

Dana Fort Wayne workers demand an end to divisive two-tier wage system

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The names of workers who spoke with the World Socialist Web Site for this article have been changed to protect them against retaliation.

Workers at the Dana auto parts plant in Fort Wayne, Indiana are demanding an end to the two-tier wage structure used to pit old and young workers against one another. They are involved in the nationwide struggle by Dana workers against the attempts by the United Steel Workers (USW) and the United Auto Workers (UAW) to ram through a sellout contract which meets none of their demands.

Even though workers voted down the last contract by more than 90 percent, the unions are keeping them on the job without a contract, while Dana stockpiles parts, the unions collect more dues money and workers contract COVID.

The company and its lackeys in the unions oppose the unity of Dana workers by dividing workers against one another. For Dana workers, as well as workers throughout the auto industry, the most obvious and odious division imposed upon them is the tier system.

Dana Corporation went through bankruptcy in 2007, shortly before the 2008 financial crisis and the subsequent restructuring of the Big 3 auto companies, which was directed by the Obama administration with the support of the UAW. The restructuring of Dana in 2007 included the introduction of a two-tier wage system and the unloading of retiree health-care obligations to the unions. These attacks on the Dana workers, to which the UAW and USW agreed, served as a model for the expansion of the tier system throughout the auto industry during the Great Recession.

By reducing the pay of second-tier workers relative to first-tier, Dana cut its bottom-line labor costs. When the unions went along with the implementation of the

tiered wage system in 2007, Dana was bankrupt. Such rotten deals, which were also forced through at the Detroit automakers during the 2009 bankruptcy, were sold to workers with promises that they were temporary measures which would end when the companies returned to profitability. But fourteen years later, Dana-UAW-USW seek to continue the tier system in the face of heated opposition from Dana workers.

In the contract that Dana workers recently voted down, tier-two wages would be capped at \$22 an hour, with wage increases spread out over five years, amounting to an effective pay cut after accounting for inflation, currently above 5 percent.

Even within tiers, more divisions are created, with the selective withholding of benefits from workers. In the first tier, some workers are given “30-and-out” retirement packages, while others are not.

Paul, a tier-two worker from the Fort Wayne plant, told the *World Socialist Web Site*, “In many cases, we are getting paid less and doing more work. I have been there more than a year. I have worked every position, trained new workers, came in early, stayed late. I feel like there should be some profit sharing. The CEO gets a huge bonus, and we don’t even get profit sharing anymore.”

“Tiers is the biggest problem. They try to split workers and tell tier-two workers that tier-one is more entitled,” said Richard, a tier-two worker.

John, a tier-one worker (whose name has also been changed), told the WSWS, “I was hoping to get one-for-one [elevation of a tier-two worker into tier-one] when a tier-one [worker] retires. Then at least [tier-two workers] could see a light at the end of the tunnel.” This, however, did not happen.

In the struggle of the company against the workers, the two-tier wage system also serves the fundamental

role of keeping the working class divided. “There was someone working next to me who was making \$13 an hour, while I was making \$26 an hour,” John said. “Since I had seniority, I was able to take the easier job. It was a tough job he was on. He’s making so much less money, and he’s struggling with that job. I felt terrible—this ain’t right”

“It’s divided us terribly as far as a local union. It’s divide and conquer, and it’s been terrible for us. It’s like tier-two hates tier-one.”

John was relieved to hear that Paul, as a tier-two worker, had expressed similar sentiments to the WSWS. “I like all the tier-two guys who I work with. It’s the tiers that divide us.”

John, explained that the USW tries to exacerbate tensions between the tiers. One union rep he spoke to blamed the lower wages on the supposed “laziness” and lower productivity of the second-tier workers. When John raised that he wanted second-tier wages to be brought up to the level of first-tier, the union official retorted, “How do you justify that big of a raise for these guys [tier two]?”

During the earliest stages of the pandemic, when wildcat action at major assembly plants briefly forced a wider shutdown of the auto industry, Dana utilized the financial insecurity of the low-wage second tier in order to force workers back into unsafe plants. Tier-two workers were targeted for “voluntary shifts” to keep production going and profits flowing.

These divisions allow the company to attempt a variety of exploitative methods to secure as much profit as possible. Yet another Dana Fort Wayne worker wrote to the WSWS that “some of the tier-two workers didn’t get a raise when they were supposed to.” This effective wage theft reportedly affected over 100 workers. “Many workers are frustrated with this.”

Workers around the country are taking the initiative against the company-union campaign for concessions by organizing the Dana Workers Rank-and-File Committee (DWRFC). In a recent statement, the committee declared:

The DWRFC is demanding the abolition of the multi-tier system, the restoration of the 8-hour day and 40-hour week, a 75 percent wage increase for all workers, workers’ control

of line speed, new, clean machines, no points system, and workers’ oversight of safety protocols to stop the spread of COVID-19.

To join the Dana Workers Rank-and-File Committee, send an email to danawrfc@gmail.com or a text to (248) 602-0936.



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