WAL-MART:

ROLLING BACK WORKERS' WAGES, RIGHTS, AND THE AMERICAN DREAM

An American Rights at Work Report

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Wal-Mart: Rolling Back Workers' Wages, Rights, and the American Dream

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Introduction

Frequent revelations in the news about Wal-Mart's mistreatment of its workforce have called into question the true value of the company's "everyday low prices." Accounts of employees locked inside stores at night, the company encouraging workers to apply for Medicaid, and major class action lawsuits accusing Wal-Mart of everything from preventing employees from taking lunch breaks, forcing workers to take breaks off-the-clock, and favoring men over women in hiring and promotion—have deservedly reached cacophonic proportions and prompted public outrage.

In response to growing concerns, Wal-Mart has recently launched an extensive public relations campaign to promote a posture of responsiveness. Company executives recently announced new environmental initiatives and a revamped healthcare plan as goodwill gestures. But soon after, a leaked internal company memo disclosed Wal-Mart's proposed plans to mitigate new healthcare expenses—aiming to avoid hiring older or seemingly unhealthy applicants. Such revelations call into question whether Wal-Mart's latest overtures are anything more than disingenuous publicity stunts.

While Wal-Mart spends millions to combat a crescendo of exposés, there is one aspect of its hostile labor relations model that is relatively unchallenged—the practice of unionbusting. This report unveils Wal-Mart's unapologetic, systematic manner of aggressively interfering with its employees' democratic right to form unions as a method to address their mistreatment.

Although unionbusting is a longstanding business practice, the explosive growth of its use in recent decades has contributed to the decline of working conditions and demise of union and non-union middle-class jobs in all sectors of the economy. And when the world's largest employer applies this model to its 1.3 million U.S. workers, Wal-Mart has a hand in legitimizing and accelerating the widespread use of such activity among its vendors and rivals.

Some employers emulate Wal-Mart's labor model hoping to achieve comparable profit margins. Others believe they must abandon fair and equitable labor strategies in order to stay afloat. As a result, competition fueled by slashing wages and benefits, and violating workers' rights, creates a race to the bottom that cuts across industries and devolves work standards for all Americans.

As the debate on the social ramifications of Wal-Martization continues, the practice of unionbusting must be included in the conversation. Unless we examine unionbusting at Wal-Mart and the current labor law system that tolerates its practice, we resign our children to work lives where they will be forced to do more with less—less time, less job security, less health care, and less hope.

Carmel Zucker/*The New York Times*

PART I:

Dragging Down U.S. Labor Standards

"By its very existence and competitive success, it rezones our cities, determines the real minimum wage, channels capital throughout the world, and conducts a kind of international diplomacy with a score of nations. In short, the company's management 'legislates' for the rest of us key components of American social and industrial policy."

—On Wal-Mart, Nelson Lichtenstein, University of California at Santa Barbara

Everyday Low Wages and Benefits

Wal-Mart is a cultural and business phenomenon. Millions of people shop at Sam Walton's stores daily. The company makes headlines consistently across the globe. It has ranked number one on the FORTUNE 500 for four years in a row. And last year the retail giant raked in over $10,000,000,000 in profits.[1]

Today, with 1.3 million employees in the United States, Wal-Mart is this country's largest employer. Not only that, Wal-Mart is the world's largest employer and biggest corporation. Wal-Mart is already the largest grocer, largest trucker, and third largest pharmacy in the United States.[2] And the company has no plans of halting its growth beyond retail anytime soon, with current plans of venturing further into online music sales, vacation planning, Internet access, and financial services.[3]

Because of the retail giant's size, it's no surprise that comparisons are drawn between it and another legendary U.S. corporation, General Motors (GM). Indeed, both are responsible for setting standards for America's workers. But Wal-Mart—with its low-paying jobs and unaffordable health benefits—is no GM.

Because of the demands of its employees through representation by the United Auto Workers (UAW), GM helped build a solid middle class. Employment standards at GM improved through decades of negotiations with the UAW; between 1947-1973, employees were guaranteed annual raises adjusted for inflation, causing the real income of these workers to double in that time.[4] Collective bargaining also won good health and pension benefits for GM employees, which in addition to wages, helped lift these assembly workers into the security of the middle class. And other workers stood to benefit from these gains. Because GM was the nation's largest employer, its good employment standards were mimicked by other manufacturers, regardless of whether they were union-represented.

But the standards set by Wal-Mart stand in sharp contrast to those set by GM. The average hourly wage of a Wal-Mart worker is $9.68,[5] which is far less than the U.S. average of $17.80.[6] Only 45 percent of Wal-Mart's employees are covered by the company's health insurance plan.[7] In 2002, Wal-Mart spent an average of $3,500 on health benefits per employee, which was 40 percent less than the average U.S. corporation spent, and 30 percent less than the industry average; in 2005, that spending dropped to $2,700 per employee.[8]

Wal-Mart is not just setting standards for Wal-Mart though—its practices threaten to lead other employers down the low road in more and more sectors of the economy. One of the areas where Wal-Mart has extended its influence is in the distribution of goods. Wal-Mart is now the largest trucker and largest importer of ocean containers, and longshore, trucking, and warehouse workers have felt the company's impact on their industry.[10]

Edna Bonacich and Jake B. Wilson of the University of California at Riverside explored Wal-Mart's impact in lowering labor standards, arguing "Giant retailers like Wal-Mart…exercise increasing control over their suppliers, shaping every aspect of their production and distribution, including their pricing and their labor practices."[11] As evidence, they cite the industry's use of immigrant workers who can be more easily exploited for cheap labor, and independent contractors who cannot organize unions under labor law.[12]

Wal-Mart has also contributed to a loss of good union warehouse jobs, according to John Williams, Director of the Warehouse Division at the International Brotherhood of Teamsters (IBT).[13] Because Wal-Mart is vertically-integrated, it employs its own workers for every major operational function, including warehousing. As a result, union-represented wholesalers lost business when Wal-Mart competitors went under, causing IBT to lose thousands of members.

The logistics sector is just one of many sectors in the American economy where Wal-Mart threatens good employment standards. So Wal-Mart may very well be the new GM. But instead of moving the country forward, Wal-Mart is driving our workers in reverse.

Business Week writer Aaron Bernstein warns of this Wal-Martization of the economy: "America had already embraced Wal-Mart-like stratagems to control labor costs, such as hiring temps and part timers, fighting unions, dismantling internal career ladders, and outsourcing to lower-paying contractors at home and abroad. While these tactics have the admirable outcome of holding down consumer prices, they're costly in other ways…The result has been an erosion of one of America's most cherished values: giving its people the ability to move up the economic ladder over their lifetimes."[14]

GM vs. WM

In 1950, GM CEO Charles Wilson earned 135 times what an assembly worker earned, and in 2003, Lee Scott earned 1,450 times what a full-time hourly employee of Wal-Mart earned.[9]

Utter Disrespect: Work Life at Wal-Mart

As if low employment standards weren't enough, Wal-Mart has settled numerous lawsuits over charges of widespread violations of federal employment laws. In 2001, Wal-Mart was required to pay $6 million and change its procedures for hiring the disabled to settle federal charges of discrimination.[15] In 2004, the company settled federal charges in three states involving at least 80 minors who were forced to use hazardous machinery.[16] Class action suits are currently pending in six states accusing Wal-Mart of forcing employees to work off-the-clock, to work without breaks, and in some cases, locking employees in the store overnight to perform work off-the-clock.[17]

Currently, the company is defending itself in the largest civil rights class-action suit filed against a private employer. The pending case, *Betty Dukes v. Wal-Mart Stores*, charges that women are systematically denied promotions, receive lower pay, and are not given the same training and job assignments that men receive.[18] In 2001, women made up 65 percent of hourly employees and only 33 percent of salaried management at Wal-Mart.[19]

The certification of so many class action lawsuits, and the presence of similar violations in multiple states, indicate that these problems are systemic rather than isolated acts of a few bad managers. But Wal-Mart's disrespectful treatment of its employees is even more pervasive within the boundary of the law.

Wal-Mart expects employees to be at its beck and call. Workers at a store in West Virginia were recently informed that they would be fired if they could not commit to working any shift between 7 a.m. and 11 p.m., seven days a week.[20] According to Wal-Mart, stores have such rules in order to staff stores during the busiest times.[21]

No Satisfaction Guaranteed at Wal-Mart

More than half of Wal-Mart employees leave each year.

Ellen Rosen of Brandeis University interviewed Wal-Mart managers and employees who complained of the company's expectation that employees must work 24/7.[22] Bill Thomas, a former manager, told her that no employee could sustain that commitment of availability: "After two to three weeks of working like a dog and figuring out alternative babysitters and daycare and trying to juggle their life around, they come and say they've either got to quit or they've got to change their availability."[23]

Rosen found evidence that Wal-Mart employees experience disrespect from the company at an even deeper level than scheduling. "Shaming is a large part of disciplining workers at Wal-Mart.

When people are fired they are made to believe they did something seriously wrong, which wreaks more havoc on their self-esteem."[24] She also recounted employees' descriptions of the "walk of shame," in which employees were called on the loudspeaker to the front office when they were alleged to have done something wrong.[25] When former employee Allen Tripster was called to the front of his store in this manner, he described it as "one of the most horrible experiences of my life."[26]

The problems Wal-Mart employees face at work are leading to even higher turnover rates. Turnover among full-time employees has now increased from between 30-45 percent in 1995 to almost 56 percent in 2000.[27] And this turnover has a price: the cost of replacing the 600,000-700,000 employees that leave Wal-Mart each year is estimated at $1.4 billion.[28]

Wal-Mart has frequently offered up the question to its detractors: "If these are such bad jobs, why do so many people apply for them?"[29] Perhaps the question Wal-Mart should be asking is why does half its workforce leave the company annually?

