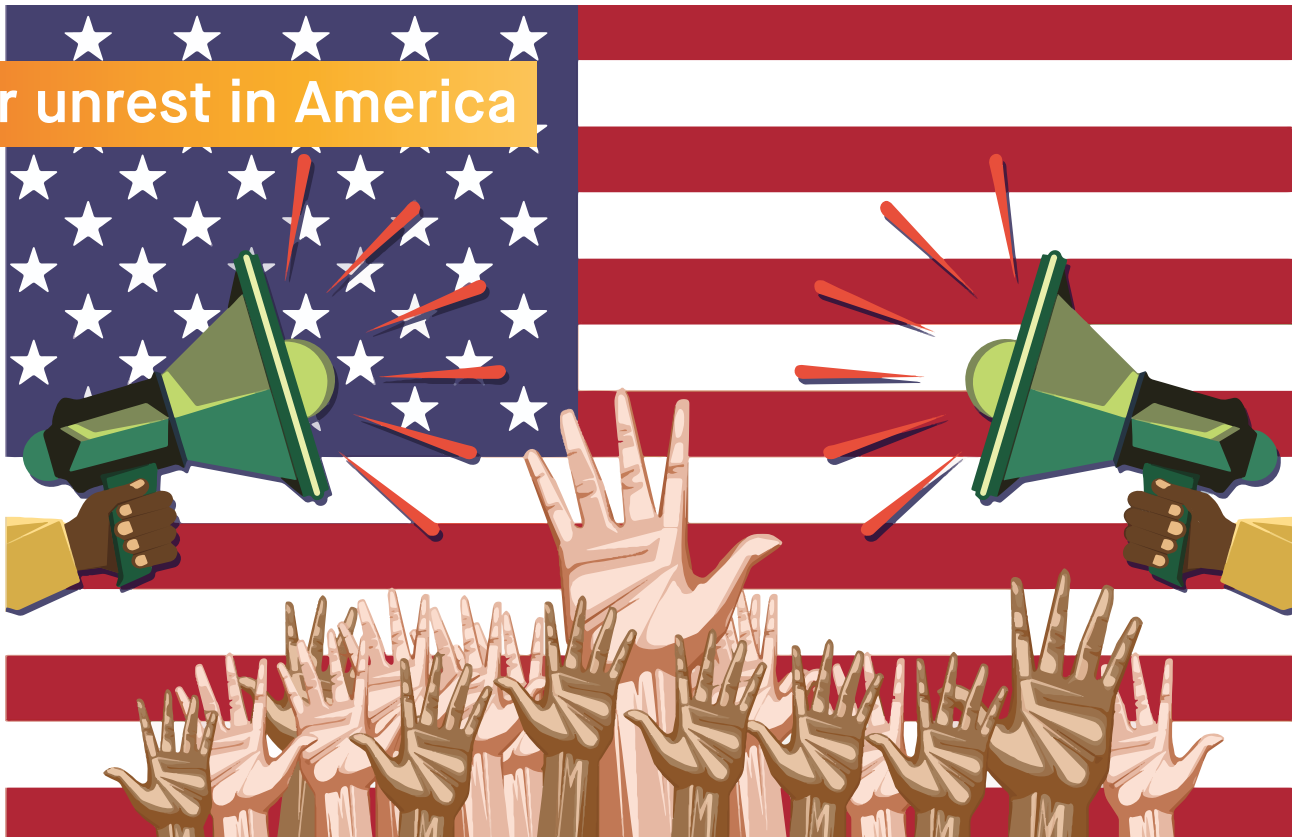


Labour unrest in America



In recent times, the United States has witnessed a remarkable resurgence in strikes and union activities, a phenomenon echoing the voices of workers from various sectors.

This surge in labour movements is not isolated to a single industry but is a collective outcry spanning across diverse fields, from auto workers to educators. Today we delve deep into this rising tide of worker movements, explore the underlying causes, and understand the broader implications on society, politics, and the economy.

