



# Workers' Rights: A Global Challenge

## The Employee Free Choice Act and the Opportunities Ahead

### Why labour law reform in the USA is vital to a global economic recovery

Inequality of labour and wealth and the declining share of income going to labour lie at the heart of the current global economic crisis.

For more than three decades, global economic policy has aimed to deregulate financial markets and impair the ability of workers to extract an equitable share of the benefits of economic growth.

The global drive to weaken unions and reduce collective bargaining coverage while empowering global financial companies began in the United States.

The global economy came to rely on the U.S. consumers; at the same time U.S. workers lost the ability to achieve decent wages, which resulted in a global economy fuelled by imbalanced, debt-financed consumption and plagued by a worsening series of destructive financial asset bubbles.

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Not surprisingly, the latest crisis began in the United States.

An important first step in rebuilding the global economy is restoring some balance in the U.S. labour market.

Enacting the Employee Free Choice Act and increasing union density and collective bargaining coverage in the U.S. and around the world is absolutely essential to make this happen.

**This is a global issue and we urge you to join your voices with those of American trade unionists.**

**The Global Unions – the ITUC, the Global Union Federations and TUAC/OECD - have come together to support the effort of our U.S. colleagues to make this important change. We urge you to make it one of your priorities as well.**

## What you can do

Although the issues may initially appear complex, the fundamental questions are simple. Are American workers to have a fair chance to form their own unions without being victims of brutal intimidation, including, very often, discharge? In addition, to discussing these issues in your governing bodies and amongst your members, please do whatever you can to take the following actions.

### Contact your Government

The Obama Administration supports changes in the law that will help protect workers' rights and will

bring the U.S. closer to universally applicable international labour standards, in particular, the rights protected in ILO Conventions 87 and 98, neither of which it has ratified. Governments should be urged to communicate their support to the U.S. Administration on this important issue.

We would like to organise simultaneous visits to US embassies from trade union delegations to present our collective concerns and support for efforts of U.S. unions and the Administration to reform the labour laws. The timing of such visits will depend on the scheduling of the Employee Free Choice Act on the legislative agenda. We will inform you as soon as we know the dates.



### Contact your Employers

We understand that U.S. employers are misinforming employers in other countries about the Employee Free Choice Act. The trade union movement should set the record straight. We urge you to:

- Contact your counter-part employer organisations and communicate the truth about the Employee Free Choice Act and discuss the important issues

involved in this legislation.

- Communicate with individual companies in your country, particularly those that have investments in the U.S. or US-based companies that operate inside your borders. It would be very helpful if you could influence companies to take a reasonable position or, at least, not contribute to the opposition campaign. Where companies are involved in this anti-union mobilisation, we urge you to ensure their shameful activity is exposed.

### Contact Allies in Civil Society, including Political Parties

In the United States, the Employee Free Choice Act is supported by a broad coalition of other groups that are active in civil society and politics. These include human rights' advocacy organisations, environmental and civil rights groups, and churches. This has been an important way to show that concern about human rights and social justice is not limited to trade unions. We urge you to reach out to civil society groups and other allies to explain the issues related to the Employee Free Choice Act and enlist them in common and/or coordinated efforts to influence governments and employers.

### Contact Pension Funds investing in U.S. Companies

Some US companies are actively engaged in anti Employee Free Choice Act campaigns. Investors in US companies are concerned about these actions compromising their responsible investment com-

mitments. Many pension funds are among those concerned.

The UN Principles of Responsible Investment (PRI) Engagement Clearinghouse has initiated an 'Investor Engagement program to support the Employee Free Choice Act' through collaborative discussions among PRI signatories.

Investor signatories to the UN PRI have drawn up an action plan to encourage investors to support the Employee Free Choice Act by engaging with U.S. companies to support it through letter writing and other activities. We urge you to contact your union member pension funds and union employee pension funds to sign up to the UN PRI and join the clearinghouse initiative.

### How difficult is it for U.S. workers to form a union?

For workers in the United States, to join a union and bargain collectively, fundamental rights embodied in international labour standards and accepted by the world community, have been under attack with growing intensity during the last three decades. This trend is illustrated by the following figures:



- In 2005, **30,000 U.S. workers** were unlawfully fired because they supported a union.
- **Nearly half (49 percent) of U.S. employers** illegally threaten to close down a work-site when their employees try to join together to form a union.
- **82 percent of employers in the United States** hire high-priced “union-busting” consultants to fight union organizing drives.



- **51 percent** of employers coerce workers into opposing unions through bribery or favouritism.
- **91 percent** of employers force employees to attend intimidating one-on-one meetings with their supervisors as part of their anti-union campaigns.
- **In four out of 10 cases**, workers who request a union election never get the chance to vote in the current company-dominated system.
- **Aggressive and often illegal employer opposition** to collective bargaining is common in the United States. More than a year after voting for union representation, one out of three workers is unable benefit from the negotiation of initial collective bargaining agreements.

