SOCIAL PARTNERSHIP IN THE UNITED STATES*

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INTRODUCTION

The major forces shaping the social dialogue in the United States (US) have been: Economic globalization and international competition. This has resulted in badly straining traditional labor-management relations in the US as firms have pressured unions to reduce previously negotiated pensions, health care benefits and wages in order to remain competitive. The possibility of job losses to overseas plants or foreign competitors has also increased.

Declining union density. This has resulted in more negotiations at the plant-level, more aggressive anti-union activities in union recognition elections, and the merger of national unions into single larger unions as the resources of individual national unions have declined.

The advent and growth of non-union firms such as Wal-Mart, Toyota and Honda. This has resulted in a split in the AFL-CIO between those unions who joined a new organization, Change to Win, and think a new organizing strategy and more aggressive organizing is required and those unions in the AFL-CIO who think that political success is equally or more important.

Government legislation in the areas of employee rights and benefits. This has resulted in workers looking to the government sector for protection from employers and increases in benefits rather than unions and collective bargaining..

The growth of alternative dispute resolution. This has resulted in some employers installing non-negotiated grievance systems as an alternative to collectively-bargained grievance and arbitration systems.

Section 2 is a brief review of recent economic activities in the US. Section **3** discusses the economic effects of unions in the decades after World War II, the decline in union density, some union efforts to deal with this decline and the split in the AFL-CIO. Section 4 examines the end of the New Deal social contract between labor, management and the government, the major issues currently driving collective bargaining and new efforts at creating social partnerships. Section 5 discusses recent legislative issues, particularly immigration and the North American Free Trade Agreement. Section 6 looks at the state of social dialogue in the US. Particularly, the role of labor-management partnerships. Section 7 describes the two most important current issues in labor-management relations: health care and retirement benefits. Section 8 briefly outlines alternative dispute resolution in the US. Section 9 presents some conclusions for the social partnership in the US in the 21" century.

2.ECONOMIC ACTIVITY

The US economy has performed very well since the early 1980s. Since then Gross Domestic Product (GDP) has been the highest among the G7 countries, Canada, France, Germany, Italy, Japan, the United Kingdom and the US. In per capita terms US real incomes remain much higher than the other G7 countries. Productivity gains picked-up markedly. in the second half of the 1990s and there has been a further acceleration, growing at times by almost by 5 percent. The US economy has rebounded since the recession of 2001. Inflation levels have been particularly low, between 1 percent and **3** percent, and unemployment rates have been around four to five percent. However, wage increases have lagged behind increases in productivity resulting in the decline of real unit labor costs (10).

The US has the largest labor market with relatively high labor force participation rates and relatively low unemployment rates among the developed economies. US employment growth over the 1994-2004 period was about the same as the European Union (EU) and full-time job growth surpassed part-time growth in the US. Manufacturing productivity growth for the US outpaced that of the other G 7 countries. The five largest emerging economies, Brazil, China, India, Indonesia and the Russian Federation, have a combined population nearly equal to both the US and the rest of the world. The US, however, has enjoyed a much higher level of per capita GDP. In China, labor force participation rates for both men and women are higher than those for their US counterparts. Korea, between 1994-2004, had the largest increase in manufacturing labor productivity followed by Sweden , the US and Taiwan. Korea and Sweden had among the greatest output increases. At the same time the US experienced a large decline in the hours worked. In 2004 China's GDP per capita was about 14 percent of the US level while Indonesia and India's were less than a tenth of the US level. Unit labor costs declined in the US over this period by -1.2 percent, in Japan by -4.1 percent, in Korea by -3.5 percent and in Taiwan by -4.7 percent. Expenditures on labor market programs to reduce unemployment and improve job search were less than 1 percent of GDP in Korea, the US, Japan and the UK. For a single production worker, the combined employer-employee tax burden in the US at 26.6 percent was lower than the European countries, but the same as Japan and higher than Korea at 16.6 percent. China had the largest increase in GDP per employed person compared to the other four emerging economies with an annual growth rate of 6.3 percent. China also had the highest labor force participation rate of 88.8 percent for men and 79.2 percent for women in 2003 compared with Brazil, India, Indonesia and the Russian Federation. By comparison the US rates for the working age population in 2003 were 80.7 percent for men and 70.2 percent for women. China

also had the highest percentage of trade in goods at 60.1 percent in 2003,compared with the other four emerging economies (15).

A major future problem for the US is it's deficit. The US shifted from a surplus of 1.2 percent of GDP in 2001 to a deficit of over 4 percent in 2004. This is attributed to sharply reduced tax receipts following the recession, the end of the stock-market bubble, tax cuts, and the rapid expansion of expenditures for defense and homeland security after September 11,2001. At the same time the retirement of the baby-boom generation is coming soon while life expectancy has continued to increase. Nevertheless, no progress has been made in recent years to put entitlement programs on a sturdier financial footing. The financial position of federal health care programs, Medicare and Medicaid, has gotten considerably worse, given the rapid growth of health-care costs and the recent addition of a prescription drug benefit to Medicare. Underlying the current account deficit is a rising gap between domestic saving and investment, which has been covered by foreign savings and investments in US government bonds (21).

At the beginning of the 21" century there is a strong conviction among Americans that the nature of work is being transformed and that employers lack a long-term commitment to their employees. Wages are increasingly being set in external rather than internal labor markets for some groups of workers because of globalization. Upward mobility appears to have stagnated and income distribution has become more unequal between the top and the bottom. Health and pensions benefit coverages have also changed in ways consistent with declining commitments between firms and their workers. Workers at the low end of the wage distribution have been the most affected by the restructuring of work and production (6).

3. UNIONS

Unions in the US have bad a substantial impact on the wages and employment of both union and non-union workers. Some of the conclusions from the research are: unions raise wages of unionized workers by roughly 20 percent and raise overall compensation, including wages and benefits by about 28 percent. Unions reduce wage inequality because they raise wages more for low- and middle-wage workers than for higher-wage workers, more for blue-collar than white-collar workers and more for workers who do not have a college degree. Unions set pay standards that nonunion employers often follow and the impact of unions on total nonunion wages is almost as large as the impact on total union wages. The largest advantage for unionized workers is in fringe benefits. Unionized workers are more likely than their nonunion counterparts to receive paid leave, employer-provided health insurance and employer provided pension plans.

There has also been a union wage premium. The research literature generally finds that unionized workers' earnings exceed those of comparable nonunion workers by about 15 percent. Table 1 summarizes several estimates of the union wage premium based on household and employer data from the mid-to late 1990s. All of these estimates are based on statistical analysis that control for worker and employer characteristics such as occupation, education, race, industry, and size of firm. The data most frequently used for these studies is the Current Population Survey (CPS) of the US Bureau of Labor Statistics, which is often referred to as the household survey used to report the unemployment rate each month. Other estimates have been from the workplace employer survey.

Because unions have raised wages to a greater degree for low-skilled than for high-skilled workers unions have lessened wage inequality between these two groups. Table 2 shows the large wage premium for unionized low-wage workers. Several studies have also shown that the decline in unionization is also responsible for at least 20 percent of the large increase in wage inequality. This is particularly the case among men. Regarding the influence of unions on non-wage benefits Tables 3 and 4 indicate that unionized workers are 3.2 percent more likely to have paid leave, a relatively small impact, which is explained by the fact that nearly all workers (86 percent) already receive this benefit. Unions have a much greater impact on the incidence of pensions and health insurance benefits, with union workers 22.5 percent and 18.3 percent more likely to receive, respectively, employer-provided pension and health benefits. The union premium is higher in dollar terms because union workers are more likely to have the benefit and the benefit they receive is generally greater (20).

There are several ways that the unions impact on wages goes beyond the workers covered by a collective bargaining contract to affect nonunion wages and general labor practices. For example, in industries and occupations where a strong core of workplaces are unionized, nonunion employers will frequently meet union standards or, at least, improve their compensation and labor practices beyond what they would have provided if there was no union presence. This is called the "union threat effect." Unions have set standards and established practices that have become more generalized throughout the economy, thereby improving pay and working conditions. This is especially true for the 75 percent of workers who are not college educated. Union grievance procedures, which provide due process in the workplace, have been adopted in many nonunion workplaces. Many sectors of the economy also followed

the "pattern" set in collective bargaining agreements until the mid-1980s. As unions weakened, especially in the manufacturing sector, their ability to set broader patterns has diminished. However, unions remain a source of innovation in work practices such as training and worker participation and in benefits such as child care, work-time flexibility and sick leave (20).

An extensive array of labor laws and regulations protect workers. From the National Labor Relations Act (NLRA) and Social Security Act of 1933 to the Occupational Safety and Health Act (OSHA) of 1970 and the Family Medical leave Act (FMLA) of 1993. The unions in the US have been involved in passage of this legislation and also in enforcing the regulations. Unions have provided labor protections in three ways: one, they have been a voice for workers in identifying where laws and regulations are needed, and have been influential in getting these laws enacted; two, they have provided information to members about workers' rights and available programs; three, they have encouraged their members to exercise workplace rights and have facilitated the handling of workers' rights disputes.