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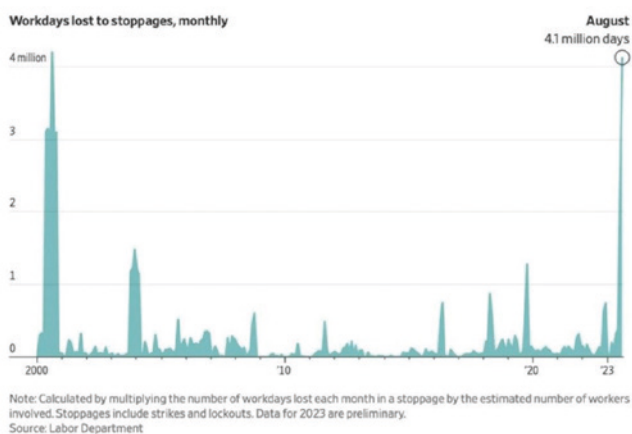
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The UAW strike and the broader wave of strikes occurring nationwide in the US are not merely transient events, they are reflective of deeper socio-economic and political currents shaping the landscape of labour in the United States. They bring to the forefront critical questions about workers' rights, economic equity, and the evolving relationship between labour and capital. In the following sections, we will navigate through the statistical landscape of recent strikes, dissect the role of unions, and analyze the political and societal responses to these labour movements. An in-depth case study of the UAW strike will provide insights into the financial and long-term implications of such labour disputes on affected companies and industries. Finally, we will reflect on the future outlook of labour movements and their potential impact on workers and employers in the coming years.

The rising tide of strikes

Statistical Overview

The current labour landscape in the United States is characterised by a significant uptick in strikes and labour actions. According to Cornell University's Labour Action Tracker, there has been a notable 52% increase in strikes in 2022. This statistical surge is not a mere anomaly but a manifestation of deep-rooted discontent and a desire for change among the workforce. The Bureau of Labour Statistics further corroborates this trend, providing comprehensive data on work stoppages and labour disputes that reveal a pattern of escalating actions in recent years. By the end of August 2021, the recorded number of work stoppages (involving 1000+ workers) stood at 9. In contrast, by the equivalent time in 2022, this figure had risen to 15, and by the end of August of this year, it had further increased to 19, marking a substantial increase of approximately 111% from 2021 to the present year. The data not only quantifies the increase in strikes but also offers a glimpse into the diverse range of industries affected, from education to healthcare to manufacturing. The increase of workdays lost to stoppages (see chart below) in 2023 is even more spectacular.



Source: Labour department

Underlying causes and drivers

The rising number of strikes is a multifaceted phenomenon driven by a confluence of economic, social, and workplace-related factors. Economic pressures such as inflation and the escalating cost of living have intensified the struggles of workers, thereby prompting dissatisfaction and the demand for better wages and benefits. Evidently, the pandemic has further exacerbated these pressures, highlighting disparities and bringing to the fore the vulnerabilities of workers. These workers are not just fighting against economic constraints, they are also advocating for improved working conditions, job security, and respect in the workplace. To further complicate the matter, the transition to new technologies and industry practices has raised concerns over job stability and the future of work, leading workers to seek assurances and protections against these uncertainties. The increasing strikes are also reflective of a broader societal shift in values and attitudes towards labour rights and worker welfare. There is clearly a growing recognition of the importance of equitable treatment, dignified working conditions, and the right to a fair wage, propelling workers to raise their voices and demand change.

Union movements and their impact

The role of unions

Unions have been the backbone of the labour movement. They are responsible for organizing and leading strikes to advocate for workers' rights and better working conditions. In the context of the recent surge in strikes, the role of the United Auto Workers (UAW) has been particularly prominent, especially in the automotive sector. The UAW has been steadfast in its mission to represent the interests of its members, focusing on securing better wages, benefits, and working conditions. The strategies employed by the UAW involve mobilizing members, engaging in collective negotiations, and, when necessary, organizing strikes to pressure employers to address their demands. The demands of the UAW typically center around wage increases, improved benefits, and assurances regarding job security and future investments in plant operations.

Impact on industries and economy

The impact of the UAW strike, along with other similar labour movements, has been substantial, affecting not only the automotive industry but also reverberating through the economy. The industries impacted by these strikes have experienced disruptions in production, delays in supply chains and production lines, and increased operational costs, highlighting the extensive reach of union movements. For instance, the automotive industry has faced challenges in meeting production targets, affecting the availability of vehicles in the market and contributing to increased prices. Beyond the immediate industries affected, the economic ramifications of these strikes are widespread, potentially influencing economic growth and investment. The prolonged nature of some of these strikes exacerbates these impacts, making the prompt resolution of these labour disputes paramount to maintaining economic stability and ensuring the well-being of workers and industries alike.

