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BUSINESS

UAW Faces Another Southern Setback

Bid to Unionize Nissan Plant in Mississippi Follows VW Defeat in Tennessee

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SPINNING ITS WHEELS: The United Auto Workers is facing opposition in its effort to unionize a Nissan plant, above, in Canton, Miss., after a stinging defeat last month at a Volkswagen facility in Tennessee. *Kyle Hancock for The Wall Street Journal*

CANTON, Miss.—The United Auto Workers union headquarters here—tucked beside a cow pasture down the road from a sprawling Nissan Motor Co. plant—was supposed to be a springboard for a new wave of labor activism across the South.

It has become instead a center of discouragement and uncertainty in a state where many want the union to pack up and leave.

Labor organizers at Nissan were shocked when auto workers at the Volkswagen AG plant in Chattanooga, Tenn., last month [voted against joining the UAW](#), a blow that has deflated the drive to unionize at Nissan, the largest private employer in Mississippi.

Union foes "are winning," said Isiac Jackson, a Baptist pastor who heads the Mississippi Alliance

For Fairness at Nissan, a group trying to rally UAW support. But, he added, "they haven't won the war."

UAW officials and pro-union workers say they won't hold a vote on whether to unionize at the Nissan plant until the company agrees to let union supporters make their pitch to workers inside the facility. Nissan officials say they won't let that happen.

The union faces other obstacles.

Drawn by the high wages, workers streamed in from across the state when Nissan set up shop nearly 11 years ago. Production workers at the plant now make an average of about \$25 an hour in a state with the second-lowest average hourly wages in the country, at \$18.83 in 2012.

Some workers oppose the union drive on the grounds that positions at Nissan represent dream jobs in a state where more than 20% of residents receive food stamps. Others point to how burdensome UAW contracts helped drive General Motors and Chrysler into bankruptcy in 2009.

When some pro-union workers recently began wearing UAW shirts and buttons, others countered with shirts that said "If you want a union" on the front and "Move to Detroit" on the back.

"I really think they don't appreciate what they have and where they came from," said Tanesha Moody, a 36-year-old production instructor at the plant, speaking of the pro-union advocates.

Those pushing for a UAW takeover say Nissan had refused to increase hourly pay for five years before granting a slight raise last year, and also complain the company has relied increasingly on lower-paid contract help.

"All the UAW is going to do is make sure the employers are going to treat their employees right," said Rosalind Essex, 45, who lives in Terry, Miss. and has worked at the plant for 10 years.

A Nissan spokesman said the company offers competitive wages, makes numerous contributions to local schools and other groups, and offers other perks, such as tuition reimbursement.

"Despite the UAW's best efforts to suggest they can add value, our co-workers have not been convinced," said Nissan spokesman Travis Parman, noting that workers have tried and failed twice to unionize Nissan's Tennessee plant.

The UAW represents almost all hourly workers at Ford Motor Co. , General Motors Co. and Fiat Chrysler Automobiles NV, but has failed in its attempts to organize any of the foreign-owned auto plants that have cropped up in the South in the last 25 years.

The union seemed to have a strong hand at Volkswagen's Chattanooga plant, where Germany's IG Metall union pushed the company to work with the UAW. Volkswagen even agreed to let UAW organizers campaign for votes inside the plant, an unusual move for a company facing a unionization drive. Workers rejected the union drive by a 712-626 vote.

The German union is now working alongside the UAW in a quest to unionize Daimler AG 's huge

Mercedes plant in Vance, Ala.

Union organizers, however, have no such advantage at Nissan's futuristic facility in Mississippi, which churned out about 300,000 cars, trucks and vans last year on the grounds of a former cotton plantation. Indeed, they say the company has directed many workers to watch anti-union video—and some proponents fear their multiyear effort to organize a union is in jeopardy if they don't act soon.

Since the Tennessee vote, pro-union workers say there has been a surge in the number of workers who have signed on to the union drive, but they won't give precise numbers. The company is also keeping secret how many of its roughly 5,000 Mississippi workers are contract—or temp—labor, and thus not eligible for union membership. The UAW thinks there are about 1,000 temp workers, but says it doesn't know for sure.

Employees who support creating a union are reluctant to disclose the raw number of votes they think they need to win. To trigger a vote, they first need to gather signatures from 30% of full-time union-eligible workers.

UAW leaders in Detroit are monitoring the Mississippi stalemate very closely, people familiar with the matter said. Without new members at foreign-owned plants, the union won't have much bargaining power nationally. As it is now, about half of all the cars and trucks made in the U.S. roll out of non-union plants, and the UAW is under pressure from GM, Ford and Chrysler to lower labor costs to the level of the non-union factories.

While a union ballot sits in limbo at the Nissan plant, votes are being cast on the matter a short drive south in the state capital.

The Mississippi Senate in Jackson voted last month to prevent unions from picketing outside a business if the action might block the entrance. The bill would also prevent unions from requiring "open ballot" elections during negotiations, among other things.



Production workers at Nissan's assembly plant in Canton, Miss., shown above on Friday, now make an average of about \$25 an hour. *Kyle Hancock for The Wall Street Journal*

—Neal Boudette contributed to this article

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