For the employees who still need or like their job—few options exist for them to try to improve the pay, scheduling, or working conditions at Wal-Mart. With the extremely centralized management of Wal-Mart, employees have little influence over their work life. High-level managers at the company's Bentonville, AR, headquarters exercise a huge amount of control over the employment practices in stores across the country.

James Hoopes of Babson College described the "invisible hand" of Wal-Mart's centralized management that governs both broad employment practices and minute details of employees' work schedules.[30] With centralized information on when sales rise and fall in a given store, Bentonville pressures store managers to continuously adjust work schedules, and issue hiring and firing orders.[31] Given this lack of local managerial control, Hoopes asserted, "The possibility [exists] not so much for callous indifference but for simple ignorance of working conditions by managers determining those working conditions."[32]

If Wal-Mart's store managers have little power to change the working conditions of their employees, how are employees themselves able to? Given the countless problems facing employees at Wal-Mart, forming a union would seem logical. Yet for all of Wal-Mart's 3,700 stores and 1.3 million employees in the United States, there are no unions.

Wal-Mart's Union-Free State

Wal-Mart "had everybody scared to death if you even mentioned union."

—Joe Hendricks, former Wal-Mart meat cutter

What Are the Odds?

Given that unions provide members with job security, higher wages, good benefits, and a voice on the job, why aren't Wal-Mart workers organizing? Given that at least six percent of employees in the retail industry are represented by a union, how is it that none of Wal-Mart's U.S. workers are? Given that 53 percent of non-union workers say they would form a union in their workplace tomorrow if they could,[33] how does Wal-Mart explain its entirely union-free state?

Federal Labor Charges Against Wal-Mart, 1998-2003

Among the NLRB complaints were 41 charges of terminating employees for union activity, 59 charges of surveillance of union activity, 59 charges of interrogation, and 47 charges of unlawful promises or benefits to dissuade workers against organizing.

Wal-Mart posits a theory. The corporation offers the explanation that its employees don't want union representation: "Our associates tell us they don't want to spend extra money to do something they now can do for free, to discuss ideas and concerns openly with management."[34]

Wal-Mart's argument simply doesn't hold water given the great lengths the company goes to prevent and quash union efforts. Martin Levitt, author of *Confessions of a Union Buster*, once worked as a consultant on Wal-Mart's anti-union strategy. In an interview with *Mother Jones* magazine, he asserted, "In my 35 years in labor relations, I've never seen a company that will go to the lengths that Wal-Mart takes to, to avoid a union…They have zero tolerance."[35]

Indeed, Wal-Mart is certainly willing to break the law in its efforts to prevent unions from forming. Between 1998-2003, 288 unfair labor practice charges were lodged against Wal-Mart, accusing the company of interfering with its employees' freedom of association.[36] Of these charges, at least 94 resulted in formal complaints brought against Wal-Mart by the National Labor Relations Board (NLRB). The agency's prosecution of unfair labor practices resulted in at least 11 rulings against the company and 12 settlements.

Given the size of Wal-Mart's case file, its centralized labor relations, and the severity of the complaints, it is surprising that the NLRB has not pursued a company-wide investigation of labor law violations. It is not unprecedented for the NLRB to investigate and pursue remedies based on company-wide anti-union practices, such as it did with Beverly Enterprises.[37]

Washington Post business columnist Steven Pearlstein questioned NLRB General Counsel Arthur Rosenfeld's conclusion that there was not enough evidence to open an investigation of Wal-Mart's corporate-wide anti-union practices. Pearlstein asserted: "With gutless regulators like Rosenfeld in charge, [employees] won't even get a chance to decide. What the Wal-Mart case signals to every employer and worker in America is that the right to form a union is now a cruel joke and an empty promise."[38]

Even if the NLRB cracked down harder on Wal-Mart's anti-union practices, the remedies the agency could impose for such violations are toothless. When the NLRB determined Wal-Mart illegally fired workers, it merely ordered Wal-Mart to pay the employees backpay for wages lost (minus any earnings since they were fired), and post a notice in the workplace stating that it will not violate the law. It is this weakness in the law that prompted Gordon Lafer of the University of Oregon to conclude: "Since there is no possibility of punitive damages under the [National Labor Relations Act]…an aggressively anti-union employer ultimately faces almost no sanction for flouting the law…any electoral system that lacks effective enforcement cannot possibly safeguard the democratic rights of its participants."[39]

Despite Wal-Mart's willingness to violate labor law, the company doesn't even need to break the law to stay union-free. It's not illegal for a manager to call the company's 'Union Hotline' upon the first mention of the word "union" in the store. It's not illegal for Wal-Mart to fly in top-level managers from Bentonville to visit the store and force employees to participate in anti-union presentations. It's not illegal for the company's supervisors to hold one-on-one meetings with workers to advise them against choosing union representation. And such maneuvers—working within the confines of the spineless National Labor Relations Act—have kept the nation's largest employer union-free.

Open Door or Out the Door Policy?

Wal-Mart founder Sam Walton was resoundingly anti-union, and boasted in his 1992 autobiography that "we've never lost a union organizing election" at Wal-Mart.[40] A key element of Sam Walton's union-prevention strategy is to identify factions of malcontented employees and address their grievances before they decide to form a union.[41] At Wal-Mart, managers are encouraged to address low morale for the purpose of avoiding unions. The company asserts, "open communication is the key to stopping a union organizing attempt before it ever gets started."[42] Wal-Mart goes as far as providing its managers with a handbook titled, "The Manager's Toolbox to Remaining Union Free," guiding them on how to prevent and respond to unions in their stores.

Rick Reinhard 2005

Rosetta Brown, a seven-year Wal-Mart employee, told a Jobs with Justice Workers' Rights Board that she thinks the company's "open door" policy is really an "out the door" policy for employees who voice concerns.

The Toolbox refers to the company's "open door" policy as "our greatest barrier to union influences trying to change our corporate culture and union-free status."[43] Rosetta Brown, a seven-year employee of Wal-Mart, sees the "open door" policy as a sham: "Wal-Mart executives are sure to tell you that the company has instituted an 'open door' policy to address any issues and concerns that employees might have…My fellow associates and I have dubbed the previously mentioned term the 'out the door' policy, because when employees voice their concerns, they are treated more unfairly and ultimately forced to either leave their positions or endure the unjust treatment."[44]

Gaetan Plourde, a former Wal-Mart employee, felt the policy was superficial: "Open door policies are effective to resolve small internal issues, not issues that are deeply-rooted in Wal-Mart policies and way of conducting business."[45]

Walton's strategy to appear responsive to workers' grievances was clearly at work when meat department employees at a Palestine, TX, Wal-Mart began to try to form a union in 1999. In the two months leading up to the union election, a manager from Bentonville spent considerably more time at the store than usual.[46] He went as far as working alongside employees, discussing working conditions and the union with them. And in what appeared to be an effort to ameliorate employee grievances, the store manager purchased new knives and a knife sharpener for the meat cutters, and installed a refrigerator and microwave for the break room. The employees later voted six to five against the union, which is not surprising given the outpouring of discretionary gifts.

Wal-Mart store managers can implement feel-good measures to temporarily address workers' problems. Through these actions some employees may be appeased, and others may believe their store managers genuinely listen to them. But the "open door" policy doesn't really extend to the doors of power in Bentonville, where the very centralized company makes major human resource decisions. And so from time to time, employees express the need to form a union that will give them the collective power to bargain with Wal-Mart over meaningful terms of their employment. And Wal-Mart is well-prepared for when that happens.

Wal-Mart Family Funds the Anti-Union Movement

It isn't enough for Wal-Mart itself to be against unions. Sam Walton's philosophy more than likely led the Walton family to support the anti-union National Right to Work Foundation, through grants totaling $70,000 from 2000-2003.[47]

For decades, the National Right to Work Committee and Foundation have worked in concert with business interests and conservatives to develop propaganda, lobby, and litigate to undermine the right of workers to organize.[48] During the time the organization received funding from the Walton family, it was instrumental in passing "right-to-work" legislation in Oklahoma, a law designed to discourage workers from joining a union or paying any dues.

When Reed Larson retired as the Committee's director, he described his work on unions as having a "great impact in defeating the entity I feel is very detrimental to individual freedom."[49] The ultraconservative organization recently argued against allowing airport screeners to form unions because it claimed union members might sympathize with and aid terrorists seeking to attack the United States.[50]

The Science of Staying Union-Free

Leaving little to chance when it comes to labor relations, Wal-Mart developed a systematic method of tracking employees who have grievances that could lead them to form a union. The Union Probability Index (now termed "Unaddressed People Issues") is a tactic the company uses to identify any potential hotbed of union activity.[51] From the results of an annual internal survey of employee attitudes about working conditions, the UPI rates stores by their level of employee dissatisfaction. Unfavorable responses to certain questions, according to a company document, "have been shown by research to indicate low morale and potential interest in third-party representation."[52] Stores that score unfavorably must take steps to respond to employees' issues to prevent them from seeking help from a union.[53]

Wal-Mart also provides managers with tips to identify the types of employees that are more likely to be interested in union representation. A manual given to supervisors warns of the "happy-go-lucky" employee who lives with her parents and can afford the financial risks of going on strike, the "anti-establishment" employee who is opposed to all management, and the "overly-qualified" employee who is highly educated and earned more money in a previous job.[54] While the manual is not explicit and the law does not prevent employers from stereotyping in this manner, one can assume that managers are to avoid hiring such types, or to keep watch over current employees who fit the profiles.

