CHATTANOOGA, Tenn. — In a defeat for organized labor in the South, employees at the Volkswagen plant here voted 712 to 626 against joining the United Automobile Workers.

The loss is an especially stinging blow for U.A.W. because Volkswagen did not even oppose the unionization drive. The union’s defeat — in what was one of the most closely watched unionization votes in decades — is expected to slow, perhaps stymie, the union’s long-term plans to organize other auto plants in the South.

A retired local judge, Samuel H. Payne, announced the vote results inside VW’s sprawling plant after officials from the National Labor Relations Board had counted the ballots. In the hours before the votes were tallied, after three days of voting at the assembly plant, both sides were predicting victory.

The vote this week came in a region that is traditionally anti-union, and as a result many said the U.A.W. faced an uphill battle. The union saw the campaign as a vital first step toward expanding in the South, while Republicans and many companies in Tennessee feared that a U.A.W. triumph would hurt the state’s welcoming image for business.

Standing outside the Volkswagen plant, Mike Jarvis, a three-year employee who works on the finishing line, said the majority had voted against U.A.W. because they were persuaded the union had hurt Detroit’s automakers.

“Look at what happened to the auto manufacturers in Detroit and how they struggled. They all shared one huge factor: the U.A.W.,” said Mr. Jarvis, who added that he had had bad experiences with other labor unions. “If you look at how the U.A.W.’s membership has plunged, that shows they’re doing a
lot wrong.”

The U.A.W. lost the unionization campaign even though it took place with one highly unusual — and highly favorable — circumstance. Unlike most American companies, Volkswagen pledged to remain neutral, in some ways offering quiet support to the union.

Nevertheless, Republican politicians in Tennessee as well as some outside conservative groups made sure that the plant’s nearly 1,600 workers heard plenty of anti-union arguments.

Governor Bill Haslam, a Republican, warned that auto part suppliers would not locate in the Chattanooga area if the plant was unionized, while Senator Bob Corker said Volkswagen executives had told him that the plant would add a new production line, making SUVs, if the workers rejected the U.A.W. In a series of interviews this week, Mr. Corker, a Republican and a former mayor of Chattanooga, asserted that a union victory would make Volkswagen less competitive and hurt workers’ living standards.

To step up the pressure, State Senator Bo Watson, who represents a suburb of Chattanooga, warned that the Republican-controlled legislature was unlikely to approve further subsidies to Volkswagen if the workers embraced the U.A.W., a threat that might discourage the company from expanding.

Volkswagen officials had urged “third parties” to remain neutral and stay out of the unionization battle. Grover Norquist, the anti-tax crusader, helped underwrite a new group, the Center for Worker Freedom, that put up 13 billboards in Chattanooga, warning that the city might become the next Detroit if the workers voted for the union.

Frank Fischer, chief executive and chairman of Volkswagen Chattanooga, rushed to respond after Mr. Corker said VW officials had told him they would expand the plant if the U.A.W. was defeated. Some legal experts said that if Volkswagen officials made such a statement, it might be construed as an illegal intimidation or inducement to pressure the workers to vote against the union.

In a statement, Mr. Fischer said, “There is no connection between our Chattanooga employees’ decision about whether to be represented by a union and the decision about where to build a new product for the U.S. market.”

“We’re obviously deeply disappointed,” said Bob King, the U.A.W.’s president at a news conference. “We’re also outraged by the outside
interference,” he added, noting that a United States senator, Tennessee’s governor and various leaders of the state legislature attacked his union’s efforts.

Mr. King said he thought the pressures from Tennessee’s politicians were what swung the election. Last fall, the union said a majority of the plant’s workers had signed cards saying they favored joining the U.A.W.

“We’ll look at our legal options over the next few days,” he said, presumably meaning the union might consider filing a complaint with the N.L.R.B. about improper actions to influence how workers voted.

Volkswagen did not oppose the U.A.W. partly because its officials were eager to create a German-style works council, a committee of managers and blue-collar and white-collar workers who develop factory policies, on issues like work schedules and vacations. Volkswagen, which has unions and works councils at virtually all of its 105 other plants worldwide, views such councils as crucial for improving morale and cooperation and increasing productivity.

Mr. Watson, the state senator, attacked Volkswagen for taking a neutral-to-positive stance toward the U.A.W. saying its approach was “unfair, unbalanced, and, quite frankly, un-America in the traditions of American labor campaigns.”

Many legal experts say it would be illegal to have a works council unless workers first voted to have a union. If the Chattanooga gets a work council, it will be the first factory in the United States to have such a council.

After the results were announced, Mr. Fischer said the vote was not against having a works council. He said Volkswagen would now seek to determine the best method to develop such a council for the plant.

Mr. Fischer said Volkswagen looked forward to working with state and local officials for future growth for the plant.

Republicans said the U.A.W. badly needed a success at Volkswagen to gain members and dues money after its membership had fallen to less than one-third of its peak. Mr. King has long said one of his main goals was to unionize some transplants, or foreign-owned auto companies with plants in the United States, partly to prevent the transplants from pulling down wages and benefits at Detroit’s automakers.

Sean McAlinden, chief economist at the Center for Automotive Research, said, “Bob King has been very open that if they don’t organize the transplants,
their future as a large automotive union is in jeopardy.” He said the transplants account for 30 percent of auto sales in the United States, while Detroit’s automakers account for 45 percent and imports the remaining 25 percent.

Andy Berke, the mayor of Chattanooga and a Democrat, voiced dismay with the threats of cutting off subsidies to VW and the warnings that a union victory would undermine the area’s business climate.

“Whatever is going on politically, the most important issue is jobs, and we shouldn’t let the politics of the situation interfere with bringing good middle-class opportunities to Chattanooga,” Mr. Berke said.

Mike Burton, a VW worker who led the anti-union drive, said many workers felt that they were paid well and treated well without having a union and thus saw no need to have one. He said many workers objected to the U.A.W. having initially sought unionization based on what it said was having a majority of cards signed favoring a union.

“We don’t need the U.A.W. to give us rights we already have,” he said. “We can already talk to the company if we have any problems.”