national US car market actually grew by 1.1 million units—but this was more than absorbed by the growth of imports, which increased by 1.8 million units, and by the “transplants,” who increased sales by .7 million, while “traditional” domestic sales fell by 1.4 million units. Japanese imports make up 20 percent of market in 1981, and 30 percent in 1991.789

Moreover, if the aim of jointness was to save American auto industry jobs—as the UAW was wont to claim—then it can only be called an unqualified catastrophe. In the 1980s 300,000 auto industry jobs were lost and 65 Big Three plants shuttered. UAW membership fell 40 percent, and, by 1990, the majority of auto jobs were non-union for the first time since the 1940s. Overall UAW membership declined from 1.5 million in 1979, to 1 million in 1986, to 771,000 in 1993, a decline that was only partially offset by the growth of professional workers in its ranks, including nearly 7,000 academics. Workers who remained did not see any benefit from the thinning of their number. By one estimate, a newly hired auto worker brought home in 2016 what his grandfather did in 1948, in inflation adjusted terms.10111213

A grim portrait for the industry and the union, to be sure. However, the new labor-management relations of the 1980s succeeded in several important respects. While it is true that the US auto industry, as a whole, continued to lose market share over the 1980s and 1990s, culminating in its near-collapse in 2008-2009, and another government bailout under the Obama administration, within that longue durée one can extract critical periods in which jointness directly contributed to the resuscitation of the profitability of one or another firm, easily enough quantifiable when a

concessionary contract negotiated by the UAW generated savings upon implementation.\textsuperscript{14} Much more difficult to quantify is what, if any, contribution the UAW’s new managerial functions played in increased profitability. This opaqueness was not accidental. “The benefits… are purposefully not recorded,” said one GM Vice President. “By design there are no reports of the results because we wanted to refrain from emphasizing savings and productivity.”\textsuperscript{17}

Second, the 1980s auto industry witnessed a sharp decline in the number of man-hours lost due to strikes over the 1970s, when major work stoppages, wildcats, slowdowns and sickouts, threats of strikes, massive numbers of grievance filings, contributed to a widely reputed—though likely overstated—“anarchy” on the shop floor. In the 1980s, consciously upholding the principles of cooperation, the UAW sought to avoid strike activity. Relative to the 1970s, it succeeded.

Finally—and this is at once the most paradoxical, most striking, and least studied outcome of the new labor relations—jointness appears to have provided a means by which the UAW itself not only survived a massive decline in membership during the upheaval of industrial realignment wrought by globalization, but actually prospered. For while the number of workers on its membership roles dropped precipitously, the UAW, through its various new functions, increased its revenue and wealth. Its fate, it is clear, was increasingly \textit{decoupled} from that of the workers it nominally represented.

\textbf{ii. Chrysler 1979}

In the 1970s, to borrow the title of a recent volume, “the shock of the global” set into motion processes that would lead by the early 1990s to the total reorganization of the auto industry. In that decade, President Nixon abandoned the Bretton Woods system by which the dollar had been pegged to gold at the rate of $35 per ounce, and through which, in turn, all other currencies were pegged to the dollar. The resulting inflationary pressures did not resuscitate profit rates in basic industry, however, contributing to the phenomenon known then and since as stagflation. The oil crises of 1973 and 1979 further accelerated inflation, and had a notably damaging effect on the sale of the large automobiles that were the stock-in-trade of the US automakers. Finally, inflation helped spur on the last major strike wave in US history. Between 1968 and 1979, more than 1 million workers walked off the job per year, intent on keeping wages apace price increases.

\textsuperscript{14} Crane, Donald P, and W.T. Beebe Institute of Personnel and Employment Relations. Patterns of Industrial Peace: Case Studies of Cooperative, Collective Bargaining Relationships. Atlanta, Ga.: Georgia State University BUusiness Press, College of Business Administration, 1990: 176


In August, 1979, Carter elevated Paul Volcker from Treasury Secretary to chief of the Federal Reserve Board, with a mission of defeating inflation and breaking the strike wave. What followed has become known as the “Volcker shock”: the dramatic increase of interest rates from 10 percent in August 1979, to 17 percent by early 1981, to 19 percent in early 1981.

