United States: A rocky road on the upward path of labor action

Major struggles are brewing in 2023

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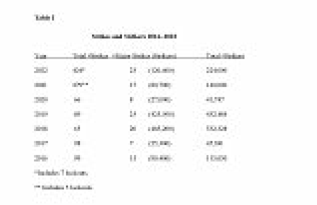
Kim Moody looks at the changing economic, internal union, and political contexts for workers whose contracts expire this year and argues that intransigent employers will face a union workforce with years of accumulated grievances, a cost-of-living crisis, and a rebellious rank and file. We can expect major struggles in 2023. This offers a huge opportunity for socialists. But without the assertion of rank-and-file organization and power, he explains, the potential for labor in 2023 will be lost.

Contents

The number of strikes and organizing efforts rose again in 2022. According to the Cornell ILR Labor Action Tracker Report of 2022, strikes were up by 52 percent from the previous year, while the number of strikers increased by 60 percent, as the figures in Table I show. [1] The Bureau of Labor Statistics' more limited report on "major" work stoppages of 1,000 or more workers also saw strikes up from 17 in 2021 to 23 in 2022, with the number of strikers up by 50 percent. [2] Similarly, the number of petitions for union recognition elections held by the National Labor Relations Board (NLRB) was up by 53 percent in fiscal year 2022 to 2,510, while elections actually held increased by 50 percent to 1,249, of which 72 percent were won.

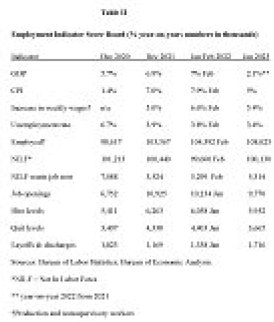
There is momentum in workers' action, and the 2023 bargaining calendar is loaded with labor movement heavyweights looking for relief from years of retreat. At the top of this list are the 350 thousand Teamsters at UPS, followed by more than 150 thousand members of the United Auto Workers (UAW) at the Detroit (formerly "Big") Three automakers, a similar number of TV and film producers, 75 thousand workers at healthcare giant Kaiser Permanente, 25 thousand Safeway grocery workers, six thousand pilots at FedEx, and thousands of airline workers with unresolved contracts at United, American, and Southwest Airlines. Together, as Bloomberg's Daily Labor Report put it, these unsettled contracts "Threaten Unrest in 2023." In fact, a scroll down the Federal Mediation and Conciliation Service's January 2023 list of bargaining notifications reveals more than 1,700 contract expirations in 2023. Most are small local bargaining units, but some will be influenced by the outcomes at the larger companies and their workers that dominate this year's bargaining. [3]



Yet, as encouraging as the numbers may be, these strike figures are still far below the levels of strike activity from the mid-1930s through the 1970s, while even the jump in the number of strikers from 140 thousand in 2021 to 224 thousand in 2022 is lower than those of the big teachers' rebellion of 2018–2019. And for all those NLRB wins, the entire number of those eligible to vote in the 2022 elections was just 62,492, and almost none of those who won their election have pried a first contract out of their employer. The defeat of the Retail, Wholesale and Department Store Union's two NLRB elections at Amazon's warehouse in Bessemer, Alabama, and the Amazon Labor Union's lost election in Albany, New York, strongly suggest that the NLRB election route to union recognition and a contract cannot replace internal grassroots organization and direct action. In addition, organizers need to take stock of the major defeat at Warrior mines, also in Alabama, and the even greater setback on the nation's freight railroads. Clearly, to paraphrase Frederick Douglass, capital is not conceding anything without a fight. To get a better idea of the possibilities for 2023, this essay will look at the changing economic, internal union, and political contexts and the major groups of workers whose contracts expire in 2023.

Economic context: capital looks for solutions

The gains in strikes of 2022, like those in the previous year, were made in the context of unusually tight labor markets. "Quit levels" and unfilled job openings were so high that commentators started speaking of the "Great Resignation." As Table II shows, 2023 opened with only a slight softening of these best-of-all circumstances for striking and organizing. There are, however, dark clouds on the economic horizon. For one, GDP growth had declined to 2.1 percent in 2022. The International Monetary Fund, the Organization for Economic Cooperation and Development, the World Trade Organization, and the United Nations all predict slow growth between 2.2 and 2.7 percent for 2023.