Union membership significantly increases the likelihood that a worker will file a claim or report an abuse at the workplace. In the area of unemployment compensation unions provide information to workers about benefit expectations, rules and procedures and dispel any negative feelings that might be attached to receiving this social benefit. Unions also negotiate in their contracts layoff and recall procedures based on seniority and protection against firing for other than just cause as well as help workers build files in the case of a disputed claim. In the area of worker's compensation the laws governing workers' compensation are made at the state level and they generally form an insurance system for workers who are injured or becomes

ill at the workplace. The employer is liable but is also protected from lawsuits and further liability. Unions provide information about eligibility and the procedures for filing a claim. Union members are 60 percent more likely to file an indemnity claim that nonunion workers. Two studies indicate that unions greatly improve the enforcement of health and safety legislation. The Occupational Health and Safety Health Act (OSHA) inspections were much higher in unionized workplaces than in nonunion ones. The Family Medical Leave Act (FMLA) grants workers 12 weeks of unpaid leave in a 12-month period to care for newborn children or personal or family healthcare and the leave taker is guaranteed the same or equivalent position upon return. Large numbers of workers are not aware of FMLA and employers may reject legally entitled leaves. With regard to the Fair Labor Standards Act (FLSA) employers compliance with the overtime pay regulations rose sharply with the presence of a union (20).

Unionization has continued to decline in the US. In 2000 the percentage of employees who were union members was 13.5 percent and by 2005 this percentage had declined to 12.5 percent. See Table 5. In numbers this was a drop from over 16 million to slightly under 16 million or a loss of about 573,000 members. **An** examination of union membership and coverage rates from 1978 to 2002 verify the divergence of union membership in the private and public sectors. The private and public sector union membership rates were approximately equal in 1974 at about 25 percent. The public-sector union membership rate increased rapidly through 1980 to about 36 percent and has increased only slightly since then. In contrast, the private-sector union membership rate declined over the entire period with the largest decrease in membership and coverage between 1980 and 1985. The free-rider rate, or the fraction of workers covered by a collectively-bargained agreement who are not

union members, is much larger in the public sector. The free-rider rate in the private sector has been fairly steady . The free-rider rate in the private sector reflects, at least in part, the presence of right-to-work laws in 22 states. State right-to-work laws usually say that workers cannot be contractually bound to join unions even if a majority of workers in a facility vote to be unionized and a contract is signed with the employer. That is, no union-shop clause can be written into the contract. A union-shop clause requires employees to join the union or risk being laid-off. Manufacturing membership was 13.0% of the manufacturing workforce in 2005 while public sector membership was 36.5% of the public sector work force. Public sector postal workers at 64.4% are among the most heavily unionized. There are also considerable differences in unionization rates among states. New York is at 16.1 % and California at 9.7 percent in the private sector while South Carolina is at 1.1 % and Utah is 2.7% (16).

Declining overall density and a weak presence in new industries indicate that efforts to revitalize the unions have not been very successful. The unions hardest hit by the last recession and other events are the United Steelworkers (USWA), the International Association of Machinists and Aerospace Workers (IAM) and the United Automobile, Aerospace and Agricultural Implement Workers (UAW). Union density also varies across sectors. Local government workers are heavily organized when contrasted with employees in the finance, insurance, and real estate. Unions continue to win slightly more recognition elections than they lose. But, the number of elections held by the National Labor Relations Board (NLRB) has declined. One union countering this trend is the Service Employees International Union (SEIU) which has been growing by organizing service workers and migrant workers. It has successfully merged workers' rights with community issues in order to unionize thousands of

office-cleaning workers in major cities (10,16).

The decline of unions in the private sector in the US as well as in Europe is the subject of a great deal of academic research. Two types of explanations have been proposed for this decline. First, there have been changes in industrial and market structure that have worked against unions. This explanation says that as the US economy became more open, industries that produced tradeable goods, historically important strongholds for the union movement, found themselves facing increased competition. The US auto manufacturers are a good example of such an industry. Deregulation of some industries that took place during the Carter administration also brought changes. The airlines were deregulated in 1978, trucking in 1979 and telecommunications in 1984. The rate and route regulation in these industries had previously been an important factor in making union organization attractive and all of these industries had large, powerful unions. Deregulation represented a substantial change in the ability of these unions to negotiate higher wages and benefits without fear of entry by nonunion firms. New, non-union airlines and independent truckers did indeed enter their respective industries. Employment in these industries also declined for US owned firms and unions could no longer "take wages out of competition." Job security became an important issue for workers and the demand for union representation declined. Second, employers began to resist unionization more strongly, using the National Labor Relations Board (NLRB) election process to great advantage. Additionally, the political climate in the 1980s became openly hostile to labor unions in a way that it had not before. Ronald Regan's firing of the air traffic comptroller's is a good example of this chilling effect on the unions (13).

The steady drop in union density sharpened the debate within the labor movement

about what to do to stop this decline. Most AFL-CIO officials and national union members, prior to the re-election of George Bush, thought that unions could only be revived with a change in US labor laws and that political activism would help. In 2003 the union movement engaged in a major congressional campaign to win support for the Employee Free Choice Act. The proposed legislation would have made it easier for unions to win recognition by submitting cards signed by a majority of employees in a potential bargaining unit indicating that they wanted to be recognized as being represented by a particular union instead of having to go through a representation election. This is called a card check. This change is considered important to unions who are faced by sophisticated and aggressive anti-union tactics during union recognition campaigns. The Republican victory in 2004, however, put an end to this proposed legislation. The unions also put an enormous amount of money and time into electing Democrats in 2004, particularly John Kerry. In "swing states" thousands of trade unionists worked for Kerry. The Kerry defeat brought the significant differences in strategy between some of the member unions and the AFL-CIO leadership to a head. Several AFL-CIO affiliated unions formed the New Unity Partnership (UNP). The leader of NUP has been Andrew Stem, the president of the SEIU. NUP was later altered to the Change to Win Coalition. The SEIU is one of the few unions in the US to have gained members in recent years. Several large unions are part of this new coalition. In addition to the SEIU, there is the Laborer's Union, the Teamsters, the United Food and Commercial Workers, UNITE HERE, the United Farm Workers and the Carpenters. Stem proposed consolidating the 66 unions of the AFL-CIO into 20 or so larger unions that would seek to represent workers in specific sectors, industries and labor markets. He also suggested returning half of the membership dues that the Federation receives from its affiliated unions in order to fund new organizing drives. Meanwhile the AFL-CIO leadership, under John

Sweeney, argues that organizing and politics are equally important in protecting the rights of US workers. The Change to Win unions said they would coordinate political efforts with the AFL-CIO in the elections of 2006 (11).

The increased employment of part-time, temporary help and private contractors has also posed a problem for unions. The labor law of the New Deal period was written to assist the unionization of full-time workers who sought lifetime employment with a single employer. However, employment in the temporary help supply (THS) industry has increased rapidly in the US. The variability and cyclical sensitivity of THS workers is very high. In order to meet this problem the unions have sought to form coalitions with the temporary help industry. Some temporary-staffing firms have taken steps to go beyond the traditional activities of their industry. For example, they offer workers better term of employment, sometimes providing health insurance. Additionally, a few temporary-staffing companies have developed business alliances with outplacement firms to provide temporary employment for job seekers while those individuals search for more permanent employment. These workers are usually managers or technical and professional employees.

Unions have moved to protect these non-traditional workers. Sometimes they extend existing collective bargaining conditions to temporary, part-time, and contract workers. They may also negotiate new contractual terms for temporary workers along with provisions that allow temporary workers to access the benefits of regular employment. Unions have also sought to form labor market intermediaries that help workers in sectors where employment is short-term or seasonal and employers and most employers are small (8).

Community organizations have also innovated by running temporary job placement businesses, worker-owned enterprises and public-private partnerships. These are partnerships between temporary-staffing companies and public agencies. These partnerships have grown as states have implemented welfare reform to move welfare clients into jobs. Information and organizing networks between unions, community groups and churches have been established. A good example of a geographical area with a large number of temporary workers is the Silicon Valley labor market in California. The Silicon Valley has a large number of temporary workers, self-employed workers, and part-time workers. The high-tech firms in the Silicon Valley outsource many of their peripheral operations such as building services and landscaping. In the 1990s they expanded their outsourcing to human resource administration and manufacturing. Original equipment manufacturers such as Hewlett-Packard, Cisco Systems and Sun Microsystems began to outsource their manufacturing functions just as the automobile industry has done. The Communication Workers of America (CWA) introduced employment centers in Silicon Valley to provide employers with highly qualified, productive CWA-affiliated contractors, as opposed to nonunion contractors. CWA in an effort to retain its membership has also joined with the National Association of Broadcast and Entertainment Technicians (NABET), an affiliate of the CWA, to provide freelance employment in broadcasting. Workers who find employment through the employment centers join existing CWA locals but may pay a different dues rate for union membership in recognition of their intermittent work status.

In November 2004, the Republican-dominated National Labor Relations Board (NLRB) overturned a four-year-old precedent set in the MB Sturgis case. That decision had allowed temporary workers supplied by staffing firms the right to form a

combined union with employees of the company using temporary workers. Under the new ruling, temporary workers must now have the permission of both employers before there can be a vote on whether to form a union. This later decision marks another setback for unions trying to find a legal way to organize the large number of 'temp agency' workers. This ruling came shortly after an NLRB decision to deny university teaching and research assistants the protections of the National Labor Relations Act which includes the right to form unions (11).

4. COLLECTIVE BARGAINING

The assumptions of those designing the New Deal labor and employment policies and institutions in the 1930's were: the dominant image of work and employment was one of a long-term relationship between a large firm competing mostly in an expanding domestic market involving one of two types of employees, hourly wage workers or salaried managers both with a spouse at home attending to family and personal matters. The New Deal employment policies were enacted with a focus on the domestic economy. The underlying objective of these policies were to standardize conditions at the high levels Americans expected and thereby "take wages and terms of employment out of competition." The US industrial relations system was built on this model. Employees, represented by unions, negotiated with mangers for a piece of the profits received by the companies from an expanding domestic market and overseas markets with few competitors. However, the US employment policies need updating. The workforce and nature of work have changed dramatically while the policies and institutions governing them remain embedded in doctrines and models suited to the economy and workforce of the 1930s (19).

