

Why Unions?

The Problem

“Unions,” as the bumper sticker says, “brought you the weekend.” In fact, unions did more than win the 40-hour week. They brought America the wages and benefits that helped build the broad middle class that is the hallmark of America’s success. And today, the fortunes of that middle class are still tied to the future of the union movement.

Before the Great Depression, when America suffered the glaring inequality that it is once more witnessing today, unions were relatively weak. In the early part of the century, worker organizing was literally against the law. As part of FDR’s New Deal, Congress passed legislation in 1935 to protect workers’ right to form unions and bargain collectively.

Government put its support behind organizing so workers could win better wages – and help generate the demand needed to get the economy moving. For a generation, workers across the country bargained with their employers for better wages, benefits and working conditions. Union agreements forged the private social contract that was the foundation of the middle class – jobs that paid a living wage, with decent hours, paid vacations, health care and pensions. There were disputes and strikes, but a rough balance of power between workers and their unions on one side and employers on the other insured that workers could capture a fair portion of the profits and productivity they generated.

Union density was relatively high throughout this period – over one-third of the private sector workforce in the 1950s – and unions set the standard for wages and benefits in the non-union sector as well. As a result, wages advanced with productivity, economic inequality declined, and we grew together as a nation.

Today, however, this balance of power has eroded and the social contract with American workers is unraveling. Since 1973 we have grown increasingly apart – economically, socially and politically. Since 1980 labor productivity has increased over 80 percent, while the real median wage has increased only 2 percent.

The result has been an enormous redistribution of income – perhaps the largest in our history. America today has the most unequal distribution of income and wealth of any developed country in the world. And wage stagnation has forced employees to work longer hours at more jobs, while families send more family members into the workforce.

The de-linking of productivity and wages over the past 30 years has many causes, but central to all of them is the steadily growing imbalance in bargaining power between workers and their employers. Today only 13 percent of all workers, and less than 8 percent of the

private sector workforce, belong to unions – not because they don't want to join unions, but because corporate America has made joining a union all but impossible.

The decline in union density aggravates income inequality not only directly, but also by diminishing the influence of working people through their unions in shaping public policy. Partly because of labor's weakened political clout, the buying power of the minimum wage has fallen steadily and tax policy has increasingly favored the rich, leaving less government revenue to invest in health care, education, and other public programs benefiting the middle-class.

CEOs have used this imbalance of power to shred the old social contract – more and more break promises on health care and pensions, lower company contributions and put more burdens on workers, if they provide them at all. And the many other social and economic benefits of a strong labor movement are threatened by the continuing decline in union density: high-quality job training programs; transparency in hiring; increased compliance with civil rights, minimum wage, overtime, and workplace safety laws; protections against arbitrary termination; improved access to unemployment insurance, workers' compensation and trade adjustment assistance; mitigation of race and gender pay inequity; and paid lunch breaks, paid sick days, paid vacations, and paid holidays, just to name a few.

Now Americans fear the middle class is losing ground. And central to that reality has been the decline in the unions that built that middle class from the start.

The Reason

There are a number of reasons for the decline in union density, but the most important reason is that the current system for forming unions and bargaining is broken, purposefully shredded by corporations and abetted by conservatives in government.

Some 60 million working people in America say they would join a union if they could – over half of non-union, non-management employees. But every day, corporations deny employees the freedom to decide for themselves whether to form unions to bargain for a better life.

Under the National Labor Relations Board's "election" process, management retains overwhelming power to influence the outcome by intimidating workers through means both legal and illegal. Management routinely intimidates, harasses, coerces, and even fires people who support the union, and the penalties for violating workers' rights are virtually non-existent. The labor board's so-called secret ballot elections take place in a highly coercive environment that more closely resembles plebiscites under a dictatorship than a functioning democracy.

Meanwhile, the law that is supposed to protect workers' right to form unions and bargain collectively is widely viewed as doomed, dying or dead. Decades of anti-worker decisions by

anti-worker courts and an anti-worker labor board have made a mockery of the law's theoretical protections for workers.

Not surprisingly, workers have largely abandoned the labor board's election process in favor of the less conflict-ridden and less coercive process known as "majority sign-up" or "card check," in which a majority of workers sign cards authorizing the union to bargain on their behalf and then ask management to recognize their union. This form of organizing, which has always been legal, is how millions of workers form unions today, yet current law allows workers to form unions in this way only if management agrees.

