Hope in retreat: Obama and the US working class

Andy Yorke Tue, 10/11/2009 - 23:00

Barack Obama was elected president under the slogan “sweeping change”. He spoke about the need for healthcare reform to cover everyone, a bill of trade union rights, and a “New Green Deal” to create jobs, protect the environment and “get America back on its feet”. Andy Yorke looks at Obama’s relationship to the unions and how the workers’ leaders have so far failed to fight to hold him to these promises.

Obama supporters in the Democratic Party control the White House, he has a big majority in the House of Representatives and a filibuster-proof position in the Senate. This overwhelming position of power was won with the votes of the working class of the USA – white, black, latino and so on. The unions handed over millions of dollars to help Obama into power because they believed that he would carry out reforms to the benefit of the workers, poor and unemployed.

American workers have good reasons to want radical change. Bosses’ obstruction and busting of trade unions and the failure to organise most American workers have seen a decline in union membership from a high point of 32.5 per cent in 1953 to the current 12.4 per cent, with density in the private sector at a historic low of 7.6 percent. Frustration at decades of falling real wages, declining living standards, increasing inequality and racism has turned to rage as recession hits and the millionaire bankers responsible are bailed out, while the jobs and homes of millions are under threat. It was this workers’ anger that secured Obama the vote to win a historic victory.

However, Obama’s pursuit of his reforms have run into rough water, with big business and the Republican Party right mobilising to gut his union rights and healthcare bills. While his forced bankruptcies of GM and Chrysler have dealt a bodyblow to the autoworkers’ union, one of the historic bastions of American trade unionism. At the same time the crisis has highlighted the wider failures of both federations, Change to Win and the AFL-CIO, since their 2005 split, in particular the bureaucratic model of union organising they hold in common.

Out of this wreckage of workers homes, jobs, hopes and the union movement itself, a resistance is growing. Fiercely fought splits and reform movements in the West Coast healthcare unions have raised the prospect of a national revolt against the bureaucracy, while a brushfire of hard-fought local strikes in smaller factories and companies stubbornly pushes ahead in the background.

An historic crisis, an historic presidency? what are the challenges facing the working class in building a mass resistance to the crisis under Obama, and lay the ground for an historic breakthrough in the years ahead?

Employee Free Choice Act

The Employee Free Choice Act (EFCA) has provisions that would help protect workers and activists that are trying to win union recognition. The current process is long, drawn out and gives bosses free reign to victimise activists and defeat a ballot for recognition. The current bill would allow a “card check” route to
union recognition where all that is needed is a simple majority of workers signing up to the union.5 This practice already has some success in the past 20 years. An attempt at passing the bill fell in 2007 in the Senate; union officials from AFL-CIO President John J Sweeney on downwards said HFCA should be the top priority for the new administration.

Opposing the EFCA are 500 business and right-wing organisations in the Coalition for a Democratic Workplace,6 which has committed $200 million to stop what they say would be an ?Armageddon?.7 In addition, last year, the US Chamber of Commerce and other corporate groups spent $50 million lobbying against the bill.

The Democrats revealed themselves to be treacherous ?friends of Labor? in the face of such rich anti-union groups. In April, two key Democratic senators from Arkansas, Mark Pryor and Blanche Lincoln, along with Arlen Specter, the Pennsylvania Republican who had originally sponsored the bill (and who has since joined the Democrats), caved in to business pressure and said they would not support the bill. The following month Obama backtracked: ?I think that there may be areas of compromise to get this bill done. I?m supportive of it, but there aren?t enough votes right now in the Senate to get it passed.?8

On 16 July it was leaked to the press that some Democrat Senators ?friendly to labour? told union officials they were dropping the central ?card check? provision due to opposition from?other Democrats! It was soon clear that top union officials were not surprised or angry. Only hours after the announcement, Democrat officials leaked: ?union leaders are willing to drop the politically volatile card check plan to win over wavering Senate Democrats.?9 Sam Stein of the Huffington Post said that the union leaders put up little resistance. ?Instead, talk of compromise began almost immediately.?10 Union bureaucrats are now talking to rightwing Democrats about various ?card check lite?. One unnamed high-up bureaucrat personified this relaxed attitude: ?Even if card check is jettisoned to political realities, I don?t think people should be despondent over that because labor law reform can take different shapes.?11

If the bill passed it would still include other reforms such as greater fines on employers violating workers? legal rights to organise, and binding arbitration on companies that refuse to sign contracts with a newly recognised union. But the US Chamber of Commerce has said it is ?adamantly opposed? to binding arbitration. How many concessions will union leaders make to the Democrats to get the bill through? Clearly, union activists need to take this campaign for a basic democratic right out of the hands of the $100k a year officials, all too keen to strike a rotten compromise with the White House, and develop a grassroots network to defend the existing bill and fight to see the original card check measure restored.