While a full-fledged recession or financial crisis signaled by the collapse of the Silicon Valley Bank or the Fed's high interest rates are not out of the question, the World Economic Forum (WEF), the voice of international capital, found in its *Global Risks Report 2023* that "Cost of living dominates global risk in the next two years." Furthermore, a majority of executives from most developed economies surveyed put "cost-of-living crisis" or "rapid and/or sustained inflation" as the number one risk for the next couple of years. Overall, the WEF also sees slower growth, while "continued supply-driven inflation could lead to stagflation, the socioeconomic consequences of which could be severe.” [4]This statement seems to suggest that global capital is more worried about worker reaction to falling living standards than about slow growth *per se*. Indeed, stagflation in the 1970s set the stage for high levels of official and unofficial strikes, contract rejections, and rank-and-file rebellion as real wages plunged and speed-up angered workers across many industries.

While the context of the recent rise in strikes and organizing in the United States has been a tight labor market, it is precisely this supply-driven inflation and the cost-of-living crisis, along with the immense pressures from capital on work itself, that has moved workers to organize and strike. Ironically, the falling real wages and rotten working conditions that have been taking shape for years are also the root of the labor shortages that impact transportation, warehousing, and much of the economy that, in turn, accelerated “supply-driven” inflation. On the one hand, this promises to stiffen capital’s resistance to worker demands. One the other, even under slower growth or worse, it is these strongly felt conditions—the lost income and basics of social reproduction that cannot be even partially recovered without confronting the bosses—that will remain the lived experiences of the vast majority of U.S. workers for 2023, more than the softening of the labor market per se.

There is one more consequence of U.S. capitalism’s low growth and the recent supply chain crisis that may affect some workers whose contracts expire this year. The collapse of key aspects of the world’s and the nation’s supply chains in the last two years revealed the extreme vulnerability of just-in-time (JIT) delivery and lean production methods. As a consequence, more and more U.S. businesses are contemplating or actually moving away from JIT and reliance on single suppliers to increased inventories and alternative sources of key inputs in order to achieve greater resilience in the face of further disruptions from rising costs, climate change, data outages, or worker militancy. While this doesn’t necessarily mean abandoning all aspects of lean production’s “management-by-stress,” Citi GPS, the research arm of Citibank, observed in its January 2023 report, “One common change is an increase in inventory as corporates switch from a just-in-time to a just-in-case approach.” [5] In fact, the growth of inventories has accelerated from an annual average rate of 4.3 percent from 2010–2019 to 7.1 percent from 2019–2022. [6]

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This has two possible implications for bargaining in 2023. In so far as major companies in industries where JIT has been deeply embedded for decades, such as auto, begin the transition toward higher levels of inventory and multiple supply sources for key inputs, strikes may take longer to force concessions from employers. On the other hand, given the relative newness of this transition and the difficulties in renegotiating supply flows, it is likely that strikes will be seen by management as disruptive to the necessarily complex switch to “resilience.” As John Womack, Jr. puts it in Labor Power and Strategy, “ I want to emphasize here that when the company makes a change in its means or organization of production (inevitably both), it actually opens a window for workers to get into it, a window that stays open until the change is definitely in effect.” [7] That is, the unavoidably visible transition from JIT allows workers to grasp the new set-up taking shape, analyze its weak points, and perhaps even shape it by grieving, bargaining, working to (old and new) rules, or striking over details. Of course, it will take serious initiative and pushing from the ranks to get the union to do this or to support workers who do it. But without the assertion of rank-and-file organization and power, it is likely that much of the potential in 2023 will be lost.

Union context: rebels in the ranks

To an extent not seen for decades, the degree of pushing and rebellion from the ranks in the last few years, beginning with the teacher's rebellions of 2018 and 2019, has increasingly become a feature of internal union politics, as well as organizing and bargaining. In 2021, the Teamsters elected a new leadership drawn largely from a split in the Jimmy Hoffa old guard for the first time in 25 years, backed by Teamsters for a Democratic Union. The year 2019 saw the rise of opposition forces in the United Auto Workers (UAW) for the first time since the 1980s and early 1990s with the formation of the rank-and-file caucus United All Workers for Democracy (UAWD). This formation led to the victory of the UAW Members United leadership slate in March, which was backed by UAWD.