Political and social implications

Political reactions and policies

The rising tide of strikes and union activities has elicited varied political responses, with different political figures and parties expressing either support or opposition. The political discourse surrounding these labour movements has been characterized by debates on workers' rights, economic implications, and the role of unions in the modern labour market. Some political figures have voiced support for the strikes, recognizing them as a legitimate expression of workers' grievances and a call for economic justice. They advocate for policies that bolster workers' rights and address the underlying issues leading to labour unrest. Conversely, there has been opposition from the other side, with concerns raised about the economic repercussions of strikes and debates on the relevance and influence of unions in today's economic landscape. The strikes and union activities have also influenced legislative and policy landscapes. Discussions on labour laws, workers' rights, and employment conditions have gained prominence, with policymakers deliberating on reforms and initiatives to address the concerns raised by workers and unions. The policy dialogues and legislative considerations reflect the significance of labour movements in shaping political agendas and influencing policy directions.

Societal response and public opinion

The societal response to the surge in strikes has been diverse, reflecting a range of opinions and attitudes towards labour movements. Public discourse has been enriched by debates on labour rights, economic equity, and the societal role of unions. There has been substantial public support for the strikes, with many viewing them as a necessary means to address longstanding issues. However, the strikes have also faced opposition and criticism from sections of the society concerned with the disruptions caused by labour actions and questioning the methods and demands of unions. The differing societal responses underscore the complexity of labour issues and the varied perceptions and values related to work and employment in society. At the moment, these strikes are serving as catalysts for societal reflection and political dialogue.

The ongoing UAW strike and its implications

The United Auto Workers (UAW) union is currently engaged in a significant strike, marking a pivotal moment in labour history as it is the first-ever simultaneous strike at all three major automakers: General Motors, Ford, and Stellantis. This strike which initiated on September 15, 2023, involves approximately 13,000 workers walking out of assembly plants located in Michigan, Ohio, and Missouri.

Strategy and execution

The UAW has adopted a "stand-up strike" strategy, a term reminiscent of the Flint sit-down strike of 1936-1937. This strategy involves targeting a few plants initially, keeping the companies uncertain and demonstrating the union's willingness to inflict financial pain. The union's approach has been characterized by surprise and rapid mobilization, catching management off-guard at several plants. To worsen matters for the companies, in their anticipation and preparation for the strike, they made several

miscalculations, moving parts out of the wrong plants and causing self-inflicted financial damage.

Many workers, including temporary ones, are motivated to fight for higher pay and the elimination of tiered pay structures. The workers have expressed dissatisfaction with the portrayal of their earnings in the media, clarifying that they do not earn the stated \$60 or \$70 an hour, with new temporary workers earning as low as \$16 an hour. The ongoing strike is distinct from the 2019 strike in its scale and strategy. While the 2019 strike was primarily against General Motors, the current strike encompasses all three major automakers. The strategy in 2019 was more conventional, focusing on one company, whereas the current strike employs a more unpredictable and dynamic approach, targeting multiple companies and keeping them guessing what their next move will be. The ongoing strike has had a substantial impact on the production of popular vehicles like the Jeep Wrangler and the Ford Bronco. The automakers have expressed disappointment in the UAW's decision to strike, emphasizing their efforts to reach a fair agreement. The strike has also garnered support and attention from political figures, with U.S. Senator Bernie Sanders scheduled to appear at a rally.

Drawing parallels with the 2019 strike, it is plausible to extrapolate potential financial implications of the current strike. The 2019 strike led to substantial revenue losses and additional costs for the affected companies, with General Motors reportedly incurring a loss of around \$2 billion. The strike also had ripple effects on related industries and the economy, with suppliers losing business and workers facing financial strains. Given the similarities in the nature of the strikes, it is conceivable that the affected companies might face comparable financial repercussions this time around, with potential revenue losses, additional costs, and impacts on stock prices. However, the exact magnitude and scope of the financial implications will depend on the strike's duration, the resolution of the disputes, and the subsequent recovery of the companies and the industry.

Future outlook

The current surge in labour movements, exemplified by the ongoing UAW strike, is likely to have lasting implications on labour rights and unionization trends. The lessons learned from these strikes could potentially lead to a reevaluation of labour practices, union strategies, and employer-employee relations. Additionally, the increasing frequency of strikes may signify a shift towards a more proactive approach by workers in advocating for their rights and interests. These emerging trends suggest a growing awareness and emphasis on labour rights, with unions playing a pivotal role in organizing and leading labour movements. The current strikes are likely to act as a catalyst, inspiring more workers to join unions and participate in collective bargaining to address their grievances and demands.