Health for all?
It is a public scandal that 47 million Americans are without health insurance in the richest country in the world. The average premium to cover a family costs $3,354 a year, which has risen three times the rate of wages.12 The high costs of hospital care, medicine, and the swindles of the medical insurers? small print ? where they refuse pay out or coverage for expansive treatments ? all this has put healthcare at the centre of workers? demands for reform. But even before the election Obama was trying to deflate expectations, promising only ?steps toward? universal health coverage and hinting that the crisis might not allow very radical changes.13

At Obama?s first White House Forum on Health Reform (WHF) on 5 March, he said: ?The cost of health care now causes a bankruptcy in America every thirty seconds. By the end of the year it could cause 1.5 million Americans to lose their homes.?14 In addition sections of US business are concerned because healthcare benefits are expensive, while for big healthcare companies and insurers healthcare reform could be a huge boost to profits. Sure enough, the WHF was stuffed with big business groups and lobbies like the drugs companies? PhRMA and the health insurance industry?s AHIP, responsible for torpedoing
Wealthy Republican politicians rejoiced at being included, arguing that everyone had to give a little.

This participation is more than just Obama consensus-building, it is payback. The health companies saw the writing on the wall and in a historic shift backed the Democrats over the Republicans in the 2008 elections both to push for more federal funding and have a say in minimising regulations. They want to ensure healthcare reform is a profits bonanza for them while benefits blocking the road to free, public provision of healthcare. Early on, Obama’s free-market Director of the Office of Management and Budget, Peter Orszag, made clear the other limits to reform: the Administration is committed to a health care reform that is at least deficit neutral over 10-years and deficit-reducing, potentially to quite a significant degree, over the longer term.

Obama has emphasized the need to cut costs in any reform. If people think that we can simply take everybody who’s not insured and load them up in a system where costs are out of control, it’s not going to happen. We’ve got to balance heart and head as we move this process forward. The Democrats are now moving towards the Massachusetts model that forces individuals to take out insurance whether they can afford it or not, or face a fine! Premiums have risen in Massachusetts faster than nationally as businesses pass on the costs.

Many unions and city labour councils are campaigning for something different: universal single payer health care based on extending Medicare, the most comprehensive public health care in the US, which is available only to those over 65. The campaigns support bill HR 676, which would introduce a publicly funded health care scheme but allow not-for-profit and private companies to take part. So far, 22 national unions have signed up including the car workers’ union UAW, the longshoremen in the ILWU, the machinists (IAM), communication workers (CWA), along with another 572 city labour councils and state level union organisations.

Yet even this alternative has proved too radical for many in the union bureaucracy. The main national campaign, Health Care for America Now! (HCAN), has the support of the AFL-CIO along with 190 members of Congress. The huge Service Employees International Union (SEIU), the power behind the Change to Win (CTW) trade union coalition, is signed up to both campaigns. HCAN favours a limited public option that would see a choice of state or private provider, with the state providing massive funding to private insurers and providers. In July the two main union federations, AFL-CIO and Change to Win, supported the Democrat’s HELP bill, which incorporates HCAN, but spends less (from a projected £1 trillion to $600 billion over 10 years) and leaves about 10 million people uninsured.

The Republican right still fought back despite the watered down pledges and involvement of the private sector. In August it mobilised town meetings and protests against any socialist health reform, with ex-vice presidential candidate Sara Palin claiming death panels of bureaucrats would determine who would live and who would die. The hypocrisy of this was truly astounding as it stands, many Americans die because they do not have insurance and cannot afford the private fees. The distortions and double-standards were exposed when, at the same time, a charity setting up in a sports stadium in Inglewood, California to offer free healthcare to thousands of the working poor for a week saw thousands lined up everyday, bringing their children and with many sleeping overnight in their cars. It is this layer of the population, the working poor and those thrown out of work by the crisis, that desperately needs free quality healthcare, but the union leaders have failed to mobilize such people in a campaign of protests and national demonstrations, much less strikes, that would rouse workers and bring them into the fight, like the May 2006 Day without Immigrants’ strike.

Instead the AFL-CIO tops stuck to behind the scenes discussions and the occasional vigil and rally, often
pushed by locals and the left. The lack of any strong Democrat response to these outrageous attacks has led polls to find about half or less of those polled in favour of reform, showing rising confusion and falling support for Obama and his proposals.

The lack of campaigning is not an exception, the AFL-CIO and CTW routinely put more efforts into electing the Democrats than fighting them. This election cycle was no exception, as one commentator noted: ?? Once [Obama] was elected, labor leaders made a fateful decision. Originally, they had planned to keep in place their extensive network of field organizers, who had just worked to elect Democratic candidates, and ask them to build pressure on lawmakers to vote for card check. Instead, they changed course. The labor groups scaled back, partly to give Obama time to get his bearings amid the deepening economic crisis. Business groups, meanwhile, had started work well before the election and did not stop.?