Opposition to the current leadership and direction of the United Food and Commercial Workers (UFCW) also took shape in the last year, inspired by events in the Teamsters and UAW, with the formation of Essential Workers for Democracy. Although there is no direct electoral challenge to the union's top leaders this year, opposition forces are running for executive board positions as the "Meet the Moment" slate and proposing 17 constitutional amendments at the union's April convention that would profoundly democratize the UFCW. This includes dumping the union's two-thirds rule for rejecting contracts, as the Teamsters did in 2021. All three of these unions are involved in major contract negotiations this year.

Another sign of rebellion is the increase in major contract rejections in the last few years. While such rejections by membership vote were common during the rank-and-file upsurge of the 1960s and 1970s, they almost completely disappeared in the following decades of concessions and lean production. In the last two years, however, rank-and-file rejections of agreements proposed by union officials became a regular part of collective bargaining. I count at least twenty major membership rejections from 2021 to today. These include but are not limited to offers recommended by union leaders at John Deere, Kellogg, Volvo, Nabisco, Eaton Industries, Rio Tinto mining, Chevron and Marathon, 12 thousand Ohio Kroger workers (three times), Southwest Airlines, Detroit Diesel, and CHN, as well as those imposed from above even after majority "no" votes by rail workers, UFCW members at Heaven Hill Distillery, and 20 thousand members of the International Alliance of Theatrical Stage Employees. [8]

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So, for the rest of 2023 intransigent employers will face a union workforce with years of accumulated grievances, a cost-of-living crisis that won't go away anytime soon, and a rebellious rank and file. Matters are further complicated, however, by the possibility of government intervention in some of the industries or employers where prolonged strikes could impact the economy and/or the outcomes of the 2024 presidential and congressional elections.

The political context: Democrats on the defensive, bosses on the offensive, and the ranks restless

If the 2022 midterm elections were at least one reason for the Biden administration's strike-breaking intervention in the prolonged railroad negotiations, the upcoming 2024 elections for the White House and the Senate are major incentives for intervening in any contract dispute that might disrupt a fragile economy and cost the Democrats votes in 2024. If Teamsters president Sean O'Brien and other leaders who asked Biden to intervene thought his Presidential Emergency Board (PEB) would come up with an acceptable agreement, they were proven wrong. The PEB proposal included only *one* paid sick day. The rail carriers, their major corporate users, and the US Chamber of Commerce put enormous pressure on the administration and Congress to head off a strike. When the attempt to amend seven sick days in Congress also failed, despite having been rejected by workers in units representing a majority of workers, the strike-breaking "Tentative Agreement" passed unamended. [9]

The various attempts by rank-and-file groups, some union leaders, and Bernie Sanders to get Biden to grant some of the missing paid sick days by executive order after the fact also hit the Biden dead end. Despite vague promises, Biden remained on the side of big business and the rail bosses. Only CXS granted five thousand of its employees a few extra sick days. This fight isn't over, and at least one group, the BMWED's Rank and File United, is proposing a "work-to-rule" to pry voluntary time off from the highly profitable rail freight carriers. The Biden administration, however, has demonstrated its indifference to the demands of these 115 thousand overworked railroaders. It just might do the same this year, perhaps amounting to 350 thousand UPS workers, 150 thousand auto workers, or the thousands of air transport workers covered by the Railway Labor Act (RLA).

Facing poor polls, Biden, who has already set up his 2024 presidential campaign "national advisory board," will certainly be tracking the major contract negotiations. Then there is the Senate, now in Democratic control solely by the tie-breaking vote of Vice President Kamala Harris. In 2024, however, two-thirds of the seats in the Senate will be up for election with recent generic polls on which party people favor to run Congress flipping back and forth closely between the two parties. While only the air transportation negotiations offer the direct path to intervention provided the RLA, the administration has many ways to attempt to head off or bring to a halt potentially disruptive strikes, from jaw-boning through a Taft-Hartley injunction. If that seems far-fetched, look more closely at how the impact of a UPS strike might affect business.