For workers, the strikes represent a platform to voice their concerns and seek improvements in wages, benefits, and working conditions. The success of these strikes could empower more workers to stand up for their rights and seek equitable treatment in the workplace. Employers, on the other hand, are compelled to reevaluate their labour practices and address the concerns raised by their employees to avoid reaching such tensions. The strikes highlight the importance of maintaining harmonious

employer-employee relations and fostering a conducive working environment. Employers who fail to address the legitimate concerns of their workers risk facing disruptions, financial losses, and perhaps most costly in the long-term, reputational damage

Conclusion

The increasing number of strikes and the ongoing UAW strike have brought to the forefront the pressing issues surrounding labour rights and union movements in the United States. The UAW strike, in particular, serves as a sample of the broader labour movements of the American workforce. The implications of these strikes are far-reaching, affecting workers, employers, industries, and the economy. The financial repercussions experienced by the affected companies underscore the substantial impact of industrial actions on business operations and economic stability. The political and societal responses to the strikes reflect the diverse opinions and values of the American society regarding labour rights and worker welfare.

For companies, the future outlook suggests a continuation of the trend towards increased unionization and labour movements, with potential advancements in labour rights and improvements in employer-employee relations in the medium to long-term. The lessons learned from the current strikes will likely shape the strategies and approaches of both workers and employers in navigating the complex landscape of labour in the United States.

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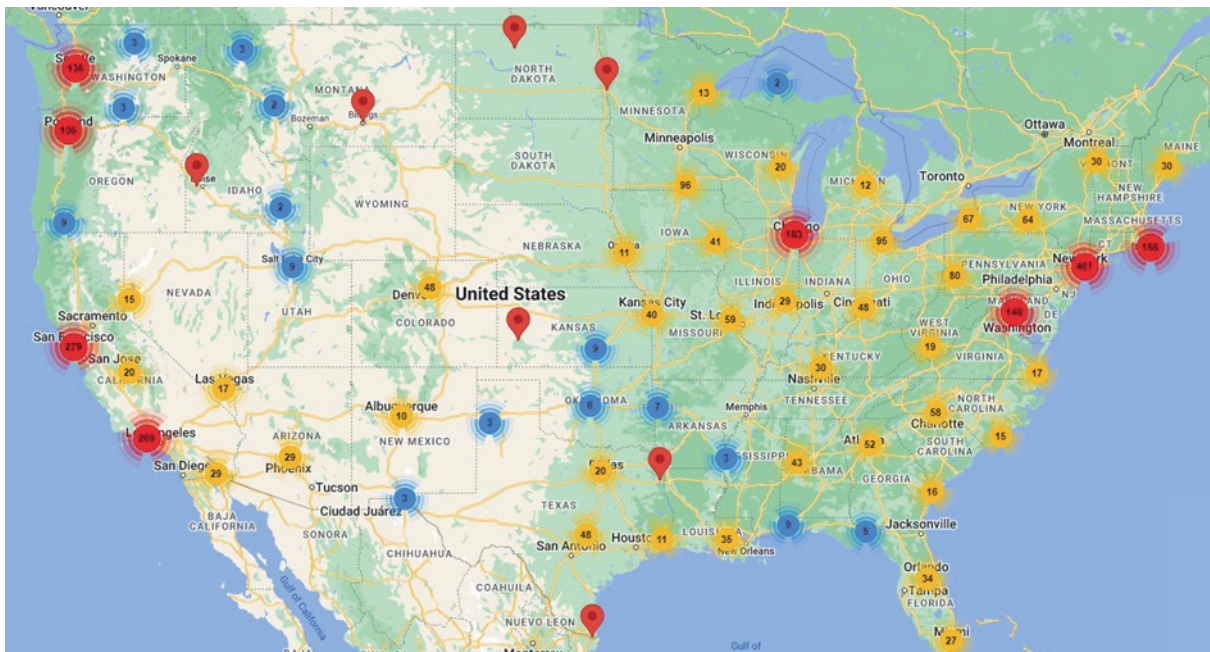


Figure 1: Number of Strikes and Labour Protests (01.01.2021 - 09.20.2023) - Source: <https://striketracker.ilr.cornell.edu/>

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