On an employee's first day at work, Wal-Mart's anti-union message is communicated through the orientation video, "You've Picked a Great Place to Work." In the account of her experience working at Wal-Mart in *Nickel and Dimed*, writer Barbara Ehrenreich describes the video:

Wal-Mart Setting the Record Straight on Unions

"Wal-Mart is opposed to unionization of its associates. Any suggestion that the Company is neutral on the subject or that it encourages associates to join labor organizations is not true."[56]

—Handbook provided to Wal-Mart managers

"Various associates testify to the 'essential feeling of family for which Wal-Mart is so well-known,' leading up to the conclusion that we don't need a union…But we are warned that 'unions have been targeting Wal-Mart for years.' Why? For the dues money of course…You have to wonder—and I imagine some of my teenage fellow orientees may be doing so—why such fiends as these union organizers, such outright extortionists, are allowed to roam free in the land."[55]

When these preventative measures fail to stop a union effort, Wal-Mart has a plan in place. The Toolbox orders managers to call the 'Union Hotline' at the first sign of union activity. Just what are the warning signs managers should be on the lookout for? According to the Toolbox: extensive socializing among coworkers, more complaints lodged against managers by employees, and "increased curiosity" in employment policies. Of course, when union activity is identified, the Toolbox assures, "The Labor Relations Team has developed action plans for all types of union activity."

Wal-Mart's extensive preventative strategies have generally worked to prevent most union activity. But in the rare instances when workers have tried to form a union, the company's response illustrates the great lengths Wal-Mart will go to send a message to its associates that a union will never be welcome.

The Quashed Mutiny in Texas

Only five U.S. Wal-Mart stores have held union representation elections since the United Food and Commercial Workers' (UFCW) national organizing effort began in 1998.[57] And of the five elections, only once did workers choose union representation. That successful vote occurred in 2000, in Jacksonville, TX, where meat department workers voted seven to three to be represented by the UFCW.

Some of these workers had previously worked in union grocery stores and appreciated the professional treatment and good wages and benefits they received as skilled union butchers. Joe Hendricks was one of those experienced butchers, having worked at a Safeway grocery store for over 25 years. He began there as an apprentice butcher and ended up managing the meat market until his store closed in 1992.[58] So that he didn't have to relocate out of the Jacksonville area, he went to work at Wal-Mart, earning less than half of what he made at Safeway.

Joe wasn't involved in initially contacting the UFCW to form a union, but he supported the effort. He was hoping he could negotiate for better wages with the assistance of a union. He had also been frustrated by the high turnover at the meat market and the lower skill-level of the meat cutters. And most importantly, he was concerned by what he perceived as Wal-Mart's lack of respect for their employees. Joe explained that Safeway "took care of you. It was a great place to work. Wal-Mart was different. We was more of a number, you know?"

When organizing efforts began in 1999, Joe's coworkers sought his opinion about forming a union: "I told them it was time that we make some changes. And maybe we can have some union stores. If we do, at least we know the meat department will be treated right."

In 1999, the UFCW started a nationwide effort to organize Wal-Mart's meat department employees. And that same year, Wal-Mart's People Division, the department which handles anti-union efforts, jumped from 12 employees to nearly 70.[59] So when word spread of the union effort in Jacksonville, Wal-Mart was clearly prepared to act. According to a complaint issued by the NLRB,[60] which later resulted in a settlement with Wal-Mart, the company engaged in numerous illegal activities to thwart the Jacksonville union effort, including:

- Interrogating employees about their union activities and sympathies.
- Telling employees that Wal-Mart had gone through their files to determine whether they were for or against the union.
- Purchasing new meat-cutting equipment to address employees' problems and influence their vote against the union.

Despite this heavy-handed pressure from Wal-Mart, the workers in Jacksonville voted to form a union on February 17, 2000. As Joe opined, "They would never have voted union if they respected Wal-Mart. And we had a lot of guts…[Wal-Mart] had everybody scared to death if you even mentioned union."

But despite their vote, the Jacksonville workers never got their seat at the bargaining table. A mere 11 days later, Wal-Mart announced out of the blue that it was discontinuing all meat-cutting operations nationwide, and would instead stock its stores with wrapped meat. The company then refused to recognize and bargain with the UFCW, arguing that the Jacksonville meat department employees were no longer an appropriate unit for organizing, separate from the rest of the store.

Two years later, an NLRB administrative law judge issued a ruling requiring Wal-Mart to bargain over the effects of the discontinued meat-cutting operations.[61] The judge, however, did not require

Wal-Mart to bargain a contract with the UFCW. Both the UFCW and Wal-Mart appealed the ruling to the Board in Washington, DC, where it still remains pending, more than four years after the workers first voted for a union.

Even if the Board rules in their favor, all of the Jacksonville workers who originally voted are now gone from the store—some fired soon after the vote. Joe was one of the casualties. Before the union effort, Joe had never called in sick and was never disciplined. After the vote, he was written up for cursing and for ordering a meal before his break so it would be ready when he was free. But as Joe points out, they waited to fire him until the store had phased in pre-cut pork, which was his job as a butcher. Joe and three other fired meat department employees eventually received a settlement with Wal-Mart after the NLRB issued a complaint against the company.[62]

A Canadian Store Risks the Odds

After Jacksonville, Wal-Mart had managed for four years to thwart efforts by its American workforce to organize. It wasn't a U.S. store that broke the union-free streak, rather, it was our neighbors to the North that started doing the unthinkable.

Wal-Mart entered the Canadian retail market in 1994 when it purchased the discount chain Woolco, buying all but 22 stores. All 10 of Woolco's union-represented stores were among the 22 stores Wal-Mart refused to purchase.[63]

Wal-Mart opened its Jonquière, Quebec, store in 2001, offering what Gaetan Plourde initially believed to be a good career path in the electronics department. He started as a temporary employee when the store opened. He later moved into a full-time position after his managers recognized his good performance and strong work ethic. But Gaetan soon became frustrated by the "low wages for an insurmountable volume of work."

Sylvie Mavoie also started with Wal-Mart on the day it opened, and later became disillusioned with her job as a customer service representative and cashier.[64] Sylvie described the favoritism she encountered: "New employees started at a higher salary rate than us. My girlfriend and I were among the first employees hired but we were still employed on a part-time basis."

Gaetan recalled that employees felt they were getting nowhere by pursuing their grievances directly with management through the "open door" policy: "The employees realized that they needed to get together or start organizing in order to change Wal-Mart's ways."

With 40 percent of the Quebec workforce represented by unions,[65] it was natural for Sylvie, Gaetan, and their coworkers to try to organize a union at their store in order to address their problems collectively. The Quebecois, who speak French and fly their own flag, were just the sort of "anti-establishment" types that Wal-Mart warned its managers about.

Wal-Mart Workers Organize with More Success Through Canadian System

As of September 2005, Wal-Mart workers in five stores (including Jonquière) in Canada have organized with the UFCW. Five Canadian provinces certify unions through a card check process, rather than requiring an election for certification. Susan Johnson of Wilfrid Laurier University in Ontario has studied union organizing success through card check and mandatory elections in Canada. She found that between 1978-1996, mandatory elections reduced the success of union certification by nine percentage points below what it would have been under card check.[66] The United States only requires employers to recognize unions through an election.

Employees approached UFCW representatives to start an organizing drive, and after the UFCW collected union authorization cards from what they thought to be a majority of eligible employees, they applied for recognition with the Quebec Labour Relations Board.[67] Quebec law grants workers union representation after a majority signs cards, rather than forcing them through an often intimidating election process. When the Labour Board was determining which employees were eligible for union representation, it found that the UFCW did not have a majority. The Labour Board consequently scheduled a union representation election instead of certifying the union. In April 2004, the workers voted against union representation by a margin of only nine votes.

"When they realized that I was one of the union leaders… [They] hired someone to follow me and report on my activities and determined how I was able to carry on my organizing activities."

—Gaetan Plourde, a former Wal-Mart employee in Jonquière, Quebec

Roger Lemoyne

Sylvie believes her coworkers voted against the union out of fear. She witnessed threatening and intimidating behavior by managers, some of whom tried to keep her apart from the other employees so she could not communicate with them about the union. Gaetan also recounts being harassed by managers: "When they realized that I was one of the union leaders, I was followed. The surveillance cameras were focused on me. They even hired someone to follow me and report on my activities and determine how I was able to carry on my organizing activities."

But ultimately, the employees of Wal-Mart would not be cowed, and soon after the election, more and more workers signed union authorization cards. On August 2004, when presented with cards signed by well over a majority of the store's eligible employees, the Labour Board certified the UFCW as the employees' representative.

Throughout the fall and early winter, Wal-Mart and the UFCW bargained for a contract. It eventually became clear to the UFCW that Wal-Mart would not agree to any contract. So in February 2005, the union asked the Quebec Ministry of Labour to name an arbitrator to impose a contract through the binding arbitration provision offered in Quebec. This left Wal-Mart with only one way to avoid operating with a collective bargaining agreement. One week after the union's request, the company announced it was closing the Jonquière store, claiming poor sales.

The move was both abrupt and unusual as Wal-Mart rarely closes a store without subsequently opening a supercenter in the area. In fiscal year 2005, the company closed only two of its 1,355 U.S. discount stores, and only one the previous year, without opening a supercenter nearby afterward.[68]

The workers have no doubt that Wal-Mart closed the store in retaliation for their union vote. According to Sylvie, "They were hiring and the parking spaces were always full… All this talk of closing because of financial shortfalls doesn't make any sense, and the store was doing very well and the shelves were always well-stocked." Just two years prior, Wal-Mart opened a store in neighboring Alma, which made Sylvie ask, "Why would they open a new store if ours was not doing well?"