A strike at UPS would not have the same immediate impact as a rail strike, but would certainly disrupt businesses across the United States. UPS is the nation's largest "for-hire" trucking carrier measured by revenue, net income, and employees, according to *Transport Topics'* 2022 ranking. UPS's volume is the equivalent of about 6 percent of U.S. GDP. Aside from bringing a good deal of consumer e-commerce to a halt, it would also impact business-to-business volume since about 40 percent of its revenue comes from business deliveries, including factories and other productive sites. [10]

While the 350 thousand workers represented by the Teamsters work mainly in parcel delivery, a strike by the union would impact every service provided domestically and internationally by UPS because, as it states in its SEC 10-K report, "All of our services (air, ground, domestic, international, commercial and residential) are managed through a single, global smart logistics network." [11] In other words, a strike by the vast majority of employees in this tightly integrated logistics system will disrupt every aspect of UPS's functioning to one degree or another, including those not struck. Although it sold its Freight Division in 2021, this "smart logistics network" still includes freight forwarding, supply chain services for businesses, contracts with the US Post Office, large customers such as Amazon and General Motors, and many other key players. This could cost the company as much as $250–300 million (or $133–160 million in 1997 terms) a day, compared to the $52 million a day it lost during the strike in 1997. More importantly, because UPS's integrated services reach into every crevice of the U.S. economy and beyond, its impact on businesses will grow if the strike becomes prolonged. This gives the government a strong incentive to head off or halt a strike, while at the same time offering the Teamsters the huge leverage O'Brien has promised to use if necessary.

Photo: Teamsters at UPS rally in preparation for 2023 bargaining. Photo credit: Luigi Morris

The conventional wisdom about a strike at UPS expressed by the industry journal *FreightWaves* is that "[g]iven the militancy of both leaders and the perception that organized labor has more leverage in Congress, the White House and the court of public opinion than at any time in the past 40 years, no one takes the threat lightly." No doubt the threat is real—as is public support for unions, which now stands at 71 percent. As Joe Allen points out, however, the politics of the situation are somewhat complicated by the fact that UPS executives, while generally Republican, did Biden a big favor when they threatened to withhold political contributions from House and Senate Republicans who voted against the certification of Biden's 2020 election. As Allen also reports, UPS gave political contributions to Senate Majority Leader Chuck Schumer and Democrats on important House committees. UPS also donated to House Minority Leader Hakeem Jeffries' anti-left political action committee (PAC), Team Blue PAC, which to the delight of the party's leadership helped defeat left progressive candidates in the 2022 Democratic primaries. Assuming that UPS political spending will also influence other businesses, the chief Democratic actors in any government intervention will have certainly received a down payment as they face what will be the country's most expensive election ever in 2024. Perhaps even more importantly, pressure on the Biden administration to stop a UPS strike will certainly come from the package giant's major business customers, as it did in rail bargaining.

FreightWaves also seemed to miss the fact that the allegedly labor-friendly White House and Congress recently sided with the rail bosses when they imposed an agreement that lacked the workers' major demand—15 voluntary paid sick days. O'Brien and the Teamsters are not new to Biden's proclivity to prevent major strikes. Along with the other rail union leaders, O'Brien asked for and then recommended the woefully inadequate PEB-crafted "Tentative Agreement" eventually imposed by Biden and Congress, thus banning a strike. Although Marty Walsh, who helped negotiate the rail deal, has departed for greener (as in dollars) pastures, the new Labor Secretary Julie Su "was central to negotiations between labor and freight rail companies late last year," according to trade journal Transport Topics. So, a familiar crew is in place should Biden choose to intervene at UPS. Skeptics might further suspect that Biden's prestigious March appointment of O'Brien to his new Advisory Committee for Trade Policy and Negotiations, along with the heads of the Steelworkers and the AFL-CIO and several business leaders, was timed to instill a greater sense of "public responsibility" in this tough-talking union leader as UPS negotiations approach in April.