The clouds that had been gathering over the American auto industry now turned into a storm. The problems of the 1970s—declining market share, overstocked lots, “overproduction” in the plants, and costs-per unit much higher than the Japanese competition—were exacerbated by sudden difficulties in financing the sale of “big ticket” items like cars. Matters came to a head at Chrysler, the smallest of the Big Three. By the autumn of 1979, it found itself facing a crisis of liquidity—and its creditors increasingly skeptical of management promises about a cyclical return to profits.

The outcome is by now a familiar story in business history. The Carter administration—with Volcker personally intervening in negotiations—constructed between late 1979 and early 1981 a bailout predicated on the imposition of massive contract concessions by the UAW. Chrysler was saved and returned to profitability by 1983, and the government loans were repaid—making Iacocca a celebrity CEO in the process and briefly touted as a possible Democratic presidential challenger to Ronald Reagan in 1984. On the other hand, many thousands of jobs were lost (some 60,000 between 1978 and 1981), wages and benefits for those who remained were substantially reduced (a total of about $10,000 per worker by one estimate), and the UAW accepted and imposed a two-tier wage system, which would soon provide a model for wage reductions in other industries.

In return for these concessions, the UAW got one of its own from Iacocca: UAW President Douglas Fraser was appointed to the corporate board. Virtually unprecedented, the UAW seat on the Chrysler board was soon duplicated in exchange for union concessions at other near-bankrupt firms in the 1980s.

Thus, a pattern that became familiar over the course of the 1980s had already come into relief: while the UAW secured for itself a growing partnership, this itself did little to stem the powerful economic currents engulfing the industry that we now call globalization. Even as Fraser took his seat on the board, the high interest rate regime imposed by Volcker lead to an industrial recession unlike anything since the Great Depression. Basic industry was especially devastated. Cities once associated with industrial might and working class prosperity—Detroit, Flint, Pontiac, etc.—now became symbols of poverty and collapse.

It was not only Chrysler. Employment in the American auto industry fell from 1,018,800 in 1978 to 638,400 in February, 1982. In a film distributed to GM workers, narrated by Chief Operating Officer James McDonald, “Battle for Survival,” described the dire scenario: 80,000 GM layoffs; Japanese imports taking 21 percent of the US market with labor costs of $11 per hour versus $19 per hour at GM. McDonald threatened, “We have to put aside traditional adversarial relations. Hundreds of thousands of jobs are at stake.” With whatever reservations they might have had,

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Fraser and the rest of the UAW leadership agreed with McDonald. The “traditional adversarial relations” had to go.  

**iii. Buy American**

Jointness was, at heart, an effort to resuscitate the profitability of the Big Three. But for some time it cohabitated with another thrust: the UAW’s “Buy American” campaign. It is necessary to briefly consider this response to the industrial crisis of the late 1970s and early 1980s because it elucidate globalization.  

Already in the 1970s, the UAW leadership was promoting its nationalist campaign, producing and giving away tens of thousands of “Buy American” bumper stickers. By 1980 this was supplemented by what the *Washington Post* described as “An Arsenal of Buy-American Car Ads.” One ad warned readers that “Every ship bringing foreign-made cars to America carries a hidden cargo. Unemployment.” Another described a laid off autoworkers named Bill Cunningham who lost his livelihood “because someone somewhere in the US bought a foreign car.” In the early 1980s Fraser, who personally approved many of the bumper stickers, went on a “whistle stop Buy American” tour of US airports accompanied by union officials wearing “Buy American” sandwich boards. Locals were flooded with bumper stickers with chauvinistic slogans such as “Unemployment: Made in Japan,” and “Hungry? Eat a Foreign Car.” The UAW harnessed this nationalism behind legislation aimed at securing the car market for domestic producers.  

