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THE CURRENT: What does the GM auto workers' strike tell us about the strength of unions?

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PITA: You're listening to The Current, part of the Brookings Podcast Network. I'm your host, Adrianna Pita.

Nearly 50,000 autoworkers have been on strike at General Motors plants across the country since September. The 40-day strike has been the first at General Motors since the recession, and the longest since 1970.

As the final votes are tallied on a tentative deal between the United Auto Workers union and GM, we're talking here with Joe Kane, senior research associate and associate fellow at our Metropolitan Policy Program, about what this and other recent strikes indicate about the state of the economy and workers' power. Joe, thanks for being here.

KANE: Thanks, Adrianna.

PITA: What led the United Auto workers to come out in a strike in Sept?

KANE: As you said, this is all across the country; Texas to Michigan. Actually, the union was negotiating already with GM for an extension or a new contract, but those talks broke down and led to the strike, which is the longest we've seen in nearly four decades. It's the first strike that we've seen in the auto industry since 2007. So there's a few reasons for this: One, this is news from last year, actually – the potential closure of several plants across the country, 14,000 jobs potentially being lost, and that's due to lagging sales of certain vehicles by GM, but then also some tariff effects we've seen, declining manufacturing jobs just generally across the industry. So, what does that mean in terms job security, in terms of pay, concerns over health benefits, so that's obviously important for many of these workers, too. And then other GM-specific issues after the Great Recession. Workers had to make certain concessions to keep the company afloat during the bailout. Now that we're nearly a decade past that time and GM has been doing better, generally speaking; $35 billion in profits over the last three years in North America alone. So workers hopefully trying to get a little bit more of a piece of that pie.

PITA: While the votes are still not completely in on whether everyone is accepting the deal, it does seem likely to pass. What about this new contract – does it seem to answer the strikers' needs and what they're asking for?

KANE: In a more immediate timeframe, GM has been bleeding money during this strike, losing up to 50-100 million dollars a day. The workers themselves have been losing pay obviously. So both sides have an interest in just getting something done, even if it's not perfect. Specifically, though, it would be a four-year contract. It would raise the base pay for many of these workers. It would reduce or remove caps on profit-sharing. It would help many of the temporary workers who have been part of GM to create more pathways for them to secure regular, long-term employment with the company. Providing factory investments in certain locations throughout the country. And then also providing benefits, certain health care costs remaining the same, too. So those would be some of the positives coming out of this deal.

Now, it wouldn't, obviously, solve all of the problems we've been seeing, both on the side of the union and then also the company. Those plants I had mentioned that were potentially closing, causing some job losses, many of those would not be reopening. So the global economic forces we're seeing at play here in auto manufacturing are still playing out. This agreement is not going to solve that. And then we're going to be seeing how this creates precedence for other auto manufacturers, Chrysler, Ford, and others, about how this is going to play out over time.

PITA: It's been some decades now of unions seeing declining power here in the U.S., but recently, there's been a resurgence of organized labor activity – there's been the rise of the Fight for the $15 minimum wage, an increase in strikes the last two years particularly among teachers and nurses unions, and even just general public opinion, some recent Gallup surveys have seen improved public opinion about unions. What are some of the factors contributing to this?

KANE: Some of this is tied a little bit to what I was just talking about. Economically speaking – and this is beyond just manufacturing – but across the country we're seeing a rise in economic inequality, long-term declines in manufacturing employment, this idea of regional divergence, so while places like Washington and San Jose and others may be seeing their economic fortunes going up, that's not the case in all places across the country. So there's an interest, I think, in what unions can do about all of this, in expanding economic opportunity for more people in more places. We're seeing this in the Chicago teachers' union strike at the moment, we've seen this through nurses and health care workers' striking as well. So there's this idea of collective bargaining that unions historically have done that's of interest. But there's also this idea of workforce development and training, to make sure that workers have the skills to do these jobs.