The result has been union leaders began demanding publicly funded healthcare but then conceded more and more to the bosses and Democrats. For example, leaders of the Teamsters union originally warned that unions would not support a health care bill that lacks a government-backed insurance plan with Teamsters for health care now: backing a public plan option, ?which will compete with private insurance companies, with the goal of forcing them to keep their costs reasonable.? But by September, the union?s key leader James Hoffa was saying on TV ?the absence of a public option is ?not a deal-killer?We?ve got to find out what?s doable. I think it?s important to get something done this time and declare a victory.? The SEIU?s Dennis Rivera said that unions would have to be flexible: ?Politics is the art of the possible,? he said, adding that Mr. Obama?s ?heart is in the right place.?22

Now the usual law-making process, where different committees in the House and Senate produce different bills to be composited on the lowest common denominator and carve out proposals opposed by business, is in full swing. The process looks to be converging on the major bill developed by Bill Baucus, Democratic chairman of the Senate Finance Committee. This Democrat-stuffed committee stuffed vetoed public option amendments to the Baucus bill on 29 September. Meanwhile, of the five bills in total moving through Congress, most would require minimum standards of healthcare provision and get rid of the worst abuses of the giant insurers. However all five bills moving through Congress require all but the poorest to buy health insurance or pay fines. Some versions exempt businesses with under 50 employees and make those over this threshold merely reimburse the government for some of their workers? healthcare costs! Millions will remain uncovered.

Given the history of the Democratic Party, the fact that it is fundamentally a party of capital not the workers, it is not surprising that they have made so many concessions to the bosses on these key workers? demands. They have got away with it is because of the failings of the union bureaucracy to fight for the interests of workers. It is this strategy ? part and parcel of the business unionism, which seeks compromise with capital and a loyal relationship with the Democrats ? that has led these opportunities for improved health care and union rights being frittered away.

**Unions and the car company bailouts**

The ?Big Three? major US car manufacturers ? General Motors (GM), Ford and Chrysler ? have been at the centre of US capitalism since the Second World War. Alongside this, the United Automobile Workers union (UAW), one of the strongest in the AFL-CIO, has been at the heart of the historic accord between US bosses and the union bureaucracy that for the period of the post war boom won increases to wages and
conditions, especially in company-funded health-care, that was the benchmark for the rest of industry for decades.

But since the 1970s, there has been a long-term crisis in the car industry, based around Detroit. The rapid growth of principally Japanese but also South Korean and latterly Eastern Europe, leaner and more competitive producers have increased world supply and squeezed US car companies. The result has been overproduction in US car industry with their large unwieldy and not very profitable multinationals. In 2008, General Motors and Ford ranked sixth and seventh in terms of revenue among the US?s top 500 companies but only 497 and 493 in terms of profit.25 This huge unbalance meant that the capitalists had to cut costs ? i.e. slash jobs ? to survive.

The policy of the UAW for years has been to collaborate with management in cutting wages, benefits and jobs in order manage the decline. The Chrysler bailout of 1979, based on UAW tops agreeing massive concessions and givebacks as part of the deal, marked a turning point in union strategy. But the policy of givebacks has also seen membership of the UAW fall by two-thirds to 557,000 in 2005 from its peak of 1.5 million in 1979. In 2007 the UAW?s Ron Gettelfinger, after a short strike at GM, agreed to the company abandoning its pension healthcare liabilities, passing these to a ?Voluntary Employee Beneficial Association? (VEBA) managed by the union. In effect the union participated in the dismantling of the company?s healthcare system. This was coupled with a commitment to allow the rapid development of a two-tier workforce, with new hired workers on worse wages and conditions comparable to Japanese factories in the US. The new concessions were rolled out to Ford and Chrysler, freeing US auto bosses to race to the bottom to compete with their Japanese rivals that operate non-union plants in the USA. The Wall Street Journal crowed ?Toyota Motor Corp, not GM or the UAW, now sets the bar for labor costs in the US auto industry?.26 Angry UAW activists called Veba by its real name: ?Vandalizing Employee Benefits Again?.27 The result was a bloodbath of 100,000 jobs lost in the car industry from the Big Three and their suppliers, with UAW membership falling even further to 431,000 by the close of 2008.28

These attacks were a new departure for the UAW?s business unionism29, turning it into a manager of healthcare. But the Veba?s are underfunded, backed by falling car company shares, and likely to go into crisis in the near future. The world recession sparked an even greater crisis in the three big car companies. There was a collapse in car sales: 2008 sales for the top six US and Japanese firms fell 18% to 13.2 million vehicles sold; Chrysler?s sales fell 53 percent in December 2008 compared with a year earlier;30 GM, the biggest auto producer in the US and until recently the world, was hit hardest, with $30.9 billion in losses in 2008.31

