Unionists see progress in VW vote, Starbucks reversal in negotiations

Labor celebrated two victories in April. Employees at a Volkswagen (VW) plant in Chattanooga, TN, voted to join the United Auto Workers (UAW)—the first big win for the union at a foreign carmaker in the South. And Starbucks, which had fought union efforts at its stores tooth and nail, did a 180 and announced that it would bargain with the union that workers at several hundred stores have voted to represent them.

Following two previous losses, the UAW won the election in Chattanooga last month with 73 percent of the vote, winning representation for 3,600 workers. It's a big victory in the South, a region that often is hostile to unions.

"We actually now have a vested interest in this company as a partnership," VW worker Isaac Meadows told the Chattanooga Pulse news site. Meadows was a member of the organizing committee. "We get to negotiate our pay, our benefits, our working schedule, and then ultimately, demand the respect that we deserve in the workplace."

The victory boosted the confidence of UAW and other union organizers throughout the South. It is part of a drive to organize a dozen other foreign automakers' plants that employ nearly 150,000 U.S. autoworkers.

UAW is pointing to its success last year in winning favorable contracts with General Motors, Ford Motor Co. and Chrysler parent company Stellantis to convince workers to vote to unionize.

"This is likely to be contagious," Alex Hertel-Fernandez, a former Department of Labor official and current associate professor of international and public affairs at Columbia University, told CNBC. "Where workers see successes in organizing or strikes, it tends to inspire further action in that industry and beyond it."
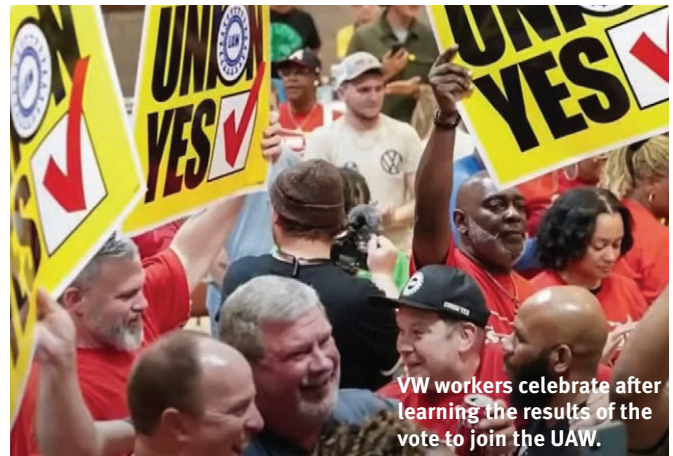
UAW's campaign hit a snag when it was announced that a unionizing vote was defeated at a Mercedes-Benz plant in Vance, AL, on May 18.

UAW President Shawn Fain vowed to continue the unionizing campaign efforts.

Owing to the strong acceptance of unions in Germany, home to VW, the company is expected not to resist bargaining for a contract with UAW.

That's not how it worked out at Starbucks when employees at its stores began voting for union representation three years ago. Workers at a Starbucks on Elmwood Avenue in Buffalo, NY, led the charge in December of 2021, and many followed. Almost 500 stores employing 10,000 workers have now voted for representation by Starbucks Workers United, a union affiliated with the Service Employees International Union.

For years, Starbucks fought the unions at every opportunity. The NLRB has said the company improperly obstructed union organizing efforts and then resisted bargaining with Starbucks Workers United. None of the stores has succeeded in negotiating a contract with Starbucks, owing largely to the resistance of former Starbucks CEO Howard Schultz, who reigned at the company over much of its history. In one of several complaints filed by the union with the NLRB, an administrative law judge ruled that Starbucks had engaged in "egregious and widespread misconduct."

However, Schultz handed the company to new CEO Laxman Narasimhan in March of 2023. The installation of new leadership might explain the company's reversal, along with the steadily growing number of victories by the union at Starbucks stores, a pressure campaign by workers for the company to stop resisting and start negotiating, and bad publicity over its anti-union activities. Starbucks and Workers United rekindled negotiations in April after nearly a year of stalemate.

A few weeks later, the union and company issued a joint statement saying they already had made "significant progress" in negotiations, with the goal of reaching an agreement that would result in a contract for all the stores that voted for union representation.

"There's more to do, but we are committed to working together," the statement said.

Starbucks operates more than 9,000 stores in the United States; less than 5 percent have voted to unionize. Breaking the negotiation logjam might prompt employees at more stores to vote to unionize. **PR**

VW workers celebrate after learning the results of the vote to join the UAW.