However, there was a fundamental problem with this perspective: The industry, as a whole, was in the process of uprooting itself from its national moorings. Japanese automakers, in order to get around voluntary quotas on their exports to the US market adopted in the early 1980s—accepted by Japan precisely in order to avoid their legal imposition by the American Congress—began to construct plants in the U.S., especially in areas thought to be out of reach of the UAW. Between 1989 and 1992 Japanese automakers doubled their plant capacity in the US, and also set up component plants. As one example, the Honda plant in Ohio had an output of 400,000 cars with half of its parts imported. They were later followed by the West German and Swedish automakers.  

Meanwhile, the Big Three began to shift production, in particular auto parts production, over national boundaries and especially to the *Maquiladora* regions of northern Mexico, while

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moving production quotas back and forth between the US and Canada—a process assisted by the splitting away from the UAW in 1985 of its Canadian branch.

In 1978 the Big Three began locating production facilities in Mexico. In the course of the 1980s, maquila plants increased from 620 employing 119,000 workers to 2,069 plants employing 508,500 workers in 1992. Maquila auto parts plants employed 7,500 workers in 1980 and 93,278 in 1989. A Mexican autoworker made $3.50 an hour in 1982, as opposed to the $14 earned in the U.S. and Canada. The implementation of the Ford plant at Hermosillo, Mexico, marked a qualitative development. The cost of building the state-of-the-art plant was less than half what the estimated cost in the US would have been. Upon completion, labor unit costs were less than one-tenth those in the U.S. In 1991 the Big Three built 675,000 vehicles in Mexico, of which 275,000 were sent back to the US, and by 1995, the Big Three were selling nearly 750,000 vehicles made in Mexico to the U.S. market.

This was part and parcel of vast reorganization of economic production. In an earlier epoch, imports by multinational corporations were largely confined to basic commodities with little value added. Even manufactured commodities accounted for a small proportion of aggregate value-added in manufacturing: just 6.5 percent in 1960. But by 1990, manufactured imports accounted for 30.7 percent of all value added. Globally integrated production within TNCs a new phenomenon. By 1990, 27.5 percent of US exports to Mexico, and 33.6 percent of Mexican exports to the U.S., were actually sales within firms with affiliates in each country.

Between 1982 and 1987, one-fourth of GM profits were generated overseas. By 1990, Chrysler owned 24 percent of Mitsubishi and Ford owned 25 percent of Mazda. As one scholar concluded, “A car bearing the name of an all-American company like Ford could be manufactured in Mexico by Mexican workers. A car bearing a ‘foreign’ name like Honda could be made in Ohio by American workers. The Honda could even bear a UAW label—while the Ford from Mexico did not. The corporations, in sum, were international… But the UAW went nationalist.”

The “Buy American” campaign, in short, could at best be considered a diversion under conditions in which the car itself was increasingly an ensemble of global labor—and a diversion which had a distinctly ugly side: the invocation of “Yellow Peril” tropes, the organized smashing of Japanese cars in union parking lots in Michigan and Ohio, and, in one notorious incident in 1982, the brutal murder in Detroit of an Asian-American, Vincent Chin, by a UAW official and

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his out-of-work nephew. And the campaign could do nothing to improve the actual quality of US-made cars—and scarcely more, therefore, to weaken the American consumer’s appetite for Japanese cars, which continued to shoulder into US market share.31 32

iv. Fiero, NUUMI, Saturn

In 1983, the UAW quietly shelved its Buy American campaign—at least as one directed from its Detroit Solidarity House headquarters. But it would be a mistake to imagine that this implied an abandonment of what can only be called a nationalist orientation. For, while “Buy American” had become an embarrassment an impediment to cooperation with the transplants, the UAW only deepened its growing integration into the Big Three American automakers. Douglas Fraser explained this, the central lesson, the UAW learned from Japan: “We used to be the only game in town. Then along came the Japanese. Our workers never appreciated that GM could get in trouble from competition. It changed our attitude—the union realized that worker security was tied to the wellness of the company.”33

This “wellness of the company” was summed up in the policy of “jointness.” It can be divided into two categories for the sake of brevity. Most memorably, there were several instances in which the UAW collaborated with the automakers in new manufacturing ventures. Less known, but much more enduring, was a proliferation across the entire industry of a myriad of labor-management structures that blurred, and ultimately erased, the line separating the former antagonists.