The Solution

When Ronald Reagan came to office in 1980 and crushed the air controllers' strike, he signaled open season on unions. Companies routinely violate workers' rights with virtual impunity. Now it is time to put government back on the side of working people, to help challenge the imbalance of power that now exists.

At the least, government should ensure that all working people are guaranteed the freedom to make their own choice about whether to have a union and bargain for better wages and benefits.

As a preliminary matter, legislation is needed to correct some of the anti-worker decisions of the courts and the labor board over the years. But tinkering at the margins will not begin to address the magnitude of the problem.

More far-reaching reform is required to restore workers' freedom to form unions and bargain collectively. The Employee Free Choice Act would help restore free choice by doing the following three things:

- ♦ Strengthen penalties against companies that coerce or intimidate employees;
- ♦ Establish mediation and binding arbitration when the employer and workers cannot agree on a first contract; and
- ♦ Enable employees to form unions when a majority express their decision to join the union by signing authorization cards.

Finally, we need the political leaders who will help bring about a sea change in attitudes among employers and the public at large. Today discriminating against and firing pro-union workers is often considered a routine part of doing business, and union busters literally have no shame. In a better America, discrimination against pro-union workers would carry the same social stigma as other forms of unacceptable discrimination. And political leaders would help people understand just how damaging it is to the entire economy, and to the strength of the middle class, if workers are not able to organize and bargain collectively.

Telling the Story

◆ Stories to Look for

- ◆ Declining wages. Wage data is released monthly by the Bureau of Labor Statistics (BLS) and analyzed by Economic Policy Institute (EPI).
- ◆ Workers organizing to form unions. Often workers trying to form unions look for support from public officials.
- ◆ Union members mobilizing politically to pass worker-friendly legislation, such as increasing the minimum wage, extending unemployment benefits, achieving universal health care, and saving Social Security.
- ◆ Unions mobilizing politically to elect worker-friendly public officials and effect progressive public policy at all levels of government.
- ◆ Attacks on workers' bargaining rights at all levels of government.
- ◆ Attacks on workers' bargaining rights by anti-union employers.

Spotlight Stories

"The *New York Times* recently reported that the earnings gap is the widest since 1928, with the richest one percent of Americans having captured most of the economy's 2005 growth, and the bottom 90 percent getting nothing. Between 1979 and 2005, according to MIT professor Thomas Kochan, the productivity of American manufacturing rose by about 70 percent, but the real wages of production workers remained flat. The economic pummeling of ordinary Americans has many causes...but one of the big reasons is industry's relentless assault on unions, an attack abetted or tolerated by most U.S. administrations for three decades. Unions not only raise wages for their members; they work for a fairer wage structure generally, both in their spillover influence on wider patterns of pay and in their political work for a fairer brand of capitalism." Robert Kuttner, "State of the Unions," *The American Prospect (online)*, April 1, 2007.

"The House of Representatives passed a bill last week that would strengthen the rights of employees to form unions...If Mr. Bush were, as he claims, truly concerns about rising income inequality and truly committed to improving the lives of America's middle class, he would support the legislation and urge the Senate to approve it...Labor unions have a role to play in helping to fix today's economic ills – most notably, worsening economic inequality, a problem that's cause in part by unions' decline and the workers' resulting lack of bargaining power." "The Right to Organize (Editorial)," *The New York Times*, March 6, 2007.

You can find stories of workers' experiences at

<http://www.aflcio.org/joinaunion/voiceatwork/efca/shareyourstory.cfm>

Hot Facts

- ◆ **Public support for labor unions has risen dramatically in recent years.**
 - ◆ According to the most recent poll,¹ Americans approve of unions by a 40 point margin – 65 percent to 25 percent.
 - ◆ By way of comparison, in August 1981 Americans approved of unions by only a 20 point margin – 55 percent to 35 percent.
 - ◆ Two-thirds (68 percent) of Americans say unions can still make a difference, while only 28 percent feel unions are no longer relevant.
 - ◆ Almost two-thirds (62 percent) of Americans say the disappearance of unions would have a negative effect on Americans' wages and benefits.