After the store closing, 68 of the former Jonquière employees filed a complaint with the Quebec Labour Relations Board, claiming Wal-Mart closed the store in retaliation for organizing a union.[69] In September 2005, the Labour Board agreed with the workers, and ruled that since Wal-Mart did not intend to close the store permanently, the closure was intended as a reprisal against employee organizing: "Every indication is the company has left the door open to resume the same business in the same space."[70] The Labour Board has not yet ruled on the remedy, but it could impose fines on Wal-Mart, and could even demand the company find jobs for the employees at other stores.[71]

From Quebec to Colorado: A Message from Wal-Mart

News of the Jonquière store closing made headlines and spread to Wal-Mart workers far and wide. But few heard Wal-Mart's anti-union message more clearly than the company's tire and lube employees in Loveland, CO. Two weeks after the Jonquière announcement, the Loveland employees voted 17 to one against union representation.

Joshua Noble, a tire and lube technician since 2002, initiated the union effort in Loveland. He was frustrated by what he saw as a major understaffing problem, complaining of a high workload and having to miss lunches and breaks. Joshua explained that managers "would tell you to wait for your break or your lunch, and then you'd be an hour, two hours late for lunch. And then they would try to reprimand you for that, when the member of management was the one telling you that you had to wait."[72]

Joshua decided to be proactive in addressing his frustrations and the low morale of his coworkers. Through web research, he came upon information about unions and contacted the UFCW. When he broached the subject of organizing to his coworkers, the response was initially negative. "Some said, 'Oh no, you can't do that at Wal-Mart'…And I was like, 'Why can't you?' And they said, 'Oh, Wal-Mart doesn't allow it.'"

But Joshua was not deterred, and after the first few weeks of union meetings, nine of his 16 coworkers had signed union authorization cards. Unfortunately, obtaining union recognition was not that simple given obstacles from the NLRB and Wal-Mart.

In November 2004, the tire and lube employees filed a petition for a union election with the NLRB. But it took the agency three months before it would schedule an election, more than twice as long as usual for the agency.[73] Much of the delay centered on the issue of whether the tire and lube employees could form their own unit separate from the store. But the NLRB had already made that determination in four previous elections at Wal-Mart,[74] so it is unclear why it decided to go through the same process again.

This delay in the election process demoralized the organizing drive, as Joshua described, "People thought it was a lost cause." The delay also provided Wal-Mart with more time to pressure employees to vote against the union.

According to Joshua, the day after talk of the union spread, Wal-Mart flew in about 10 staff people from Bentonville. They forced employees to sit through presentations and videos which suggested that unions hurt peoples' jobs and take money out of their paychecks without letting them know. Employees were even shown fictional depictions of union organizers scaring people into signing union authorization cards.

But nothing Wal-Mart could do to intimidate employees had more of an impact than its announcement of the closure in Quebec. To Joshua, that was the nail in the coffin of the organizing drive, "That just totally freaked people out. Even the people that had already signed union cards, they wanted to know what they had to do to back out."

And so the tire and lube employees voted resoundingly against the union. And Wal-Mart was not charged with any illegal activity as the company had not technically broken the law by sending in an anti-union squad from Bentonville, holding countless mandatory meetings where they spread misinformation about unions, or sending a threat through the Quebec store closing.

The organizing efforts in Jacksonville, Jonquière, and Loveland illustrate that Wal-Mart's employees do not have the freedom to choose a union without fear of reprisal. Wal-Mart openly made an example of the Jacksonville meat department employees by switching to case-ready meat immediately after they voted for a union. Then the company retaliated against its entire store in Jonquière when it shut down soon after the employees organized. So it's no surprise that employees in Loveland decided to vote against the union soon after hearing that workers in Jonquière lost their jobs after they organized. And thus through the power of example—backed by a near-scientific system of union prevention—Wal-Mart has remained union-free.

As long as Wal-Mart is non-union, there is no real "open door" for its employees to demand higher standards. As long as Wal-Mart continues addressing employee grievances and concerns only as a counter to union organizing, low morale and high turnover will persist. And as long as Wal-Mart is unwilling to pay family-supporting wages and benefits, the company is wreaking havoc on the labor standards for industries where it has expanded. One such sector is the grocery industry—a source of middle-class jobs until Wal-Mart came to town.

UFCW News Service

PART II: Putting Middle-Class Jobs on the Chopping Block

"The Wal-Mart supercenter…is a non-union dagger aimed at the heart of the traditional American supermarket, nearly 13,000 of which have closed since 1992."

—Anthony Bianco and Wendy Zellner, *Business Week*

Grocery Workers Gain Through Collective Bargaining

There were 2.5 million grocery store workers in 2004, accounting for two percent of the total U.S. workforce.[75] These men and women earned an average hourly wage of $10.65,[76] which is 10 percent higher than the average wage at Wal-Mart.[77] Considering supermarket wages are lower than average in this country, how have grocery workers achieved middle-class standing in this country for decades? The compensation package negotiated by unions enabled grocery workers to earn enough to raise families, have a stable path into retirement, and take part in the American dream.

Unlike other service sector jobs in retail, supermarket jobs are much more likely to have union representation. In the retail industry as a whole, only six percent of employees were union-represented in 2004.[78] Yet union density is considerably higher among supermarket employees. In 2004, the UFCW represented 11 of the top 20 U.S. supermarket operators, which represent 52 percent of supermarket sales.[79]

As a result of this union presence, grocery store employees have similar rates of employer-offered health coverage as the average American employee, according to 2005 data from the Current Population Survey.[80] Grocery employees are also just as apt as other occupations to have employers that pay the full or partial costs of health benefits.[81] And grocery employees are more likely than other occupations to have an employer-provided pension plan, and to have their dependents covered by an employer-provided or joint union/employer-provided health plan.[82]

Collective bargaining has clearly lifted standards for union members in the grocery industry. In the retail food industry, union members earn 31 percent more than non-union employees, the employer contribution to health insurance premiums is two and a half times higher for union members, and pension coverage is more than twice as high for union members as for non-union workers.[83] Women in particular benefit from union representation. For instance, union women working part-time are more than twice as likely to have employment-based health insurance than their non-union counterparts in the industry.[84]

The advantages of collective bargaining extend much further than wages and benefits for workers in the grocery industry. Union contracts also provide job security. Unlike most Americans, who work "at will," union grocery employers must provide "just cause" for firing or disciplining an employee. Contracts additionally offer career advancement opportunities, outlining steps employees can take to acquire new skills, and guaranteeing specified wage increases if they progress into higher-skilled positions.

In addition to benefiting union members, collective bargaining has raised standards for non-union grocery workers. A University of Minnesota study found that a 10 percent increase in union density within area supermarkets leads to a 5.3 percent rise in union member wages, as well as the 'spillover effect' of a 1.2 percent wage increase for non-union employees.[85]

The effects of higher union density in the grocery industry as compared to the entire retail sector are illustrated by a consistent wage gap. In 1972, the average hourly wage for grocery store employees was $15.22 (in 2005 dollars), which was $2.30 higher than average wage for the retail industry.[86] In 1982, that gap jumped to $4.07.[87] But by 1992, the gap had slipped to 72 cents and to 21 cents in 2002.[88] The wage gap narrowed due to stagnating grocery wages, not through a quick rise in retail industry wages.

One likely reason contributing to the narrowing gap in wages between grocery jobs and the rest of retail is the entrance of Wal-Mart into the grocery industry. Wal-Mart unveiled its combination discount and grocery store format in 1988. The Wal-Mart "supercenter" was designed to attract increased customer traffic to its general merchandise department through the sale of food.[89]

Wal-Mart's supercenter model proved commercially successful. By 2002, Wal-Mart grew to become the country's largest seller of groceries. Wal-Mart's grocery sales topped $80 billion in 2004, and accounted for 17.4 percent of all supermarket sales that year.[90] Three union grocery stores followed behind: Kroger with sales of $54 billion, Albertsons with sales of $37 billion, and Safeway with sales of $29 billion.[91] As of fiscal year 2004, Wal-Mart had 1,713 supercenters and 85 "Neighborhood Markets" (junior supercenters designed for dense urban markets) in the United States.[92] In October 2004, the company announced plans to open 240-250 additional supercenters and up to 30 more neighborhood markets in 2005.

Despite its dominance in the grocery industry, Wal-Mart has certainly not increased its compensation to match that of the major supermarket chains. In their research on the San Francisco Bay Area grocery industry, Marlon Boarnet of the University of California at Irvine and Randall Crane of the University of California at Los Angeles examined the compensation gap between Bay Area supermarkets and Wal-Mart. As the adjacent table illustrates, Wal-Mart compares poorly to union-represented supermarkets among all of the benefits offered.

The difference between health benefits for Wal-Mart employees and union supermarket employees is stark. While union employees pay no premium, Wal-Mart employees pay an average of one-third the cost of their health care.[93] A single employee at Wal-Mart could spend up to $6,400—45 percent of their annual earnings—toward their health insurance premiums and deductible before receiving any benefits under the cheapest coverage available.[94] Part-time employees, who comprise at least one-third of the company's workforce,[95] cannot even purchase coverage for their spouse or children.[96]

Boarnet and Crane estimated that the total compensation package for Bay Area union supermarkets is twice that of area Wal-Mart workers.[97] This difference may explain why a Wal-Mart worker's average tenure is four years, compared to nine years for a Bay Area union supermarket worker.[98]

With its clear dominance in the grocery industry, and with this gap in compensation, Wal-Mart undoubtedly threatens the employment standards of grocery workers. The late Edward B. Shils, founder of the Wharton Entrepreneurial Center at the University of Pennsylvania, warned of Wal-Mart's potential impact to supermarkets in 1997: "Supermarkets work on very thin margins, and their shrinking market share resulting from the combination of cheap labor and low prices will have murderous impact on the traditional food stores, large or small."[99] The next two sections of this report reveal the extent to which Shils' prescient warning has been realized.