In the case of new manufacturing ventures, GM lead the way, beginning with the small Fiero sports car, whose run lasted from 1984 to 1988. Production was overseen by a hierarchy of committees, on each of which the UAW was given representation. At the top of this was the “administrative team,” on which sat the corporate management as well as the union’s bargaining committee. Among its duties was to discuss “employment forecasts and consider adjustment strategies to bring the available workforce in line with projected personnel needs [including] the need for and form of future layoffs.” At Fiero the UAW assumed shared responsibility for quality control, formerly a uniquely managerial prerogative.34

The joint GM-Toyota NUMMI venture in Fremont, California, provided the UAW the chance to audition as responsible partner for the Japanese giant. The plant, which made the Toyota Corolla and the Chevy Nova, began, in the spirt of the new jointness, with a “Joint Venture/UAW Letter

of Intent” signed on August 25, 1983. This stated that both union and management “are undertaking this new proposed relationship with the full intention of fostering an innovative labor relations structure, minimizing traditional adversarial roles, and emphasizing mutual trust and good faith...” This was reiterated by UAW Region 6 Director Bruce Lee, who explained that the union had given up its “traditional reactive adversarial role,” and even that the venture “set the direction of collective bargaining in the U.S. industrial sector for years to come... the right direction for the labor movement.” NUUMI opened in 1984 to considerable hoopla. By 1991 it had failed to achieve a profit. In 2010 it was shut down. 

The contract negotiated between GM and the UAW for the creation of Saturn and its $5 billion, 4,000-worker, plant in Spring Hill, Tennessee, was aptly called, by one expert, “the ultimate in labor-management cooperation in the United States.” Another called it “an unprecedented action.” And, according to a third “Saturn represents the most radical experiment with a new labor-relations model in the United States and, indeed, perhaps the world.” The UAW was a managerial partner from the start, with Saturn’s formative Memorandum of Agreement declaring the union a “stakeholder” that “will participate in business decisions as a full Partner.” A series of joint committees elevated the UAW to positions in all levels of Saturn management—from product planning to hiring and firing. Touted as “a response to world competition,” Saturn workers would start at only 80 percent of the industry average, and the ambitious aim of more than doubling labor productivity. Directly in its competitive sites was a nonunion Nissan plant also located in Tennessee. “This agreement achieves our goals,” UAW head Owen Bieber declared. “All of the UAW-GM workers who elect to join Saturn will enjoy permanent job security, and they will earn excellent wages and benefits.” By 2004 the UAW-GM relationship at

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Saturn was dissolved into the larger collective bargaining agreement. In 2010, GM shut Saturn down.  

**v. The UAW enters management**

While the Fiero, NUMMI, and Saturn all ultimately crashed and burned, taking down with them the corporate-labor hierarchies that oversaw production, in a far less visible way the new jointness was in fact saturating the Big Three.

It is a dizzying array of policies and programs, each bearing a separate name or acronym. “The basic distinction is that these programs [are] vastly different from the traditional type of labor-management cooperation,” noted one scholar. On his list of factors include “a growing sense of permanence” to the new relationship; “shared leadership” and “dual management” in various programs; “jointness,” which the author defines as “a new workable partnership of former adversaries;” “targeted financing” that aims at “assuring economic ways and means” for the unions; “involvement in strategic growth and planning” and “teamwork in new product development.” Major contracts negotiated in the 1980s emphasized “mutual interests” rather than obligations to workers.  