Unlike its relatively small railroad affiliates, however, UPS is the Teamsters' biggest bargaining unit by far and has provided much of the political base that put O'Brien in the union's top office. Furthermore, at least since the 2018 contract round, when O'Brien eventually helped lead a rejection of the UPS deal negotiated and then imposed by Hoffa, he has built his reputation and political career on the promise of prying real gains from "Big Brown," including by striking if needed. At the same time, the Teamsters for a Democratic Union (TDU), which has grown in the last few years, is mobilizing rank-and-file members and providing training on strike preparation under their old slogan of "Ready to Strike," much as they did in the legendary 1997 UPS strike. O'Brien has said that if an agreement isn't reached by when the contract expires on July 31, "We won't extend negotiations by a single day."

The impending confrontation is further complicated by UPS CEO Carol Tomé's call on managers to be ready to move packages in the event of a walkout. Unlike in 1997, when the company was caught off-guard, Tomé announced well in advance, "We are building contingency plans, and we will take care of our customers." This is a provocative move that could intensify the conflict in the event of a strike. This is yet another reason for Biden to consider intervening, at least behind the scenes. Nevertheless, it would be very difficult for O'Brien and the Teamster leadership to propose an agreement that fell far short of the membership's expectations. Whatever happens at UPS will almost certainly influence bargaining and events at the major auto industry contracts that expire in September, shortly after the potential clash at UPS.

As mentioned above, the UAW saw a narrow victory for the Members United slate, backed by the rank-and-file UAWD group, winning the presidency and a majority of the International Executive Board (IEB) in opposition to that union's long-embedded Administration Caucus (AC). Like the 2021 win in the Teamsters, Members United involved an alliance between the rank-and-file caucus and former officials. Indeed, in unions of this size with a well-entrenched national leadership, it is hard to imagine an opposition election victory that doesn't involve a split in or decomposition of an old leadership "machine." As in the Teamsters, the new UAW leadership has staked its future on the promise to reverse the concessions and two-tier systems granted in the past, as well as addressing the cost-of-living crisis.

Members of Unite All Workers for Democracy celebrate the slate's union election victory. Photo credit: Unite All Workers for Democracy.

The UAWD, like TDU, began a series of training sessions and caucus meetings, in this case for delegates to the union's Collective Bargaining Convention on March 26-27, where the union's official priority demands will be passed. That they are in this fight for the long run is clear from a resolution passed at their March 12 membership meeting: "As we enter a period with a newly elected IEB, hundreds of significant UAW Local Union elections, and Big Three contract negotiations, it is crucial that we build democratic support for our UAWD program through a broad membership priority-setting process." Winning the top offices, however, is only the beginning. Many local unions will still be run by Administration Caucus loyalists, just as old Hoffa supporters still control a majority of Teamster locals. Maintaining and building the rank-and-file organization for the long haul is critical to the future of the union.

Unfortunately, all was not good news on the UAW bargaining front. Despite the UAW's 7 thousand members at Caterpillar having voted 98.6 percent to strike—and workers expressing "anger and frustration" with a poorly explained agreement, according to Reuters—the AC old guard managed to get a new six-year contract passed before the new leaders took office. The bargain fell short on money, assuming inflation continues. Having trimmed facilities for years, the company agreed not to close any more plants for the duration of the contract. This is not much of a concession for a company that needs capacity to compete with Deere and CNH, among other companies. The agreement also ends the two-tier system the UAW first agreed to in 2005. Before you break out the champagne, however, with so many older workers retired, what remains for almost everyone is the lowest tier.

American Prospect writer Jarod Facundo cites NLRB lawyer Brandon Magner to the effect that, under the new agreement, the starting hourly wage for all new workers is $17, with all future increases based on that rate. The comparable entry-level pay in 1997, however, was $18.62. As Magner wrote, “Over the last 18 years, two-tier has completely reset wage scales in the factories, rolling back decades of gains… Read between the lines: two-tier is dead at CAT because it is no longer necessary.” So, now there is one tier at a 9 percent pay cut in favor of the company. This sets a dangerous precedent for the incoming Members United leaders who will soon begin negotiations with GM, Ford, and Stellantis (Chrysler). Alternatively, if Ray Curry, the defeated AC incumbent, appeals the close election results, he could remain in charge of negotiations or at least postpone the new leaders’ ability to push for a decent agreement.

Above all, a victory by the Teamsters at UPS will be crucial in inspiring further grassroots organizing, whether or not that union follows up on its proposal to organize Amazon. A string of victories in grocery, healthcare, auto, and elsewhere would reinforce this.

