

Macro Roundup Article

Headline: [American Labor's Real Problem: It Isn't Productive Enough](#)

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Tweet: As the UAW strike gets underway, @greg_ip notes that American manufacturing productivity is lagging peer economies. Since 2009, manufacturing output per hour has grown at only 0.2% per year in the US.

Summary: Since 2009, manufacturing output per hour in the U.S. has grown just 0.2% a year, well below the economy as a whole and peer economies in Europe and Asia, except Japan. In motor vehicle manufacturing, the picture is especially bad: From 2012 through last year, productivity plummeted 32%, though some of this was no doubt due to pandemic disruptions. Warehouses and hospitals can pass the cost of higher wages and reduced hours to customers without being undercut by foreign competitors. Manufacturers don't have that luxury. That's why Detroit is recoiling at the UAW's demands. While their output per employee is among the highest of 11 global manufacturers ranked by consultants AlixPartners, so are their costs per vehicle. The lowest cost: China's. Related: Autoworkers Have Good Reason to Demand a Big Raise and Auto Union Boss Wants 46% Raise, 32-Hour Work Week in 'War' Against Detroit Carmakers and EV Boom Remakes Rural Towns in the American South

Primary Topic: Workforce Reorganization

Topics: Op-Ed/Blog Post, Productivity, Workforce Reorganization

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