

UAW creates new class of low-paid workers in deal at Indiana Lear plant

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On Sunday, workers at the Hammond, Indiana factory of auto parts supplier Lear Corporation voted to approve a new four-year contract negotiated between the company and the United Auto Workers (UAW) Local 2335. The vote came after the UAW called off a one-day strike on September 13, saying it had reached a deal that would end the hated two-tier wage system.

A closer look at the contract makes it clear that this is a lie and that the sellout deal is entirely tailored to the profit requirements of Lear. The deal creates a new class of workers by designating 310 out of the 760 workers at the plant as “subassembly” employees who will receive wages even lower than those earned under the previous two-tier setup.

The UAW Local 2335 leadership said the deal passed “overwhelmingly” without giving actual vote totals.

Under the previous agreement, workers on the first tier—those hired before 2009—had their wages capped at about \$20 per hour. The new top wage rate has been raised to \$21.58 over the four-year term of the contract. For these workers, the contract is effectively a pay cut once inflation is taken into account.

Workers under the second tier—some 200 workers hired after 2009—will have their maximum pay raised from \$16 per hour up to \$21.58 over the next four years. Starting pay will be moved up to \$16.50 per hour. It is unclear if health care coverage has been equalized between the tiers, or if increases in worker contribution to health care costs are being used to offset the wage increases.

An article on the contract in *Automotive News* says subassembly workers will “affix trim and other parts to seats before they are fully assembled.” Some of these workers earn the poverty level wage of \$11 per hour, referred to as “fast food wages” by Lear workers. By the end of the new contract starting wages for these

workers will rise to only \$12 per hour. Maximum pay for sub-assembly workers will top out at only \$15.25 per hour, even less than the second tier workers earned under the old contract.

The subassembly wage is for all intents and purposes a new second tier, with the only distinction being that the workers will not be doing the exact same job as their higher paid colleagues. It is upon this flimsy distinction that the UAW is cynically claiming it has upholding the principle of “equal pay for equal work.” In reality, the businessmen who run the UAW have aided the employers in sowing further divisions between workers inside the same factory by institutionalizing wage discrimination against a section of workers.

Commenting on the contract one Lear worker commented on UAW Local 2335’s Facebook page, “This contract will only benefit the vets at the present and over time the other employees will see an increase that will be eaten up by the increase in [the cost of] benefits. People please look over the entire package. I hate too say it but we have been sold out again. I think the employees who were hired in 2010 and later would have to have seen their wages increased at least to \$16 an hour and the bad part about it is that only a handful of the employees will ever get to the top out rate of \$21.58.”

For their part, representatives of Lear could hardly contain their excitement over the new contract. Tom DiDonato, senior vice president of human resources for Lear, said of the new subassembly tier: “That is a whole different rate that makes us economically competitive.” DiDonato said labor cost increases as a result of the new contract would be “consistent with the cost of living,” boasting that “This contract was well within our budget.”

DiDonato also indicated that the UAW made substantial concessions in regard to conditions on the factory floor, saying that the UAW “agreed to a lot of language that makes us more productive.” In other words, speedups and other methods will be employed on the shop floor to squeeze more productivity out of workers, all this under the direct supervision of the UAW.

Various commentators in the media claimed the 24-hour strike was the beginning of a more defiant stance by the UAW and a herald of things to come during negotiations with General Motors, Ford, and Chrysler next year. Newly installed UAW President Dennis Williams has also postured as an opponent of the two-tier system, which the UAW instituted as part of the 2007 auto contract and expanded in 2009.

Joining this charade Jerry Dias of the Canadian Unifor union, formerly the Canadian Auto Workers, stated that the Lear contract “sends the signal, and there’s no question, the UAW is being very proactive and progressive.”

All of this is nonsense. The UAW has spent nearly four decades assisting the auto companies in slashing the jobs, wages and benefits of auto and auto parts workers. In the 1980s and 1990s it betrayed strike after strike; and then in the 2000s signed contracts prohibiting strikes. Long wedded to the profit interests of the corporations and their drive to undercut their international rivals, the UAW was rewarded with a major ownership stake in GM and Chrysler during the 2009 restructuring of the auto industry by the Obama administration.

About one quarter of the 130,000 workers represented by the UAW at the three Detroit-based car companies earn the lower, second tier wage, receiving about half the pay of more senior workers.

The UAW executives are well aware that the two-tier system is widely hated and the phony strike at the Lear plant in Hammond, Indiana was part of an effort to contain a rebellion, particularly by lower paid rank-and-file workers. Williams & Co. are also afraid of a mass defection of dues-paying members in Indiana and Michigan where state governments have enacted so-called “right-to-work” legislation, ending automatic dues deduction.

The Indiana Lear agreement is undoubtedly a foretaste of the kind of anti-worker deal the UAW will

seek to impose in the 2015 auto contract negotiations. It underscores the need for autoworkers to break with this reactionary organization and construct rank-and-file committees to wage a genuine struggle for their interests.



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