Finally, there is Amazon. Outside of New York, where the Amazon Labor Union struggles for a first contract, there is little in the way of official bargaining on the agenda at this logistics giant. Yet, the outcomes of key conflicts this year speak directly to the future organization of the Amazon workforce. Above all, a victory by the Teamsters at UPS will be crucial in inspiring further grassroots organizing, whether or not that union follows up on its proposal to organize Amazon. A string of victories in grocery, healthcare, auto, and elsewhere would reinforce this.

What’s ahead?

At present, an increasingly angry, militant, and in some cases organized rank-and-file faces employers determined to prevent meddling in their profits or workplace authority, and a government run by Democratic politicians on the political defensive and hoping to head off destabilizing strikes. In this complex of conflict, predictions about outcomes are futile. But it does seem clear that 2023 will not pass without major struggles. This offers a huge opportunity for socialists to play a supporting or more active role by furthering rank-and-file movements and caucuses, providing strike support and analysis of company weaknesses, and educating workers on the real role of the government in bargaining, while learning about and help to change the sometimes contradictory ins-and-outs of the institutionalized and bureaucratized class struggle that is collective bargaining in the United States.

Kim Moody

P.S.

• TEMPEST. POSTED MARCH 30, 2023:
https://www.tempestmag.org/2023/03/a-rocky-road-on-the-upward-path-of-labor-action/?utm_source=rss&utm_medium=rss&utm_campaign=a-rocky-road-on-the-upward-path-of-labor-action

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Footnotes

[1] Jonnie Kallas, Kathryn Ritchie, and Eli Friedman, Labor Action Tracker Annual Report 2022 (Ithaca: ILR Workers Institute, 2023), 3.

[2] BLS, Major Work Stoppages in 2022, USDL-23-0350, February 22, 2023.

[3] Sources: Cornell ILR "Labor Action Tracker," Annual Report 2021; Cornell ILR Labor Action Tracker, Annual Report 2022; BLS, "Major Work Stoppage" Annual; Federal Mediation and Conciliation Service, "Ongoing and Ending Work Stoppages," Monthly, 2017-2019; Federal Mediation and Conciliation Service Annual Report 2009-2017; Jonah Furman, "Who Gets the Bird", Weekly, 2021, 2022; National Mediation Board (airlines and railroads), "Strikes."

[4] World Economic Forum, The Global Risks Report 2023, 18th Edition (Geneva: World Economic Forum, 2023), 7, 80-89.

[5] Citi GPS: Global Perspectives & Solutions, Supply Chain Finance: Uncertainty in Global Supply Chains is Going to Stay, January 2023, 20.

[6] BEA, Table 5.8.5B "Private Inventories and Domestic Final Sales by Industry," Revised on January 26, 2023

[7] Peter Olney and Glenn Perušek (eds.), Labor Power and Strategy: John Womack Jr. (Oakland CA: PM Press, 2023), 38.

[8] This partial list is compiled from a wide variety of sources of which Jonah Furman's "Who Gets the Bird" reports are prominent.

[9] The TA was pushed through by Senate Majority Leader Chuck Schumer without a second vote on the seven paid sick days on the excuse that if it wasn't passed before the strike deadline, the rail companies might begin locking out workers. This was absurd, as the rail bosses and their business allies had pushed hard to prevent any cessation of services. This, after all, was the whole point of Biden's and Congresses' actions. For this account, see Ryan Grim, "How it happened: Eight years of militant rank-and-file organizing built the railroad fight," The Intercept, December 11, 2022. One lesson of this might be that rank-and-file leaders, as well as officials, ought not engage in overly convoluted strategies: For example, leading a contract rejection one day and

pushing for a vote in Congress to impose the rejected agreement another day in hopes of an improved deal. This was particularly the case when the reality of power to move things in Congress resided in the pro-business triad of Biden, Pelosi, and Schumer.

[10] Securities and Exchange Commission (SEC), Form 10-K, United Parcel Service, Inc. For the fiscal year ended December 31, 2022 (Washington D.C. 20549), 29.

[11] SEC, UPS, Inc, 2022, 2.