

Fiat Chrysler workers face battle as FCA and UAW seek to maintain lowest labor costs

By Jerry White
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Fiat Chrysler workers are angered over the plans by the highly profitable automaker, along with the United Auto Workers union, to push through even greater concessions than those imposed on General Motors and Ford workers under the terms of the new four-year agreements backed by the UAW.

After barely navigating past the opposition of GM and Ford workers, the UAW is now colluding with Fiat Chrysler executives to come up with a contract that would uphold the lowest labor costs of any of the Big Three automakers.

The UAW contracts at GM and Ford paved the way for new plant closings and a further purge of higher-paid veteran workers. While Fiat Chrysler is expanding operations in the Detroit area, industry analysts have speculated that the company might shut its assembly plant in Belvidere, Illinois, 70 miles west of Chicago. In May, FCA eliminated the third shift at the plant, cutting 1,371 jobs.

The UAW-backed deals at GM and Ford paved the way for the expansion of temporary workers. This is combined with a bogus “pathway” to full-time employment, predicated on workers overcoming the nearly impossible task of working three consecutive years without being laid off for more than 30 days. In the probable circumstances that a layoff exceeds this limit, the three-year clock starts all over again.

The GM and Ford deals also shorten the number of years “in-progression” workers must labor before reaching top pay, although any layoffs could set back a worker months or even years. Even with these hurdles, FCA management is opposed to any terms that might undermine its advantage of having the lowest-paid workers to exploit.

Based on the huge concessions the UAW handed over during the 2009 bankruptcy restructuring and

afterwards, FCA sharply expanded its workforce, from 24,421 to 47,200 hourly workers today. Fifty-nine percent of its workforce are second-tier workers who earn as little as half the wages of the workers hired before 2007.

Thirteen percent of Fiat Chrysler workers are temporary workers, and at many plants this figure is 20 percent or more. During the 2015 contract talks, the UAW gave FCA the ability to expand the use of temporary workers from just Mondays, Fridays, weekends and holidays to every day of the week.

But FCA wants an even higher percentage so that it can run its factories around the clock by bringing in fresh bodies, at lower wages, when older workers are worn out and need time off. The Jefferson North Assembly Plant in Detroit, for example, which produces highly profitable Jeep models, operated on 47 of 52 Sundays last year, according to the *Wall Street Journal*.

On this basis, Fiat Chrysler reached a record 10.6 percent profit margin in North America in the last quarter. The bulk of the Italian-American corporation’s \$2.2 billion in third-quarter global profits came from the region. The company has told analysts that it expects to make \$7.4 billion in full-year profits in 2019.

The merger of Fiat Chrysler and French-based PSA, the owner of Peugeot and Citroen, would create the fourth-largest carmaker in the world. It is expected to set off a cost-cutting competition between US and European plants to see which ones will survive the next round of global restructuring, driven by increasing signs of a new economic downturn.

The structure of Fiat Chrysler’s workforce has kept the company’s labor costs, including wages and benefits, at an average \$55 an hour, according to the

pro-industry Center for Automotive Research (CAR)—below the average \$61 an hour at Ford and \$63 at GM. Any changes on temp workers and new-hire pay could erode Fiat Chrysler’s labor cost advantage if included in its new labor agreement, Kristin Dziczek, vice president of CAR said. “If you’ve got an advantage, you don’t want to give it up,” she said. “It’s going to be very, very hard for them to take that on.”

In a Bank of America-Merrill Lynch notice to investors last week, a team of financial analysts warned that any contract improvements for temps or in-progression workers would "materially increase cost," threaten operating margins and "could significantly shrink FCA's labor advantage over its rivals Ford and GM." The Wall Street analysts warned that FCA's large proportion of non-full-time workers lends the company "the more significant risk of a strike."

“Full-time positions for TPTs (temporary part-time employees) is the biggest thing,” one young temp at Sterling Heights Assembly Plant told the *WSWS Autoworker Newsletter*. “For the seniority workers, it’s the restoration of COLA and pensions. As a TPT we never know when we will have work. You’re essentially on call all the time. It’s impossible to get another job and navigate between working here and working a new job.”

He also commented on the contract at Ford, which will allow the company and the UAW to use new technologies, including video cameras and GPS mapping, to monitor virtually every move a worker makes in order to punish workers who cannot keep up with increasing line speeds.

“Ford is hiring people from Amazon to use these technologies. It’s an invasion of privacy. We won’t have any rights in the plant; it will be like a jail. And the people we are paying to protect us [the UAW] will be the wardens.”

A veteran FCA worker in Kokomo, Indiana said, “For the legacy workers, we want 25 years and out with a pension and health insurance. FCA in Kokomo and Tipton are mostly younger people and kids honestly. There are a lot of on-the-job injuries and the people are scared by the union and management not to report on them because they don't want any recordables [infractions that could lead to suspensions or firings].

People are afraid to say anything, so guess what happens next, they turn to pain killers and addictions come next. We have to fight now, or it’ll be too late.”

Commenting on the conditions of Ford workers, one young worker told the *WSWS Autoworker Newsletter*, “It’s like modern-day slavery. You work close to 11 hours and it's not healthy for mind and body. I’m healthy but it’s only so long until my body breaks down.”

The hostility and contempt of the UAW against workers was expressed in the Facebook comments of UAW International Representative Michael Robison, who said workers in Louisville, Kentucky, Lima, Ohio and Chicago who voted against the UAW-Ford contract should be thrown out of their jobs. “Every one of them locals should lose there [sic] products now and in the future. \$1 billion investment in KTP really. Ship Lima Engine to Dearborn Engine. Ship Chicago Assy’s work to Flat Rock,” said the UAW bureaucrat who made \$129,399 last year as the assistant director for Convention & Conference Planning at the UAW International.

Fiat Chrysler workers revolted in 2015, rejecting the contract by a 2-to-1 margin in the first rejection of a UAW-backed national contract in three decades. It was later revealed that the UAW Vice President Norwood Jewell, who led the talks that year, was paid hundreds of thousands of dollars in bribes by FCA. Heading up the UAW’s conspiracy with Fiat Chrysler this year is UAW Vice President Cindy Estrada, who is implicated in the massive kickback scheme at the UAW-GM Center of Human Resources that has already led to the indictment of her close associates.

This underscores the need for Fiat Chrysler workers to build rank-and-file committees, independent of the corrupt UAW, to oppose this conspiracy, rally the strength of all auto and auto parts workers throughout the US and internationally to fight the transnational corporations.

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