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## FINANCIAL REVIEW

### US unions shift focus to service jobs

Steven Greenhouse | The New York Times

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Manuel Alvarez is the type of worker that service-sector unions are eager to attract. After 11 years as a houseman at the Hilton Hotel at Los Angeles International Airport, he earns \$US9.95 (\$13.49) an hour, about \$US20,000 a year.

"It's not enough to live on," says Alvarez, an immigrant from Mexico who vacuums halls and flips mattresses. "I go to two churches each week to pick up donated food." On his days off, he collects bottles and cans for the deposit, adding \$US200 a month to his income. His hope is to join a union, and soon.

Two weeks ago, judging by the sombre mood at the United Automobile Workers convention, the state of organised labour seemed dire. Not so long ago, the UAW was the nation's largest and most swaggering union, leading the way in building America's middle class by winning impressive wages, health coverage and pensions. But the UAW is now in full retreat, ready to make concessions to help save the American car industry.

Its plight points to a little-understood development: the nation's private sector is divided into two very different labour movements. The first comprises manufacturing unions, such as the car workers and machinists, which are on the defensive and on the decline. The second is made up of unions for the expanding service sector, which are upbeat and on the prowl for hundreds of thousands of nursing-home aides, janitors, supermarket cashiers and workers such as Alvarez.

Unite Here, the union that represents hotel, restaurant and apparel workers, is seeking to organise thousands of non-union Hilton workers in a battle that could culminate in a strike at many Hiltons this northern summer.

Bruce Raynor, president of Unite Here, says the service-sector unions hope to imitate the manufacturing unions of old. "Our goal is to move service-sector workers into the middle class," he says.

The manufacturing unions have been devastated by globalisation, and many companies insist that America's unionised factory workers are overpaid, with benefits too rich compared with overseas workers. Delphi, the beleaguered car-parts company, repeatedly asserted this as it called for halving its workers' \$US27-an-hour wages.

In contrast, the service-sector unions are largely immune to globalisation - just try to outsource to China the job of a hamburger-flipper, hotel housekeeper or bedpan-emptier. Helping to make service-sector unions optimistic is the perception that workers such as hotel housekeepers and janitors are underpaid and have skimpy benefits. Moreover, many of these workers are immigrants, who are often more enthusiastic about unions than US-born workers.

To help his union rebound, UAW president Ron Gettelfinger announced plans to spend \$US60million more on recruiting. But this could prove an uphill battle.

"It's tough for the manufacturing unions to overcome what has happened the last 20 years, and it will make it harder for them to reach out to areas of manufacturing that are still vibrant," says Richard Hurd, a labour relations professor at Cornell University. Just 2 million manufacturing workers belong to unions today, down from 3.5 million a decade ago. That compares with more than 3million workers in service and retail unions, and more than 7million in public-sector unions.

Some labour experts say the effort to help workers such as Alvarez join a union may not be easy. Companies have grown more aggressive and sophisticated in combating unions, often hiring consultants who lecture workers and show videos, hammering the point that unions do not help workers and only want their dues. Even many workers who favour unions are scared to speak out in favour of them, frightened that employers will retaliate - perhaps by firing them, perhaps by cutting back their hours.

"There's great hostility to unions in general," says Nancy Johnson, a professor of management at the University of Kentucky.

"In the old days you'd see co-workers dying and you'd see raw exploitation, so you wanted a union to protect you. Now if you work at nice retailers like Target or Kmart, you don't see people dying on the job. Yeah, you suffer some minor injustices, but a lot of workers today have learned to settle with what they have," she says.

United Steelworkers of America president Leo Gerard says American manufacturers are at a huge disadvantage because companies, rather than the government, shoulder the cost of health cover. He says if the US adopts a national health-care plan such as Canada's it will go far to revive American manufacturing.

"We need an economic policy in which the nation decides to have a manufacturing base," he says.

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