Increased participation of women in the labor force has not only changed the

demographic make-up of the paid labor force but also increased the number of household hours devoted to paid work. Work and family life is more interdependent now. Some members of the workforce prefer to work at home if they can. The distinctions between management and employees are increasingly blurred by the movement to decentralize decision making to lower organizational levels and the growth in technical and professional occupations. Employees may have some management functions and well as some employee functions within the same position. Workers are increasingly likely to carryout responsibilities heretofore reserved for managers and salaried employees.

But the New Deal labor policies were based on one fundamental premise that continues to be valid and useful in an economy with many different employment relationships. That is, the underlying support for collective bargaining is that the parties closest to the problems of their workplace are best positioned to shape the terms and conditions of employment that suit their needs and circumstances. Policy makers, however, have moved away from this principal as unions and collective bargaining has declined. The new approach favors enacting more direct regulations of workplace practices and outcomes.

The globalization of product and capital markets also implies that an increased number of workers now compete in labor markets that know no national boundaries. Trade, investment and international labor policies therefore become inevitably more interdependent than in the past. The nation's private and public social insurance arrangements need to be adopted to fit today's labor force and patterns of labor market experiences. Benefits need to move with workers if the costs of mobility are to be lowered and more workers with short-term attachments to jobs are to be covered by

these benefits (18).

This long-term decline in collective bargaining as a means of settling wage and employment conditions has mirrored falling union membership. Collective bargaining occurs almost exclusively at the individual company or workplace level. The exceptions are multiemployer agreements such as the Pacific Coast dockworkers. Bargaining has become increasingly decentralized in the US in recent decades shifting from multi-employer contracts to company contracts and more recently to the individual worksite. Companies have also been opening new plants either in the US or overseas on a non-union basis. Employers have been using this lack of union coverage at all sites to squeeze the unionized plants into making concessions by threatening to move production to non-union facilities either in the US or abroad **(3).** Wages, health care benefits, and pensions have been the key issues for negotiations. Working time has not been important at the negotiating level, but, at the legislative level (10).

The developed world has undergone a dramatic shift from manufacturing to services and information as the basis of economic development. As a result, businesses are under ever-increasing pressure to make goods better, faster and cheaper. With the disappearance of manufacturing jobs in the US and the importance of information processing and customer service, the need for muscle has given way to the need for brains. The importance of information have challenged managers and workers to develop new ways of structuring their relationship. Traditional 'top-down' command and control labor-management relationships might have been appropriate in an era of routine, assembly-line processes focused on repetitive activity. However, this new era of rapid technological change and more sophisticated information flow has made it necessary for workers to have the freedom to be creative in developing

effective work processes. This is true because there is too much information for managers to keep control of. Today's workers require an environment of both constant, formal upgrading of skills as well as an environment that encourages the manager-to-worker and worker-to-worker interactions conducive to informal learning.

In this environment what are labor and management's interests? From management's point of view it needs a highly skilled, flexible workforce that fills-in the tasks that middle-management use to perform. It needs workers that have well developed soft skills. Workers need a good basic education to develop analytical skills and then opportunities for lifelong learning. In an increasingly insecure economic environment workers may not see the value of following top-down orders. Above and beyond training and independence, workers still need the same protections they always did such as secure employment and safe and desirable workplaces. Workers still need protection from discrimination but they also need more fairness of the type that cannot be legislated.

Labor and management relationships in the US have most often had a difficult and hostile history. Bargaining has often been characterized by hard bargaining with each side staking out extreme positions. The problem with such bargaining is that one or the other party, or both parties, may be left disappointed if they are not powerful enough to impose their will on the other party.

There has been very large changes in both organizational structure and work processes in the last 25 years. These changes have resulted in a shift in some labor-management relationships from hard bargaining to labor-management cooperation. This shift has most often been driven by economic necessity rather than

union or legal pressures. In the highly-competitive, global, skills driven and information and service oriented economy labor and management in the US has sometimes been driven by a mutually dependent relationship to greater cooperation.

Cooperation requires a rethinking of the general US corporate governance model. Corporate governance is generally understood to refer to the legal and organizational structures that govern the relationship between corporate executives, boards of directors and the shareholders who are the ultimate owners of the corporation. Shareholder based theories reduce the relationship between the owners and workers to an employment contract that specify the wages and work-effort bargain. In general US laws follow these theories. Workers have no legally guaranteed rights to participation in corporate governance structures or to have their interests taken into account when strategic decisions are made. Most corporate boards of directors have a primary fiduciary responsibility to the company's shareholders. Shareholder focused conceptions of the firm, and their supporting legal structures, sharply separate the managers from the workers (1). This separation in the theory does not always reflect contemporary practice for the modem enterprise requires more than a contractual arrangement. Workers engagement in decision-making began on a large-scale in the US with Quality of Work Life (QWL) programs in the 1970s. Since then competitive pressures and technological developments have led firms to adopt self-directed work teams and an array of high performance workplace practices that facilitate worker participation in operational decisions at the work site. These practices began slowly in the 1980s and became increasingly prevalent in the 1990s. They are most often found in large and medium size firms many of which are multinationals.

At the operational level the benefits of involvement typically outweigh costs

associated with joint-decision making. Empirical evidence demonstrates improvements in productivity, quality, delivery times, and even financial performance as a result of workers participation in operational decisions of the enterprise. Studies of US firms suggest that management has an interest in implementing these "high performance work systems."

Workers in "high performance work systems" also generally find that their jobs are more satisfying and rewarding. At the decision making levels above that of the workplace, however, the degree of participation and partnership typically remain the prerogative of management. Managers resist calls for joint decision making over such areas as downsizing, divestiture, or the shifting of operations. Shareholders also oppose decision-making that make it more difficult for the owners to capture the profits associated with changes in the company's strategy. Traditional collective bargaining by unions provides some constraints on managers decisions. Unions have legally protected rights to negotiate over the effects of strategic decisions, though not the decisions themselves, and collective bargaining creates governance structures that effect the allocation of resources.

For their part, union leaders have been historically reluctant to involve themselves in strategic decision-making for fear of assuming more responsibility for decisions that the company may make, particularly if the decisions turn out to be wrong and there are disparate effects on its members who may then hold the union and not management accountable.

However, many union leaders, faced with increasingly mobile capital, global competition, and corporate restructuring, have come to believe that a voice in strategic

planning is necessary for the long-run viability of the union and the employment of its members. Workers tend to be favorably inclined toward new work systems but are less enthusiastic when reforms are coupled with a corporate strategy that may endanger their jobs. Workers with firm-specific skills, the traditional base of US unions, find that their skills do not easily transfer to other jobs and US firms enjoy considerable freedom to oppose workers' rights to organize and to move work from one facility to another or to outsource work. The ability of managers to walk away from a labor-management relationship that has been built-up over the years can erode mutual trust. Collective bargaining agreements with some form of labor-management partnership are fairly common, but, agreements that include a strategic partnership are extremely rare (10).

Before the union and management can get out of a hard bargaining pattern it is almost always necessary to train labor and management in interest-based problem solving. The interest based bargaining (IBB) process involves the parties learning how to communicate by expressing their needs and concerns and engaging in joint problem-solving. The Federal Mediation and Conciliation Service (FMCS) and other organizations have promoted the partnership concept as a way of combating competitive pressures within the collective bargaining process. These partnership challenges may take the form of: training in new methods of communication and conflict resolution; changes in the structure of organizations; the introduction of new work processes to give workers greater freedom; the need to provide continuous training. While traditional negotiations still reflect the reality of the workplace in the US this means that the parties are overlooking options that could satisfy both. The private character of US initiatives is in contrast to legally mandated works councils and provisions for employee representation in some European countries through

national legislation or through EU directives.

An example of the incorporation of interest-based bargaining into the organization are the Miller Dwan Medical Center and the United Food and Commercial Workers in Duluth, Minnesota. They had several years of a contentious relationship and then underwent IBB training with the FMCS. The FMCS mediators who conducted the training were well-aware of the personality issues and they helped to install an environment of listening and understanding the other side. IBB is not a substitute for collective bargaining and does not supplant the vigorous representation of each parties side.

In the 1990s, the Harley-Davidson Corporation, a motorcycle manufacturer, and its unions, The International Association of Machinists and Aero0space Workers (IAM) and the Paper, Allied Industrial, Chemical and Energy Workers (PACE), were faced with stiff competition from Japan and Europe as well as a demoralized workforce, old work practices and extremely high expectations from customers. In order for the company and its workers to survive both sides agreed to the creation of a new 'greenfield' factory in Kansas City, Missouri that would be free of some of the restrictions of the past. This partnership became embodied as the core of the collective agreement. Top management of the company met with top officers from the unions three years before the agreement for the new plant. A joint partnership implementation committee, consisting of high-level officials from both organizations was formed and a permanent governing structure was then developed. A seasoned plant manger was combined with a group of 20 hourly representatives.

In contrast to Harley-Davidson where the change was initially focused on one

plant, Kaiser-Permanente, a healthcare provider, and its union set-up a national partnership encompassing all its facilities in the US. Kaiser Permanente is the largest, most unionized healthcare provider in the US and is a not-for-profit healthcare provider. For-profit health care providers were routinely underbidding Kaiser Permanente by marketing themselves to the better-risk population.