Car bosses went cap-in-hand to Washington to beg for bailouts, while threatening more job cuts and plant closures. Finally, on 19 December 2008 the Bush administration agreed a $17.4 billion loan ($13.4 billion GM, $4 billion Chrysler) as cash reserves of GM shrank to below their operating costs, threatening imminent bankruptcy. The Bush administration demanded, as a condition of its loan packages, sweeping cuts. Key to the government?s success was the UAW?s willingness to make concession. A meeting of the UAW leaders at Ford, GM and Chrysler on 3 December agreed: ?We?ll sacrifice to help U.S. auto industry?, by allowing companies to delay VEBA payments and suspend the ?jobs bank? programme that forces car companies to pay wages to those laid off. Gettelfinger said union leaders ?were well aware of the number of workers who are impacted. However, we think that it?s a responsible thing for us to do.? He promised further ?modifications? to the rotten 2007 contract to favour the bosses.32

When Obama came to office he forced out GM?s chair Rick Wagoner and on 30 March rejected both companies? reorganisation plans as not going far enough. Obama threatened that after 60 days the government would cut off the credit lifeline unless GM slashed brands, sold off divisions, and forced
deeper concessions out of its bondholders and crucially the union. The UAW officials caved in, and GM, under government pressure, was declared itself bankrupt on 1 June.

GM agreed to eliminate 21,000 factory jobs, close 13 plants, halve its network of 6,500 dealers and delete its Pontiac division. This government operation, working via the courts and using an obscure bankruptcy law imposed over the complaints of bondholders and the bankers that lost out was speedily completed in 40 days. GM’s most valuable assets, such as the Chevrolet and Cadillac brands, would be hived off into a new company the Vehicle Acquisition Company. This was controlled by the US government with a 60 per cent stake, the UAW’s VEBA and a 12 per cent stake held by the Canadian government. The company will be privatised under its old General Motors name as soon as possible, while GM’s current CEO Fritz Henderson is to stay in place while Obama appoints other directors from corporate America.

Chrysler was particularly focused on producing gas guzzling SUVs and pick-ups. So Obama’s task force decided it was unviable and forced Chrysler first to merge with Italian company Fiat and then into bankruptcy on 30 April to consolidate restructuring. Key to the deal was the UAW signing up not just to cuts but also to financially support the deal with a 55 per cent majority stake in Chrysler via its VEBA trust. The government pushed aside legal constraints and investors to save the USA’s big industrial monopolies:

?Obama administration officials say the legal community need not expect a wholesale shift in bankruptcy law. The GM and Chrysler cases were unique situations, they note, in which the president wanted to make sure that a crucial American industry survived.?35

If either the Chrysler or GM deals fail, the UAW members will be footing the bill with the destruction of their pensions and healthcare. Part of the deal, besides job cuts and plant closures, was to accept stock from GM, Ford and Chrysler in lieu of the payments into the Vebas required of them, potentially jeopardizing these benefits even more. They will certainly pay with their jobs. By the time the restructuring is finished in 2011, GM expects to have only 38,000 union workers, compared to 61,000 in early 2009, and 31 factories left in the United States out of a current 47.36 What a fall, from 395,000 workers in more than 150 plants at its peak employment in 1970!37 Despite Ford avoiding bankruptcy, similar cutbacks and dilution of VEBA contributions are required to avoid government ?help?.

The UAW bureaucracy’s business unionism has reached its absurd but logical goal: actually owning the business. But the price of its agreeing to job losses, benefit cuts and worthless shares is ownership with no control. According to Herman Rosenfeld in June’s Monthly Review, the new Chrysler board will have members from Fiat (with a 35 per cent stake) and one from the UAW’s VEBA, which does not even have any independent voting rights despite a 55 per cent stake!38

Obama tried to sell his bankruptcy plan and cuts to car workers on 1 June: ?We saw 400,000 jobs lost in the auto industry in the year before this restructuring even began. I will not pretend the hard times are over. Difficult days lie ahead. More jobs will be lost. More plants will close. More dealerships will shut their doors, and so will many parts suppliers. But I want you to know that what you’re doing is making a sacrifice for the next generation?so that your children and all of our children can grow up in an America that still makes things; that still builds cars; that still strives for a better future.?39

More than 50 UAW activists and supporters sent a letter to Obama arguing that the barriers to transforming the auto sector now that we the people are major stockholders? into an industrial base for green transport and energy were not technical, but political?: ?We know this is not a pipe dream because it was at the start of US involvement in World War II that a massive conversion of existing auto plants for wartime production was completed in just eight months.? The Obama plan makes it clear that the liberal
capitalists supporting him are the real problem to taking such an obvious direction, not the ?technical? constraints.40