But still, union membership is on the decline. In 1983, about 20% of all workers were part of a union. That's down to 10% in the last year. The private sector is actually down to 6%. So we're seeing certain industry shifts, employer resistance, labor laws leading to some of these declines. But we are seeing some regions actually seeing above-average union membership. 42 of the 100 largest metropolitan areas, according to analysis I've just done, actually have above-average union membership rates. So you see this in places with large government presence; state capitals, places with large military bases, places with large-scale manufacturing, such as Detroit, Minneapolis, and then also places that have just a history of labor. This includes places like New York, California, and even Hawaii.

PITA: Go a little bit more into the different industries in these different regions where they are seeing a stronger union presence still. What do those look like?

KANE: It's not just limited to manufacturing, although the GM strike and the news that we're hearing is very much focused on auto manufacturing, so Detroit has a 15% membership share for unions. Minneapolis also has a 15% share. The highest levels of union membership that we see though are in those government centers, so that would be the public sector. So those rates are over 30%, so that's more than 3 times more than what we're seeing across just all industries across the country. So state capitals, places like Albany, which has 27% union membership share, but then also military centers as I said before, so Colorado Spring, which actually has the highest membership share for the metros that we saw, 41%, which is quite high. So it just underscores the variety that we're seeing across the country. So in as much as there's this national story at play, it's very much a regional one, too.

PITA: At the regional level, there are some 27 states, which includes Michigan, have these "right-to-work" laws which of course have really changed the way that unions operate and have really limited some of their power and certainly their fundraising efforts. In these states, have we seen a change in how unions operate, and what they're doing – are they taking different approaches?

KANE: As you said, 27 states have what are known as “right-to-work” laws, which, essentially that means that workers are not required to have union representation, and crucially, they’re not required to pay dues to those unions. Dues are crucial for funding this collective bargaining, the activities that unions actually carry out. So in these 27 states, many of which are located in the South and Midwest, we’re seeing lower union membership shares. This includes specific metro areas like Houston, Charlotte, Tulsa, where the shares tend to be below 5%. So you compare it to some of those other metros where we’re seeing 2 or 3 times the national averages, we’re seeing half, or below the national average in some of these places. So that does affect the reach of these unions in certain places. But it doesn’t mean that they don’t have some effect. They’re there. It matters very much what the industries are in these places.

If anything, when we’re thinking about what are the future roles of unions in these states and regions, it very much matters that they have continual contact with workers and have engagement in the community. In places where there are state right-to-work laws, that doesn’t mean that unions don’t have any presence, but it is shifting the nature of unions and to what extent they are connecting to workers, to what extent they are engaging in collective bargaining and so on. So it’s hard, right? It’s a lot of hard work on the part of unions and workers to organize in general, to say nothing of striking, which involves a lot more activity, too. It’s something that I know from the research perspective I’m interested in following but it’s also leading to a lot of difference in the labor market as well.

PITA: To what extent can we use this United Auto Workers strike as a predictive matter? Given current economic trends is there any indication we might see a continued increase in strikes? What does this mean?

KANE: I’ll just say it’s complicated. On the one hand, unions have been shown to increase wages. We see a 10-20% wage premium for unionized workers versus non-unionized workers. We see obviously benefit increases as well for these workers. But we also see rising business costs as well. GM has already seen this in their operations. The workers have lost some pay during this strike. At the end of the day, employers and businesses are the major players for generating growth all across the country, so they are very much in the driver’s seat – pun intended – in translating that growth for people and places.

But unions, I think can be important partners in these conversations. They clearly have a big role to play not only in collective bargaining – strikes, I think even unions would agree are a last resort, they shouldn’t be a first resort – but unions should be important partners in workforce development, in training. They should be seen as outlets to help workers achieve some of the gains we’re seeing economically across the country. They should be a force for good. But still, it very much depends, as we’ve been talking, on the specific region, on the specific industry, and at least, traditionally, historically, we’re seeing a continued decline in membership. So it’s going to be something to continue to monitor. But I remain hopeful that unions can be seen as these players in these larger workforce conversations and hopefully spread more opportunity for more people.

PITA: Sounds good. Thanks a lot, Joe.

KANE: Thanks.