

The American trade unions and the parasites who run them

Eric London
11 August 2022

In the American working class, life is increasingly defined by intense and unrestrained exploitation by corporate employers whose profits soar as wages fall and families struggle more and more to keep up with inflation and the rising cost of living. Wages for workers who belong to a union increased in 2021 by far less (3.3 percent) than both the rate of inflation (officially 9 percent) and the increase for non-union workers (5.3 percent).

In an earlier period, the level of workplace exploitation was restrained in a limited way by the trade unions, which workers had built as defensive organizations through powerful and bitter strikes and struggles involving millions of workers. Today, unions represent only 6 percent of those employed in non-government industry. Even where unions exist, there is hardly any restraint on the level of exploitation workers confront at work or in society at large.

A new report published by Radish Research, “Labor’s Fortress of Finance,” aggregates data on union finances that sheds light on both the anti-working class character of the trade unions today and the parasitic role played by the tens of thousands of executives who staff them.

The data makes clear that the trade unions are not organizations of the working class. They have been transformed into organizations that rob workers of billions of dollars in dues money in order to enrich bureaucrats who live comfortable lives in the richest 10 percent of American society. They suppress the class struggle and form a critical part of the Democratic Party and the imperialist state.

According to the federal filings of 14,000 unions, including local, state and national bodies, American trade unions had *\$35.8 billion* in assets in 2020, greater than the gross domestic product of over half the countries on earth. In 2020 alone, as hundreds of thousands of workers were dying of COVID-19, the trade unions increased their assets by *\$2.7 billion* after subtracting operating costs, almost equal to the 2020 annual profit of Air BnB.

Eighty-five percent of the unions’ revenue comes from dues money (*\$15.5 billion* in 2020 alone), a figure that represents a massive annual transfer of wealth from the

working class to the upper middle class. In addition, the unions make tremendous sums through various other parasitic operations, including interest on investments, (*\$509 million* in 2020), rent (*\$262 million*), and royalties and grants (*\$2 billion*).

The 2020 asset increase “was not a one-off event, but a consistent long-term pattern,” the report explains. “Since 2010, organized labor has generated large surpluses, netting over *\$18.5 billion* over the last eleven years, or *\$1.7 billion* annually on average.” From 2010 to 2020, the unions lost 465,000 members while total revenues surged 28 percent, from *\$14.3 billion* to *\$18.3 billion*. The report notes, “The revenue increase was driven by higher membership dues per member, rising from *\$818* per member in 2010 to *\$1,091* in 2020. In addition, significant increases in investment (+46%), rental (+47%) and miscellaneous income (+24%) contributed to the overall rise in revenues.”

The unions spend tens of billions of dollars, not on improving the conditions of the workers they represent, but on an apparatus of staffers who workers never see nor hear from. The unions spent *\$15.6 billion* in 2020, overwhelmingly on wages and benefits to tens of thousands of union staff. In most cases, these officials are simply Democratic Party staffers whose work campaigning for Democratic politicians is essentially involuntarily subsidized by the working class.

The report explains, “average annual compensation [of union staffers] increased by 37% since 2010” and that “management occupations increased by 28% from 7,360 to 9,390 employees.”

According to 2020 data, “over 10,000 officers and employees received a gross salary over *\$125,000*, putting them in the top ten percentile of income in the US (this does not include the generous health, pension, and other benefits typically provided by unions).”

Hundreds of these union staffers serve on the payroll of the AFL-CIO’s Solidarity Center, a CIA-front organization that advances the interests of American imperialist foreign policy around the world through election meddling, disinformation

and the suppression of the class struggle.

By comparison, the unions spend next to nothing on strike pay, averaging just \$70 million per year since 2010, or less than one half of one percent of revenue per year. To the executives, a dollar spent to increase the power of workers on strike is a dollar out of their own pay. The interests of the union executives are not aligned with but are antagonistic to the interests of the workers themselves. Time after time, the unions isolate workers on strike and force them to accept terms favorable to the companies.

Remarkably, these numbers significantly understate the assets of the trade unions and their executives. The report does not include unions that consist solely of public employees, because these unions are not required to file federal reports of their assets, income and expenses, although mixed unions like the SEIU must file. Nor does the report include the value of private and public union pension funds, which are worth an estimated \$7 trillion.

If nothing is done to reverse these trends, the report notes that the trade unions' assets would rise from \$35.8 billion to \$75.6 billion in 2030, even as the unions will be expected to lose another 800,000 members. In other words, tens of thousands of union executives plan to steal several tens of billions of dollars more from workers dues money in the years to come in order to enrich themselves.

To challenge the domination of the corporations over every aspect of life, the working class can and must harness its tremendous potential economic power and break free of the stranglehold imposed upon it by the unions.

The campaign of Pennsylvania Mack Trucks worker Will Lehman for UAW president is a critical step in this struggle.

The bulk of the UAW's leadership, including two recent presidents, have been convicted for accepting corporate bribes in exchange for selling out autoworkers. But the UAW corruption is only the most brazen expression of the relationship between the AFL-CIO and corporate management, and autoworkers, like their counterparts in other industries, have confronted decades of attacks on wages and living conditions overseen by the companies and unions.

For this reason, Lehman explained in a statement following his nomination at last months' UAW convention that his campaign is aimed at "building a rank-and-file movement against the entire pro-corporate UAW apparatus."

Lehman has won support for his demand to place the assets of the UAW out of the control of the apparatus and under the democratic control of the workers themselves, where it can be used not to enrich the bureaucracy but to fight the corporations and give power to the working class.

This means not replacing one bureaucrat with another, but

building a mass movement of workers internationally and across industry to "fight for what we need, not what the corporations and UAW bureaucrats say is possible. Such a fight cannot and will not be carried out by the corporate toadies making six-figure salaries in Solidarity House. *The bureaucratic apparatus that exists only to suppress our struggles cannot be reformed. It must be swept away.*"

Lehman's campaign will face fierce opposition from all those within the apparatus who stand to lose their jobs and salaries when the workers take back power. For this reason, not a single member of the Democratic Socialists of America nominated Lehman at the convention and not a single pseudo-left publication has written about his campaign. These individuals and tendencies represent the same affluent upper-middle class to which the union executives themselves belong.

A rebellion is brewing in the working class on a global scale, exacerbated by the pandemic and US imperialist war provocations against Russia and China. The coming rebellion will find political expression through the building of the International Workers Alliance of Rank-and-file Committees (IWA-RFC), an international network of worker-controlled, democratic organizations aimed at breaking the isolation imposed by the national trade unions. Through the IWA-RFC, the working class can and will launch a global fight against the global corporations and the governments that serve their interests, and trigger an international counteroffensive against decades of social counterrevolution.



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact