

“Modest modifications” to Deere-UAW deal mean more speedup, sweatshop conditions

Marcus Day
14 November 2021

On Friday, the United Auto Workers union announced that Deere had presented its supposed “last, best and final offer,” which contained only “modest modifications” to the contract proposal workers had already voted down on November 2.

The UAW is essentially seeking to force a revote on the deal workers rejected, trampling on any semblance of a democratic process, as it did at Volvo Trucks in July.

The so-called modest modifications consist of changes to what Deere calls its Continuous Improvement Pay Plan, or CIPP. CIPP is an incentive pay scheme which resembles in many respects the hated piecework system which prevailed earlier in the 20th century. In return for teams meeting or exceeding company-defined production goals, workers are paid an additional amount, with both the maximum incentive pay and performance goals raised by five percentage points under the new contract terms.

But in practice, the benchmarks under CIPP are already often unattainable, and since the company controls the data on output, the numbers can be “skewed,” workers say.

Since only part of Deere’s workforce is eligible for CIPP, the contract for those working in non-CIPP departments is identical to the one they already rejected, with no changes whatsoever.

However, even for those who do work under CIPP, the “modifications” are, at best, a double-edged sword. The entire CIPP system is designed to speed up operations, crank out more machines and parts and thus boost Deere’s profits. Pressuring workers to serve as their own “taskmasters,” CIPP means that a relentless pace is set and workers’ bodies are broken and used up.

The CIPP program is widely hated by Deere workers, who have called for the system to be abolished and to instead receive major raises to base wages to ensure no loss of pay.

“Before they were pushing plans to make 115 percent [a performance ratio], and approximately 25 percent were falling below that target,” a Deere worker at the company’s plant in Ottumwa, Iowa, explained, pointing to the difficulty in meeting the company’s benchmarks. “Now they’re pushing a 120 percent target.”

A worker at the company’s Harvester Works in East Moline, Illinois, said, “Some are good with it and some think it’s still garbage. I finally got out of CIPP departments. The company manipulates the plan and you can’t win. A lot of people are switching to hourly [i.e., non-CIPP] departments at Harvester.”

“CIPP is ultimately a tool the company uses to manipulate our pay,” a worker in Waterloo, Iowa, said. “We feel like we have no control over it. We either run under 115 and get nothing from it, or just over 115 and get barely anything. You break it down and you get next to nothing.

“I’ve been with Deere for over a decade, and I’ve never been satisfied with it. I’ve never gotten a payout I’ve been amazed with. Especially for machining departments, the machines can’t run any faster. Nobody ever seems to come ahead on it. I’ve been wanting to see CIPP go away and just get a bump in pay. But the company doesn’t want to allow that because they are able to manipulate it currently.”

Contract establishes new UAW-Deere joint committee

The UAW, on the other hand, has backed and even benefits from this modern-day sweatshop regime.

One of the other “modifications” to the latest contract is the establishment of a new corporatist UAW-Deere joint committee, the Factory Joint CIPP Steering Committee, to include the UAW shop chair and a committeeperson.

Such joint “labor-management” committees have mushroomed throughout the auto and other industries since the 1980s, integrating the union bureaucracies ever deeper into the structures of management and giving union officials a direct hand, and frequently a financial stake, in determining the conditions of workers’ exploitation.

At Deere, the new UAW-management committee will be responsible for overseeing a “CIPP Performance Corrective Action Process” for teams that have declines in performance.

According to the contract language, the committee will discuss “issues relevant to long-term success of CIPP and its role in driving competitiveness, productivity improvement, investment, and earnings opportunity for employees. Items for discussion may include future plans for Smart Industrial transformation, ideas for CIPP pilot teams, performance and status of current CIPP teams, status of Focus Improvement Plans, health of the CI process in supporting CIPP, etc.”

The reference to Smart Industrial transformation, Deere’s most recent restructuring plan, is particularly ominous, given that it has entailed successive rounds of layoffs and buyouts of salaried workers, and increased demands upon those employees who remain.

