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EXCLUSIVE BUSINESS

The Labor Union That Defeated Amazon Is Fighting for Survival

Amazon Labor Union's leadership has been in turmoil following internal clashes with its president

By [Sebastian Herrera](#) [Follow](#)

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Nearly two years ago, the Amazon Labor Union was thriving. The startup labor group had persuaded workers at a [Staten Island warehouse](#) to form the first U.S. union at [Amazon.com](#) **AMZN 2.01%** ▲ .

Now the labor organization is fighting to survive. Its leadership is in turmoil, and it is facing growing financial strain, according to its top officers. The group doesn't appear close to establishing a first labor contract with Amazon, despite federal pressure on the company to bargain with workers.

The union's troubles since its victory in early 2022 illustrate the difficult path that grassroots organizers face. They also represent a different outcome than what activists hoped for—a wave of other warehouses following the lead set by New York workers.

The union's financial position is one of its most pressing obstacles. The organization is “pretty much broke,” said Michelle Nieves, its vice president.

Chris Smalls, the organization's president, said the group doesn't have much money but declined to provide details. He said that the union's funding has decreased since 2022, when it received more than \$750,000 in donations and reported net assets of roughly \$118,000, and that it is in debt from legal fees.

The group is expected to file an updated financial report with the Labor Department in the next few months.

The union, which bucked expectations by avoiding a formal tie-up with established labor organizations, has long relied on donations for its operations. It hasn't collected mandatory fees from workers because it doesn't yet have a contract with Amazon. While it isn't entirely unexpected for a startup labor group to face funding challenges, much of the organization's donations from other labor groups have been spent, Smalls said.

In a statement, the American Federation of Teachers said it stands with the Amazon Labor Union in its effort to organize the company, but it didn't make a donation to the group in 2023 after giving the Amazon union \$250,000 in 2022. The SEIU United Healthcare Workers West, which donated \$25,000 in 2022, also didn't make a donation last year.

"We don't have what we had before. The other established unions are not helping us," Smalls said.

"We lost a year, unfortunately," he said of the union's issues in the past months.

The Amazon Labor Union doesn't appear close to establishing a first labor contract with Amazon. PHOTO: PAUL FRANGIPANE/BLOOMBERG NEWS

Workers in 2023 led a [sharp rise in labor actions](#) across the U.S., with major victories for auto laborers, Hollywood writers, healthcare workers and other employees who negotiated new

contracts to protect their jobs, wages and benefits. Nearly four times as many workers participated in strikes between January and October 2023 than in the same period in 2022, according to the Cornell-ILR Labor Action Tracker.

The struggles at the Amazon Labor Union have shown the [harsh realities of labor organizing](#), which can be derailed by waning worker support during the often yearslong process of moving from a successful vote to the ratification of a contract. It can be especially challenging at large corporations like Amazon, which has fought unionization and sought to persuade workers it is unnecessary because of existing pay, benefits and protections.

The Amazon Labor Union's momentum from its victory quickly faded. The group [lost two subsequent votes](#) at other Amazon warehouses and has failed to unionize another Amazon facility.

Workers have pushed to organize at Amazon warehouses in states such as California and North Carolina but haven't held a union vote since the failed elections.

The group's initial success, built from grassroots organizing primarily among Staten Island Amazon workers, ran up against internal leadership drama and the company's push against unionization. High turnover at facilities, fear of workplace repercussions and efforts by Amazon to stymie unions have made it difficult for employees to organize, according to workers and organizers. Labor researchers have said the organization's work could take years to achieve if it happens at all.

Amazon has said that it opposes unions because it prefers to have direct relationships with workers and that it believes unions could slow down business initiatives that are beneficial for employees.

Amazon says it opposes unions because it prefers to have direct relationships with workers. PHOTO: GABBY JONES FOR THE WALL STREET JOURNAL

Companies have advantages in unionization contests, including the ability to hold mandatory meetings and have more accurate information about their workforce than any union has, according to labor researchers. Workers also must generally organize at one facility or store at a time. Amazon spent about \$14 million in 2022 on labor consultants to oppose union efforts. The company said it works to “ensure our employees are fully informed about their rights and how decisions about outside representation could impact their day-to-day lives working at Amazon.”

The union is “dealing with a lot of institutional failure—failure of the labor law and failure of American businesses to really accept unionizing without putting up a battle,” said Wilma Liebman, formerly chair of the National Labor Relations Board under President Barack Obama. “They are neophytes at this. Organizing workers is a different skill than administering a union.”

Internal union criticism has centered on Smalls, the [fashionable and outspoken Amazon critic](#) credited with leading the group to victory almost two years ago. He rose to fame among a new generation of labor activists.

Chris Smalls credits himself with being the reason the Amazon Labor Union has survived this long. PHOTO: GABBY JONES FOR THE WALL STREET JOURNAL

Smalls, who [was fired by Amazon](#) in 2020 after protesting safety issues at the company, organized workers for a year outside of the Staten Island warehouse before [securing the historic victory](#). But Smalls lost support from some workers and former union officers who have said he appears more interested in globe-trotting and fame than in his initial goal of unionizing Staten Island warehouses. A group of union dissidents also accused Smalls of not being transparent with union funds, a claim he disputes. Nieves, the vice president, has been among those who have opposed Smalls' leadership.

Smalls and the group who oppose him recently agreed to hold a meeting of members to decide whether to have a leadership election in the coming months. His opponents last summer sued Smalls and the union to force a leadership vote. Smalls has said he doesn't plan to run in an election but aims to remain a part of the union in some capacity. Business Insider earlier reported that Smalls [wouldn't run in a union leadership election](#).

Smalls said he believes the organization should eventually operate without him. He also credited himself with being the reason it has survived this long. His frequent travel to labor gatherings and other events keeps the union relevant and helps to raise funds, he said, including from speaking fees he charges. Smalls defended his tenure as president, saying the union wouldn't exist without him.

"Every union has their problems," Smalls said. "This union is a year old. Whether we have

disagreements or not, I'm still going to support [workers] and organize regardless.”

He said he has much broader goals than the union and in an interview floated the idea of eventually running for U.S. president. In recent months, Smalls [appeared in a documentary](#) about a visit he made to Cuba to discuss U.S. policy toward the island nation, [voiced support for Palestinians](#) in the Gaza Strip and [met with candidates from the Party for Socialism and Liberation](#), which promotes socialist ideology.

The NLRB about a year ago certified the union's victory, but the company has continued to appeal the election results, and the two sides have not been in serious discussions over a labor contract.

A labor board administrative law judge in November issued a decision that found Amazon [violated labor law](#) at the Staten Island facility by dismissing employees early, altering employees' work assignments and closely monitoring workers in retaliation for employees' support of the Amazon Labor Union. The judge ordered Amazon to stop retaliating against workers and reimburse employees for any wages or benefits lost.

In a statement, Amazon said it disagrees with certain parts of the judge's ruling and is considering its next steps.

Amazon spent about \$14 million in 2022 on labor consultants to oppose union efforts. PHOTO: GABBY JONES FOR THE WALL STREET JOURNAL

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