



## An Endangered Species? – The State of American Unions

Harold Meyerson<sup>1</sup>

- The U.S. labor movement confronts an existential threat of extinction, despite the election of Barack Obama and a Democratic Congress in 2008. This has been largely due to the loss of members in key industries and their inability to secure comprehensive labor reform laws that would help them grow.
- The unionized share of the workforce today is down to 12 percent, and a scant 7 percent of private-sector workers are union members. For the first time in American history, the number of unionized public-sector workers now exceeds that of unionized private-sector employees.
- Unions have not responded forcefully enough to these challenges and they have been unable to organize workers in large numbers. Additionally, they have failed to wage campaigns that would build legitimacy in the eyes of the public.
- At the same time, the labor movement has had some political successes: the passing of economic stimulus legislation, as well as health care and financial reform has to be credited in a large part to unions' lobbying efforts. Unions have also managed to wage campaigns that played a key role in electing Democrats or in backing progressive Democratic challengers to conservative Democratic incumbents.
- Changes at the leadership level of the two big U.S. union federations and transnational organizing efforts are small signs of hope. However, the survival of the U.S. labor movement is by no means guaranteed.

Even by the standards of recent decades, which have witnessed an epochal decline of the American labor movement, the U.S. union movement today is in particularly dire straits. Though unions were clearly heartened by the election of Barack Obama and a heavily Democratic Congress in 2008, they have been unable to secure new laws that would enable them to grow more easily. The recession has taken a huge toll on

their members, particularly in the manufacturing and construction sectors. Their standing with the public has plummeted, gauging by the measure of several national polls, and public-sector employees, who enjoy a far higher rate of unionization than their private-sector counterparts, are increasingly under attack for their pay and benefits. The unions' response to this sea of troubles has been uneven at best. There have been fewer

organizing campaigns during the past two years than at any time since a handful of major unions began devoting major resources to organizing more than two decades ago. The unions' electoral operations, on the other hand, are still strong, with unions able to claim clear victories in special congressional elections and nearly unseating an incumbent Democratic – but anti-union – senator in Arkansas, a state with virtually no union members. New leaders head some of labor's most important organizations, notably Rich Trumka at the AFL-CIO, replacing John Sweeney, and Mary Kay Henry at the Service Employees International Union (SEIU), replacing the dynamic and controversial Andy Stern. Whether these changes portend new directions for American labor, or an end to the debilitating divisions that have wracked the movement for the past half-decade, is not yet clear.

### Legislative Success and Failure

With the election of a Democratic president and congress, labor has experienced some notable if incomplete victories over the past 18 months. Universal health care had been a goal of the labor movement for the past three generations, and the AFL-CIO and the leading internationals organized and funded much of the public mobilization, messaging and lobbying campaigns that secured passage of the legislation earlier this year. However, the unions were unable to persuade enough Democrats, in both Congress and the White House, to support the establishment of a public option – a governmental health plan to compete against the private plans. They were also unable to dissuade the administration from funding part of its program through taxes on generous medical benefits (such as those that some of their members enjoy), though they were able to get the President to raise the monetary threshold at which such plans would subject to taxation.

Similarly, the unions have also funded and played a major role in the lobbying for financial reform legislation. While they have been unable to actually reduce the size and power of America's largest banks, they have won language that restricts many of the speculative abuses which

led to the meltdown of 2008 and the ensuing Great Recession.

Unions also worked for and welcomed the \$787 billion stimulus legislation enacted soon after President Obama's inauguration. They have been more recently frustrated, however, by Congress' reluctance to follow up with a second stimulus that would keep states and municipalities, still reeling from the downturn, from laying off hundreds of thousands of workers and cutting back on programs that provide the poor with access to non-emergency medical care. In the United States, funding for education, local infrastructure, police and fire-fighting activities and much else, is the responsibility of state and local governments, which must balance their budgets even during downturns. Even as the federal government was stimulating the economy, then, state and local governments were doing the reverse: raising taxes and reducing their work forces. This process will continue absent a second stimulus.

The clearest defeat for American labor in the legislative arena was its inability to win labor law reform. American employers routinely harass, threaten and dissuade their employees from joining unions, often through actions that violate the toothless provisions of the existing National Labor Relations Act. The unions have campaigned for years for the Employee Free Choice Act (EFCA), which would enable workers to join unions by signing affiliation cards and would require employers to submit to arbitration to reach a contract if more than six months elapses after a union wins recognition. Currently, even when American unions win recognition, they come to a contractual agreement with employers just half the time.

EFCA passed the House of Representatives last year, but it was never able to attain the 60-vote supermajority required for passage in the Senate, though there were 60 Democratic senators during the second half of 2009. The unions feel let down by the President, who never lobbied balking Democratic senators on its behalf, and, moroso, by those balking senators themselves. This also represents the fourth failed attempt to

strengthen federal labor law – each of them occurring at times (1965, 1978, 1994 and 2009) when Democrats controlled both the White House and Congress.