Another type of partnership has been joint labor-management support for lifelong learning. The Alliance for Employee Growth and Development created by AT&T and the CWA is a notable example. The Alliance is the first jointly owned non-profit educational corporation in the telecommunications industry. It has equal numbers of union and management representatives on its board with two managing directors one appointed by the company and one by the union. Since 1986 over 160,000 employees have used the services of the Alliance to pursue additional education, to prepare for a higher job in AT&T or to prepare for a new career outside of AT&T. In New York the Garment Industry Development Corporation (GIDC) is an organization jointly funded by apparel manufacturers and the Union of Needletrades, Industrial and Textile Workers (UNITE) to promote and protect New York's fashion industry. GIDCs programs include on-site training programs for manufacturers and bilingual vocational trainers work with machine operators and their supervisors to upgrade and diversify the skills on the sewing floor. There is also lifelong learning to upgrade skills and for shop owners and supervisors. Topics include computer skills, machine maintenance and repair, garment costing/cost control, and occupational health and safety (9).

In 1995 the Los Angeles Department of Water and Power (LADWP) and its largest union, Local 18 of the International Brotherhood of Electrical Workers (IBEW)

set-up a partnership to avoid a major institutional crisis. LADWP is the nation's largest public utility, serving more than four million city customers over 465 square miles of service territory in a market it has monopolized for about one hundred years. In the mid-1990s, public confidence was shaken by a bitter, disruptive strike in 1993 by Local 18, which represents seventy-five hundred LADWP employees. Settlements after contract expiration had routinely taken up to eighteen months. Until early 1995, the parties were on track for more of the same in their 1996 negotiations. There was also trouble brewing in the industry as legislation was being prepared to deregulate California's electricity market. Leaner, investor-owner utilities such as Enron were waiting to enter the market. The City of Los Angeles also depended on the utility for financial support and there was always the politics of the situation.

Both labor and management realized that new thinking was needed. The Business Manager of Local 18 got the newly appointed general manager of LADWP to agree to create five labor-management committees. One of the internal committees conducted a study of the internal cost of power generation relative to the external market and found that indeed LADWP could be cost-competitive. Working together, labor and management lobbied the state legislature to allow publicly owned utilities to opt out of deregulation. Late in 1995 the union and company agreed that the 1996 negotiations had to be different and they wanted bargaining to provide the basis for a more cooperative relationship. The parties attended a workshop on mutual gains bargaining and got a facilitator to help in their negotiations. All-day meetings were held off-site and a joint committee framed the issues in advance of large group sessions. The presence of senior line management from the operating units brought discussions down to earth and aided management's credibility with the union team. The 1996 negotiations were completed in less than two months, three months ahead of

the contract deadline. The contract was approved by the highest voting turnout in Local 18 history. **A** Joint Labor-Management Resolution Board was also set-up to deal with items that would come up during the contract. Sub-committees were established and joint problem solving took place. Since then the mutual gains approach has been assimilated by the union and company representatives and LADWP escaped the later problems in the California energy industry which involved Enron (12).

One of the highest profile examples of labor-management partnerships was the one developed at the shop floor level between Xerox and UNITE. These shop-floor partnerships, often do not evolve into strategic partnerships and may be an outgrowth of the pressures on managers and workers in a failing firm as in Xerox. American unions have no statutory support for strategic involvement and few firms actively seek the unions involvement. On occasion the union gains the concession from management of placing one of their representatives on the board of directors in return for the unions cooperation in a matter or a union concession. However. three factors constrain union-nominated directors' abilities to use the board for a discussion of management and labor interests in strategic decisions. First, union nominees for a board, like all directors, are required to represent the interests of the shareholders. Second, on typical boards, outside directors, such as union representatives, are not involved in day to day issues of running the company. Third, managers and boards interests are not always aligned with the shareholders interests. In the 1980s, following deregulation and the weakening of pattern bargaining, trucking companies that were unionized by the International Brotherhood of Teamsters (IBT) sought wage concessions. In several firms, workers accepted stock in return for wage concessions. The IBT insisted on board seats and the Teamster leaders envisioned these seats as

vehicles for joint discussions of the strategic issues facing the firm and the union. But, this never developed. Instead the boards became a vehicle through which the IBT attempted to protect its members' financial stakes in the companies. The managers guarded information closely and made many decisions outside the boardroom. All of the IBT board schemes eventually disappeared. Another example was Chrysler. Chrysler, now Daimler Chrysler, was the first large US company to have a union representative on its board in the last couple of decades. UAW President Douglas Fraser obtained a seat following the UAWs assistance to the company in it's move out of bankruptcy with help from the federal government. After some wrangling, Fraser's successor as president, Owen Bieber, also assumed the seat. The Chrysler-UAW seat illustrates the limits of board representation. Both Fraser and Bieber found it very difficult to influence management policy. Other board members often communicated privately without including the UAW representative. Eventually the board restructured itself by reducing its number and the UAW seat was dropped. By that time the UAW did not contest this disappearance because of its unsuccessful experiences. The United Steelworkers (USW) and the Airline Pilots Association (ALPA) are the two major US unions who have identified board seats as part of their collective bargaining strategy and in both cases this strategy is a result of hardships to firms in the steel and airline industries.

Another example of labor-management partnerships are the jointly administered UAW-Ford programs. The Family Service Learning Center Program (FSLCP) is a cooperative venture between the UAW and Ford and was created through negotiations in 1999. The FSLCP staff work with local and area-wide family councils to determine which programs and services best serve the needs and interests of employees, retirees, and their families. It is more than a childcare center. It is built on the principle that

individuals and families are strengthened by intergenerational life experiences and the development of opportunities. Programs offered at centers across the US generally fall into three categories: Family Education Services which includes programs such as retiree travel clubs and technology classes, Early Childhood Education Services which provides quality childcare, Educational summer and school vacation programs are also provided for elementary and middle-school students. Community Service and Outreach supports individual and family activities by identifying volunteer opportunities. A separate nonprofit corporation was established to administer this program with a board comprising an equal number of UAW and Ford representatives (5).

5. **LEGISLATION AND FEDERAL POLICIES**

Federal workplace regulations provide employees with important rules directly affecting the implementation of those statutes. Workplace regulation dating back to the Fair Labor Standards Act (FLSA) of 1938 and going forward to FMLA passed almost sixty years later provides workers with an opportunity to participate in one or more aspects of the regulatory process. Most important of those rights is that of triggering regulatory activity itself. Although the right to trigger safety inspections dates back to some of the earliest state-level labor legislation, regulations promulgated during the two most recent surges of workplace legislation, 1963-74 and 1986-1993, have increased the number of regulations providing workers with a right to initiate civil actions under such laws as Title VII of the Civil Rights Act, Americans with Disability Act, and layoff legislation (WARN). This has resulted in an enormous increase in the number of cases filed particularly under employment law.

Table 6 presents the major federal workplace regulations in the US. Most of the

federal regulations include the right to initiate an agency action and the right to pursue private action in courts either as the first step in seeking to change employer behavior or after administrative remedies have been exhausted. Most federal legislation also establishes reporting or disclosure requirements that seek to inform employees of their rights, employer duties, or employer performance under the statutes. In addition to these rights, many workplace statutes enumerate employee rights regarding participation in various stages of the regulatory process, such as providing workers, or their designated representatives, with a right to accompany government officials during inspections under the Occupational Safety and Health Act (OSHA) or the Mine Safety and Health Act (MSHA) and to appeal decisions or participate in hearings arising from inspections.

There is little reason to think that US workers uniformly exercise these rights granted to them under labor policies. Studies in several different areas indicate that the propensity to exercise rights varies along some general lines across different groups. A number of empirical studies have shown different propensities for individuals to litigate civil claims. Other studies have documented factors affecting workers' use of grievance procedures in union and nonunion workplaces. This literature suggests that factors related to the individual(sex, education, demographic background), the workplace environment (size, degree of conflict, management and union policies), and the specific grievance or civil problem involved affect under what circumstances individuals use their rights. The conditions under which employees exercise their rights either to initiate suits or agency actions fundamentally affect achievement of policy goals in the workplace given the limitations of the government's resources for enforcement. In a different vein labor market programs like workers compensation and unemployment insurance require that workers initiate

the process leading to the issuance of benefits provided by these programs (25).

Immigration

Immigration into the US has risen sharply in recent years. More immigrants arrived during the 1990s than in any previous decade. At the same time, the number of legal migrants fell after September 11,2001 as a result of new checks and restrictions. According to the 2000 Census, of the 18 million foreign-born workers a large percentage were born in Mexico. In addition to these 18 million workers, there were 5.8 million people who were admitted to the US on a short-term basis for business purposes. An additional 990,000 entered as "temporary foreign workers."

Roughly two-thirds of immigrants enter the US as immediate relatives, mostly spouses, children and parents, of other immigrants who have already settled in the country. Employment-based immigrants make up roughly one in six new immigrants each year. These are primarily skilled professionals with 'exceptional ability' and other priority workers who fill jobs for which the US Department of Labor (DOL) has certified that no qualified US worker is available. Also, diversity immigrants total 55,000 per year under the present lottery system that makes visas available to nationals from undersubscribed countries. Finally, refugee admissions are determined annually. Nearly three-quarters of new immigrants initially resided in six states, California, New York, Texas, Florida, New Jersey and Illinois. However, immigrants increasingly settle in other states such as Michigan, North Carolina, Georgia, Nevada and Arkansas (11).

The number of illegal immigrants presently in the US has been placed between 11 and 13 million. The largest numbers are employed in agriculture, followed by the

service sector and then manufacturing. Mexico is by far the largest source of unauthorized immigration. Many of these illegal migrants enter the country legally and become illegal by staying in the country after their non-immigrant visas expire.