Obama?s success in getting the UAW to sign up to ? and fund ? the restructuring of GM and Chrysler represents a strategic defeat for car workers. More than 100,000 union jobs have gone and company-provided healthcare and pensions have been traded for useless shares to bail out the bosses. It can only deepen the trend for declining unionisation in US manufacturing, which stands at 11.4 per cent.41

Even despite the US government?s fat subsidy for the car industry, the $1 billion cash-for-clunkers scheme that saw car sales rise 1.3 per cent from August 2008 (and 26 per cent from July 2009), Chrysler sales continued to fall 15 per cent and GM?s by 20 per cent.42 Despite a temporary and unsustainable boost from government programmes like this one, the car market might not pick up till 2012 globally according to one study: ?At stake is the profitability of all the automakers in the world, and the survival of many of them, as depressed volumes continue to generate large, unsustainable losses.?43 This points to a bitter future, of constant demands for more sacrifice, if car workers do not immediately regroup at the grassroots and launch a rank and file challenge to the avalanche of cuts speeding toward them.

The car industry crisis however could have had a different result. It would have meant UAW workers challenging the logic of ?sacrifice? and business unionism, fighting for a mass strike in the car industry, building rank and file groups to challenge the leaders sell-outs and fighting to nationalise the companies. Obama?s nationalisation was on a capitalist basis, slashing costs, sacking workers and creating new streamlined companies to be sold later for a profit. Socialist nationalisation doesn?t compensate the bosses? for seizing their industries, it means opening up the books to see where all the money has gone, using surpluses to invest in staff and products that society needs. If there wasn?t demand for cars then, as the UAW activists pointed out to Obama, the car industry could have been transformed into green or other social production. The scale of the disaster presented an opportunity for unions to challenge the capitalist nature of the crisis with working class solutions such as workers control and planning. But that needs a different leadership to that of the existing trade unions.

Divisions among the trade union leaders
Since 2005, the US trade unions have been split into two federations, the traditional AFL-CIO and the breakaway, SEIU-led Change to Win federation, which also includes the Teamsters, United Food and Commercial Workers. The SEIU has been one of the few unions growing, famous for its ?organising model? launched in its ?Justice for Janitors? campaign in the 1990s. This growth is primarily a product of the strategic focus on service sectors that are insulated from international export markets ? janitors, hospital workers, security guards, hotel and casino staff ? and merging smaller unions that compete in the same sector into a larger entity better able to control the labour market and force the employers to negotiate.

The organising model pioneered in the SEIU promised growth but still maintained bureaucratic control, even intensifying it. Campaigns like Justice for Janitors relied on an apparatus of professional campaign managers and organisers, top-down unionisation campaigns, and limited mobilisations of members for high profile actions aimed at getting publicity and breaking employer resistance where necessary. The final outcome is branches with little democracy or member participation, increasingly amalgamated into huge ?locals? that sometimes stretch across state lines. There are two equally important sides to the SEIU?s model, the much-hailed ?organising? and the less acknowledged ?partnership?, where the union builds membership and uses this as a bargaining chip, obtaining recognition and collective agreements through making concessions, which then results in workers? wages and conditions stagnating after initial successes.44
Therefore the split in the federations was really not about a fundamental different approach to the class struggle. Rather, the unions involved in CTW tend to organise in domestic job markets shielded from globalisation, and where the potential for collaboration with employers and the state is strongest.45

After all, the AFL’s president John Sweeney (1995-2009) was the personification of the ‘organising model’ as previous SEIU president for fifteen years, growing it to more than a million members (largely through union mergers) and devoting a third of its budget to organising. That Sweeney’s reform agenda ran into the ground was largely due to the hostility of the AFL affiliated unions’ bureaucrats to consolidation and organising, and his bureaucratic loyalty to ‘the rules’ that meant refusing to challenge this or build a grassroots movement that could deliver real gains. Indeed, it was Sweeney’s impeccable credentials as a bureaucrat that helped him to win the presidency of the AFL-CIO in the first place.

When Andy Stern came to lead the SEIU in 1996, he developed Sweeney’s orientation further. Stern claimed in an interview that workers no longer wanted ‘a class struggle kind of unionism’, preaching instead that unions needed to be ‘good partners’ with the employer, and the necessity of ‘business and labor and government’ Team America to really work together? for the good of workers.

