

CLIENT ALERT

Cracks In The AFL-CIO Federation: Impact On Employers

Aug.05.2005

To date, three major U.S. labor unions have disaffiliated from membership in the AFL-CIO. The Teamsters, the Service Employees International Union (SEIU) and the United Food and Commercial Workers (UFCW), each of which announced their departure from the AFL-CIO at last month's convention in Chicago, are among the founders of a new labor union federation called the "Change to Win Coalition," which claims to represent more than 7 million workers. Much of the press coverage of this development has centered on the short-term political implications of the split, and the likely impact on the Democratic Party.

The split may also result in significant changes in the strategy and tactics used by labor unions, irrespective of whether they remain in the AFL-CIO. These changes will present new challenges for employers. Although it's too soon to know the full extent of these challenges, a few predictions can be made.

1. Employers would be prudent to ignore the pundits who have predicted the imminent end of the labor union movement. Union leaders, both within and outside the AFL-CIO, are both smart and committed individuals. Both the traditionalists and the defectors recognize that organized labor needs to make significant changes, particularly in their approach to organizing new workers.
2. Employers in some industries are likely to experience an increase in raiding activity. The members of the Change to Win Coalition will not be shy in going after bargaining units represented by some of the smaller, perhaps less aggressive unions that have remained in the AFL-CIO. Having left the federation, the defectors are no longer bound by the "no raid" agreements implemented over the last few years.
3. Jurisdictional disputes are likely to increase as well, complicating life for employers in the construction industry and elsewhere.
4. Members of the Change to Win Coalition will continue to be aggressive in their organizing efforts, including increasingly creative use of corporate campaigns tactics. The defectors, after all, need to show their mettle. Those of us with experience in corporate campaigns mounted by the SEIU and other unions know that these disputes can be very challenging.
5. There's little doubt that the AFL-CIO will have to step up its organizing efforts in response to the defectors' decision. Since the convention, the federation has already announced ambitious plans to organize technical, professional and other white collar employees.
6. Look for increased organizing efforts directed at employers that can not easily move jobs.

7. Employers should expect more organizing campaigns modeled on the SEIU's "justice for janitors" campaign, in which a union will attempt to organize an industry in a series of geographic markets rather than through traditional organizing efforts.
8. Unionized employers in many industries should expect renewed demands for card-check and neutrality agreements.
9. To leverage their financial resources, we will probably see continued, widely-publicized pressure on some of the country's biggest "household name" non-union employers. Both the traditionalists and the defectors have their "most wanted" lists.
10. Finally, expect the unexpected. One would imagine that the defectors will be aggressive in launching new organizing initiatives in order to better justify their decision to disaffiliate.

It's been said we live in interesting times. One should expect labor relations to be particularly interesting over the next several years.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

Thomas P. Gies

Partner – Washington, D.C.

Phone: +1 202.624.2690

Email: tgies@crowell.com