



## Dueling Federations: U.S. Labor in 2006

Richard W. Hurd<sup>1</sup>

- Seven unions with six million members formed the Change to Win federation in 2005, leaving the AFL-CIO with nine million members.
- Neither dire predictions of open warfare nor optimistic scenarios of immediate growth have proved accurate; union density is relatively stable, and the two federations are learning how to coexist peacefully.
- There has been a marked increase in strategic cooperation among national unions, most notably within the CTW, but also through AFL-CIO Industrial Coordinating Committees.
- The CTW is sponsoring a number of large-scale organizing campaigns, and several AFL-CIO unions have increased organizing expenditures substantially; to date the results have been modest.
- The two federations are cooperating for the 2006 Congressional elections with the AFL-CIO taking the lead.
- The best hope for the future is that the labor movement will ultimately benefit from competing models for growth.

### Background

Labor unity in the U.S. lasted exactly half a century. At the convention to celebrate the fiftieth anniversary of the 1955 merger of the American Federation of Labor with the Congress of Industrial Organizations, bitterness and rebellion swept away plans of

celebration. On the eve of the August 2005 event in Chicago, seven major unions announced that they would break away from the AFL-CIO. Six weeks later they formally established the Change to Win federation, spawning both proclamations of labor's

rebirth and simultaneous warnings of the movement's destruction.

Ten years before the rupture John Sweeney had headed a challenge to the entrenched leadership of the AFL-CIO. He was elected President of the federation in 1995 on a platform that emphasized structural change and identified organizing as the top priority. His victory generated an extraordinary level of enthusiasm among progressive unionists and their allies in academic and political circles. With Sweeney at the helm and his union the SEIU (service employees) leading the way, it seemed that organized labor was poised for a remarkable reversal of fortunes.

But Sweeney's efforts to reorient the AFL-CIO's seventy national unions were unsuccessful, and the election of the arch conservative George W. Bush as President of the U.S. in 2000 deepened labor's woes. With union density continuing to decline at the same rate as before 1995, opposition to Sweeney emerged, ironically led by Andy Stern who succeeded him as President of SEIU. In the summer of 2003 Stern joined with four other union presidents to form the New Unity Partnership (NUP), which originally pushed for change within the AFL-CIO. This loose-knit group embraced a framework for reform that echoed Sweeney's earlier cry for increased resources devoted to organizing. The NUP also proposed restructuring through mergers designed to promote consolidation based on industry in order to enhance bargaining power.

The proposals stimulated debate, but serious consideration of reform was postponed so that all of labor could join forces in an effort to replace George Bush as President. When the political effort fell short and Bush was reelected in November, 2004, the NUP unions immediately went on the offensive. Most notably, the SEIU released a refined restructuring plan that would give the AFL-CIO authority to force mergers, reducing the number of unions from seventy to no more than twenty, each with a clearly defined

industrial jurisdiction. The proposal also set mandatory targets for the organizing expenditures of the AFL-CIO affiliates. At this juncture the NUP unions were joined by three others, most notably the Teamsters; shortly thereafter they adopted a new name, the Change to Win coalition (CTW). Throughout the first half of 2005 the CTW unions not only pushed their restructuring agenda, but also called for ousting of John Sweeney as AFL-CIO President.

The reform proposals were dismissed as insulting by labor leaders who embraced the tradition of national union autonomy on strategic issues related to bargaining, organizing, and internal governance. It was not just traditionalists who were angry; several national leaders widely respected for their progressive views and support for innovation also attacked the plan. These union officials endorsed the importance of allocating substantial resources to organizing but rejected the overall reform agenda, arguing for the necessity to devote equal attention to political initiatives. They also attacked the restructuring idea as top-down engineering that would undermine union democracy. It became clear weeks in advance of the 2005 AFL-CIO convention that John Sweeney retained enough support to win on any key votes and to be reelected. When the CTW realized that its reform proposals would be defeated, its key members announced that they would withdraw from the AFL-CIO. On September 27, 2005, the new Change to Win federation held its founding convention in St. Louis.

### **Contrasting Expectations**

In the aftermath of the formal split, there was great distress among the unions that retained allegiance to the AFL-CIO. The leaders of the CTW unions were described as arrogant and self-serving and were denounced for undermining union solidarity. There were dire warnings of raids by CTW unions to steal members from AFL-CIO affiliates, and deep concern that the movement would

be divided at the state and local level undermining mutual support and cooperation on political campaigns. More practically, the departure of unions accounting for approximately one-third of the AFL-CIO's membership forced budget cuts that affected all aspects of the federation's operation.

While the AFL-CIO scrambled to reorganize and refocus, the CTW unions began to develop a coordinated strategy to pursue a growth agenda. At its founding convention, the new federation selected Anna Burger of SEIU as Chair and Edgar Romney of UNITE-HERE (needletrades and hotels) as Vice Chair. Burger became the first woman to lead a U.S. labor federation, and Romney became the first African American to serve at such a high level of federation leadership.