Stern was also disenchanted with the prostration of the AFL-CIO bureaucracy before the Democrats, with massive resources mobilised every two years in national elections to little real benefit? his solution was a more bipartisan approach and upping contributions to the sworn enemies of the unions, the Republicans.46

At the time, the AFL-CIO’s organising director Stewart Acuff said he shared the SEIU’s focus on labor-management co-operation but criticised Stern and company for working with Republicans. The AFL-CIO convention recognised some of Stern’s criticisms and set up Industry Coordinating Committees to tackle the lack of strategic campaign focus and shifted to a policy of constant pressure on legislation the unions wanted passed. But the SEIU and allies split before the conference in 2005.47

The split was entirely bureaucratic? there was no vote by members in the SEIU, and the UFCW’s president Hansen apparently had been authorised by the executive to make the decision alone!48 More importantly the two wings of the bureaucracy were not divided by strategy. For the SEIU in particular, setting up Change to Win (CTW) may have freed them to organise on other non-CTW unions? turf and raid their memberships, speeding up the amalgamation process.

The lack of a real breakthrough by the CTW and pressure from Obama drove talks for the two federations to remerge in really 2009. Of course a bureaucratic remarriage will not re-energise these bureaucratic behemoths any more than the 2005 divorce progressed Labour’s agenda. However the evermore centralised and aggressive SEIU has begun tearing apart the CTW federation itself and blocking this rapprochement, unleashing an ugly process where unions slug it out it out over the most promising, limited sections of workers rather than focus on unity around a fighting programme to organise the class as a whole to resist the crisis.

Organising for workers’ rights or members dues?
The SEIU’s “growth at all costs model”, is a get-rich-quick strategy of cutting deals with employers, sacrificing workers needs in order to get access to unorganised workers. This model does not build strong unions, but does quickly grow the membership dues base that funds the high-paid organisers and leaders at the SEIU top. This approach was the main public rationale for the breakaway CTW unions.

The New York Times described well the SEIU’s drive for labour market share over principle and class independence: ‘Mr. Stern’s approach resembles that of a corporate chief executive who is willing to
accept modest, short-term profits in order to invest in achieving greater size and strength for the long term. 49

This year ructions in the SEIU and UNITE-HERE (also in CTW) have come to a head exposing the weaknesses of this model and sparking opposition, as workers raise questions such as what kind of union movement is needed, how can we organise to get it, and does it look like the SEIU-model?

UNITE-HERE was formed in 2004 from a fusion of two unions covering hotel, restaurant, casino, apparel and laundry workers, affiliating to CTW. This March, 100,000 members (a quarter of its strength) defected to the SEIU under UNITE-HERE?'s ex-leader Bruce Raynor. SEIU president Andy Stern said in January that UNITE-HERE or either of its original halves should merge into his union.50 The UNITE-HERE leadership criticised Raynor?'s support for the SEIU?'s organising model, and his collaboration with the SEIU was exposed in 2008, where sweetheart deals were made with multinationals Sodexho, Compass, and Aramark, which allowed both SEIU and Unite-Here to jointly organise workers without company interference. But the conditions they agreed to include dropping campaigns at some sites, limiting the total number of workers allowed to organise and even waiving workers? right to strike. Now Raynor?'s new union, called Workers United, without a hint of irony, has been accused of raiding into Unite-Here?'s hotel and casino base, a previous area of conflict between Unite-Here and the SEIU.51

A similar conflict broke out within the SEIU leading to a split this year. The leadership of one of the union?'s largest locals, the 140,000 strong United Healthcare Workers-West (UHWW), came into conflict with Andy Stern?'s national organisation. UHWW president Sal Rosselli had attacked the SEIU?'s ?overly zealous focus on growth ? growth at any cost, apparently?, arguing that the SEIU had negotiated deals with big health corporations over the heads of locals and members, with too many concessions on workers? conditions and benefits as the price of a green light to unionising, and forcibly amalgamating locals. Michael Torres, a union activist at Tenet Healthcare Corporation, complained the SEIU had sought a deal with the company, agreeing to drop pensions and retiree health care in exchange for Tenet agreeing to allow the SEIU to organise 11 of its Florida facilities.52

At root of the split was a difference over how to fight healthcare employers. Andy Stern?'s SEIU leadership?'s strategy was to hive off lower-paid nursing home and homecare workers into a separate ?low-paid ghetto? union, while separating public sector hospital workers from private, in order to make it easier to cut deals on contracts that consolidated the differences, in the process locking in lower wages and conditions for many. As the healthcare market consolidated into massive multinationals, the UHWW leadership saw an opportunity to challenge this:

?Hospital and long term care workers were launching the closest thing the labor movement has seen in decades to a true industrial battle between labor and capital during the 2008 contract campaigns. For the first time in history, nursing home bargaining team members were fighting for proposals that tied wages standards to hospital jobs with similar duties across employers. Rather than proposing the traditional low raises, members were demanding that nursing home wages be moved to 60%, 70%, even 80% of staff at Kaiser ? the hospital with the highest wages in the industry. 53