Employers have tended to favor an open-door approach to both legal and illegal immigration and have resisted political efforts to reduce the inflow of immigrants. This is true for employers that hire technical and professional workers as well as those that rely on a steady supply of low-wage, unskilled labor. US firms have also looked to immigration as one way of attracting sufficient numbers of trained workers. They maintain that foreign professionals help US companies survive and prosper in the global market-place and remain the leaders of the high-end knowledge-based sector.

Many higher-skilled workers are admitted by way of employer sponsorship under what is known as the 'HI-B' visa program. An employer must demonstrate to the DOL that the prospective employee has extraordinary ability and will hold a position that cannot easily be filled by a non-immigrant. The HI-B program during the 1990s became the largest channel for professional migrants to come to the US. The Immigration Act of 1990 had set a ceiling of 65,000 employer-sponsored immigrants per year. But high-tech companies got Congress to raise the annual ceiling to 115,000 and then to 142,500 and then to 195,000 with the passage of the American Competitiveness in the 21st Century Act of 2000. However, after September 11, 2001 and the 2001 recession Congress reintroduced the 65,000 cap and the DOL and the Immigration and Naturalization Service (1NS)have made obtaining this visa more difficult (11).

While immigrants have made headway in breaking into higher-paid occupations,

they remain disproportionately represented in lower-paid occupations. Studies also indicate that employer violations are quite widespread. Denial of labor rights is almost routine particularly violations of occupational health and safety. Safety concerns are very high in construction. And, poultry processing plants are often not in compliance with federal wage and hour laws. Immigrant organizations have also criticized a lack of employer-provided training programs for workers who lack English proficiency. This lack of education has contributed to the fact that in certain job categories such as farm laborers and homecare workers immigrant labor makes up a large share of those employed. More than half of the garment workers in the US, such as Chinese workers in New York City, plants, are immigrants. Workers may accept jobs that do not pay a living wage because they must support their families either in the US or back home.

Employers in agriculture, construction and low-end manufacturing routinely hire immigrants who are not authorized to work in the US. However, under US law an employer violates the law only if he knowingly hires a worker who was not authorized to work. Illegal immigrants routinely obtain false social security cards. When the employer processes a social security card for the employee the employer may receive back a "no-match" letter which asks the employer to check for errors. The employer is not legally required to take action against the employee. In fact, the employer is explicitly warned by the Social Security Administration (SSA) not to do so. Rather the employee is asked to check for errors and forward the correct information to the SSA. Some employers have also been found to use the immigration laws to prevent unionization efforts. A number of incidents have occurred where employers have informed workers seeking to form a union or to become involved in union activity that the INS would be told about them and that if they were illegals they would be deported. Thus the "no-match" letter can become a weapon for

employers to threaten suspected illegal immigrants to accept poor pay, poor working conditions and a non-union setting. In 2002, the AFL-CIO took an unprecedented turn towards encouraging immigrant workers to join unions. Historically, unions had either been against or cool towards immigration out of fear of labor market competition. However, US unions now see an alliance of immigrants around civil rights issues as an important component in the revival of unions. At a meeting of the AFL-CIOs executive council in August 2002 an immigrant workers Freedom Ride for 2003 was launched that put the labor movement firmly on the side of full citizenship rights for immigrant workers.

The North American Free Trade Agreement

The North American Free Trade Agreement (NAFTA) became effective on January 1, 1994 with its adoption by Canada, Mexico and the US. This is an attempt to link the regions trade and calls for falling tariffs, increasing trade and freer international capital flows among the three countries. A supplement to NAFTA is the North American Agreement on Labor Cooperation (NAALC), also called the "labor side-agreement." NAALC began new cross-border labor cooperation and labor law enforcement mechanisms designed to insure that the increase in product and capital market competition brought by NAFTA would not result in the loss of worker welfare. Organized labor in Canada and the US opposed NAFTA, contending that among other adverse effects, it would result in job losses north of the Mexican border. In coalition with human rights, environmental, citizen and other non-governmental organizations, labor lobbied against the passage of NAFTA. The trade negotiators responded to this campaign by including NAALC. However, NAALC fell far short of what the labor movement and other groups had hoped for. Organized labor pointed out that Mexico's wages, adjusted for exchange rate differences, and other employment terms lagged far

behind Canada's and the US. Mexico also lagged in the enforcement of it's labor laws. Unions also pointed out the lax prosecution of labor law violators in Mexico and the discriminatory treatment of independent unions. Independent unions are those unions not historically linked with what had been until recently the ruling PRI party. Consequently, the US and Canadian unions leadership argued that NAFTA must include a set of carefully written measures to improve the standard of Mexican workers and bring Mexico's labor laws and their enforcement up to the level of its northern neighbors. Without these measures labor feared that Mexico would attract very large investment from Canadian and US exporters and manufacturers in search of cheap labor and undermine the bargaining power of Canadian and US unions. They feared that Canadian and US workers would be displaced and their wages and other benefits depressed. The Clinton Administration suggested an independent commission to examine this but the negotiators objected and a much weaker supplement was enacted. NAALC commits the three governments to cooperate and consult and allows the three countries to file submissions alleging that any one of the three governments fails to uphold its obligations under NAALC. Organized labor will probably continue to resist further liberalization of international trade and the unions continue to oppose NAALC since the accord does not establish minimum standards and allows little recourse when workers rights to organize, strike and bargain collectively are curtailed. NAALC also qualifies due process and administrative protections for workers. It specifically states that the government of one country may not undertake to enforce the labor laws in the jurisdiction of another partner-country. In union-representation elections employers may threaten to close or move plants to Mexico if its employees vote for union representation. These threats have sometimes been successful. A National Administration Office (NAO) is established in each country empowered to review labor law matters arising in a partners country upon complaint. But NAALC

does not provide for fines or punitive trade measures. The NAOs do not act like the NLRB does in the US. However, submissions to these NAOs are the only place where workers and their representatives can seek some kind of public forum for presenting a case against an employers' anti-worker activities in another country. Between 1994 and 1999 there were twenty-two submissions. Fourteen in the US, three with the Canadian NAO and five with the Mexican NAO. A large number of these were denied review, while others were withdrawn or settled. Sixteen of the twenty-one alleged acts were either a denial of labor's right of freedom of association, meaning union organization, or safety and health issues.

An evaluation of NAALC reaches the following conclusions. The public's understanding of NAALC has been increased as a result of a number of cooperative activities. Regional labor and industrial relations issues are being raised that otherwise would not be. However, for workers, trade unions and labor activist these activities will not change labor laws or the realities of the plant-floor. With regard to submissions, investigations and reviews the record is mixed. A forum has been provided and during the side agreements first six years about 80 organizations have used the NAOs as platforms for airing alleged wrongdoings. NAALC has also been a vehicle for unions and labor rights organizations to begin to cooperate across national borders. Several submissions have been filed by cross-border union and non-union groups. On the negative side, labor generally holds that NAALC lacks remedies and sanctions and labor leaders continue to criticize the agreement. The benefits have been indirect and not direct. For example a submission led by the Yale Law School Workers Rights Project alleged that the US government was not enforcing the FLSA at least when it came to employers who hired foreign nationals and challenged a US policy that allowed DOL to turn over evidence of undocumented workers to the INS.

This policy, the submission asserted had a "chilling effect" on immigrants who otherwise would report FLSA violators to DOL. On the day the submission was accepted for review by the Mexican NAO, the US announced that it had changed its policy. The small number of submissions over the years, by unions and other groups, indicates that these groups do not consider NAALC a viable statue for resolving workers grievances. So far the costs to multinational companies of exposure of their practices through the NAALC procedures appears to be less than the economic benefits of ignoring some labor laws (4).

6. Social Dialogue

It has been argued that social dialogue, as traditionally defined by the International Labor Organization (ILO), does not exist in the US. Fundamental to the ideology of tripartite dialogue are premises such as: social pluralism, or the rights of different interest groups to co-exist, representative democracy, or the recognition of membership organizations such as labor unions as having a right to a voice in social matters and the primacy of the common good, even at the expense of individual interests and respect and abidance by the outcomes of the process. There are no tripartite institutions between unions, employers and governments that regularly act in a consultative manner on labor, social or economic policies. However, the US is a major advocate in international forums for promoting greater respect for workers' rights. Still, there are many attacks on the US compliance with ILO labor standards These complaints maintain that US labor law falls short of the requirements of the ILO's twin "cornerstone" Conventions 87 and 98 on freedom of association and the right to organize and bargain collectively. US law and practice is not consistent with ILO conventions in every detail yet many US employers are pleased with these differences. The prevailing political thought in the US is that it cannot ratify these

conventions for political, ideological, constitutional and historical reasons. This is an approach taken with other international conventions. However, workers rights have become a key issue in international trade policy. The US tripartite constituents are the government, the AFL-CIO and the US Council for International Business. The US is not subject to regular ILO supervision of its performance in meeting the requirements of Conventions 87 and 98, because it has not ratified these conventions. It is, however, subject to complaints through the ILO's Committee on Freedom of Association (CFA), a special procedure of the ILO's governing body that can be invoked against any member state whether it has ratified these conventions or not, since acceptance of the principles underlying these conventions is deemed to be an inherent constitutional obligation of membership in the organization. The CFA consists of three representatives from the workers, employers and governments. It meets in closed session, reviews specific complaints against member states and judges the veracity of the alleged facts. The CFA has dealt with ten specific complaints against the US from 1981 to 1999. and there have been a total of 34 US cases out of a total of 2,500 cases since the inception of the supervisory committee began in 1951. Since the CFA does not bring charges against or condemn governments it's recommendations are usually couched in mild language. Many of the cases that the CFA has handled have to do with murder, kidnapping, torture, rape and other forms of physical violence committed by repressive governments against trade unionists around the world. The occasional US cases are of a different kind. And, have to do with workers rights and free speech usually in organizing campaigns (14).