Beginning in the late 1970s, Quality of Work Life (QWL) initiatives began at GM, followed by Employee Involvement programs (EI) at Ford. These proliferated across the industry and by the mid-1980s had put scores full-time union officials employed on the company payroll. Comprised of joint management-labor boards, the QWL and EI programs largely supplanted the old adversarial process of the shop steward forwarding to management grievances, which declined

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precipitously. UAW International Rep at Doraville, Georgia, Herb Butler: “In prior years, I’ve had as many as 6,000 grievances in the system, two thousand new grievances. Now I have eight cases at my level, most of them discharges... And we’re at the highest employment level in the history of the plant.”\textsuperscript{51} “The role of the union representative may have to change somewhat. Instead of being a grievance handler he/she become more a knowledge facilitator, advisor and educator, which is a positive change.”\textsuperscript{52} Time served by union representatives on these boards was typically paid by management. GM and the UAW even developed a company-wide QWL seminar called the “Black Lake Experience,” in which union officials and corporate managers shared rooms and cooperatively taught classes.\textsuperscript{53} \textsuperscript{54} \textsuperscript{55}

Another initiative that emerged with the Chrysler bailout of 1979 was the ESOP, or Employee Stock Ownership Plan, in which 6 million Chrysler shares were distributed to the automaker’s 94,000 remaining employees, to be held in trust until employees were laid off or retired. The UAW was given joint fiduciary responsibility over the fund. One obvious aspect of this plan was that, because the shares were to be divided up among the existing workers in three tranches over the ensuing years, the fewer on the workforce the larger the distribution would be. The ESOP was said to be the “pet project” of Louisiana Democratic Senator Russell Long, chairman of the Senate Finance Committee.

In 1982 the UAW and Chrysler agreed to a National Pilot Projects Council that commissioned studies on industry practices and aimed to develop model projects aimed to keeping 80 percent of a facility’s workforce under permanent employment. Model projects included “experimental concepts in training, changing work practices, altered wage and benefit systems, modified classification structures and employee participation programs.”\textsuperscript{56} The 1982 contract negotiations with GM, The UAW “took the unusual step of abandoning... contractual wage increases for one that included wages and bonuses based on company profits and productivity.”\textsuperscript{57} \textsuperscript{58} UAW-Ford agreement of 1982 included what was called a “Mutual Growth Program.” Don Ephlin then director of UAW Ford said “these were not negotiations in the normal sense of the word. We

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were engaged in precisely the kind of joint problem solving that has characterized our most successful EI efforts.”

In 1984, GM formed its “JOB” or Job Opportunity Bank, again, jointly overseen by union reps now paid for their time by the company. JOB was initially funded to the tune of $1 billion, and was soon emulated at Ford and Chrysler. Union and management jointly oversaw retraining programs and could also reassign laid off workers from one plant to another. Touted as a means of ending layoffs, terms in labor contract actually provided exceptions that allowed for permanent displacement for events such as “volume decrease and the sale of a facility.” The GM contract created a Security Committee that “function[ed] as a joint study group to review the competitive environment and to develop plans to improve local operations.” It also added new positions for union officials in Joint Local Committees, Attendance Control Plan Committee, and the Joint Skill Development and Training Committee.

The same UAW-GM contract, “one of the most innovative in labor relations history,” in the words of one scholar, that created JOB also provided for the creation of yet another body called the Growth and Opportunity Committee, funded by $100 million and staffed equally by GM and the UAW which would “jointly develop and launch new business ventures aimed at providing job opportunities for UAW members” This, in turn, created yet more joint committees called the New Business Venture Development Groups “with full time staff assigned by GM and the UAW and operations financed from national training funds.” This was quickly emulated by Ford.