This internal conflict came to a head in January 2009 when the SEIU removed the UHWW?'s leadership and put the local into trusteeship. The ex-leadership formed a breakaway union at a 25 April Convention in San Francisco of 700 activists: the National Union of Healthcare Workers (NUHW). The new union faced a battle with SEIU over recognition in areas previously covered by the branch, with the new union facing not just the SEIU?'s massive organising resources and army of well-paid organisers but also management. The SEIU threw millions into a propaganda campaign and legal offensive to block decertification attempts in the courts. At Kaiser Santa Clara Medical Center, the SEIU removed dissident shop stewards and punished
any that had any contact with the new union, giving a green light to Kaiser bosses to attack activists of the rival union.54 By July, NUHW activists had filed decertification petitions with majority support to leave the SEIU (far more than the 30% required by US labour regulations) covering over 360 facilities, 100 employers, and close to two-thirds of the locals? 150,000 members. In workplaces covered by California regulations allowing elections immediately, one contest has been won by the NUHW with 7:1 in favour, another narrowly lost. 55

Activists in the union have combined this grassroots campaign with an appeal to the union movement and left for funds and support, with meetings around the country attracting support for those seeking a new path from the SEIU?s corporate, top-down unionism. Tony Aidukas, a former UHW leader and hospital shop steward explained how the SEIU?s rotten contracts contradict workers? democracy: ?The [SEIU] International was making deals with our employer behind our backs while we were bargaining?A contract isn?t powerful unless the workers feel ownership over it and really know what?s in it. This is the problem with SEIU?s ?template? contracts and undemocratic bargaining. We need to reinvigorate and empower the rank and file.?56

The current conflicts are about more than the bureaucracy and drive for labour market monopoly of SEIU, they highlight the whole bureaucratic ?organising model? of the union hierarchy ? be it AFL-CIO or CTW. The SEIU has tried to accuse the NUHW of putting gains at risk through its campaign, but, on the contrary, the resistance that NUHW organisers have bravely led to the SEIU?s rotten model could become a rallying point for other sections of workers.

In January, against the background of the Obama triumph and the SEIU ?civil war?, five unions from CTW, six from the AFL-CIO and the National Education Association (NEA, with 3.2 million members) came together to declare unity. The meeting was organised by the incoming Obama administration, which ?signalled that it would prefer dealing with a united movement, rather than a fractured one that often had two competing voices?. A new federation may unite on political lobbying on reforms such as EFCA and healthcare, with a voluntary wing for those unions that want to focus on organising, SEIU-style.57 However the unity plan stalled over the name for a new federation and whether to have a rotating presidency ? one official bluntly referenced these bureaucratic manoeuvres without a hint of irony: ?The dukes want to replace the king.?58

Meanwhile the talks are on hold, though UNITE-HERE has rejoined the AFL with possibly the labourers? union LIUNA59 to follow, as the SEIU-inspired civil wars continue in key sectors. In September the AFL-CIO Congress crowned Richard Trumka, the tough-talking secretary-treasurer and Sweeney?s ally as the new president of the federation. As the empty threats over health reform show, Trumka combines a safe pair of hands for the union bureaucracy with a tough-talking, left face for the workers, activists and stewards at a time of crisis, when many will begin to anger at the concessions and cowardice of the tops, something that was alienating enough when times were better.

### Resistance and Revolts

Despite these bureaucratic wranglings, sections of workers have engaged in significant, hard-fought strikes, with immigrant workers playing a key role in many cases. The Republic Doors and Windows occupation in December 2008 gained widespread coverage for its unprecedented action, showing that US workers would not go quietly into liquidation and signalling that the workers? movement, with a radical infusion of immigrant labour, retained its resilience at the grassroots.60

A long strike begun in August 2008 at the Stella D?Oro bakery. The private equity owners demanded 20 per cent wage cuts, holiday reductions and increased healthcare contributions. The workers on the picket line were sacked and replaced by managers, finally the workers were reinstated by a National Labor
The Illinois-based firms Hartmarx and Quad City Die Casting (QCDC) have seen their unions launch vibrant campaigns against closure and the liquidating bank Wells Fargo, which received $25 billion from the US government’s bailout scheme. To restore its capital base, hit by the crisis, Wells Fargo withdrew financing from Chicago suit manufacturer Hartmarx, threatening 3,500 jobs, and QCDC, threatening 100 jobs. QCDC has been put under a trustee to liquidate it, while Hartmarx filed for bankruptcy in January 2009. Union locals led campaigns, including a day of action in 20 cities by QCDC workers who blocked the road in front of Wells Fargo’s local headquarters. Hartmarx workers in Workers United voted to occupy the factory in May if necessary, forcing politicians to pressure Wells Fargo into allowing a sale. However, the new buyers claimed to have found more debts and decided to close the Rock Island Illinois plant and sack its 350 workers, with the Michigan City Indiana plant possibly to follow.