Unions see this as a life-or-death struggle, and many – though clearly, not enough – Democrats agree with them. The unionized share of the workforce peaked in 1945 and again in 1955 at 35 percent. Today, it constitutes just 12 percent of the workforce, and a bare 7 percent of the private-sector workforce. Boosting union membership is plainly in the Democrats' national strategic interest: Unionized white males, for instance, consistently vote Democratic at a rate 20 percent higher than their non-union counterparts. Absent a change in the laws governing organizing, however, the decline of unions, and of Democrats' support within the white working class, is virtually certain to continue. The failure to enact EFCA is a body-blow to American labor, from which the movement is still reeling.

All of labor's lobbying efforts, I should point out, are directed at Democrats. There are no pro-labor Republicans to be found in either house of Congress.

The failure to get EFCA enacted has begun to prompt some re-thinking within labor's ranks. In general, unions have proven themselves potent lobbyists on issues like health care reform and financial regulation, which have broad progressive support and are universal in their application, but less potent on matters that affect unions and their members more narrowly. SEIU Executive Vice-President Gerald Hudson, for one, argues that unless unions make common cause with other left-of-center constituencies on a wider range of causes, and succeed in getting progressives to give more attention to the cause of workers' rights, then such labor-specific legislation as EFCA is doomed to failure.

### Recession and Public Opinion

The recession has proved disastrous for many unions and their members, chiefly in the manufacturing and construction sectors. The ongoing contraction of American manufacturing, which

now employs just 11 percent of the workforce, has hit manufacturing unions very hard. The United Auto Workers had 1.9 million members in 1979. Today, it has shrunk to 350,000 members, many of them public employees who have nothing to do with the auto industry. (Since it's still possible to organizing public workers, most major unions do so without regard to sector or jurisdiction.) If anything, the situation in the construction trades is worse. In states that have experienced the biggest construction booms, and now, busts – such as California – unemployment in construction is close to 30 percent, and the membership of construction unions has declined accordingly.

Just as disastrous, if not more so, is the decline in public support for unions, which has taken a nose-dive over the past 18 months. In a Gallup Poll released last September, the percentage of Americans who approve of unions dropped (from 59 percent in the preceding year) to just 48 percent – the first time that figure fell below 50 percent since Gallup started asking that question in the 1930s. Similarly, a poll from the Pew Research Center in February of this year found that unions' favorability rating had plummeted from 58 percent in 2007 (the last time Pew polled on this) to 41 percent this year. The only sector of the American public in which unions' standing did not decline were union members themselves – but since they constitute such a small share of the public, that was not enough to offset their decline elsewhere.

Two factors account for this decline. First, during the deliberations over whether the government should prop up General Motors and Chrysler in 2009, conservative opponents of unions constantly asserted that the United Auto Workers had effectively bankrupted those companies by enabling their members to make roughly \$70-per-hour – a figure nearly three times the actual level. (It was obtained by calculating the unions' pension obligations to their retirees, who, since the companies have shrunk so, greatly outnumber the current workforce.) While the UAW of the post-World War II era set the standard for social unionism in America, its current leadership is a pale shadow of the Reuthers and their

peers who led the union in its glory days, and proved utterly unable to dispel the prevailing misimpressions of the union, and of American unions more generally.

Second, for the first time in American history, the number of unionized public-sector workers now exceeds that of unionized private-sector employees. Roughly 30 percent of public employees are unionized compared to just 7 percent of private-sector workers. The de-unionization of the private sector has meant that private-sector workers have seen their benefits qualitatively reduced. In particular, fewer than 20 percent of private sector workers now have defined-benefit pensions, down from more than 50 percent a generation ago. Public sector workers, by contrast, have largely retained their benefits, and those benefits are now daily under attack from conservatives, fiscal and otherwise, who argue that they are unaffordable. There is a genuine problem here – that of whether a non-union private sector increasingly devoid of benefits and job security can economically and politically support a unionized public sector. The ongoing fiscal crisis of states and localities presents these conservatives with a clear opportunity to roll back the gains that public employee unions have won. The demonization of public school teachers (the most heavily unionized occupation in America today) is breath-taking. As their critics tell it, they are responsible for all the problems with American education, and bankrupting the taxpayers as well.

Until and unless private-sector unions grow and can restore some of the benefits that private-sector workers have lost, public employees and their benefits will be ongoing targets of conservative ire. If the private sector doesn't level up to the public sector, the public sector will be leveled down to the private sector.