In the US, tripartite institutions and their conceptual premises have generally not been embraced, except for a brief period during World War 11. After the US entered the war, President Roosevelt moved quickly to ensure industrial stability by calling

for a no-strike pledge. He convened a conference of labor and management leaders, which led to the formation of the National War Labor Board. It was composed of 12 members, with an equal number of labor, management and public representatives. Many of the features of the War Labor Board have been carried through to current labor relations. These features include strong protections for "management's rights," a grievance system ending in binding arbitration, and ultimately a disengagement of government from the active development of labor-management relations.

Since World War II, labor relations have continued to be based upon the premise that management has fundamental rights to exercise its prerogatives, and that these rights are tempered only to the extent that labor can mobilize their influence to limit them. Unlike countries that form bipartite and tripartite institutions and elicit labor's input and joint decisions with regard to labor regulations and social policies, the US has not recognized pluralistic interests in bringing the labor movement to the policymaking table. Instead, the labor movement has to rely on building political strength in order to advance its agenda.

The government sets minimum wages, health and safety standards, and provides for the right to form unions, but only sets these when successfully pressured to do so by the labor movement and labor's suggestions to Congress. Unless the labor movement pro-actively intervenes, it does not have a voice on such workplace matters as unemployment benefits, workplace injury compensation, or social security retirement benefits. It also does not have an official voice in the formulation of economic development, trade issues, health policy, education policy, or other social issues. The most recent new government initiative that included labor's input into policymaking occurred during the tenure of President Clinton. Robert Reich, his

Secretary of Labor, led DOL in promoting a social dialogue between labor, management, government and academia through a series of major initiatives, including the Commission on the Future of Worker-Management Relations known as the Dunlop Commission, the Conference on the Future of the American Workplace and the Apparel Industry Partnership. The Dunlop Commission explored the reform of labor law and practices of collective bargaining and conflict resolution. The Conference on the Future of the American Workplace investigated skills development, work and family issues and the international competitiveness of the US workforce. The Apparel Industry Partnership was a consortium convened to establish codes of conduct and compliance monitoring in the apparel and shoe industries.

Two trends related to the social dialogue have emerged in recent years. One, is a trend towards bipartisan consultation and partnership building between labor and management and the other is coalition building between labor and social actors in the civil society. The most common institution is labor-management partnerships which began in the 1970s as a result of global economic recession. This gave rise to consolidations and mergers and led to increased pressures for American companies to stay competitive in global markets. One industry that was particularly hard-hit by the industrial consolidation of the 1970s was the auto industry. Japanese companies were able to gain a foothold in the US market as a result of an oil shortage in the early 1970s and their ability to produce inexpensive, fuel-efficient vehicles. The Big Three automakers were put at a competitive disadvantage. American labor unions, faced with threats of plant closures and downsizing, generally acquiesced to management's demands for higher productivity, and entered into labor-management partnerships. By 1991 sixty-four percent of US firms with fifty or more employees had some form of employee involvement program. Some were health and safety committees at a plant

location, others utilized "interest-based bargaining" techniques in contract negotiations, and a very few partnerships included joint decision-making about issues previously considered business decisions, such as financial matters and operations planning. Although many unions became parties to labor-management partnerships, some unions viewed these partnerships with suspicion from the beginning. They were concerned that these partnerships were the latest sophisticated attempts by management to dismantle work rules, job protections and seniority rights which unions had fought hard to achieve, and to replace traditional supervision with worker controls over other workers, or "management by stress." Furthermore, unions feared that workers would believe they actually had a voice in their jobs, and that they might therefore become less militant trade unionists, or even come to believe that there was no need for a union partnership at all.

Another form of partnership has been between labor and other social actors. This requires creativity and new approaches to union organizing. The SEIU has undertaken several county-wide organizing campaigns of homecare workers, the workers who attend the frail, elderly, blind, and people with disabilities in their homes. Originally faced with seemingly insurmountable odds, their strategies have successfully resulted in the unionization of tens of thousands of homecare workers, including 74,000 workers in Los Angles County alone. Homecare workers are among the lowest paid of all workers. They generally earn minimum wage for performing light housekeeping, personal care and paramedical services. Most are women, and many are immigrants who do not speak fluent English. From the SEIUs point of view organizing this group of workers presented some serious obstacles. First, even though the salaries of the home care workers came from government funds that were funneled through various public welfare agencies, the workers viewed their employers as being their

"customers," the sick and elderly they were caring for. Often these customers were also low-income people who paid some fee for services and the homecare workers felt conflicted about pressing for higher pay. Second, the homecare workers worked in the homes of their customers, and never saw each other or got a chance to talk to each other. This made unity hard to achieve.

In Alameda County, California, SEIU Local 6161 overcome the obstacle of not having a common employer by building an alliance of workers, customers, and public officials to change the employer-employee structure. Through some creative policy initiatives, a new agency called the Public Authority for In-home Supportive Services was established as the employer of record. This agency is an official arm of the county government. It centralizes the public funds that pay for the salaries of the workers and it coordinates the homecare workers' employment registry. It also negotiates labor contracts with the union. The problem of bringing homecare workers together was solved by Local 6161, in collaboration with the not-for-profit organization, the Labor Project for Working Families. By soliciting funding from private foundations to set up a community-based Workers Center, homecare workers could meet each other, receive information about the union and job referrals, and participate in homecare training and social activities. . As a result of the coalitions to support home care workers, the policies to create an employer of record, and the strategy of establishing a community-based workers' center, the SEIU was able to organize homecare workers in Alameda County and Los Angeles (22).

7. EMPLOYEE BENEFITS

Health Care

A major economic issue is the rising cost of health care. This is accentuated as baby boomers begin to leave the workforce and the size of the older population grows. One result of rising costs is the decline in employer-provided retiree health benefits. A survey found that since 1988 the share of employers offering such benefits to retirees fell from 66 percent to 36 percent. Employers are raising retiree contributions, instituting costs-haring, and considering eliminating subsidized retiree health coverage for new hires. However, employers who were surveyed in 2005 project that most of their current employees will continue to be eligible for health benefits when they retire. There seemed to be little interest in terminating subsidized benefits or dropping prescription benefits for current retirees. But, eleven percent of the employers said they are likely to terminate coverage for future retirees. Many large employers have begun to place caps on their future financial obligations for retirees and increase the cost of health care by increasing the contributions for both current employees and retirees either unilaterally or as part of a collectively bargained agreement. Total premiums are typically higher for pre-65 retirees than for 65 plus retirees because the employer plan is the primary coverage for pre-65 retirees but secondary for post 65 retirees who have Medicare. In one company survey a typical pre-65 retiree who retired in 2004 paid $187 per month in premiums. A typical Medicare-eligible worker who retired in 2004 paid $101 per month in premiums (2).

Since 2000, there has also been a reduction in the percentage of individuals under age 65 with employment-based health benefits. In 2004 62.4 percent of the non-elderly population was covered by employment-based health benefits compared with 66.8 percent in 2000. Several factors have been cited as contributing to the erosion of employment-based health benefits. These include structural changes in the workforce such as the movement of jobs and workers from the covered manufacturing

sector to the less-covered service sector, decreased unionization and the growth of jobs in small firms were workers are less likely to have coverage. There are also nonstructural changes, such as, the rising cost of health benefits and a decline in the take-up rates among workers with access to health benefits. The take-up rate is whether employees who are offered health-care benefits take those benefits. An increasing share of the US labor force is employed part-time and many part-time workers are not covered by company health care benefits. 17.5 percent of workers ages 18-64 were employed part- time in 2004 compared with 16.3 percent in 2000. In 2004 only 18.6 percent of workers employed part-time were covered by employment-based health benefits through their own employer compared with 61.5 percent of full-time workers. The predominant type of health care plan is the preferred provider organization (PPO) a type of managed care where providers to be used are designated These covered 67 percent of participating workers in 2003. The PPO is followed by an HMO, or health maintenance organization, where employees are required to go receive prior approval before receiving many forms of health care. These cover 24 percent of participating workers. Traditional indemnity healthcare plans cover only 7 percent of participating workers (17).

Pensions

There has been a steady decline in occupational pensions in the private-sector away from defined-benefit plans (DBPs) and towards defined-contribution plans (DCPs). These are usually 401-k plans. The DBP is the type of plan that has been traditionally central to collective bargaining agreements. DBPs provide a set monthly payment that is usually based on a combination of the workers' age, years of service and final average earnings.

The difference between a DBP and a DCP system is that the level of benefits in a DBP system is given by a formula, preferably indexed, that depends on the history of earnings that have been subject to tax. The benefits might be annuitized or might be a lump-sum option. The central element in a DCP system is a level of mandatory contributions that determines benefits. Given the unpredictability of the future, a DBP system needs to be adjusted from time to time in order to deliver the level of benefits expected from the system. That is, with the DCP both the risk in the return on assets and the risk of changing life expectancy fall on the individual worker without a mechanism for risk sharing. DCPs do not promise a fixed benefit. Money is deposited into an account and then invested. If the returns to investment are healthy, the employee is fine. If the returns are poor the retired employee is in poor shape. All the risk is shouldered by the employee and not the employer. The employers' risk is limited to the employers' contribution to the DCP. DCPs are not protected by the PBGC.