This all adds up to a system in which fear rather than justice prevails. And, unfortunately, the denial of basic workers' rights forms a central plank of the **U.S. business model**. Under this model, the odds continue to be stacked in favour of the employer, and respect for the universal human rights of the workers is subordinated to “low-road” business strategies.

### The U.S. industrial relations model—for export?

The **U.S. business/industrial relations model** has become a dangerous “export,” as far too many corporations around the world try, where possible, to copy these tactics.

Bad behaviour that begins with U.S. employers can affect other countries.

The results of this model can be seen in the current world economic crisis. The average U.S. worker's household income is substantially less than it was in 2000.

Big American corporations are paying Chief Executive Officers more and more. They currently “earn” 344 times more than the average U.S. worker.

The disparity of wealth in the United States weakens the pur-



chasing power of American workers, encourages debt-financed consumption and undermines the foundation for a stronger world economy.

Global trade unionists are suffering under the collapse of an economic model fuelled by debt and greed.

Additionally, several governments around the world have become hostile to collective bargaining, and union density is declining.

Unions throughout the world face the same challenges: globalization, neo-liberalism, economic restructuring and employer opposition.

### Declining Union Density: A Global Trend

In the United States, current union density and collective bargaining coverage is about 12 percent, with fewer workers being organised. However, the value of being part of a union has not lost its appeal among Americans. More than half of U.S. non-union workers have said they would join a union if given the opportunity.

That trend is increasingly matched across the world. While many countries have managed to hold on to high levels of collective bargaining coverage, some suffer from anti-union employers. However, there are few, if any, industrial democracies where it is possible, as it is in the United States, to systematically generate fear to crush workers who try to organise trade unions.

### The Opportunity before Us

The change of Administration with the election of President Obama and an improved, more pro-labour majority in the House of Representatives and Senate means that there is now the best chance in many decades to reform US labour laws.

Given the current global economic crisis that began in the United States, and the strong mandate for change that voters expressed in the November 2008 election, President Barack Obama and the new Congress are challenged to enact policies that lead to an economy that works for everyone.



A critical component to stimulating the economy and strengthening the middle class is the passage of the **Employee Free Choice Act**, which would restore the right of U.S. workers to form unions and bargain with their employers for a better life.

The Employee Free Choice Act will encourage employees and employers to have a mutually respectful relationship where they share in responsibility and success. It would move the United States significantly toward conformity to the principles of the International La-

bour Organisation's conventions 87 and 98, adopted in 1948 and 1949, respectively, but still not ratified by the United States.

Simply stated, the bill says that:

When a majority of workers decide to form a union they will be able to do so, without being victims of severe intimidation or harassment;

Bargaining will no longer be a form of union busting because mediation and arbitration will be available to reach the first collective bargaining agreement; and

Severe penalties will be imposed to help control corporate lawlessness.

Although the Employee Free Choice Act has gained support among lawmakers and workers' rights advocates, it is also crucial to gather global support.

### Big Business Presents Big Obstacle to Employee Free Choice

As labour unions throughout the United States mobilise their members to work for the passage of this bill, there is massive, well organised and financed opposition from business.

The following eight trade associations were among some of the biggest spenders in lobbying against the Employee Free Choice Act in 2008: U.S. Chamber of Commerce, National Association of Manufacturers, National Restaurant Association, Food Marketing Institute, Financial Services Roundtable, Business Roundtable,



Retail Industry Leaders Association, and American Hotel and Lodging Association. They have committed tens of millions of dollars to anti-union initiatives. By working with prominent anti-labour conservatives and lobbying to oppose pro-worker legislation, they continue to aggressively push for opposition to the Employee Free Choice Act.

In addition to distorting the legislation itself and attacking the very *raison d'être* for trade unions and for social progress, they are arguing that the Employee Free Choice Act, by making it easier for workers to exercise their rights to organise and bargain, would generate unacceptable costs to an economy in crisis. In other words, the price for the irresponsible conduct of banks and other businesses should be paid in further delay in the recognition of the basic human rights of workers.

**In fact, the Employee Free Choice Act gives workers a**

**choice to form their union when a majority of them express interest to do so, already a stiff requirement by international standards.**

It also gives these workers the option of holding a secret ballot election. In other words, whether to organise is the **workers' choice** rather than the employer's decision.

Additional information on the issues related to reform of the law can be found at <http://www.americanrightsatwork.org/>.

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Change to Win

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UNI Global Union is mobilising its 20 million members worldwide in a solidarity campaign to support the work of its US member unions, who have been part of a grass-roots movement of workers, labour unions, community, religious, environmental and progressive groups supporting EFCA.

UNI believes that having a law that protects workers' right to unionise in the United States is vital to winning union recognition and bargaining rights world-wide. American companies have been exporting their abusive labour practices to every country they do business in and foreign companies have eagerly embraced those practices when they cross the US border. It is clear that without legislation protecting workers, multinational companies will treat workers as poorly as they can.

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