### The Unions Respond – Unevenly

American unions' response to this wave of crises is anything but stellar. They have not waged a broad (or even a narrow) campaign to rehabilitate and relegitimate unions. Neither are they organizing workers. The promise of the break-

way federation from the AFL-CIO – Change To Win – to organize workers in non-offshorable jobs (in food services, transportation, construction and the like) has yielded no appreciable victories. No major campaigns are even underway, save those of a few unions now able to organize airline workers by virtue of a rule-change from the Obama appointees at the National Mediation Service.

The one arena in which unions continue to do well is electoral politics. In a series of special elections for congressional seats occasioned by the deaths or retirements of incumbents, they have managed to wage campaigns that played a key role in electing Democrats, stressing issues of jobs and industrial policy, even in white working-class districts in which Obama's approval rating is low. They have also backed Democratic challengers to conservative Democratic incumbents – most prominently, Bill Halter, who challenged Blanche Lincoln, the Arkansas senator who opposed both EFCA and the public option in the health reform bill. The AFL-CIO and half a dozen major international unions invested \$10 million in the effort to unseat Lincoln – an effort in which they came up short: Lincoln defeated Halter by a 52-percent-to-48-percent margin.

This was an effort, which many in the Democratic establishment criticized, and they hailed Lincoln's victory as a defeat for labor. The unions see this differently, however. Campaigning in a state with virtually no union members, the unions canvassed hundreds of thousands of voters at their doorsteps and almost single-handedly brought their candidate, in a state with a pronounced anti-union tradition, to within a couple points of victory. Their backing for Halter (without which he may well not have run at all) was intended as a warning to other conservative Democrats, including others from states with no appreciable union presence: If we can bring Lincoln to the brink of defeat, they were saying, we can do it to you – or take you out altogether.

In their Arkansas endeavor, the unions considered spending not just the funds that their members provide specifically for electoral campaigns but money from their general treasuries as well.

They opted not to, but such a course of action is now permitted under a new and controversial ruling of the Supreme Court, which, in its *Citizens United* decision, decreed that corporations and unions could fund their own campaigns for candidates or causes with no limit on their spending. The decision overturned a century-old ban on corporate involvement in electoral campaigns, and has engendered a torrent of criticism from centrist and progressive organizations – unions included. Nevertheless, the unions will be able to dip into their general funds this year to bolster their campaigns, and as corporations increase their spending, unions may well follow suit. With many states facing gubernatorial elections later this year, in which Republican candidates are already calling for mass layoffs of public employees and drastic reductions to their pensions, it is likely that unions will reach into their treasuries to wage campaigns to defeat them.

The unions have also played a notable role in recent months defending the rights of immigrant workers against oppressive laws such as those enacted in Arizona, and in pushing for congressional enactment of an immigration reform that would provide the 11 million undocumented immigrants with a path to citizenship. Unions are funding the major mobilization and lobbying efforts of immigration reform advocates, and will play a key role in turning out Latino voters for Democratic candidates in the coming midterm elections.

### Changes at the Top

The retirements of John Sweeney and Andy Stern from, and the ascent of Rich Trumka and Mary Kay Henry to, the most prominent positions in America labor augur changes – how extensive, it is too early to say. Trumka is a more articulate and confrontational leader than Sweeney. Henry's ascent could augur a lessening of tensions between SEIU and much of the rest of the labor movement; she has already stated she wishes to speedily resolve the dispute between her union and the hotel workers. The Change to Win Federation, which Stern founded, has essentially dwindled to a strategic organizing center that helps member unions – chiefly, the Team-

Teamsters and the United Food and Commercial Workers – conceptualize difficult campaigns. Its existence is hardly a justification for continuing the secession of major unions from the AFL-CIO, but whether, absent Stern, the remaining Change to Win unions opt to rejoin the AFL is by no means clear. Henry has already demonstrated, however, a willingness to work more closely with the Federation than Stern did.

### International Implications

In recent years, a number of prominent American unions – SEIU, the Communications Workers (CWA) and the Steelworkers, among others – have taken their organizing and bargaining to a transnational and even global level: The CWA, for instance, is working with ver.di to organize Deutsche Telekom workers in the United States (who work for T-Mobile, a Deutsche Telekom subsidiary) and elsewhere. Such efforts will surely continue. But with each passing day, the primary concern of American unions turns more and more to sheer survival – a factor that will impel some unions to become even more active with their counterparts in other nations, and some to become less so. In the wake of Congress' failure to enact EFCA, the disquiet and anxiety stalking American unions has only increased. The threat to them is existential, and while they are sure to fight it on many fronts, what they can do to turn it back is anybody's guess.

*The opinion expressed by the author does not necessarily represent the position of the FES.*

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<sup>1</sup> *Harold Meyerson is an op-ed columnist for The Washington Post and editor-at-large of The American Prospect.*