The design of both systems are critical and depend on political pressures in the US. However, the trend lines are clear. DBP plans are on the decline and salary-reduction plans, DCPs, are becoming the primary pension plans. The total number of persons in DBP plans are also declining. As assets in pension plans grew in the 1990s some companies and their managers tried to figure out how to use the money in these pension plans to their advantage. Particularly, to use the surplus assets in the pension plan to help finance the purchase of the company from the shareholders. This happened in the sale of A&P, a supermarket chain, in 1983 and ultimately led Congress to enact an excise tax that effectively ended plan terminations as a means of making use of surpluses for other corporate purposes.

The use of pension plan surpluses to take companies private or the idea of purchasing companies not to obtain their physical assets but the funds in their pension plans ended with what has been termed the perfect storm. This has meant a combination of a declining stock market, low interest rates and a falling active worker-retiree ratio at the beginning of the 21st century. As a result private pension plans have see their funds shrink radically. A significant portion of DBPs are multiemployer plans created by collective agreements covering more than one employer and are generally operated under the joint trusteeship of labor and management. However, there has been concern about the viability of these plans as well as the single employer plans. Although pension plans must be established with the intent that they will be permanent, employers are permitted to terminate their plans. These terminations are usually accompanied by bankruptcy filings where the employer argues to the bankruptcy court that ending the pension plan will restore financial viability to the company.

Employer plans are federally insured by the Pension Benefit Guaranty Corporation (PBGC). This is a federal corporation created in 1974. When a pension plan fails the PBGC takes over the insolvent fund and assumes financial responsibility for paying retirees pensions. Employers pay regular premiums to the PBGC. The failure of thousands of plans however, has forced the PBGC into a deficit. PBGC pension payments are often only a fraction of that promised by the failed plan.

As defined-benefit pension plans have declined, defined-contribution plans (DCPs) have increased, particularly in the private sector. Concern about the stability of employment-based pensions was heightened by the Enron crisis in 2002 and the failure of its pension plan. Since then the pension plans of many large companies,

most of them DPBs, have become seriously under-funded. Congress has recently enacted legislation that requires companies to begin to fully fund their pension plans.

During 2003-2004 and after the 2004 presidential election the question of pension reform and proposals to privatize at least a portion of social security surfaced. President Bush made reform of social security the first priority of his domestic agenda after the election. **A** federal budget proposal provided hundreds of billions of dollars to establish individual accounts as part of social security reform. The proposal included funding necessary to establish voluntary carve-out accounts, which are accounts that would partially replace Social Security. Workers who choose these accounts would receive reduced Social Security benefits, and in exchange, would have part of their retirement income based on the investment performance of the account. This proposal was not supported by Congressional members of both parties. The United Kingdom is the only high-income country that uses these accounts, but the number of British workers participating in them has declined by about 20 percent since its peak in 1993, despite growth in the labor force. The Pensions Commission, a national commission in the United Kingdom assigned to propose major reforms, has recommended abolishing these accounts.

Social security is administered by the Social Security Administration (SSA), which administers social security survivors benefits and social security disability benefits as well as retirement benefits. These three programs are all funded by payroll deductions and employer contributions. Social Security taxes, also known as FICA (Federal Insurance Contribution Act), are usually withheld from the employee's pay at the rate of 7.65% which covers both social security and Medicare, the government's health care program providing coverage to people over 65**.** The social security part of

the tax is 6.2% of gross wages. Employers are required to contribute an additional 7.65% to match the employee's contribution. A self-employed person, to be covered, must pay social security taxes of 15.3%.

Social Security is governed by Congress and the unions are not involved. The last change in social security occurred when the retirement age was raised to 66. President Bush's Commission to Strengthen Social Security proposed to redirect part of social security into these individual accounts with the government making up any differences due to the conversion. However, the scandals at Enron and WorldCom and the decline in the stock market beginning in 2001 were enough to defeat any current plans to reform social security. The labor movement also opposed individual retirement accounts and any privatization. Social Security as designed as a pay-as-you-go insurance program with the current workforce paying for the benefits of the retirees. Since the program began in the 1930s the number of workers has outnumbered the retirees, however, this ratio will change in 2011 when the first of the baby-boomers reach 65. And behind the baby-boomers is a baby-bust period. The elderly in the US will double by the time the baby-boomer generation is fully retired. The trustees of Social Security project that current expenditures will begin to exceed current income in 2017 but the fund will remain solvent until 2042 at which point the fund will still be able to pay seventy percent of the promised benefits. This is based on funds owed to Social Security by the federal government which has borrowed heavily from the social security fund.

In the last couple of decades a large coverage gap has opened up between the public and private sectors. Most public workers participate in retirement plans run by their respective state legislatures and the federal government. However, coverage for

private-sector employees has been declining. Workers in lower-pay and smaller companies remain less likely to be covered (11).

Pensions remain a central issue in collective bargaining, although healthcare coverage has been more visible. As a general rule companies have sought to reduce employer contributions. The large "legacy" airlines that are unionized face tremendous competitive pressures from new less unionized competitors. This is contributing to a fundamental restructuring of the US airline industry. The airlines face the task of shoring up their under-funded pension plans, which were under-funded by an estimated thirty-one billion or of declaring bankruptcy and terminating their pension programs. The termination of these pension plans confronts the US Congress with three policy issues. One, is the financial exposure of the PBGC. In 2000, the program appeared financially healthy with assets exceeding its liabilities by 9.7 billion. But, by March 2004 this had turned around to a deficit of $9.7 billion. This was a reversal of $19.4 billion in three and one-half years. This was largely a result of PBGC's takeover of several large, under-funded pension plans of sponsors, several in steel, that had gone bankrupt. Of the ten most under-funded pension plans in PBGC history, five have been in the steel industry. The airlines use of bankruptcy to terminate their plans also present a potential threat to the agency's viability. Second, plan participants and beneficiaries may lose pension benefits due to limits on PBGC guarantees. PBGC benefits do not equal the benefits retirees would have received under their private plans and depend on the size of the PBGC fund. The greater the demands on the fund the smaller the benefits to each retiree. Finally, airlines that terminate their plans may gain a competitive edge because such terminations effectively lower overall labor costs. Major carriers that went bankrupt and dropped their pension plans shifting them to the PBGC are Pan American, Eastern Airlines,

Braniff, TWA and Delta. Looking ahead in this century in addition to the airlines, automotive manufacturers and their parts suppliers present a large future risk because of their under-funding.

Under-funded pension plans are a symptom of the financial turmoil that has been facing the US airline industry, particularly since September 11,2001, Industry trends, including the emergence of well-capitalized low cost airlines and other factors, such as rising fuel costs, have created a very competitive environment. Particularly for the legacy airlines. Since 2000, the financial performance of legacy airlines has deteriorated significantly. Legacy airlines have collectively lost $24.3 billion from 2001 to 2004. Despite cost-cutting efforts, legacy airlines continue to face considerable debt and pension funding obligations. United Airlines and US Airlines stopped making pension contributions for 2004. The latest airline to do so is Delta with its pilots.

The problems of under-funded DBP plans extend far beyond the airline industry. These problems included the cyclical factors that were labeled the perfect storm of key economic conditions, in which declines in stock prices lowered the value of pension assets used to pay benefits, while at the same time a decline in interest rates inflated the value of pension liabilities. Existing pension funding rules and the current structure for paying PBGC insurance premiums have not insured that sponsors contribute enough to their plans to pay promised benefits. For 2004 PBGC paid a maximum monthly benefit of about $37,000 to a 65-year old pension participant and for younger participants, the guarantees declined. Under current conditions the presence of PBGC insurance may create what is called moral hazard incentives. That is, sponsors of struggling plans may place other financial priorities above fully

funding their pension plans. Firms may even have an incentive to seek Chapter 11 bankruptcy in order to escape their own pension obligations. As a result, once a sponsor with an under-funded pension plan gets into financial trouble, existing incentives may exacerbate the funding shortfall for PBGC. To the extent that participants believe that the PBGC guarantee may not cover their full benefits, they may elect to retire and take all or part of their benefits in a lump sum rather than in a lifetime annuity. This could cause a run on a pension plan as assets are liquidated more quickly than expected.

The legacy airlines worked with their unions and continue to work with their unions to reduce operating costs. From October 1, 2001 through December 31, 2003 labor costs were cut by $5.5 billion. The airlines have continued to go back to their employees for give-backs, or the return of wages and benefits previously agreed to in collective bargaining agreements. The principal approach used by the airlines with its unions has been to either invoke bankruptcy or threaten bankruptcy. Once in bankruptcy the company can request from the court that the union contract be set-aside so that the company may revive itself. This could include setting aside its pension plan (24).

There are twelve myths going around in the US about individual accounts and how

they would work if they were an option for Social Security participants. These myths persist because they contain elements of truth. Some myths are true in idealized situations but not in actual implementation and some contain elements of truth that are outweighed by other considerations in a more complete analysis .Myth 1 is voluntary carve-out accounts are similar to 401(k) plans or the Thrift Savings plan for federal

government workers. These are both add-on accounts and do not reduce workers' Social Security Benefits. Myth 2 is that voluntary carve-out accounts would foster an ownership society. These accounts are a debt that depend on a reduction in Social Security payments. Myth 3 is voluntary carve-out accounts would increase national saving, but, this is very uncertain. Myth 4 is workers would only choose a voluntary carve-out account if that choice made them better off. True, well-informed workers making rational decisions who voluntarily choose this option would be better off. However, in the United Kingdom many workers who have chosen voluntary carve-out accounts have been made worse off because they were wrongfully influenced in a "misselling" scandal. Myth 5 is that worker's survivors would be better off if the worker chose a voluntary carve-out account. If the worker died at a young age, the account balance would be small and the survivor's would be generally better off with the full survivor benefits of Social Security. Myth 6 is individual accounts would be free from political risks. International experience has shown that because these account are created by legislators in a political environment, they frequently are frequently subject to political risk. Myth 7 is individual accounts would reduce government involvement in the retirement income system. The government would have an expanded role through its regulatory oversight of individual accounts. Myth 8 is low-income workers would be better off with individual accounts. Low-income workers tend not to own stock and low-income workers are poorly situated to bear stock market risk because of their limited liability to absorb downside risk. Myth 9 is workers would be good financial managers of their individual accounts. Some workers would be good financial managers. However, experience with 401(K) plans indicates that many workers make errors in choosing their investments and in the timing of changes in their investments. Myth 10 is the rate of return workers receive from individual accounts would be higher than what they receive from Social Security.