Comparison of Employment Standards between Wal-Mart and Union Supermarkets in the San Francisco Bay Area

	Wal-Mart	**Union Supermarkets**
Hourly wages	$9.60	$15.30
Percent of employees covered by employer-provided health plan*	45%	95%
Health plan eligibility	180 days for those working at least 34 hours a week	60 days for those working a minimum of 64 or 72 hours per month
Health plan premium paid by employees	Between $338 to $3,081 per year	No premium
Retirement plan	401K for employees after 1 year and 1,000 hours; company contributes $.22 per hour towards plan	Defined benefit pension and 401K after 375 hours; employers contribute $1.35 per hour towards plan
Paid holidays	6 days per year	9 days per year
Vacations	1 week after 1 year, 2 weeks after 2 years, 3 weeks after 7 years	2 weeks after 1 year, 3 weeks after 5 years, 4 weeks after 15 years, 5 weeks after 20 years
Sick leave	Approx. 4 hours per month	6 hours per month
Total compensation value per hour	$11.95	$23.64
Total annual compensation value	$21,552	$42,552

Source: Boarnet, Marlon and Randall Crane, *Supercenters and the Transformation of the Bay Area Grocery Industry: Issues, Trends, and Impacts*, Bay Area Economic Forum, Jan. 2004. Report notes that based on the regional wage data in Drogin (2003), the national average wage at Wal-Mart is a good estimate of the average wage in the Bay Area.

*Source for the Wal-Mart figure, which is national: Greenhouse, Steven, and Michael Barbaro, "Wal-Mart Memo Suggests Ways to Cut Employee Benefits Costs," *The New York Times*, 26 Oct. 2005; source for the union figure, which is statewide: Dube, Arindrajit and Ken Jacobs, *Hidden Cost of Wal-Mart Jobs: Use of Safety Net Programs by Wal-Mart Workers in California*, University of California Berkeley Labor Center, 2 Aug. 2004, <http://laborcenter.berkeley.edu/lowwage/walmart.pdf>.

When Wal-Mart Comes to Town

All across the United States, stores sit dark and empty, left in the path of retail destruction paved by Wal-Mart. When Wal-Mart plunges into an area, it doesn't simply co-exist with existing businesses and eat from a larger retail pie. Wal-Mart moves in and replaces good jobs with its own jobs that pay less, have fewer benefits, and are without union representation.

"They say they are creating jobs, and they *are* creating jobs. They're creating after-school jobs for high school students. And in doing that, [Wal-Mart is] taking away the jobs that are paying the kids' parents."

—Stephenie Massey, employee of Vons in Anaheim, CA

According to Sam Walton, Wal-Mart's expansion strategy is designed "to saturate a market area by spreading out, then filling in."[100] And it is Wal-Mart's saturation strategy, as documented by researchers for decades, that causes competitors to lose market share, close down stores, or fold. Kenneth Stone of Iowa State University has done extensive, long-term research on the effects of Wal-Mart's entry into rural areas. He found that when Wal-Mart expanded into small towns in Iowa between 1983-1993, 7,326 stores closed.[101]

Wal-Mart's expansion of its supercenter model has inflicted particular damage on the grocery industry. Stone found that in Mississippi counties where a supercenter opened, food stores in those counties lost 19 percent in sales within five years.[102] This may be just the beginning for grocery competition, as a Retail Forward study predicted that "for every new supercenter that Wal-Mart opens, two supermarkets will close."[103]

Wal-Mart's damage to small businesses has been widely reported. In its defense, Wal-Mart often boasts that it helps local economies by creating scores of new jobs in communities where it opens shop. But how many are created, and what do these jobs really look like?

A recent study by Emek Basker of the University of Missouri found that when Wal-Mart enters a county, retail employment initially increases by 100 jobs.[104] But Basker found that five years later, as other retail establishments exit, and as wholesale jobs are lost, a net gain of only 30 jobs remains.[105]

While employment may increase slightly when Wal-Mart comes to town, wages certainly suffer. Researchers at the University of California at Berkeley recently found that when Wal-Mart opens a store in an urban county, average wages in general merchandise and grocery sectors fall by 0.8 percent over three years.[106] Accounting for changes in employment, total earnings of retail workers fall by 1.5 percent over the same period.[107] Wal-Mart's presence is likely reducing total earnings of American retail workers by $4.7 billion annually.[108]

In their study illustrating Wal-Mart's potential to place downward pressure on wages and benefits of the grocery industry, Boarnet and Crane estimated that if Wal-Mart entered the Bay Area market and captured six to 18 percent of grocery sales by 2010, supermarket workers would lose $353-677 million per year in wages and benefits as their employers try to close the gap in order to compete, and as supermarket jobs are replaced by Wal-Mart jobs.[109] In an earlier study, Boarnet and Crane calculated that Wal-Mart's entry into Southern California would depress industry wages and benefits by $500 million to $1.4 billion per year.[110]

The impact of Wal-Mart moving into communities goes beyond depressed wages and benefits, as the company also hits taxpayers with a hidden bill.

Wal-Mart's substandard wages and benefits often cause employees to rely on public assistance. A report from the office of U.S. Representative George Miller estimates that taxpayers are subsidizing Wal-Mart at the rate of $2,103 per employee annually ($420,750 per store).[111] Researchers at UC Berkeley also estimated that Wal-Mart employees' reliance on public assistance costs California taxpayers $86 million per year, and would cost them an additional $410 million if other large retailers adopted Wal-Mart's wages and benefits.[112]

Wal-Mart clearly inflicts damage to workers and communities when it moves into an area, often replacing good union jobs with substandard jobs. The following examples of the closure of Bradlees and Furrs illustrate what is lost when Wal-Mart moves in. These retail store chains built a regional presence, created good, union jobs, and inspired loyal customers. And yet both were unable to stay afloat once Wal-Mart moved into the neighborhood.

Hello Wal-Mart, Goodbye Furrs

The Southwest union-represented grocery chain Furrs was founded in 1929, when Roy Furr purchased six grocery stores in West Texas. By 1956, brothers Roy and Key Furr merged their stores to become Furr's Inc., a regional chain of 60 stores throughout West Texas, New Mexico, and Colorado. Furrs employed 5,000 men and women in the 71 supermarkets it operated in New Mexico and West Texas when the chain filed for bankruptcy in February 2001.

There were several factors that led to the company's demise, including inventory problems that led to gaps in shelves and poor management decisions to expand, causing the company to run out of cash.[113] But another factor contributed to Furrs' decline: Wal-Mart's entrance into the regional grocery market. In 1999, while Furrs struggled to raise capital and expand, Wal-Mart opened its first supercenter in Albuquerque, NM and began to aggressively expand throughout the area. As former Furrs President Steve Mortensen recalled at a court hearing, "With Wal-Mart pumping $300 million into that market, it's tough for anybody to make it."[114]

A deserted Furrs store in Albuquerque, NM

When the company went bankrupt, only 36 of its 71 stores were purchased by other grocery chains—the rest closed down. As a result, thousands of its employees were laid off. Furrs' closing hit its employees hard, especially for longtime Furrs staff, like Linda Winter. "I was in a state of shock," recalled Linda, "You spend all those years doing something that you really enjoy and somebody [sic] can just come along and wipe it out."[115]

In 1970, Linda started as a waitress in the cafeteria of a Furrs supermarket in Albuquerque. Over the next 30 years, she moved into jobs in the bakery and later the meat department, earning a raise with each promotion. By 2001, she made close to $16 an hour as a meat wrapper, and enjoyed good benefits and a pension. She raised her son as a single mother and could still afford to buy her own house and a car through her job at Furrs.

When the chain closed, Furrs employees struggled to find comparable employment. Despite heeding the state unemployment officials' advice and acquiring higher-level computer skills, Linda could only find work at a car dealership. She makes half of what she earned at Furrs, with no health benefits and a retirement plan she can't afford to contribute toward.

In 2000, Furrs had 30 percent of the grocery market share in El Paso, TX, and 26 percent in Albuquerque.[116] At that time, Wal-Mart was still new to the region, with only six percent market share in El Paso and five percent in Albuquerque.[117] By 2005, Wal-Mart had clearly capitalized on Furrs' closure, as its market share jumped to 44 percent in El Paso and 29 percent in Albuquerque.[118] While it's only logical for stores to profit off a competitor closing down shop, was it simply a zero sum when Furrs jobs were lost and Wal-Mart jobs increased? Not when workers lost so much ground in the process.

Under the Furrs union contract, employees who worked at least 24 hours per week were eligible for health benefits after three months with no employee contribution.[119] In 2001, Wal-Mart's companywide policy required employees to work at least 28 hours per week to be eligible for the benefit plan (it's currently a six-month wait and at least 34 hours per week), and employees paid a premium and co-pays for their benefits.

At Furrs, employees had defined wage increases of as much as $1 an hour after six months on the job and were eligible for apprenticeships which offered training and sizeable wage increases as skills advanced. Furrs employees also received premium pay for night work and a pension plan with defined benefits. Not so at Wal-Mart. Without a union contract at any Wal-Mart store, employees have no guarantees of predictable wage increases and clearly defined ladders for advancement. And if Wal-Mart employees believe they have been unfairly denied a promotion, they lack a grievance procedure to address the situation. Such a grievance procedure was available to Furrs employees, and is a staple of union contracts.

The fact that Furrs compensated its employees well was not the result of benevolence, but of years of collective bargaining. The UFCW began organizing Furrs employees in New Mexico in the early 1970s, and eventually came to represent the majority of the company's employees.[120]

Linda Winter described how having a union at Furrs raised standards for the company, and eventually, the industry: "The pay in the grocery store is good. It's very good. But it's been fought for through these unions…it has been fought tooth and nail…[Furrs employees] were the harder fighters. They would stand their ground... So pretty soon there'd be a compromise with some pretty good benefits, and then the other grocery companies had no choice but to follow suit."