The CTW unions projected a determined optimism. They argued that by shifting substantial resources to organizing, conducting joint campaigns where appropriate, and promoting strategic support among members of the coalition, CTW would pave the way for growth. The CTW unions pronounced their intent to target for organizing only those industries that cannot export jobs, primarily in the service sector, transportation, and construction. They declared that they had no desire to fight with the AFL-CIO and would be content to build power in those industries already within their core jurisdictions. Also, the key leaders of CTW publicly voiced opposition to raiding.

After a relatively brief period of acrimony, the two federations negotiated an agreement that allows locals of CTW unions to apply for "solidarity charters." The charters assure that the locals will have full rights of participation in municipal labor councils and state labor federations affiliated with the AFL-CIO.

### **AFL-CIO Strategy 2006**

A year after the split, it is clear that the AFL-CIO has deemphasized its role in the

organizing arena. Organizing is still a priority, but national unions control all funding and strategic decisions. In his Labor Day press conference John Sweeney announced that four key affiliates have increased their organizing budget by a total of \$100 million. Meanwhile, the AFL-CIO itself has reasonably decided to concentrate primarily on political action. A centerpiece of the political effort is its Voice@Work campaign for labor law reform, which promotes the long-term objectives embodied in proposed federal legislation. The Employee Free Choice Act would establish union certification based on signed authorization cards, provide for arbitration in bargaining for first contracts, and increase penalties for employer unfair labor practices violations. As of October 1, 2006, the bill has been endorsed by 260 members of Congress — a majority of those in the House of Representatives and close to half of those in the Senate.

The federation also has initiated an associate membership program, Working America, to establish a communication link to workers who support labor's political philosophy but who are not currently union members. Working America was created in the leadup to the 2004 election and currently claims nearly 1.5 million subscribers. Like Voice@Work, this project is directly integral to the federation's political program. The most impressive aspect of the AFL-CIO's leadership role in the political arena is its remarkable effort to influence the 2006 election. In spite of the defection of the CTW unions, the AFL-CIO has managed to allocate \$40 million to mobilization for the 2006 campaign, up approximately one-third from its expenditures in the most recent midterm election four years ago. By all indications, the effort in the field has not been adversely affected. In fact, the CTW has agreed to cooperate with the AFL-CIO, and the more established federation retains its role as leader of labor's political action program.

In addition to politics, another key initiative of the AFL-CIO is the formation of Industry Coordinating Committees (ICC). The ICCs are designed to coordinate bargaining and organizing activities among unions with substantial membership in a particular industry. The idea originally was suggested during the fight with CTW as an alternative to mandatory mergers. There are currently three ICCs in operation, with more on the drawing board. The first ICC was formed in October 2005, bringing together unions in the arts, entertainment, media, and information industries. The other ICCs are for unions representing nurses (RNs Working Together), and for unions of state and local government employees. Although it is too early to assess the impact of ICCs, they have provided a venue for strategic coordination and cross-fertilization thereby strengthening ties among AFL-CIO affiliates. The most important aspects of the state and local government ICC's agenda is a targeted campaign to expand bargaining rights for public employees in states that do not have comprehensive labor laws. This effort dovetails with the AFL-CIO's political program.

### **CTW Strategy 2006**

CTW unions subscribe to a growth agenda based on organizing. They embrace an approach that includes reallocation of resources on a grand scale away from other union activities and to recruitment. The participating unions have agreed that 75 percent of the CTW budget should be devoted to organizing, and that each affiliate will maximize resources for organizing. Each union accepts responsibility for organizing in its own industry. The primary role of CTW is to sponsor joint campaigns by pairs of affiliated unions, and to initiate new campaigns that are too big for a single union.

Current joint campaigns include SEIU and the Teamsters who are partnering to recruit school bus drivers, SEIU with UNITE-HERE in general service contracting, and the Teamsters with UNITE-HERE in industrial laundries. In addition, UFCW (food and

commercial) and UNITE-HERE will jointly coordinate certain retail organizing campaigns, and LIUNA (laborers) and UBC (carpenters) will work together on major construction industry organizing. The best example of a campaign that is too large for any one union is Wake Up WalMart, a public awareness campaign to highlight the leading retailer's excesses.

The overriding strategy is to target for organizing activity only those industries that will remain in the U.S., primarily in health care, hospitality, retail, building services, transportation, and construction. In order to promote full cooperation, the presidents of the unions hold bi-weekly conference calls and monthly meetings. In addition, the unions' organizing directors, campaign directors, and political directors meet regularly to share strategic plans and seek input on campaign planning. There is a high degree of energy, commitment, and excitement about working together to build market power through aggressive organizing. Although organizing is the top priority, the unions also support each other on major bargaining campaigns.

