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Commentary

Commentary: A UAW strike could be pivotal moment for auto industry

By Alex Calderone





In the heart of America's Motor City, a tempest brews that could redefine the automotive landscape.

The United Auto Workers (UAW) union, representing a vast swath of the industry's workforce, stands on the precipice of a historic strike against Detroit's iconic Big Three: Ford, General Motors, and Stellantis. As an automotive turnaround professional who has navigated the intricate lanes of the car business for two decades, I've never sensed such a charged atmosphere. The road ahead seems fogged by uncertainty.

The potential strike transcends mere wage disputes or job assurances; it's emblematic of the seismic shifts the auto industry confronts. The electrification wave, relentless inflation and supply chain hiccups are not mere speed bumps but mountainous terrain that the industry must traverse.

The Detroit Three, despite their recent (and perhaps ephemeral) colossal profits, face an existential challenge. A production halt, even briefly, could bleed them financially. But there's more at stake: their legacy, their commitment to innovation, and their place in the global market. The 2019 GM strike, which cost the company approximately \$3.6 billion in lost earnings, and its employees hundreds of millions in lost wages, is a stark reminder of the potential fallout.

For the UAW, the battle is twofold. While they champion wage parity, especially in burgeoning sectors like EV battery plants, they also grapple with internal demons, seeking redemption from past scandals. Their fight is genuine, resonating with many who see the future of automobiles in electric hues.

But the tremors of this standoff won't be confined to Detroit. They'll resonate across the nation. The auto industry's \$1 trillion contribution to the U.S. economy isn't just a number; it's livelihoods, dreams, and the very fabric of many communities. A prolonged strike could send shockwaves, disrupting supply chains and setting a precedent for wage structures across sectors.

Historically, when national economic stability teeters, the U.S. government has stepped in. The Taft-Hartley Act of 1947 is a testament to such interventions. If the current impasse

morphs into a crisis, governmental mediation, or even an imposed settlement, might be on the horizon.

The auto industry stands at a crossroads, and the choices made today will echo for generations. The UAW's concerns are genuine, the Detroit Three's challenges real. But a protracted strike could be a pyrrhic victory, where all parties lose in the long run.

In this high-stakes game, it's not about who blinks first but how all stakeholders can envision a shared future. Drawing from my own experience navigating the intricacies of automotive supplier turnaround situations, I ardently advocate for collaboration over confrontation.

In the corridors of Detroit's automotive history, individual milestones shine, but it's the collective journey that stands out. As we confront this pivotal moment, my hope is for a harmonious ending, with all parties unified in purpose and direction, driving our industry's united path forward.

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