Furrs' closure led to a huge drop in the number of secure, middle-class union grocery jobs in New Mexico and West Texas. UFCW Locals 1564 and 540 estimate that they lost 4,400 union members after the company liquidated.[121] While the impact was directly felt by Furrs employees, the public is also affected. Taxpayers pick up the tab when Wal-Mart jobs replace jobs that paid full health benefits for employees. Because a large percentage of Wal-Mart employees are ineligible for benefits or cannot afford the high premiums and deductibles, many turn to public health plans or remain uninsured. In Texas, for instance, Wal-Mart topped the list of employers that had employees enrolled in the state's Children's Health Insurance Program, with over 4,300 children of employees enrolled.[122]

Bradlees: A Retail Casualty in the Northeast

An abandoned Bradlees in Concord, NH

Retailers from Woolworth to Wal-Mart

While most of the good middle-class jobs in the retail sector were found in grocery stores, there were exceptions among discount merchandisers. For 43 years, Bradlees operated as a regional retail chain in the Northeast, and held a good reputation for selling a wide variety of products at a discount. And through decades of collective bargaining with the UFCW, Bradlees' employees held jobs with standards well above those offered by a typical discount chain. All that came to an end in 2001 when the chain closed down not long after Wal-Mart moved in.

Bradlees was founded in 1958, purchased by Stop & Shop in 1961, and spun off as its own public company in 1992, the year Wal-Mart entered the New England market. Three years after Wal-Mart moved in, Bradlees filed for bankruptcy, citing competition with Wal-Mart as a reason for its economic woes.[123] The company reorganized under bankruptcy, closing 33 stores and laying-off 6,000 employees.[124]

Despite Bradlees emergence from Chapter 11 in 1999, Wal-Mart still posed a threat to the company. News articles detailed slumping sales at Bradlees locations when a Wal-Mart moved in nearby.[125] As Kurt Barnard of Barnard's *Retail Trend Report* predicted in 1997, "The Wal-Marts and the Kmarts have many, many more resources available to them, and Bradlees does not have the staying power needed for an eventual turnaround."[126] In December 2000, Bradlees again declared bankruptcy and closed down its stores for good in 2001.

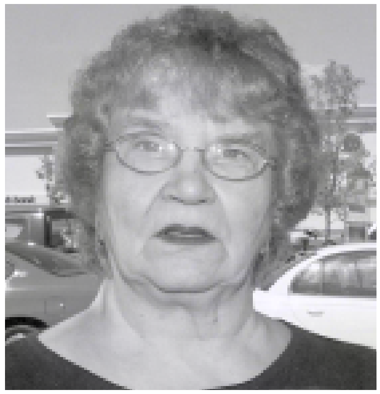
Bradlees was the last of the traditional general merchandise chains to have significant union representation.[127] In the early 1970s, Bradlees employees began forming unions. By 2000, 71 percent of Bradlees employees were represented by the UFCW.[128] UFCW locals throughout New England negotiated generous benefits packages with Bradlees. Employees received full health benefits without paying a premium, as well as a defined benefit pension when they retired.[129] Full-time employees were covered by the health plan after working nine months, and part-time employees were covered after one year.[130]

While there is no available data on the wage difference between Bradlees and Wal-Mart employees, evidence shows that during the time Bradlees was in operation, Wal-Mart provided less generous benefits to its employees. In 2001, Wal-Mart's employees paid 42 percent of the costs of their health care.[131] And unlike what was offered to employees at Bradlees, part-time workers at Wal-Mart wait two years before they can buy into the health plan that does not cover spouses or children.[132]

The benefits of collective bargaining that Bradlees employees enjoyed extended beyond the bread-and-butter issues. Elaine Vance was one of 9,800 Bradlees employees who lost their jobs when the company closed its 105 stores throughout the Northeast.[133] She had been working as a cashier at the discount chain in Connecticut for 30 years. She spoke of the benefits she received from being a union member: "I've worked at other places that wasn't union…we had to punch our time card on the back for breaks and they would punch

“I was looking for work, but because of my age, nobody wanted to hire me.”

—Elaine Vance, a former Bradlees employee



James R. Anderson

More Retail Casualties in the Northeast

Bradlees was not alone in its struggle to compete with Wal-Mart. Caldor, another union-represented discount retailer in the area, shut down in 1999. In 1993, Caldor was hailed as a “discount pioneer” by industry press for improving its merchandise, operations, and marketing in order to compete with Wal-Mart.[134] But Caldor became another casualty, joining other Northeastern discount chains like Ames, Jamesway, and Stuarts, none of which could survive Wal-Mart's presence in the region. As one reporter wrote in *The Boston Globe*, “Behind all the failures in the Northeast is the invasion of Wal-Mart, whose mammoth size and aggressive pricing have crippled smaller chains.”[135]

it for you and tell you you had your break and they used to make you work extra hours…[But with Bradlees] it was always fair with the union there. They couldn't do things illegally to you.”

Elaine Vance never found a job after the store closed: “I was looking for work, but because of my age, nobody wanted to hire me.” She barely got by during the months after the unemployment ran out and before she could collect social security and her pension.

While the closure of Bradlees signaled the end of an era for union-represented discount retailers, Wal-Mart's expansion into the grocery industry is even more troubling, as its presence threatens this last bastion of middle-class retail employment. But this Wal-Martization of the grocery industry is not simply about stores closing and good jobs being replaced by bad jobs. Wal-Mart's influence has expanded beyond its own workforce, reaching the bargaining table of all retail workers. As demonstrated by the following account of the supermarket strike in Southern California, the advent of Wal-Mart's supercenter has led grocery employers to try to bring down industry standards to the level of Wal-Mart in order to compete with the growing giant.

The Invisible Hand of Wal-Mart

Wal-Mart doesn't even have to actually move into town to pose a threat to middle-class jobs. When the three major Southern California supermarket chains began joint negotiations with the UFCW for a new contract in 2003, Wal-Mart was the 800-pound gorilla in the room. Although the nation's largest grocer wasn't yet a presence in the region, Wal-Mart was a top competitor for the three chains nationally. And this competition compelled the chains to follow Wal-Mart's lead by trying to fundamentally lower standards for supermarket jobs.

In response to the chains' proposed cuts, cashiers, butchers, and florists in Southern California supermarkets became the unsuspecting bulwark in protecting middle-class jobs from Wal-Martization. After enduring a nearly five-month long strike and lockout, they managed to stave off the worst of the chains' proposal and weaken subsequent efforts by the chains to bring down job standards in stores across the country. However, the fight to prevent companies from following Wal-Mart down the low road has only just begun.

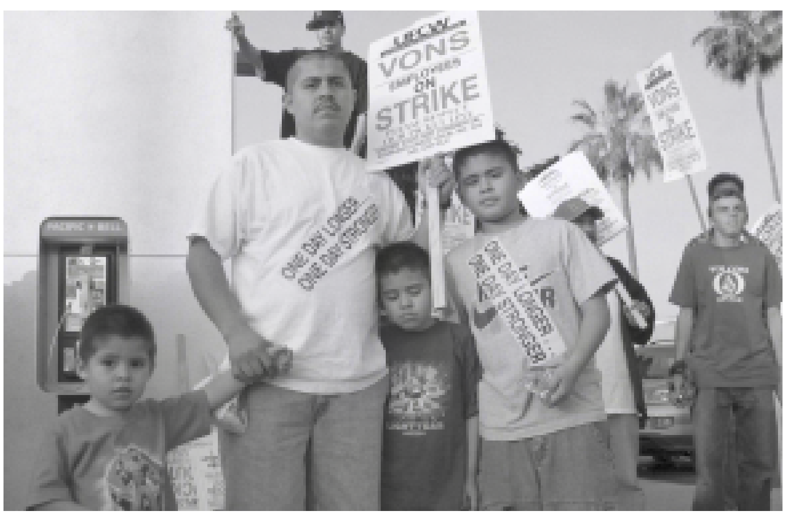
"Even after the strike, when we didn't get everything we fought for, people empathized… The grocery customer is also a worker themselves at some other job, and for them to recognize our stand made me feel good for trying."

—Eire Garcia, employee of Vons in Stevenson Ranch, CA

The Battle for the Middle Class in Southern California

For over three decades, the UFCW has represented supermarket workers in Southern California. With the exception of a brief dispute in 1978, contracts were negotiated amicably. According to the union, grocery employees steadily accrued the level of wages and benefits matched by white collar workers.[136] Yet when negotiators for the UFCW sat down to bargain in September 2003 with the supermarket chains that represent their 70,000 members in 900 Southern California stores, they were floored by the employers' new bargaining tactic.

Rather than proposing the kind of compensation they could give based on their current revenues and expenses, Albertsons, Kroger (which owns the Ralphs chain), and Safeway (which owns the Vons chain), decided to try and make their wages and benefits more on par with Wal-Mart. While the supermarkets compete head on with Wal-Mart nationally, Wal-Mart had no supercenters in Southern California, only future plans to build in the area within the next five years.



UFCW News Service

A father on strike to save his family's healthcare benefits.

The supermarkets' proposal was not focused on wage cuts, but on cuts to the UFCW member health benefits. The benefit plan is administered through a fund run jointly by the UFCW and the employers. Prior contracts mandated that employers fully fund the plan. But in their latest contract proposal, the employers wanted to cap their contribution and require employees to pay the remaining costs, which would likely increase every year as healthcare costs rise.

But how much money did the supermarkets expect employees to kick in? In an effort to win public support in the negotiations, the employers claimed to the media that they simply wanted employees to pay a small "premium" of $5-15 per week for their health benefits. According to a Ralphs spokesperson, "All we are asking is that our employees share in the cost of their health care. That is something the majority of Americans do."[137]

But the employers' public relations spin masked the true amount that employees would have to contribute. Glen Melnick, a healthcare finance analyst at The RAND Corporation, noted that as health costs would likely rise, employees would have to assume that cost burden: "Basically, [the employers are] saying, 'We're going to pay X amount and you bear all the risk.' If I were advising the union, I'd say, 'Wait a minute.'"[138]

"It was a total shock to all of us that they would take so much away and give nothing back."

