

Eleven reasons why Dana auto parts workers occupy a powerful position in the world economy

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On October 6, seven weeks will have passed since the old contract between Dana Inc., the UAW and USW expired. Since then, the UAW and USW have forced workers to keep working, even though workers rejected the sweatshop contract by 90 percent. Now they falsely claim to be “re-negotiating.” In reality, this is just a trap to force workers to keep production going.

There is a powerful mood among Dana workers for a strike. The corporation and “unions” are desperate to keep workers in the dark, maintain production and avoid a strike precisely because workers occupy an immensely powerful position. Here are 11 reasons why:

1. The auto industry has been hit harder than any other industry by supply chain disruptions.

Dana workers control a critical position in the international auto industry. According to a recent report sponsored by Citibank, 51.7 percent of auto executives “said disruptions to supply chains were ‘very significant’—the highest proportion across six industries.” CNBC reports that the global “automotive sector was hit the hardest by supply chain disruption during the covid-19 pandemic.”

Andrew Kuyk, director general of the Provision Trade Federation, told the *Guardian*: “Our supply chains really are quite sophisticated, there are lots of different moving parts. It’s a bit like a watch mechanism, it works as long as all those parts are there and acting normally in relation to each other. But if you take out one cog, then it throws the whole mechanism out.”

2. The auto parts shortage is not just about microchips.

Recent warnings by auto industry experts make clear that the parts shortage applies to all auto parts and not only the highly-publicized microchip shortage.

On September 28, CNN published a major article titled “Automakers’ problems are much worse than we thought.” Cindy Jaudran, supply chain expert at IFS, is quoted in the article: “It’s not just the chip shortage. Just about every industry is dealing with some kind of supply chain issue. Our ports are extremely full. Paint manufacturers are struggling with titanium dioxide. They layer on top of each other.”

This means the parts produced by Dana workers are in short supply and

that workers are in a powerful position if they withhold their labor power.

3. If production stopped at Dana, it would have a massive ripple effect across all industries.

Due to the interconnectivity between all industries in the globalized world economy, Dana workers would be in a position to impact corporations even beyond the Big Three, further strengthening their power.

The September 28 CNN article quotes Dan Hirsch, managing director at analytical firm AlixPartners, as saying, “There really are no shock absorbers left in the industry right now when it comes to production or obtaining material. Virtually any shortage or production interruption in any part of the world affects companies around the globe, and the impacts are now amplified due to all other shortages.”

To give a sense of the power possessed by even a small segment of workers, an analysis from the website *Supply Chain Brain* noted, “In early August, a single worker at a huge factory in Vietnam that makes cable harnesses for Toyota vehicles tested positive for COVID-19. Local authorities immediately suspended operations at the parts maker’s factories. Toyota’s inventory subsequently dwindled as the factory’s infection disrupted operations.”

4. The entire auto industry has never been more dependent on individual auto parts supply companies like Dana.

The *Supply Chain Brain* analysis pointed to the fact that the entire auto industry relies on workers at companies like Dana, indicating that production cannot be shifted to other suppliers:

“In the global auto parts supply and demand chain, some important components producers rely mainly on a handful of companies such as Bosch, Continental, and ZF, while semiconductor chips are mostly controlled by Infineon Technologies, NXP, Samsung, Renesas Electronics and a few other manufacturers. This means that suppliers of key components will have a bigger say, and that the past pattern of the market being controlled by the demand side will have to be at least partially reversed.”

In reality, it is the workers at Dana and other parts companies who “have a bigger say” than ever before.

5. Labor shortages are driving wages up (but cost of living is rising too).

Dana needs workers more than the workers need Dana. Labor shortages are impacting corporations across all industries, placing workers like those at Dana in a powerful position to drive up wages further. In an August 2021 survey from the analytical firm GlobalTranz, 9 in 10 supply chain CEOs say they need to increase hiring to meet demand for the Christmas holidays, and half plan to raise wages by the end of 2021 to retain workers.