These struggles build on the back of some recent historic strikes in the US: the 2006 one day general strike for migrant workers that saw several million take action in support for rights for migrant workers, and the strike by Longshoremen in the ILWU63 that closed down the west coast ports against the war in Iraq on the 1 May 2008. Both were political and illegal under the repressive US anti-trade union laws (Taft Hartley Act), and carried out against government and employer threats. The current defensive, stubborn small-scale battles show that this spirit is generalising, and can be built into a national resistance movement that could transform the class struggle, if the workers can overcome the bureaucratic inertia and destructive conflicts at the top of both federations.

Conclusion: New challenges, new independent working class organisation needed

The fundamental problem with the US trade unions is that they are weighed down by a rusting, often corrupt bureaucracy that keeps Labor beholden to the capitalist parties and big business. A series of evermore damaging concessions, not just in the present crisis but throughout the last three decades of givebacks, has reached its nadir with the bailout of GM and Chrysler and the possible eclipse of the UAW if its members do not immediately seize the helm from the likes of Gettelfinger. The disputes at the top of the unions about organising are nothing more than arguments about how best to recruit or even poach from limited sections of workers, not how to fight for their interests much less those of the US working class, nearly 90 per cent of which is outside the unions completely.

A socialist strategy to break apart this bureaucracy with a rank and file democratic movement, fighting for a programme of class struggle not concession, is key to unlocking the potential in the current situation. The revival of such methods as all-out strikes, occupations and blockades are tremendously promising signs. US workers have a proud history of fightbacks, sadly buried by years of betrayal; these struggles point to the US workers raising once again their proud legacy of occupations and militant strikes from the 1930s and 1970s.

Now as then, immigrant workers have provided a positive, radical leavening helping to raise these struggles to victory, and the horizons of the class to what is possible. Along with a campaign to coordinate and spread industrial struggles, union activists need to spark a high profile political campaign to knock back the recent convergence of Obama, the union federations and big business on legislation to restrict immigration and immigrant rights, when these have played such an important role.

Unions are base organs of the working class and develop wherever workers fight the bosses. Socialists recognise their potential as ?schools for socialism?, in the words of Frederick Engels. However clogged with bureaucracy they can also be organs of class collaboration and organise only the top level of workers? the ?labour aristocracy? ? leaving the rest to greater exploitation. The original federation, the AFL, was
such a labour aristocratic organ. But in the 1920-30s there were huge strike waves to organise millions of workers such as car workers, with famous struggles at Flint Michigan. These unions were mass industrial bodies drawing in every worker in their industry and uniting their demands in a fight for all. This shows the potential of unions to recruit among the poor and unorganised workers if they are fighting bodies not bureaucratic monoliths.

Socialists put forward the rank and file tactic, developed from the experience of over a century of struggle. All union officials should be on the average wage of industry, the rank and file workers in a dispute must have full control over all decisions, and all union officials should be subject to immediate recall. Against the cosy discussions and hobnobbing of the bureaucrats with businessmen, the rallying cry of workers should be ?Break from the bosses!? 

Allied to this is the fight for a class struggle set of policies: open the books and share out the work with no loss of pay for any business proposing job cuts or closures; nationalisation without compensation for those that try to proceed with such attacks on their workers; workers control to take these enterprises out of the hands of the incompetents and parasites whose greed has run them into the ground; for a programme of useful, sustainable public works paid for by nationalising the banks and a punitive tax on the rich and big business; organise to defend our strikes and occupations from scabs and cops.

A movement capable of fighting to impose such demands directly on the bosses would open the road to the revolutionary struggle for socialism itself.

Finally unions must break with the Democrats: not a penny more for this capitalist party that only serves to raise workers hopes and then dash them! For too long organised labour has been tailing the Democrats and where has it got US workers? Even Obama, elected with the hopes of millions, has proved to be nothing more than a typical Democratic politician who sacrifices the workers for big business.

We need to fight for a new workers? party one that fights unceasingly for their interests and does not compromise with the bosses; a party that in the biggest capitalist economy in the world will lead the workers to socialist victory.

ENDNOTES

1 Obama?s Senate representation currently stands at 59 following the death of Ted Kennedy on 26 August 2009, although this will almost certainly be restored in early 2010. Sixty senators is the number required to block the ability to ?filibuster?. Senate practice allows a bill to be ?talked out?, filibustered and prevented from going to the President. Filibuster can only be ended by a vote of three-fifths or 60 Senators.


3 American Federation of Labor ? Congress of Industrial Organisations, the historic union federation of the US working class, which seven unions broke away from in 2005 to form the Change to Win rival federation.

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