—Kristine Dall, a Ralphs employee

Frank Casciato, Bleiweiss Communications

The UFCW concluded that the employees' contribution would be closer to $70 per month in order to keep the plan afloat, in addition to paying higher co-pays.[139] While the UFCW acknowledged members' willingness to share in the costs of rising health care in this round of bargaining, they were not ready to accept such a drastic cost increase. The employees had agreed in previous contracts to accept smaller-than-normal wage increases in order to maintain good health benefits in the face of rising costs. And so with these sacrifices over the years, they reacted with anger to the employers' proposal.

Jackie Gitmed, a 45-year-old single mother who raised her daughter through her job at Ralphs, described what was at stake in the negotiations: "The benefits were incredible…We didn't get raises—we got 30 cents an hour raises—we kept our benefits in lieu of a raise."[140]

With the wages and benefits she received working at Ralphs for 37 years, Kristine Dall had managed to buy a house and raise her son as a single mother. She explained that "We were all ready to pay for our health benefits. We knew it was gonna come." But after learning that the company was not offering wage nor benefit protection, "It was a total shock to all of us that they would take so much away and give nothing back."[141]

Shirley Johnson, a service manager with over 25 years at Ralphs in Los Angeles, echoed Kristine's feelings of betrayal. She felt like she poured her heart into the company, "Then when it comes time for your contract renewal and you turn around and 'Oh—I just got stabbed in the back.'"[142]

In addition to the cuts in benefits proposed in bargaining, the UFCW and its members also objected to the two-tier wage and benefit structure the employers sought to institute. Under this plan, new employees would start at a lower wage scale and would never reach the level of wages that current employees receive. These "lower-tiered" employees would also have to wait longer to receive benefits. While current employees would not be hurt by this two-tier system unless they wanted to move into a new position at the store, the structure would essentially move grocery workers out of the middle class—following Wal-Mart down that low road.

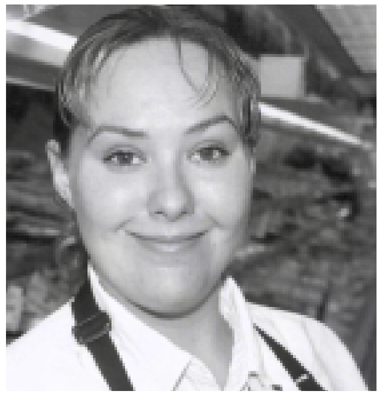
Once the UFCW members who worked at the three chains had a chance to review the proposal, 97 percent rejected the offer. They instead voted in favor of striking in protest of the proposal. On October 11, 2003, a week after the contract expired, the UFCW called a strike at Vons. In an aggressive show of employer 'solidarity,' Ralphs and Albertsons locked out their employees as soon as the Vons employees went on strike.

The Community Lends a Hand

The grocery store employees in Southern California are probably no different from those around the country in that they developed connections to their loyal customers. Stephenie Massey, a 23-year-old meat clerk at Vons, is one of those familiar faces: "I can't take a bus anywhere in the city without somebody recognizing me. Everybody has known me from the store."[143]

Loyal customers found it difficult to betray their neighborhood grocery employees and shop during the strike. From the wealthy suburbs in Orange County to the working class neighborhoods of Los Angeles, shoppers stayed away in droves. And not only did customers refuse to shop at the stores, but they also provided support for the picketing workers.

"The support from the community was tremendous," said Eire Garcia, who works at the Vons in Stevenson's Ranch. "They stood by us. Horns honked at us, people left money donations. They'd give us umbrellas when it rained…It was obvious what side the customers stood on and that was underestimated by the CEOs."[144]



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Stephenie Massey, a 23-year-old meat clerk at Vons, had to postpone her wedding when money ran out during the strike.

Though many community members refused to cross the picket lines, others still shopped. The strike/lockout provided an opportunity for workers to educate these customers and counter the employers' rhetoric that the dispute was over workers refusing to contribute a few dollars toward their benefits. When Shirley Johnson explained to a woman about to walk into her store that the workers were protecting their benefits from an all-out assault, the woman got back into her car and said, "That's not what I'm hearing on the news…Well shame on them."

The workers also managed to garner crucial assistance from local community organizations. Clergy and Laity United for Economic Justice (CLUE) and the Los Angeles Alliance for a New Economy mobilized support for the grocery workers. The two groups were involved in coalition that opposed Wal-Mart's plans to open a store in Inglewood, CA, and recruited the grocery workers to serve as spokepeople in their campaign to show how Wal-Mart would destroy the community's good union jobs.[145]

CLUE brought together leaders from Jewish, Christian, Muslim, Buddhist, and other faith communities to support the workers. Congregations 'adopted' stores to donate turkeys for Thanksgiving and toys for Christmas to help the picketers trying to make ends meet. CLUE also led supporters and workers on a caravan from Los Angeles to the Northern California home of Steve Burd, CEO of Safeway.

The labor movement also demonstrated a show of solidarity. Many unions donated money to workers through the AFL-CIO's national strike fund. The International Longshore and Warehouse Union helped organize a rally to support the workers in San Pedro, CA, attended by 4,000 people.

Despite the much-needed support provided for those on the picket lines, the strike/lockout still took a heavy toll on the workers. Many grocery workers had to support their families solely on the union's strike pay, which dipped below $150 a week toward the end of the strike/lockout.[146] "It's very tough to be on the picket line," said George Green, who has worked at Albertsons for 24 years.[147] "We went through the fire storms, with smoke and heat. We had three to four solid days of smoke where my people could barely stand to be outside."

George, 41, struggled to make ends meet during the strike. As a picket captain, he worked six to seven days a week while on the picket line. Both he and his teenage daughter, also an Albertsons employee, received some pay from the union for picketing. George's wife took a second job for additional income. But it wasn't enough—his family went bankrupt. In all, it is estimated that the grocery workers lost $800 million in foregone wages from the strike/lockout.[148]

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George Green, a long-time Albertsons employee.

A Victory for All Workers—But at a Cost

The strike drained the three chains as well, as it cost them billions in sales. It's not likely that the chains anticipated that employees would be willing to stay and fight for so long, nor that so many customers would refuse to cross the picket lines. Yet compared to their workers, the employers were much more able to sustain the longest strike in the history of the supermarket industry. So four and a half months after the strike/lockout first began, grocery employees voted to ratify the latest contract proposal on March 1, 2004.

According to the UFCW, the key reason they settled was that the employers agreed not to create a different health and pension fund for new hires, separate from the joint union-employer fund for current employees. Funneling new hires into a separate benefit plan, as many analysts predicted, would have decimated the benefits for the current employees who are a part of the joint fund.[149]

And while the UFCW members put up fierce resistance and managed to stave off major damage to the health and pension plans, many other concessions were made. The employers were able to win their two-tier system, where current employees maintain the level of wages and benefits they have (with the exception of higher co-pays), while new hires top out at wages that are $2-3 less per hour than what current employees can earn.

The two-tier system also changed the eligibility for benefits. Before the contract, new hires were eligible for health benefits after five months. Now the new hires must wait one year for single coverage and two and a half years for family coverage.

Arindrajit Dube and Alex Lantsberg of the University of California at Berkeley examined the potential impact the new contract would have on all of California's union grocery workers if the same provisions were negotiated statewide.[150] Before the contract, health insurance coverage was near universal for California union grocery workers.[151] But by 2007, Dube and Lantsberg projected that between 33-53 percent of union grocery workers would not be covered by the joint union-employer health plan due to the more stringent eligibility requirements, higher turnover with greater use of part-time employees, and higher employee costs for health care.[152] They estimated that such a scenario would also result in between $66-102 million in healthcare costs shifted to taxpayers annually.[153]

While the UC Berkeley report paints a dire scenario for the future of wages and health coverage in Southern California, the worst aspects of the Southern California contract were not part of the Northern California contract that was ratified at the beginning of 2005. Rather than having a two-tier system that would decimate future standards for grocery jobs, new hires will only wait longer before they earn the top wages and have a longer wait before they are eligible for health care (six months for single coverage as opposed to one year in the Southern California contract).

When the Northern California contract was ratified, analysts proclaimed victory for the union, and attributed the win to the struggles the Southern California workers underwent.[154] Most likely, the grocery chains were not willing to repeat the lengthy strike/lockout of Southern California that did so much damage to their businesses.

While an analysis of contracts negotiated nationwide revealed a degradation of standards after the strike/lockout, including caps on employer contributions to healthcare,[155] George Whalin, President of Retail Management Consultants, asserted that while the grocery chains prevailed in Southern California, “they failed in their larger labor strategy, which was to implement a two-tiered system across the country.”[156] Although the Southern California grocery workers must live under a substandard contract until 2007, it appears they did not make those sacrifices in vain.

The Lingering Effects of the Strike

In Southern California, the effect of the strike/lockout has not dissipated. Analysts estimate that the three chains lost close to $3 billion in sales up to the beginning of 2005.[157] Supermarkets are still trying to win back customers, as indicated by the following Albertsons commercial that ran in the summer of 2005:

Actress Patricia Heaton: You mean you really haven't been to Albertsons?
Friend: Not since the strike.
Heaton: Oh, you're comin' with me!