Stocks on average earn a higher gross rate of return that the implicit rate of return workers receive on the contributions to Social Security. However, if risk is taken into account and administrative costs for individual accounts the two rates of return are the same. Myth 11 is individual accounts would not redistribute income. True, but if individual accounts are annuitized they redistribute income from low-to high-wage workers who tend to have longer life expectancy. Myth 12 is individual accounts would not affect labor supply and retirement age because they closely link contributions and benefits. However, there are many possibilities that can distort labor markets (23).

8. ALTERNATIVE DISPUTE RESOLUTION

Alternative dispute resolution (ADR) systems have expanded in the US. ADR is a process of resolving disputes arising under workplace regulation. ADR has been used in a variety of forums. Under ADR, an employee seeks recourse to a problem such as job discrimination or pay inequity through an internal mediation/arbitration procedure rather than through a public agency or through the courts. Because these procedures are established by the employer, administered within the company and rely, at least at initial stages, on mediation, disputes can in theory be resolved more rapidly.

Two major Supreme Court decisions, the Gilmer decision of 1991 and Circuit City in 2001 raise the stakes of ADR as a means of resolving such claims. Both Gilmer and Circuit City extend the Federal Arbitration Act from its historic focus on commercial disputes to those involving employment contracts. Specifically, they support the right of an employer to require employees to sign pre-hire agreements compelling them to use company-sponsored dispute resolution, usually arbitration, for

statutory disputes, such as civil rights, rather than using the administrative channels established in civil rights legislation. In effect, employees forgo their right to pursue such claims through administrative channels as a condition of employment. Not surprisingly, the Gilmer and Circuit City decisions are controversial, most notably because of doubts that employees will receive a fair hearing in company-sponsored arbitration systems. In fact, many companies in the immediate wake of Gilmer adopted arbitration procedures that were decidedly tilted towards the employer in that companies unilaterally chose the arbitrator, established rules of the procedure, including barring formal depositions or even written records of the arbitration, and held the right to unilaterally change these procedures as well as paying the arbitrators. In response to the employer bias of many post-Gilmer ADR systems, a number of neutral organizations have been called upon by companies to serve in arbitration proceedings. These include the American Arbitration Associations and the American Bar Association. They established a "Due Process Protocol" which states that signatory associations and their members will only serve as arbitrators in systems that adhere to basic conditions of procedural fairness.

Even assuming that the "Due Process Protocol" assures some degree of fairness in proceedings in nonunion workplaces, internal procedures may not provide a solution to rights established by public statute. Internal ADR procedures presuppose that an employee comes forward with a claim. The procedure is governed by the employer rather than a third party which may further dampen the extent to which workers collectively might pursue a claim involving more widespread violations of a statutory right.

ADR may be most beneficial in those cases where the divergence between

individual and workplace benefits is very small. But in most areas of workplace regulation, particularly regarding workplace discrimination that has motivated many nonunion companies have been motivated adopt internal arbitration systems, ADR does not provide a solution to the employee or the general public interested in civil rights (25).

9. CONCLUSIONS

We can anticipate that market forces in the form of economic globalization and international competition will continue to affect the social partnership in the 21st century. This competition highlights the conflict between the short-term financial forces of the investment and management communities with the longer-tern focus of employees who value job security. However, the large amount of assets held by union-represented employers in pension funds gives US unions the potential to exert considerable leverage on the investment and management communities.

Still union density has continued to decline and unions in the private-sector have not had the ability to organize new members. This allows employee antipathy towards unions to continue. International combinations of unions may present an opportunity to revitalize the labor movement.

Surveys continue to indicate that American's support the idea of employee organization and the right of workers to organize. However, new forms of employee organization may better appeal to workers in the 2ist century than traditional unions. Unions need to employ new strategies such as social partnerships with community groups. At the same time unions will have to engage in the issues of part-time employment, independent contract workers and non-standard jobs if they are to

hold-back or reverse the decline in union density.

The direction of politics in the US is difficult to predict and whether politics will assist or retard collective bargaining. However, it is clear from the past couple of decades

TABLE 1

Estimates of the Union wage premium

Data Source (date)	Union premium*	Source
Household Surveys		
Current Population Surveys (CPS)		
All wages and salary (I 997)	17.80%	Hirsch and Macpherson (2003, Table 2a)
Private (1 997)	18%	Hirsch and Shumacher (2002, Table 4)
Private adjusted for imputations (I 997)	23.20%	Hirsch and Shumacher (2002, Table 4)
Survey of Income and Program Participation (SIPP)		
All (I 992,1994,1996)	24.50%	Gundersen (2003, Appendix B)
Employer Surveys		
National Compensation Survey (NCS) All except agriculture and federal (1994)	17.40%	Pierce (1 999a, Table 5)
Employment Cost Index (ECI)		Pierce (I 999b, Table 3)
Hourly wages	20.30%	
Hourly compensation	27.50%	

*Union premium is the percent by which union workers earn more than comparable nonunion workers. obtained from analyses which employ "controls" for worker and employer characteristics, industry, and occupation

Source: Lawrence Mishel with Matthew Walters (2003), How Unions Help All Workers, Briefing Paper, Economic Policy Institute, Washington D.C.

TABLE 2

Demographic group	Union wage premium for subgroups Union wage premiums	 Percent union	Source
Occupation	2.2	11.6	Mishel et al. (2003, Table 2.3a)
White collar (I 997)	23.3	20.8	Mishel et al. (2003, Table 2.3a)
Blue collar (I 997)			
Education			
College (I997)	5.1	10.4	Mishel et al. (2003, Table 2.3a)
High school (1 997)	20.8	23.6	
All (1992, 1993, 1996)	24.5	NA	Gundersen (2003, Table 5.1and Appendix C)
High school or less	35.5	NA	
Wage distribution 1989)			Card (I 991)
Lowest fifth	27.9	23.5	
Second fifth	16.2	30,3	
Middle fifth	18	33.1	
Fourth fifth	0.9	24.7	
Top fifth	10.5	17.7	

Source: Lawrence Mishel with Matthew Walters (2003), How Unions Help All Workers, Briefing Paper, Economic Institute, Washington D.C.

TABLE 3

Union impact on paid leave, pension, and health benefits

	Paid Leave	Pension and retirement	Health Insurance
Union impact on benefit incidence	3.20%	22.50%	18.30%
Union impact on benefit cost per hour			
Total Impact	11.40%	56%	77.40%
From greater incidence	3.40%	28.40%	24.70%
From better benefit	8.00%	27.70%	52.70%

Source: Lawrence Mishel with Matthew Walters (2003)) How Unions Help All Workers, Briefing Paper, Economic Policy Institute, Washington D.C.

TABLE 4

Union premiums for health, retirement, and paid leave

Benefit	Union	Nonunion	Difference Unadjusted	Adjusted	Union Premium
Health Insurance					
Percent covered	83.5%	62.0%	21.5%	17.5%	28.2%
Employer share (%)					
Single	88.3%	81.8%	6.5%	9.1%	11.1%
Family	76.3%	64.9%	1l.4%	10.1%	15.6%
Deductible ($)	$ 200.00	$ 300.00	$ (100.00)	$ (54.00)	-1 8.0%
Retiree health coverage	76.6%	59.8%	16.7%	14.6%	24.4%
Pension					
Percent covered	71 .9%	43.8%	28.1O/O	23.6%	53.9%
Employer costs (per hour)					
Defined benefit				$ 0.39	36.1%
Defined contribution				$ (0.1l)	-17.7%
Time off					
Vacation weeks	2.98	2.35	0.63		26.6%
Paid holiday1 vacation (hours)				0.22	14.3%

*Adjusted for establishment size, occupation, industry, and other factors.

Source: Lawrence Mishel with Matthew Walters (2003), How Unions Help All Workers, Briefing Paper, Economic Policy Institue, Washington D.C.

TABLE 5

UNITED STATES UNION MEMBERSHIP

Year	Obs	Employment	Members	Covered	% Membership	% Covered
2000	161126	120785.6	16258.2	17944.1	13.5	14.9
2001	171533	120707.6	16288.8	17878.1	13.5	14.8
2002	184137	119979.2	15978.7	17501.6	13.3	14.6
2003	180830	122357.9	15776	17448.4	12.9	14.3
2004	177858	123553.9	15471.6	17087.3	12.5	13.8
2005	179148	125889.3	15685.4	17223.4	12.5	13.7

Obs= Sample size of Current Population Survey

Employment= Wage and salary employment in thousands

Members= Employed workers who re union members in thousands

Covered= Workers covered by collective bargaining agreements in thousands

% Members= % of employed workers who are union members

% Covered= % of employed workers who are covered by a union agreement

Source: Barry T. Hirsh and David A Mcpherson, www.unionstats.com

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