According to data from the U.S. Chamber of Commerce, “there are approximately half as many available workers for every open job across the country as there have been on average over the past 20 years, and the ratio continues to fall.” Chamber of Commerce CEO Suzanne Clark said, “The worker shortage is real—and it’s getting worse by the day.”

As a result, wages for manufacturing workers, as well as in other industrial sectors, are reaching record highs. In August 2021, information from the Bureau of Labor Statistics shows average non-supervisory hourly manufacturing wages reached \$24.01, up from \$22.87 in July 2020 and up from \$20.55 from August 2016, just five years ago.

But according to the *Wall Street Journal*, “consumer inflation is running above 5 percent, wiping out nominal wage gains.” That means a wage increase of 25 percent would really amount to a pay freeze over a five-year contract. Wage demands of 60, 70 or 80 percent are required to improve the lives of Dana workers.

6. Dana produces parts for trucks and transport vehicles that are critical for global shipping and many other industries.

Parts produced by Dana workers go to make more than just cars and trucks. Dana workers produce parts for vehicles that are necessary for global shipping and for critical industries like mining, warehousing and construction.

A Dana corporate presentation made to investors on September 28 shows the company believes there will be a \$10.2 billion market for heavy equipment by 2030. Dana already produces parts for semi-trucks, high-powered mining drills, school buses, heavy-duty tractors, construction equipment like bulldozers and forklifts, as well as scissor elevators used by warehousing corporations. This means workers at Dana can determine the tempo of the entire global supply chain and production at critical industries that rely on vehicles built with parts installed by Dana workers.

7. The auto companies’ supply chain breakdown is not going to improve soon.

According to a September 30 article in the *Wall Street Journal*, auto sales continue to drop as a result of parts shortages, and the situation is not going to improve soon: “Auto executives for months have expressed optimism that the problem would begin to ease by year’s end. Now, there is an emerging view that the chip shortage has morphed from a short-term crisis into a structural upheaval for the automotive supply chain that could take years to fully overcome.”

This places autoworkers in an unprecedented and powerful position. The *Wall Street Journal* continues: “That holdup [parts shortage] is the main reason IHS [a global auto industry analytical firm] recently slashed its forecast for global vehicle output in 2022, cutting it by about 8.5 million vehicles from its previous outlook, for a total of 82.6 million. The company blames this year’s production losses from supply-chain disruptions, primarily the chip shortage, at about 10.6 million vehicles.”

8. High international shipping costs mean North American auto assembly depends on Dana now more than ever.

The cost of shipping parts or finished cars has never been higher, meaning Dana is not in a position to increase production at overseas facilities to make up for a decline in production in the US. It costs \$14,000 *per container* to ship goods from the Far East to Northern Europe, for example, up from less than \$2,000 in August 2020 and \$7,500 in April 2021. Many ports, including the port of Long Beach in California, are backed up, with ships waiting for many days to dock and unload goods.

Emil Naus, a specialist in supply chain management for the consulting firm BearingPoint, told the *Financial Times* in an August 10 article, “A combination of increased shipping costs, combined with the risks that are embedded in long lead times and the fear of increased trade restrictions, is now forcing the re-evaluation of sourcing decisions, potentially opening up production closer to the market.”

General Motors CEO Mary Barra made a similar statement in an online interview recently. “We’re going to make some pretty substantial shifts in our supply chain. It’s a solvable problem, but it’s going to be here a little longer.”

This underscores the need for the international unity between workers across the world, including in the US, Mexico and China, to confront the transnational corporations together.

9. Dana is generating immense profits.

Dana has paid immense salaries to executives like CEO James Kamsickas, whose pay is over \$10 million per year. In the last five years—a time period that includes all of the last contract—Dana increased its profits by over 40 percent, netting a total of \$300 million. Its share value increased 75 percent in the last five years, and it handed out over \$400 million in share buybacks and dividends. It delivered a shareholder return of 92 percent over this period. These profits were acquired through the extreme exploitation imposed by the last contract. The UAW and USW made the corporation and its shareholders very wealthy by increasing the suffering of the workers who produce the company’s wealth.

