Corporate Unionism (1)

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The nation's corporate executives have a lot to learn from AFL-CIO's leaders about how to run an organization so that it serves their own special interests.

CEOs can be forced to resign if their company keeps losing customers and they fail to bring in new business. They're in serious trouble if their market share and stock price shrink, while stockholders become increasingly angry at them and their performance.

The AFL-CIO's three executive officers and the 51 members of the Executive Council have no such problems. They get elected and re-elected, even when they suffer heavy losses in membership and commit costly blunders. They've got a convention voting system that guarantees them automatic election, without their having to utter a word about their qualifications. They love the system and vigorously oppose any effort to change it.

Top corporate executives must be on a constant lookout that some rival, inside or outside the company, is scheming to take their job. They must worry about proxy battles from irate stockholders who can whittle down their authority or replace them.

No one in the AFL-CIO leadership needs to fear competition, because any candidate who dares to run against them would suffer a certain, humiliating defeat, no matter how competent and popular he or she is. At convention elections, the 51 Council members form a single slate that commands better than three-fourths of the convention votes. The Council, in effect, is a self-perpetuating oligarchy.

It is a matter of record that no officer of any state federation or central labor council has ever been elected to what is organized labor's highest policy-making body since 1955, when the AFL-CIO was formed. Is that something to brag about?

CEOs are accountable to their stockholders. They publish annual reports that cover every aspect of the company's operations, with specific figures on sales, expenditures, revenue, profits and other data. They are required to hold annual meetings at which stockholders can ask questions and make comments about the company reports.

The *AFL-CIO refuses to reveal how it spends the millions of dollars it collects from union dues payers annually. Since it does not publish financial reports, members have no idea of the price tags on organizing campaigns, staff salaries, conferences, political lobbying and other activities. Its officers have complete control of all funds and can use the money at their own discretion, In practical terms, the AFL-CIO leaders are accountable to no one but themselves.*

It is sometimes difficult for CEOs to control criticism from their management colleagues or subordinates, as well as from stockholders who want to cut their authority. They must know how to handle criticism from potential "whistleblowers," jealous rivals, rumormongers and cranks. They must be experienced in "damage control," to react to an unfavorable story

about the company that appears in the media.

The AFL-CIO leadership is virtually immune from criticism. Labor activists avoid mounting campaigns against them, even in cases where they flagrantly abuse their authority, because activists have convinced themselves that such efforts are futile. AFL-CIO leaders have three ways of dealing with critics: they can ignore them, co-opt them, or harass and fire then, especially if the critics are persistent and seem to gain popular support.

CEOs are often picked for their job because of their charismatic personality or their image as a dynamic, energetic leader. When they appear in public on television, talk shows or at important meetings, they are expected to be poised, articulate and, well-regarded. Their public behavior is designed to promote goodwill for the company. They strive to develop good relations with the media.

AFL-CIO leaders rarely appear on television, not only because they prefer to keep a low profile, but also because they are considered dull personalities and are not invited to talk shows. Labor leaders have made little effort to dispel the public impression that they are poorly educated, vulgar, humorless and strike-happy, with not much to say that would interest a radio or television audience. Most Council members were elected without having to say a word about their qualifications, and they haven't said anything publicly in the years they've held office.

CEOs and their associates are worried about the current crackdown on corporate crime, and they're nervous that their own investors and employees may be looking at them with suspicion. They're checking the skeletons in their closets, because they want to avoid heavy fines and possible jail sentences. They're particularly concerned about charges of insiders' stock trading, the basis on which Martha Stewart was convicted and given jail time.

The AFL-CIO was involved in one of the worst scandals in labor history, when 26 current and former national union leaders, including AFL-CIO President John Sweeney, approved an insiders' stock trading scheme as directors of the Union Labor Life Insurance Company (ULLICO) that enabled many of them to gain a total of more than $7 million in profit, from January 2000 to November 2001.

While Sweeney and several others did not profit from the shady transactions, they approved the scheme and did not object to others who did. Official labor publications took very little notice of the scandal and the Executive Council never rebuked any of the participants.

The AFL-CIO, as presently constituted, serves as a model of corporate unionism, in which a group of labor leaders. acting like a corporation, treat unions as their collective property. Big-time union leaders each have their own tightly-controlled fiefdoms. They regard union democracy as an outdated practice, even a luxury, in a global economy that requires labor leaders to act quickly and decisively.

If union members want to maintain their rights for the dues they pay into their labor organization, they will have to be aware of the symptoms of corporate unionism and learn how to fight it.

If labor leaders act as though they own the union and can do as they please with it, that's corporate unionism.

If they can spend the union's money freely on whatever they choose without the approval of the membership or the obligation to issue a financial report, that's corporate unionism.

If they control negotiations with employers and make decisions about the terms of a contract, while denying any input from their members or allowing discussion and a fair vote on the final settlement, that's corporate unionism.

If they suppress all criticism of their policies and actions and allow no voice for members with dissenting opinions, that's corporate unionism.

If they become remote and inaccessible to their union members and develop life-styles and attitudes that are closer to that of the employers, that's corporate unionism.

And if their prime objective is to get elected and re-elected until they are ready to retire, without developing new leaders that are capable of fighting for the needs of the members, that's corporate unionism.

In the developing corporate culture, a union is only as strong as its leaders, not its members.

Article 2: "An Apostle of Corporate Unionism" will be posted on Monday, September 13, 2004.