The CTW is also looking to build global partnerships with unions in other countries in support of organizing where a key employer is a multinational corporation. Andy Stern has established an informal global organizing alliance that includes key union leaders from at least a dozen countries. Several CTW campaigns have global connections, including the school bus drivers' campaign which is targeting a British company and a UFCW/UNITE-HERE retail, apparel, and distribution initiative.

There is consensus among CTW leaders that political action will pay dividends in the short term only if tied directly to strategic leverage to support specific campaigns or pave the way for organizing. Although participating alongside the AFL-CIO nationally for the 2006 elections, the CTW is running its own field operations in Michigan, Ohio, and

Pennsylvania in the hopes of electing labor-friendly governors.

For now the CTW denies any interest in adding new unions to the federation. Any prospective member will have to embrace the CTW organizing commitment, accept its strategic campaign focus, and limit its activities to assigned jurisdictions. The depth of strategic coordination that appears to be emerging from the CTW is atypical and has not been seen in the U.S. since the early years of the CIO in the late 1930s.

### **The Potential for Revitalization with a Divided Labor Movement**

Strategically the CTW framework for growth appears to hold promise, and the AFL-CIO is making progress in creating a new identity and sense of purpose among its affiliates. The best hope for immediate success lies with CTW-coordinated organizing campaigns. Hotel Workers Rising, an effort sponsored by CTW and coordinated by UNITE-HERE, has secured neutrality agreements from Hilton Hotels and other major corporations in the industry, and the union appears poised for substantial growth. If other CTW campaigns achieve similar results, the new federation will begin to gain momentum. Ideally this would stimulate unions in the AFL-CIO to rally behind alternative models for growth that are compelling and are pursued with clarity and unity of purpose. Perhaps consensus could be reached to embrace a competing model based on a re-energized application of political unionism, or one that constructs a modern-day interpretation of occupational unionism.

The AFL-CIO unions have moved beyond their initial distress with the split, and now need to build positive momentum that speaks to workers not attracted to the CTW industrial/sectoral framework. Public sector workers would likely prefer some form of political unionism, while the expanding professional and technical workforce would be a

natural fit with occupational unionism. Recognizing the potential, the AFL-CIO Department for Professional Employees has initiated strategic dialogue among its affiliates and through this process is exploring alternatives to traditional collective bargaining, as well as political options for addressing the workplace concerns of the growing contingent white collar workforce. Ultimately, the future of the U.S. labor movement will depend not only on the CTW's fortunes but also on the ability of other unions to adapt to the 21<sup>st</sup> century with their own growth agenda. Ironically, it may be competition between the two federations that creates the dynamic energy required to spur union revitalization.

Unfortunately, the future path is not clear and there are numerous obstacles to resurgence. Globalization, the hostile political environment that will surely continue well beyond the Bush presidency, and the broad neoliberal policies embraced by both U.S. political parties will combine to thwart many union initiatives. The AFL-CIO has taken some initial steps to openly challenge the neoliberal agenda, and this needs to continue if labor hopes to push the Democratic Party to the left. Inside of the labor movement there is still some danger that competition between the federations will degenerate into open warfare with raiding and, even more likely, an inability to coordinate strategy across the chasm. Finally, there is no evidence that the CTW growth agenda can succeed, since even those unions within the new federation that have been devoting substantive resources to organizing for over a decade (SEIU and UNITE-HERE) have had only modest success at increasing density in core jurisdictions. The newcomers to the strategic organizing framework, especially the Teamsters and the UFCW, need to go through a difficult period of radical organizational change in order to build the foundation for long-term growth.

In spite of the pitfalls, the current controversy has at least stirred unions into action. The U.S. labor movement continues to face the

real possibility of irrelevancy and even extinction. Given their former strength, it may be surprising that the American unions have to fear for their futures. However, the globalized economy and anti-union policies have significantly contributed to the crisis of the unions in the U.S.<sup>2</sup> The share of the private sector work force that is unionized fell from more than 20 percent in 1980 to less than 8 percent in 2005. Additionally, the unions that continue to exist have far less power due to changed tactics by employers, who can fire the leaders of organizing drives more easily. Radical transformation is crucial for labor movement revival and, with the CTW serving as catalyst (or antagonist depending on your perspective), there is finally the possibility that unions will find a way to adapt and ultimately will create strategic approaches that deliver voice, power, and leverage in the context of the evolving global economy.

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<sup>1</sup> Richard W. Hurd is Professor of Industrial and Labor Relations at Cornell University.

<sup>2</sup> See also Baker, Dean, "Increasing Inequality in the United States", Fokus Amerika 5, 2006: Friedrich Ebert Foundation