10. The corporations are worried about growing working-class anger over COVID-19 deaths due to factory spread.

COVID-19 is spreading throughout Dana plants, placing workers’ lives and the lives of their families at risk of death or long-term debilitation. This not only impacts production, it produces anger among workers whose lives are being sacrificed for corporate profit. In a recent interview on

NPR, University of Michigan economist and former Obama advisor Betsy Stevenson said:

There are entire factories shut down because too many people in the factory have COVID for it to be able to operate. There are people getting sick and dying, and getting sick and dying is making it hard for them to produce the stuff they were producing before. ... Because they're sick and dying, they're not making cars. ... And those characteristics have maybe made the job more dangerous, less pleasant. That means people might not want to do that job anymore, or they might be demanding higher pay in order to do that job.

The corporations will continue to work people to death as COVID-19 spreads through the factories, but they are nervous that so many workers are dying that strikes will spread over health and safety concerns, as well as issues related to hours and wages.

11. Dana workers are part of a growing strike wave by workers in the US and internationally.

Dana workers are not alone in their fight for higher wages, lower hours, safe conditions and COVID-19 protection. All of the tendencies outlined above—inflation, the rising cost of living, the spread of the deadly pandemic, the soaring profits of the corporations, the desperate drive to make the working class pay for the breakdown of the global supply chain—all are driving workers into struggle.

Strikes are currently taking place at the following locations in the US:

- 2,200 nurses and hospital staff in Buffalo, New York
 - Kellogg Company cereal workers in Michigan, Nebraska and Tennessee
- 400 Heaven Hill distillery workers in Kentucky
- School bus drivers in Anne Arundel County, Maryland
- Manufacturing workers at Erie Strayer Company in Pennsylvania
 - 400 nurses at McKenzie-Willamette Medical Center in Springfield, Oregon

• 350 nurses and hospital staff at Sutter Health hospital in San Francisco, California

- 700 engineers at Kaiser Permanente hospitals across California
- Nurses in Worcester, Massachusetts (on strike for 28 weeks)
- Over 1,000 construction workers in Seattle, Washington

Strikes are also taking place internationally:

• Global parents' strike on October 1, initiated by Lisa Diaz in the UK and supported by the *World Socialist Web Site*, over deadly back-to-school policy

- 155,000 steel and metal workers in South Africa
- 200,000 teachers in Sri Lanka
- Nuclear power plant workers in France
- Workers at 10 colleges and universities
- Thousands of railway workers in New South Wales, Australia
- 10 million health care workers engaged in a one-day strike in India on

September 24

- 8,000 railway workers in Punjab, India
- Bank of Maharashtra workers strike in India
- 20,000 Rideshare bikers in Bangladesh
- 900 stevedores at ports across Australia
- 3,000 FedEx truck drivers in Australia

Workers have either authorized strikes or voted down contracts at the following locations:

- 60,000 IATSE workers across the US
 - Tens of thousands of public sector workers in New Brunswick, Canada
- 10,000 John Deere workers in the US Midwest
- Staff at 150 universities in the United Kingdom

Dana workers have never been in a more powerful position than they are right now.

The key to the situation is for workers to realize their strength and take the independent initiative, organize their own rank-and-file strike committees outside the control of the UAW and USW. These committees can and must win the eight-hour day, 40-hour week, massive wage increases to outpace inflation, as well as securing workers' control over COVID-19 safety in the plant, including by enforcing plant shutdowns with pay in order to protect workers' lives.

The aim of these committees must be to share information, coordinate planned action between plants, conduct democratic discussion among workers, and win support from their allies at John Deere, the Big Three, and other industries in the US and internationally. This is the strategy for victory at Dana.

Join the Dana Workers Rank-and-File Committee and take up the fight against Dana, the USW and UAW! Send an email to danawrfc@gmail.com or text to (248) 602-0936.



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