Along with lackluster sales, the two-tier system has taken a toll on the operation of the stores. All of the employees interviewed for this report indicated major turnover problems at their stores. Kristine Dall noted that Ralphs started setting up tables in their stores to recruit new employees, something she never witnessed prior to the strike. Stephenie Massey used to hand out about 25 welcome packets for new union members in one year, and now she distributes 25 every two weeks. Twila Mandella, who spent eight years as a clerk at Albertsons, described the turnover at her store as “Really bad. Since the strike, they can't keep the employees at

Rev. William Jarvis Johnson is a CLUE community organizer and pastor of Calvary CME church, where he brought together an interfaith coalition to support picketing grocery workers. He tells grocery workers that he meets with that there are "a lot of workers across this country who are so thankful for what you've done."[159]

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the rate they're paying them now. It used to be something that you go into as a career."[158]

The employees interviewed for this report cited more than just low wages and poor benefits as a reason for the turnover. Many feel that the strike/lockout revealed their employers have little respect for them, their contributions, and their loyalty. Eire Garcia has spent 27 years at Vons. Her mother also worked in grocery stores, but Eire doesn't think her daughters should work in the industry: "Now, after the strike I've felt that [the employers believe] the people that have been there 25 or 30 years are in their way. We don't even get a 'thanks' for 27 years in the business."

Stephenie Massey, who had hoped to move up in the store from a meat clerk to a meat cutter, is not sure it's worth it for her to stay in the industry. It will now take her seven years to progress into the position and earn $15 an hour, whereas before, she could become a meat cutter and make $20 an hour after two years of training.

Competing with Wal-Mart: Taking the High or Low Road

On the day the grocery workers voted to ratify their contract and end the strike/lockout, the first Wal-Mart supercenter opened in California. Wal-Mart CEO Lee Scott's plan is to "roll out supercenters fairly aggressively in California,"[160] and as of May 2005, there were four supercenters in the state and two more under construction. While the grocery chains were not facing an immediate threat from Wal-Mart in Southern California, Wal-Mart will clearly be a force to be reckoned with in the near future.

The three grocery chains clearly had a legitimate reason to fear competition from Wal-Mart, if not in California then nationwide. But were they right to compete by cutting wages and benefits to try and meet the low level provided to Wal-Mart's employees? Many on Wall Street were happy with the concessions made in the Southern California contract and believe that it will help the companies bridge the gap in labor costs, allowing them to compete with Wal-Mart. When the strike/lockout first began, shares of all three chains outpaced the rest of the market, and Wall Street analysts cheered the hard line adopted by the companies in negotiations.[161]

But not every industry analyst agreed with the chains. Sandra Skrovan of Retail Forward has studied the impact of Wal-Mart on the supermarket industry and argued: "[The three chains] can talk about lowering wages and lowering prices, but that doesn't do anything to help them better compete with Wal-Mart. They need to compete with Wal-Mart on something other than price."[162]

JP Morgan analyst Steve Chick added a similar sentiment: "I'm not sure that adding more part-time workers and lowering labor costs really cuts to the heart of the problem, which is improving sales productivity and traffic."[163]

The supermarket chains chose to compete by following Wal-Mart's path down the low road, and in Southern California, that decision will reverberate for years to come. Despite their lower labor costs under the new contract, the chains have suffered serious losses in shoppers. Anecdotal evidence points to pervasive problems of low morale and high turnover in the workforce since the strike/lockout, likely results of the two-tier system. And the costs of this strategy are even higher when you consider that Southern California lost a solid source of middle-class jobs as new hires replace current employees with a lower level of pay and benefits.

Wal-Martization is threatening good middle-class grocery jobs, whether by replacing those jobs when it forces businesses out, or by influencing competitors to follow its model of low employment standards. And Wal-Mart's continual expansion into sectors beyond retail will only force more employers to decide whether to follow Wal-Mart's model of labor standards or to compete on something other than wages and benefits.

Costco: The Anti-Wal-Mart

Costco serves as a model high road employer through its investment in employees to lower turnover and raise productivity. As a direct competitor with Wal-Mart's Sam's Club warehouse chain, Costco has beaten Sam's Club's market share and its stores average higher sales.[164] Yet, in great contrast to Wal-Mart, Costco has managed to succeed while paying its employees good union wages and benefits. While only 16 percent of Costco's employees are represented by the International Brotherhood of Teamsters, the company essentially extends all the benefits from the union contract to its non-union workforce. *Business Week* compared these higher employment standards to those at Sam's Club, along with the resulting measures of productivity between the employees:

	Costco	**Wal-Mart's Sam's Club**
Average hourly wage	$15.97	$11.52
Employer contribution to health care, per employee	$5,735	$3,500
Covered by health plan	82%	47%
Covered by retirement plan	91%	64%
Employee turnover	6% a year	21% a year
Labor and overhead costs	9.8% of sales	17% of sales*
Profits per employee	$13,647	$11,039

Despite the high wages and generous benefits at Costco, the company's labor costs as a percentage of sales are lower than Sam's Club. The company has rejected Wall Street's short-sighted view that in order for a discount retailer to thrive they must match Wal-Mart's low wages and benefits. In his dismissal of this pressure, Costco CEO Jim Sinegal told *The New York Times* that paying good wages and benefits "Is not altruistic. This is good business."[165] Treating employees well has been good business, and has allowed Costco to successfully compete with Wal-Mart.

Source: Holmes, Stanley and Wendy Zellner, "The Costco Way," *Business Week*, 12 Apr. 2004: 76.
*For all of Wal-Mart

Conclusion

"We now know that the more people—the public in general—are informed, the more they can affect Wal-Mart."

—Gaetan Plourde, former employee of Wal-Mart in Jonquière, Quebec

The Power of Public Scrutiny

As the largest corporation and employer in the world, the economic and societal impact of Wal-Mart's hostile labor relations model extends far beyond working conditions for its own employees. The abysmal status of workers' rights to organize unions at Wal-Mart signals an urgent need for policymakers, business leaders, employees, and consumers to collectively renegotiate America's social compact with its workforce.

At other times in our nation's recent history, when the public registered outrage about unfavorable practices of its favorite brands, positive change occurred. McDonald's replaced its Styrofoam packaging with more environmentally-friendly paper products, Nike was forced to address sweat-shop labor conditions in its shoe-manufacturing facilities, and Starbucks began selling "Fair Trade" coffee, purchased directly from small farming cooperatives at a price that ensures a living wage. Consumers and public interest groups standing up for the right of Wal-Mart workers to form unions and engage in collective bargaining could produce similar, far-reaching results.

Unionbusting eradicates one of the few spaces where workers have an opportunity to participate in decisions that directly affect their lives.

Experts remind us that family-supporting jobs that spurred the growth of the middle class were the result of negotiations between employers and union workers across the bargaining table.

"There was nothing inherently high-wage about the automobile industry," confirms Beth Shulman, author of *The Betrayal of Work: How Low Wage Jobs Fail 30 Million Americans*. Automakers became 'good' employers "after workers organized and collectively bargained with the company for better wages and benefits. Likewise, there is nothing inherently low-wage about retail…Wal-Mart is not constrained by global competition in its wages and benefits. These on-site retail jobs must be done here in the United States."[166]

With annual profits topping $10 billion, Wal-Mart has the ability to reverse the trend of rolling back employment standards, and in so doing, inspire other employers to follow suit. As industry-leading companies like Cingular Wireless have done, Wal-Mart can decide to remain neutral in allowing its employees to choose union representation.

Costco, Wal-Mart's competitor in the wholesale warehouse sector, remains profitable while paying decent wages and benefits to its union and non-union workforce.

Joel Rogers of the University of Wisconsin at Madison and Daniel Luria of the Michigan Manufacturing Technology Center explain the distinct paths companies can take and their broader social implications: "Low-road firms compete by keeping prices down, which means keeping costs down—beginning, typically, with wages. Applied

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across the economy, low-road strategies lead to sweated workers, economic insecurity, rising inequality, poisonous labor relations, and degraded natural environments…Generalized, high-road strategies are associated with higher productivity, higher pay and better labor relations, reduced environmental damage, and greater firm commitment to the health and stability of surrounding human communities, all needed to attract and keep skilled workers and managers. Firms can make money on either path, but social gains are vastly greater on the high road."[167]

Codifying our Values

Wal-Mart is not alone in its unionbusting practices. Although it is illegal to interfere with workers' right to form unions, employers have learned to exploit weaknesses in labor laws, and even break them with impunity.

Lawmakers need to modernize our labor law system to strengthen its ability to address intense anti-union tactics like those used by Wal-Mart. The passage of legislation like the Employee Free Choice Act would be an important first step toward protecting the ability of workers to exercise their rights in the workplace and demand better standards. This Congressional bill would require employers to recognize unions when a majority of eligible employees demonstrate their desire for union representation. Additionally, the bill would impose tougher penalties on employers that violate labor law, and ensure that employers and their union-represented employees can negotiate a contract within a reasonable period of time.

Reform of our nation's labor laws is required to remove workers' rights and labor standards as the variable employers use to increase profitability. The Maryland State Legislature and the New York City Council recently passed laws setting a minimum floor for employee benefits, while other states and localities are considering similar legislation. By taking the cost of benefits out of competition, lawmakers encourage employers to compete with Wal-Mart in ways that do not hurt employees and their communities.

Building a New Vision for Work Life

Imagine what would happen if 1.3 million workers across this country earned a living wage that allowed them to climb out of debt, adequately support their families, and care for their health. Wal-Mart's far-reaching influence on our nation's workforce and economy should make turning Wal-Mart jobs into good, family-supporting employment a national priority.

American Rights at Work hopes that this report moves readers to initiate their own inquiries and start asking tough questions about Wal-Mart and its potential to turn the tide on knee-jerk hostile labor relations and the economic insecurity of working families in the United States. Unless and until the public demands that our democratic beliefs about fair play, justice, and equality be extended to workplaces, Wal-Mart and other employers will continue to sacrifice workers' rights to expand profit margins. We can alter this dire forecast by collectively shoring up workers' rights at Wal-Mart and in all places of employment.

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About American Rights at Work

Headquartered in Washington, DC, American Rights at Work is a leading labor policy and advocacy organization committed to ensuring that workers can exercise their democratic rights to join or form a union and engage in collective bargaining.

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