In 1982, Chrysler was paying about $6,000 per year in health care premiums per worker, though about half of its beneficiaries were retirees, their spouses, and survivors. Iacocca fumed that “Blue Cross/Blue Shield is my biggest supplier.” In 1982 negotiations, the UAW offered cost savings estimated at $10 million. These included tougher standards for health care providers working with Chrysler insurance, as well as limits on elective surgery, laboratory testing, and prescription surgery, along with a new requirement for a second opinion before surgery.\(^{67}\)

GM Vice President Alfred Warren, who negotiated multiple concessions contracts with the UAW that cemented corporatist relations with the union, in 1986 pointed to another arena of collaboration: the rollback of healthcare costs. “General Motors and the UAW have been concerned about this problem for several years and launched several pilot programs for controlling health-care costs,” he wrote. This the company and the union achieved by rationing—or, what Warrant called “unnecessary utilization.” To cut back on worker use of their healthcare plan, UAW-GM instituted a requirement for a second physician’s opinion prior to elective surgery, a “no-stay surgery program,” and “predetermination of services to minimize inappropriate use.” Warren concluded that such a “far-reaching change in an essential benefit program might not have been possible in the adversary atmosphere that prevailed only a few years ago.”\(^{68}\)

UAW and GM jointly reduced health care costs by $200 million in 1985.\(^{69}\) The necessity to reduce worker benefits did not vanish, however. In 199* the ratio of active workers to retirees was 1.6 to 1. GM claimed that there were over 800,000 current and former employees drawing benefits, and of these 300,000 were retirees whose health care benefit costs were more expensive to the firm than those of active workers. In 1987, the total cost of retiree health care was $900 million. The company claimed that the year before it had to sell 230,000 cars just to meet its employee health care obligations, and that to meet all benefits it had to sell 550,000 cars. These giant streams of revenue diverted from stockholder profit and CEO pay were considered far too onerous.\(^{70}\)

Much later, in 2007, the UAW interest in retiree health care costs went through a qualitative change when the retiree health care liabilities were transferred to a union-controlled Voluntary Employee Beneficiary Association (VEBA). On founding, the VEBA was the largest such organization in the US, with over 860,000 members. It reportedly had some $58.8 billion in

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assets in 2014. But the trust, was underfunded from the beginning by $36 billion, or about one-third of company liabilities for retiree health care. As part of the 2009 bankruptcy of GM and Chrysler, the VEBA was restructured and infused with billions in corporate stock, making the UAW the largest stockholder of GM and Chrysler.71

vi. Conclusion

In concluding, it is worthwhile to consider two peculiar aspects of the UAW’s embrace of jointness: in relationship to labor law and strike activity.

At its 27th Constitution Convention in Dallas Texas, in May 1983, in the wake of the catastrophic early 1980s recession, the UAW adopted the program “Blueprint for a Working America,” which outlined ambitious aims for union-management and government cooperation. At the same convention, the UAW approved a measure reallocating money out of its $500 million strike fund to the category of bureaucratic expenses. This was done by diverting half of the per capita tax then earmarked for it and splitting it on a 2-1 basis between local bureaucrats and Solidarity House. Though of course it could not openly say so, the UAW had now given itself a material incentive to avoid strikes.72

By the end of the 1980s, jointness had placed the UAW in an ambiguous situation in relationship to US labor law, which, since the National Industrial Relations Act, or Wagner Act as it is often called, was predicated on the assumption of an adversarial relationship between management and union. More specifically, did the new corporate relations violate the NLRA’s prohibition of company union? “The question of how to reconcile labor-management joint programs with collective bargaining is a serious problem—but not an insoluble one,” admitted one LIR expert.73

Answering this question fully would require access to information not readily available. Chief among these would be how many UAW officials are also paid directly by the Big Three for the various joint programs? This information is not provided by the UAW’s non-profit tax filings, nor is it readily apparent from corporate disclosures. Surely the number of such employees, given the number of committees and programs, numbered in the hundreds by the end of the early 1990s. This must be paired with the UAW’s role in overseeing employee stock plans and the VEBA, which collectively control assets approaching $100 billion, and its own assets, which,


according to its own tax filings, are over $1 billion—which feed the direct payment of over 400 union officials each earning upwards of $100,000.

Whatever its precise financial relationship with the Big Three, it is clear that the UAW’s fate has been decoupled from that of the autoworkers that it still claims to represent.