The Challenge Facing U.S. Labor Unions

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From a difficult beginning in the early 1900s, labor unions in the United States eventually grew by mid-century to represent roughly a third of all American workers. But then a combination of factors caused union membership to drop to its present overall level of about 12.5%, with only 8.5% of the private-sector workforce belonging to a union.

Greg Saltzman, a labor analyst with Albion College in Michigan, says the decline in union membership can be traced in part to shifts in U.S. employment. "Since the end of World War Two," he says "there has been a shift toward the service sector. Historically, services were a less-unionized sector of the workforce. And so the union strongholds in things like manufacturing and mining are a smaller fraction of the economy."

Hastening the decline in union membership has been a loss of manufacturing and mining employment because of foreign competition and the so-called "offshoring" of U.S. factory jobs.

While unions have been united in their desire to reverse their declining membership rolls, they have not been in agreement as to how to accomplish that goal. Last month, three unions -- the Teamsters, the Service Employees International, and the United Food and Commercial Workers -- broke away from the major U.S labor umbrella group, the AFL - CIO, to form the "Change to Win Coalition." The three breakaway unions together have about 4.5 million members. Their departure leaves the AFL - CIO with only about 8.5 million members among 53 unions.

The "Change to Win Coalition" says the key to union viability and expansion is the wide-scale organizing of workers in factories and offices. For decades, the AFL - CIO has focused primarily on politics, funneling millions of dollars into political campaigns, mostly to candidates of the generally pro-labor Democratic Party.

Ken Goldstein, with a New York-based business and economic analysis group, The Conference Board, says the AFL - CIO has targeted specific laws in its political effort. "What's involved is legislation with respect to the minimum wage [and] laws about safety in the workplace," he says, adding "[But] that's secondary to whether or not the "Right to Work" laws would spread to states where they had not previously been. "Right to Work" means that if you get the job, you don't have to belong to a union, [and] that employers are not required to have a unionized workforce."

These "Right to Work" laws are found mainly in southern and western U.S. states. Unfortunately for unions, these are the states to where a major population migration has taken place during the past 50 years.

Meanwhile, analyst Kent Hughes at The Woodrow Wilson International Center for Scholars in Washington says that organized labor's political successes have come back to haunt it. "The union movement has been very much
involved in improving national standards for workers. So whether I’m unionized or not, I get the benefits, so I
don’t have to pay the union dues or be involved in a union. Also to some extent, the unions set a standard of
wages and benefits that other companies copied when they wanted to maintain the added flexibility of not having
a union."

While some companies use the latter tactic to defuse the desire to unionize, America’s number one U.S. retailer,
Wal-Mart, has vigorously opposed organized labor, even resorting to shutting down a store where workers
voted to unionize. That has made Wal-Mart the main target of the Service Employees International Union and its
"Change To Win Coalition" allies, which Cornell University's Richard Hurd says plan to fight back by organizing
the entire service sector of the economy.

"The coalition is really focused on taking on Wal-Mart and demonstrate to other employers and workers in the
service sector that an employer can't simply fight unions forever and fight their workers' ability to organize
forever. It will be quite a challenge, however, given Wal-Mart's resolve," he says.

Professor Hurd says that in addition to that resolve, U.S. labor laws give employers like Wal-Mart the ability to
respond aggressively without significant penalties in the face of labor organizing efforts.

But there's more to the service sector than retailing and other lower-skills employment such as janitors and
hospital workers. Analyst Kent Long at the University of California, Los Angeles points out a number of white-
collar jobs that could provide new growth for unions. "The areas," he says "where unions have historically been
weak are the professional employees [accountants, etc], among high-tech workers [and] among workers in the
banking and finance industry."

But the Conference Board's Ken Goldstein says it may take a major philosophical shift among such workers
before unionization can take hold. "Part of the barrier about being able to get into the office is to get individualistic
people to think that they need their brothers and sisters to get to where they need to go."

Another potential avenue for union growth is organizing America’s younger workers. Public opinion surveys
indicate that young people, who hold many service-sector jobs, tend to be more supportive of unions than those
in their parents' generation. But Cornell University's Richard Hurd cautions that it will be difficult to turn that
support into union membership.

"It has always been a challenge to organize this segment of the workforce, who have higher levels of job
turnover, who have less job experience, and therefore less leverage in terms of negotiating with employers."

Professor Hurd and many other labor analysts say that both the AFL - CIO and the breakaway "Change to Win
Coalition" are right in that it takes both strong organizing and relentless political action to help ensure a viable
future for the labor movement. While the present turmoil among labor groups has caused some to declare that the
days of strong unions are over, others disagree, citing the adage that competition is a vital element of success.

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