

Dana paid shareholders \$57 million last year, but where is our “profit sharing”?

Dana Workers' Rank-and-File Committee
3 April 2023

Dana workers across the US noticed as March 31, the date by which Appendix P of the contract says Dana must pay “profit sharing,” passed without workers receiving much-needed income. We, the rank and file, are demanding answers as to why we did not get paid.

The contract states: “The Company agrees that it will create an Employee Profit-sharing Plan pool consisting of 2.5% of the Company’s Annual US based profits” and “to distribute the Pool on or before March 31 of each calendar year.”

Here is the math: Dana’s gross profits were \$699 million in 2022, and US sales were \$4.7 billion out of \$10.2 billion, or 46 percent. This means the profit sharing pool is roughly \$8.05 million because that is 2.5% of the US share (46%) of Dana’s profits. Divide that by roughly 4,000 rank-and-file Dana workers in the US and it equals \$2,013 per worker.

Dana is flush with money. It has hundreds of millions of dollars of “cash on hand,” while most of us workers barely have enough “cash on hand” to make it through the month. The company made over \$10 billion in sales last year, a new high. In 2022, Dana paid its wealthy shareholders four payouts of \$14.3 million dollars, for a total of \$57.2 million over the year. It made another \$14.3 million payout in February 2023. This money went to the network of executives and affluent people who own almost all of Dana’s stock.

We, the rank and file, are in urgent need of additional income. The cost of living is spiraling out of control. Everything from food to housing to gas costs far more than it did in 2021 when the UAW, USW and Dana forced a sellout contract on us. We haven’t received profit sharing in years.

We know that Dana and the UAW/USW bureaucracies stopped enforcing the contract a long time ago. That’s why the company is firing workers

without progressive discipline, why workers are forced to “tag out” for breaks, and why the UAW is not even processing grievances for many workers wrongfully terminated at Dana’s driveline plant in Toledo, Ohio.

The UAW, USW and Dana hid the details of the contract from workers in 2021 and forced the deal through after we rejected it overwhelmingly the first time. Now, workers are learning that the devil is in the details. The contract language states, “In order to achieve any payout, in any year, the company must achieve a minimum level of performance equal to 25% of the US EBIT (Earnings Before Interest and Taxes) established in each year’s Annual Operating Plan.”

It is not clear what this means, and nobody ever explained it to us. If the company has not met this level, it is their burden to prove it and communicate it to us. The contract states that “If there is any change to the Company’s definition or calculation of EBIT, the Company will, as soon as practicable, inform the Unions of any change, and the resulting impact upon the [profit sharing] plan.”

The UAW and USW are supposed to hold the company accountable and keep us informed, but they don’t. The contract says the UAW and USW “shall have the right to review any information, calculation or other matters concerning the Plan.”

Notably, the contract also says the union’s officials will get paid out of the profit sharing pool before any worker does, if they inspect the company’s books. The contract reads, “The reasonable actual costs incurred by the Union in connection with any such review shall be paid from the Pool and deducted from the amount otherwise available under the Pool for distribution to employees.” Despite this, the UAW and USW have not explained to workers why their profit sharing was

denied.

Workers should know that “profit sharing” does not actually mean workers share in company profits. Corporate “profit” is never shared with the working class under capitalism, since by its very definition profit comes from the exploitation of workers’ labor power. “Profit sharing” was introduced in contracts in the auto industry to make workers think they could “share” in corporate profits as the companies slashed wages, introduced tiers and filled the plants with temporary workers.

In the 1980s and 1990s, the union bureaucracies told workers that “profit sharing” meant they should work harder to help the companies profit. The first time “profit sharing” was introduced in a national contract was in 1982, as the UAW adopted a strategy of “corporatism,” by which the bureaucracy allied with the corporations to help them increase profitability by lowering workers’ wages and eliminating pensions.

The reality is that “profit sharing” is a substitute for increases in base pay. In the 1940s through the ’70s, UAW contracts routinely used to have cost-of-living clauses to ensure workers pay went up with inflation. The UAW gave this away years ago, and now we are paying the price.

But the failure of Dana to provide any explanation for the denial of profit sharing raises a critical question for Dana workers in every plant to consider: Why does the company get to violate the contract as it wishes without any opposition from the UAW and USW bureaucrats?

The corporations and UAW/USW bureaucracies treat workers like they have no rights. Dana workers who belong to the UAW had the right to vote in the first-ever direct elections in UAW history, but the UAW bureaucracy wanted to conduct the election as a beauty contest between two longtime bureaucrats (Shawn Fain and Ray Curry) and did not tell most workers they had the right to vote in the first round. The law firms they used to “monitor” the UAW are longtime lawyers for General Motors and one of the firms has also represented Dana.

The Dana Workers Rank-and-File Committee aims to assert our rights. Last month we published a mission statement which explained:

This committee will publicly expose

violations of our rights and of the contract, and educate all auto workers on how to fight for our interests as a class. Exploitation is not just happening at Dana Toledo Driveline, it is happening across the auto industry, which is connected across all plants and companies. Every car is made from parts produced by all of us, no matter what company we work for. Our strategy is to appeal to rank-and-file autoworkers everywhere to connect with us, so we can share information, democratically discuss our conditions, and unite for common action. If we rank-and-file workers do not stand up for ourselves, no change will ever come.

The gaslighting of the rank and file on profit sharing raises the need for democratic workers control, and for the reorganization of the auto industry to meet the needs of the working class, not for endless corporate profit and shareholder enrichment. Dana must open their books and show us where the money we produce is going.

The rank and file cannot afford to bear the cost of inflation. We demand:

- Full profit-sharing payment to all Dana workers, including temps and all wrongfully terminated workers
- Immediate 30 percent pay increase across the board to make up for inflation’s reduction of our wages
- Revision of the contract to include cost-of-living adjustment (COLA)

We urge all workers to get involved in building our committee to give power back to the rank and file. To join the fight, call or text 248-602-0936. We respect anonymity and protect the identities of workers still employed by Dana.



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Socialist Equality Party visit:

wsws.org/contact