

## EXECUTIVE SUMMARY

There is a crisis in the American labor movement, and in the building and construction trades. Over the past 25 years, a precipitous decline in the proportion of the construction labor force that is unionized has led to an unprecedented search for the means to revitalize the building trades. The building trades unions have put significant efforts and resources into the reorganization of their trades, without much success. There has been an important reorganization of the construction industry, with both technology and political changes favoring the growth of the nonunion sector over the union. All this has led to a discussion within the building trades of potential mergers between unions, both for their very survival and as a route to their former strength.

This report presents the findings of a research project on the prospects for the merger of the Sheet Metal Workers International Association (SMWIA) with one or more other unions, and the potential impact of that merger(s) on the SMWIA, sheet metal contractors, the construction workplace, and the future of unionized construction. While the future is uncertain we are able to present some potential scenarios:

### **There will be mergers among the building trades unions in the near future.**

All the national union leaders interviewed for this project believe that in five years, there will be fewer building trades unions than there are today. Mergers could occur from weakness – some unions have declined to a point where they no longer have the capacity to organize and represent their members.

Other unions wish to merge from a position of greater strength before they reach that point. The SMWIA is a union with substantial strength, membership, and strong leadership. They are looking to mergers as a way to maintain that strength.

### **The logical merger partner for the SMWIA is the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada (UA), but there are substantial barriers to the occurrence of that merger.**

Most of the union and management interviewees stated that there was a strong logic in favor of an SMWIA / UA merger. The workplace could be organized more efficiently, since an already strong relationship exists between contractors, UA and SMWIA locals. The collective bargaining process could be strengthened, and there may be substantial opportunities for growth. But, substantial resistance to such a merger arises among local SMWIA officials, some contractors, and some local Sheet Metal and Air Conditioning Contractors' National Association (SMACNA) officials from the fear of a loss of identity within the trade, and the belief that the SMWIA would be swallowed within the UA.

### **There is strong potential for a merger between the SMWIA and another equal-sized or smaller building trades union.**

Due to the potential problems associated with an SMWIA / UA merger, the strong possibility exists that the SMWIA will attempt to enhance their strength and organizational capacity by merging with another trade of equal size, most likely the Iron Workers. The

## THE IMPACTS OF A MERGER OR CONSOLIDATION FOR THE SMWIA

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SMWIA could also be the dominant partner in a merger with a smaller trade, such as the Insulators. While the bargaining and market place advantages may not be as significant from a merger such as these, the SMWIA would be able to enhance its position in the marketplace and in the labor movement.

### **The future of SMACNA, and its unionized contractor members, will be affected by the merger (or lack of a merger) of the SMWIA with another trade.**

SMWIA officials offered the observation that their existing, positive relationship with their contractors is a critical dimension of the decision-making process regarding mergers. Nonetheless, many SMACNA officials and contractors have reflected an uncertainty that comes from a lack of control over the future. A SMWIA merger would have significant impacts on contractors, both in the way they bid and organize work, and in labor-management relations in the industry.