

# **Organized Labor When Things Go South: Unions and the Labor Market Consequences of NAFTA**

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## *Abstract :*

Using U.S. state-level variation in Right-to-Work (RTW) laws as a proxy for “antiunion” locations, we investigate whether NAFTA had a differential impact in locations more favorable to unions. We find that labor markets in RTW states experienced relatively lower employment growth in manufacturing than similarly exposed locations in non-RTW states. We find a relative decline in manufacturing wages in non-RTW locations, suggesting that unions made wage concessions in exchange for increased job security. We also show that states concentrated in industries with stronger job security provisions and states with more labor stoppages prior to NAFTA experienced smaller employment declines.