

# UAW sanctions “perma-temps” in Fiat-Chrysler tentative agreement

Tom Hall

5 December 2019

On Wednesday, the United Auto Workers released information on its tentative agreement with Fiat Chrysler (FCA), after it was rubber-stamped by a meeting of the union’s UAW-FCA National Council in downtown Detroit.

The contract details, released in the form of highlights and accompanying “white books,” show that the deal is a sellout which, in some respects, surpasses even those historic concessions which the UAW rammed through at General Motors and Ford.

The release of the FCA contract came the same day that General Motors announced more than 800 layoffs at its Detroit-Hamtramck (D-Ham) Assembly Plant. The plant will reportedly close down for at least a year. When it does re-open in 2021, it will manufacture electric pick-up trucks and vans.

The temporary closure of the D-Ham plant (and claims that the plant will eventually re-open cannot be taken for granted), which was already operating on only a single shift, is the outcome of a long series of betrayals by the UAW. Last December, it did nothing when GM violated a bogus “moratorium” on plant closures by announcing it would shutter four US plants, including D-Ham and the historic Lordstown plant in northeast Ohio. The UAW later shut down a month-long strike at General Motors and forced through a contract which ratified the closure of three of the four plants, and also provided for the closure of a fourth, a distribution center on the West Coast.

The GM and Ford contracts paved the way for the expanded use of lower-paid, temporary workers in the factories, with the full collaboration of the UAW, which will be even more closely integrated with the companies through new corporatist labor-management committees. To promote their passage, the contracts contained, as a fig-leaf, a bogus “pathway” to regular employment for temporary workers, who will be hired in as full employees only after working continuously for three years (reduced to two years in the middle of the four-year agreements). If temps are laid off for more than thirty days, the clock will start again from the beginning.

But the Fiat Chrysler agreement does not even contain these toothless provisions. The company will continue to be able to employ workers on a temporary basis indefinitely, without even nominal restrictions.

Instead, temporary workers will be given the chance to transfer to full-time positions as they become available, in order of seniority. However, if the company is not hiring full time workers in their labor market, then they will continue to work as temps indefinitely.

FCA employs the highest percentage of second-tier and temporary workers out of the Detroit Three auto companies. Thirteen percent of the workforce are temporary workers. This has contributed to the lowest all-in hourly labor costs of the US-based automakers, at only \$55 per hour. Even before the tentative agreement was announced, industry analysts speculated that FCA would not accept the language governing temporary workers in the GM and Ford contracts because it would cut into their competitive advantage in labor costs.

The conversion of FCA into a predominantly low-wage, highly exploited workforce is the outcome of systematic collaboration with the UAW, cemented through millions of dollars in bribes. A lawsuit against FCA filed last month by General Motors alleged that, under former FCA chief Sergio Marchionne, the UAW was converted into an “FCA-controlled enterprise.” But in reality, the UAW has also collaborated with General Motors and Ford in a similar fashion for decades.

The UAW’s official “highlights” boasts that in-progression workers will have the same health care benefits as “traditional seniority full-time employees,” and that temporary workers will now have prescription drug benefits. But in fact, the contract establishes the framework for a major assault on health care, with the full collaboration of the UAW. Page 211 of the Exhibits and Pension Benefits Whitebook states: “the parties confirm that the Joint Insurance Committee (JIC) shall be responsible for evaluation and implementing such actions deemed necessary to eliminate the identified excess costs, if any.”

“Such considerations,” it explains, “may include” prescription drug co-pay increases, out-of-pocket increases for doctor’s visits, “other benefit plan design changes the parties may deem appropriate,” and “plan terminations.”

The tentative agreement also contains other elements from the pattern bargaining at Ford and General Motors, including two miserly three-percent wage increases which will barely keep pace with inflation. It also eliminates the cap of profit sharing, a

cynical ploy given that the industry has already entered into a protracted downturn.