- ◆ **Union workers have higher wages and better benefits than non-union workers.²**
 - ◆ Wages for union workers are 30 percent higher than for non-union workers (\$833 median weekly earnings vs. \$642)
 - ◆ Wages are 31 percent higher (\$758 vs. \$579 median weekly earnings) for women union workers; 36 percent higher (\$707 vs. \$520) for African-American union workers; and 46 percent higher (\$686 vs. \$469) for Latino union workers.
 - ◆ Union workers are 63 percent more likely to have health insurance (80 percent of union workers have employer-provided health insurance vs. 49 percent of non-union workers).
 - ◆ Union workers are 386 percent more likely to have guaranteed pensions (68 percent of union workers have defined-benefit pension plans vs. 14 percent of non-union workers).
 - ◆ The union advantage in paid vacation days is 28 percent (15 days for union workers vs. 11.75 days for non-union workers).

- ◆ **More than half of all U.S. workers – nearly 60 million – say they would join a union right now if they could.³**

- ◆ **Employers routinely use legal and illegal tactics to interfere with their employees' free choice to form a union.⁴**
 - ◆ Employers illegally fire at least one worker for union activity in 25 percent of organizing campaigns.
 - ◆ The chances that an active union supporter will be illegally fired for union activity during an organizing campaign are one in five.
 - ◆ Seventy-five (75) percent of employers fight union organizing drives by hiring consultants or union busters.
 - ◆ Ninety-two (92) percent of employers force employees to attend mandatory closed-door meetings while denounce the union.

- ◆ Seventy-eight (78) percent of employers force employees to attend one-on-one meetings against the union with their own supervisor.
- ◆ Fifty-two (52) percent of employers threaten to call The U.S. Immigration and Naturalization Service during organizing drives that include undocumented employees.
- ◆ Fifty-one (51) percent of employers threaten to close the plant if the union wins the election, although only one (1) percent actually do close the plant.
- ◆ In FY 2005, 31,358 workers received back pay in cases alleging employer violations of worker rights under the National Labor Relations Act.

◆ **Americans support the Employee Free Choice Act by an overwhelming margin.⁵**

- ◆ Fully three-quarters (77 percent) say that it is important to have strong laws that give employees the freedom to make their own choice about whether to have a union, without interference from management.
- ◆ Over two-thirds (69 percent) of Americans support enactment of the provisions of the Employee Free Choice Act (EFCA).
- ◆ By a solid 14 percentage points (50 percent to 36 percent), a majority of Americans specifically favors the “majority sign-up” provision (also known as “card check”) of the Employee Free Choice Act.

The Public Pulse

The strongest message frame for fixing the broken system for forming unions is within the larger context of economic challenges facing working Americans.

- ◆ **In December 2006 Hart Research surveyed 808 members of the general public and 382 union members.⁶ A 53 percent majority strongly agrees with the following message frame.**

Working people are struggling to make ends meet today, and America is in danger of seeing the middle class disappear. An important way to help average people get their fair share is to remove unfair barriers to union representation and collective bargaining. Workers in unions earn 28 percent higher wages on average, are 62 percent more likely to have employer health coverage, and four times as likely to have a pension. That is why we need legislation that strengthens protections for workers' freedom to choose union representation.

Agree 53% (Disagree 19%)

- ◆ **And the strongest argument for supporting the Employee Free Choice Act was the following economic argument.**

"The legislation is expected to result in more workers being able to bargain with their employers for better wages, benefits, and working conditions."

80% reason to support EFCA (7 % reason to oppose EFCA)

While this broad economic frame is powerful, the research also reveals that only 53 percent of the public knows that companies routinely resist unionization efforts by their employees.

- ◆ **Fortunately, the Hart poll found that Americans disapprove of employers conducting anti-union campaigns (67 percent disapprove, 36 percent strongly), an 11-point increase in opposition since 2001. Moreover, people object strongly to several common anti-union tactics, including the following.**

	Find this tactic unacceptable
Fire employees who support the union	94%
Supervisors urge individual employees to vote against the union in one-on-one meetings	82%
Warn that pay or benefits would be reduced if employees vote "yes"	81%
Warn that vote for union could lead to company closing or layoffs	66%
Send letters to employees' homes urging vote against union	62%
Include anti-union literature in paycheck envelopes	53%
Require attendance at anti-union meetings	51%