100 years backward: Piecework and incentive pay schemes

In 2011, then-UAW President Bob King and other union executives

pushed to extend pay-for-performance systems throughout the auto industry in lieu of regular wage increases. The attempt came just two years after the UAW had collaborated with the Obama administration and Big Three auto corporations in carrying out an historic assault on the jobs, wages and working conditions of autoworkers. Most notoriously, pay for all new hires was cut in half in a vast expansion of the wage and benefit tier system.

At the time, the WSWWS drew the comparison between such “incentive” pay schemes and the piecework system which prevailed earlier in the 20th century.

In an account which reveals striking similarities to the CIPP regime at Deere today, Joyce Shaw Peterson wrote of piecework and incentive pay systems in the book *American Automobile Workers 1900–1933*: “For American industrialists, piecework was a device to extract as high a production rate as possible from the workers without undue cost to the company. It also made workers pay for downtime caused by machinery breakdown, since they could not produce during those times.”

Summarizing Peterson’s description of how piecework gave way to “incentive” pay systems, the WSWWS wrote:

This system produced several advantages for the company. Incentive plans offered the benefit of being too complex and difficult for workers to interpret. Rates could be set in such a way that each increment of production produced a smaller and smaller increment in pay, in effect cutting the rate without having to announce it as such. Most importantly, Peterson writes, “group piecework made the men take over the foreman’s call to ‘hurry up,’ exerting pressure on the slower men to keep up so as not to lessen the group’s wages.”

One pieceworker, Tracy Doll from Hudson Motors, recalled: “If one man slowed down, he was slowing down the livelihood of all the people. So the other guys went over and jumped onto him and said ‘hurry up, get moving.’ This was the idea. Now they got the men stretched out to where they could not stretch any longer and we have got the fast men carrying the slow men and all of them getting wages based on a percentage of their day rates.”

In the 1930s, militant and left-wing workers organized industrial unions such as the UAW in order to combat the hated piecework systems and fight against management’s dictatorship in the plants. However, the UAW and other “unions” abandoned the fight for better wages and working conditions decades ago and threw their lot in with the companies.

Instead, the well-paid (and often bribed) union executives peddle the reactionary ideology of corporatism, the myth that workers and the companies have identical interests, which in reality means that the profit interests take absolute precedence over workers’ needs.

“Our local president was asked about getting rid of CIPP,” the worker in Ottumwa said. “His answer was what would be the incentive to work then? Everyone would supposedly lay down and production numbers would go way down.

“I thought at the time, this wouldn’t be said better by management.”

The fight against the UAW sellout

The latest move by the UAW to ram through Deere’s terms is in line with the UAW’s treacherous conduct throughout the contract “negotiations.”

Both agreements which the UAW has brought back have been rejected by workers for failing to meet their demands for major wage increases to compensate for years of cuts and freezes, as well as the restoration of retiree health benefits and other improvements to working conditions.

Following the rejection of its second deal, the UAW maintained an information blackout for a week and a half, saying only that it was meeting to discuss “next steps”—with the company, not Deere workers.

Meanwhile, the UAW gave Deere a free hand to carry out a blatant propaganda campaign, exaggerating the benefits of the contract and threatening workers with the use of scabs and increased international production to break the strike should they again refuse it. A factory manager at the company’s Waterloo Works plant went so far as to email area businesses and community organizations in an effort to undermine support for the strikers, provoking outrage among workers.

But with the company making record profits and the strike causing significant delays in parts shipments—and support growing for the strike among autoworkers in the US and Deere workers internationally—Deere workers have voiced their determination to press ahead to a real victory.

The Deere Workers Rank-and-File Committee has emerged as the organizing center of the struggle against the attempts of Deere and the UAW to engineer a sellout. The rank-and-file committee issued a statement Saturday night denouncing the UAW’s latest sellout and calling for a massive no vote on Wednesday, as well as rank-and-file delegations of workers to monitor the vote count to prevent any UAW ballot stuffing.

Summing up the significance of Deere workers fight, the statement said, “Everything will be determined by what we do in this struggle. These are our lives, the lives of our brothers and sisters, and the rest of the working class. What we do today will have an impact for the rest of the working class for generations to come. Workers are watching us closely; let’s show them we will not be intimidated and we will stand as one to win our demands.”

To learn more about joining the John Deere Workers Rank-and-File Committee, email deerewrfc@gmail.com or text (484) 514–9797.



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