In contrast to its rivals, Fiat Chrysler has made major new investments in the Detroit area, including plans for a new assembly plant at the site of the former Mack Avenue plant. The company is seeking to exploit the massive economic distress in the region, the product of decades of plant closures and wage cuts which have destroyed what was the highest standard of living for industrial workers in the country. The company is also receiving hundreds of millions in giveaways from local government.

But plant closures in other parts of the country are still possible. The agreement contains special buyout packages for workers at less profitable plants, including Belvidere Assembly west of Chicago, Milwaukee PDC, Mount Elliott Tool and Die and Marysville Axle. These programs could be the first step towards reduced production at the plants or their outright closure; the company already eliminated a production shift at Belvidere earlier in the year.

Moreover, the UAW admits in its highlights that Fiat Chrysler will pull out of Marysville Axle, which it operates jointly with German parts supplier ZF, in 2021. While the union claims that it “expects” the plant to remain open, it is likely that the plant will close, or that ZF will demand massive concessions if it has to operate the plant on its own.

As with the Ford and GM contracts, the Fiat Chrysler deal contains a worthless “moratorium” on plant closures. The clause (p. 95 of the Production and Maintenance White Book) contains exceptions allowing the company to close plants in case of “acts of God, catastrophic circumstances, market related volume declines, or significant economic decline”—in other words, any conceivable reason which the company might cite to justify closing a plant.

The contract also deepens management’s dictatorship inside the plants. Significantly, previously accumulated absences and tardies will not be wiped clean in the new contract, as is customary. This lays the groundwork for the company to turn the screws on workers, or fire seniority workers under cover of “accumulated absences.” The Alternative Work Schedule, which has abolished the eight-hour day at many facilities, will be maintained.

The corporatist labor-management bodies, through which the UAW has become integrated into the company as an arm of management, will be maintained and expanded. As at General Motors, the contract establishes a new joint committee on technology, making the union jointly responsible for job losses due to the implementation of new electric and automated vehicle technologies.

The UAW-FCA National Training Center, which was at the center of the expanding federal corruption probe, will be dissolved (p. 289). However, its finances will be transferred into two new trust funds, which will continue to operate “joint training activities.” In plain language, this means that they are

establishing new fronts to funnel millions of dollars in corporate cash into the pockets of the bureaucracy.

Voting on the tentative agreement is scheduled to begin on Friday. The *World Socialist Web Site Autoworker Newsletter* calls for a decisive rejection of the contract. But this by itself is not sufficient.

The immense opposition to concessions among Fiat Chrysler workers was demonstrated in their overwhelming defeat of the first UAW-brokered contract in 2015. But the experiences since then—including the vote-rigging at Ford in 2015 and the UAW’s betrayal of this year’s GM strike—demonstrate that the UAW will not respond to a “no” vote by coming back with a better contract. The UAW will stop at nothing to run roughshod over the democratic will of autoworkers.

The way forward is for Fiat Chrysler workers to take the initiative into their own hands. They must form a network of rank-and-file factory committees at every plant, consisting of workers themselves and excluding members of the union bureaucracy. These committees must demand, first of all, the right to oversee the balloting process to prevent any dirty tricks by the UAW. They must organize democratic discussions among workers, outside of the prying eyes of the company and its hired union lackeys. If, at official informational meetings, UAW officials attempt to intimidate workers who ask critical questions, autoworkers must vote to throw those officials out of the meeting.

These committees will be the starting point for a much broader struggle. None of the problems which Fiat Chrysler workers confront can be resolved at FCA or in the United States alone. Fiat Chrysler’s proposed merger with French automaker PSA, which portends a transatlantic jobs bloodbath, testifies to the global strategy of the auto companies.

Autoworkers need their own global strategy. They must appeal to workers around the world for support and collaboration, including in Europe, Central and South America and Asia, where autoworkers are facing the same assaults on their standard of living. As part of the fight for the international unity of the working class, Fiat Chrysler workers must also demand the immediate reinstatement of the Silao Seven, Mexican GM workers fired for supporting the strike in the United States.

If you agree with this perspective, contact us at [autoworkers@wsws.org](mailto:autoworkers@wsws.org).



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