Message Box

Us on Us	Them on Us
<p>The freedom of working people to organize unions and bargain for a better life builds America’s middle class. Its erosion has lowered living standards for all U.S. workers, Today more than half of all non-union workers would join a union if they could. But companies routinely intimidate and coerce workers to keep them from forming unions and bargaining for higher wages and better benefits. We need to fix this system so workers who want to form unions and bargain collectively can do so without interference from management. The future of our middle class depends on it. We cannot solve income inequality or create an economy that works for all unless working people have a free choice to join together for a better future.</p>	<p>Unions have bankrupted several industries by making them uncompetitive, and are no longer relevant in a global economy. The reason unions want to make it easier to unionize is because they are losing members and they want to collect more union dues. Doing away with the secret ballot would allow unions to coerce workers into joining against their will.</p>
Us on Them	Them on Them
<p>Who are these “defenders of democracy and workers’ rights” who oppose the Employee Free Choice Act? They are anti-union employers who want to keep the status quo and interfere with workers’ free choice to form unions. Many of the opponents of the Employee Free Choice Act also oppose raising the minimum wage and other worker protections. They don’t want their employees to bargain collectively for better wages and benefits because they don’t want to share the gains from rising productivity. They profit from economic inequality.</p>	<p>The right of workers <u>not</u> to join a union is just as important as their right to join a union. We must preserve the secret ballot, which is one of the hallmarks of American democracy, to ensure true freedom of choice.</p>

Additional Resources

<http://www.aflcio.org/joinaunion/>

<http://www.aflcio.org/joinaunion/voiceatwork/efca/>

www.americanrightsatwork.org

Human Rights Watch, *Unfair Advantage: Workers' Freedom of Association in the United States under International Human Rights Standards* (2000): <http://www.hrw.org/reports/2000/uslabor/>

Human Rights Watch, *Discounting Rights, Wal-Mart's Violation of U.S. Workers' Right to Freedom of Association* (2007): <http://hrw.org/reports/2007/us0507/>

House Education and Labor Committee, *Report on H.R. 800, The Employee Free Choice Act of 2007*: http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110_cong_reports&docid=f:hr023.110.pdf

Testimony from Senate and House hearings on the Employee Free Choice Act:

Cynthia Estlund:

http://www.aflcio.org/joinaunion/voiceatwork/efca/upload/EFCA_Estlund_20070327.pdf

Nancy Schiffer: <http://edworkforce.house.gov/testimony/020807NancySchiffertestimony.pdf>

AFL-CIO, *The Silent War*: http://www.aflcio.org/joinaunion/how/upload/vatw_issuebrief.pdf

Harley Shaiken, *Unions, the Economy and Employee Free Choice*, Economic Policy Institute (2007): <http://www.sharedprosperity.org/bp181/bp181.pdf>

Chirag Mehta and Nik Theodore, *Undermining the Right to Organize: Employer Behavior During Union Representation Campaigns*, American Rights at Work, (2005):

<http://www.araw.org/docUploads/UROCUEDcompressedfullreport%2Epdf>

Gordon Lafer, *Free and Fair?: How Labor Law Fails U.S. Democratic Election Standards*, American Rights at Work (2005): <http://araw.org/docUploads/LaferFactSheetFINAL%2Epdf>

John Logan, "Consultants, Lawyers, and the 'Union Free' Movement in the USA Since the 1970s," *Industrial Relations Journal*, vol. 3, no. 3 (2002):

<http://www.araw.org/docUploads/Logan%2DConsultants%2Epdf>

Wilma Liebman, "Decline and Disenchantment: Reflections on the Aging of the National Labor Relations Board," *Berkeley Journal of Employment and Labor Law*, vol. 28:2 (2007).

Endnotes

- ¹ Peter D. Hart Research Associates, “Employee Free Choice Act,” December 2006.
- ² AFL-CIO, “The Union Difference”: <http://www.aflcio.org/joinaunion/why/uniondifference/>
- ³ Peter D. Hart Research Associates, “Employee Free Choice Act,” December 2006.
- ⁴ AFL-CIO, “Employer Interference by the Numbers”:
<http://www.aflcio.org/joinaunion/how/employerinterference.cfm>
- ⁵ Peter D. Hart Research Associates, “Employee Free Choice Act,” December 2006.
- ⁶ Ibid.