

Chapter 21 Labor Unions

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When people think about “Democracy” in the United States mostly they think about elections and about civil liberties enforced by the rule of law. We say a country is democratic when it has free and fair elections and when the basic liberties that make such elections possible exist – freedom of speech, freedom of association, and so on.

In this chapter and the next we will examine another face of democracy: the way democracy is rooted in the collective action of citizens outside of the formal institutions of democratic government. We will begin by exploring a central problem for a healthy democracy: how to create citizens who feel a sufficient sense of civic obligation and collective purpose to want to engage actively in political life. We will then examine labor unions as a specific form of collective association that builds solidarities conducive to democratic participation.

THE PROBLEM

All democratic societies face a fundamental problem: So long as citizens live their lives as separate, discrete individuals, going their separate ways, acting exclusively as self-contained, self-interested individual persons, then the idea of democracy as “rule by the people” will be at best only a thin reality. People may vote in elections – although even for that, many people will ask themselves “why bother since my vote isn’t going to make a difference?” – but beyond voting they will do little to create a “will of the people”, let alone help to actually translate that “will” into real power. This is a problem in any society, but it is especially intense in a country like the United States with very high levels of geographical mobility, with highly competitive labor markets, with anonymous suburbs, and with a culture that emphasizes individualism. All of these forces contribute to what some sociologists call an “atomized society”: a society made up of separate, isolated individuals rather than organic, integrated communities. As we have seen in our discussions of the free rider problem, so long as people experience their lives in this way, they are very unlikely to join together to cooperate in collective efforts. To overcome this problem requires building up a sense of meaningful solidarity among people: a sense that people have obligations to each other and that they are therefore willing to make sacrifices for collective goals. A vibrant democracy requires this kind of connectedness among citizens.

The question then becomes how to create this sense of solidarity and mutual obligation? How can this stronger sense of solidarity be generated in the face of a competitive, individualistic, market society? One crucial dimension of a solution lies in strengthening various ways in which participating in collective associations can be deeply integrated into everyday life. What is needed is some kind of “organic relation” between our lives as separate individuals and our lives as members of some kind of community of common interest.

Sociological discussions of this cluster of issues often talk about the importance of “civil society”. You can think of the problem this way: what we call a “society” can be broken down into a number of different overlapping spheres of social processes.¹ Think of these as different social settings in which people interact and cooperate for various purposes. Three such spheres are especially important:

- *The economy* is the sphere in which we produce and buy things.
- *The state* is the sphere in which we govern our collective affairs.
- *Civil society* is the sphere in which we get together voluntarily in organizations to pursue common purposes.

These spheres are interconnected and affect each other. Here we are particularly concerned about the link between the state and civil society. A vibrant democracy depends in important ways upon a vibrant civil society in which it is easy, rather than difficult, for people to form collective associations to pursue collective purposes. Churches are, for many people, an important form of such voluntary association, and it should be no surprise that at various times in history churches become important sources of collective association for political participation, whether this be Quaker churches involved in the abolitionist movement in the 19th century or peace movements in the 21st century, or Black churches involved in the civil rights movement of the 1950s and 1960s, or Evangelical Christian Churches actively involved in conservative political movements around certain kinds of moral questions in the present. At some times in American history veterans associations have been a crucial form of collective organization in civil society that has energized democracy. Unions are another important form of this kind of bottom-up voluntary organization. And this is why unions matter for democracy and not simply for economic conditions of their members.

In this chapter we will begin by discussing briefly what unions are and how to think about them. This will be followed by a synoptic history of unions in America and the current state of affairs. In the next chapter we will examine other sorts of community and grass-roots organizations which can contribute to democracy from below.

WHAT ARE LABOR UNIONS?

Many people think of labor unions as a kind of special interest group -- manual workers looking out for their own narrow economic interests. Unions are portrayed as powerful organizations, often corrupt, that at best benefit their members at the expense of nonmembers and the society at large, and at worst really only serve the interests of union bosses. Most people interpret the dramatic decline of unions as indicating that American workers no longer want unions. Americans are individualistic, they believe in individual competition and think that the best way to get ahead is to do so on your own. If unions are no longer all that important, this is because workers have abandoned unions.

¹ Sociologists like to use words like “spheres” or “domains” to describe different aspects of society. Such spatial metaphors are always a bit misleading, since these different aspects of social life intersect and overlap in all sorts of ways.

Many professional economists share this basic view. The free market works best, they argue, when there is no interference with purely voluntary exchanges. Unions get in the way of individual workers voluntarily making bargains with individual employers. Unions create rigidities in the market, rigidities in wage rates, rigidities in free choice, rigidities in hiring decisions by employers, and all of this reduces efficiency and economic performance. In the end, the story goes, everyone is worse off because unions muck up the smooth functioning of the system.

We will offer an alternative view of labor unions that stresses two main points: the first concerns the effect of unions on the distribution of economic power in a capitalist system; the second concerns the nature of political power and its relation to collective association in a democracy.

Economic power

Workers are, as individuals, at an inherent disadvantage in bargaining with employers because they have fewer options. Power, in a market, depends upon how many options each party has, how badly harmed each party is if they fail to make a deal. In most circumstances, an employer has many potential employees that can be hired for most jobs. Usually it hurts an employee more to be fired than it hurts an employer for an individual employee to quit, and this means that employers have more power than workers.

There are a variety of ways of rectifying this imbalance of power in the labor market. One way is for the government to impose regulations on labor contracts which in one way or another reduce the ability of employers to dictate the terms of an agreement. All developed capitalist countries have such rules. Examples include minimum wage rules, health and safety rules, rules governing overtime and working hours. The assumption behind all such rules is that left to their own devices employers would offer jobs at below the minimum wage, with unsafe working conditions, and with excessive working hours, and because of their vulnerability, there would be workers willing to accept such jobs. The rules are therefore designed to block employers from using their power advantage in labor markets to employ workers under the excluded conditions.

Unions are the second main way for rectifying the imbalance of power by creating some semblance of equality in bargaining over the employment contract. Where Unions are strong, employers must come to a collective agreement with workers (through the union) otherwise the employer will not have access to a labor force. This means that workers have a capacity to punish employers for failing to agree to a satisfactory contract by collectively refusing to work. This is called a strike. While an individual worker refusing to work generally does little harm to an employer, a collective refusal matters. The threat of that collective refusal, then, constitutes a new background condition for labor market bargaining. The results are contractual terms that are more favorable to workers.

This narrow economic benefit of unions for workers is called the wage-premium for unionized workers. Table 21.1 indicates the magnitude of this premium for some selected low-wage jobs. In each of these cases, unionized workers received over a third higher wages than their nonunionized counterparts.

-- Table 21.1 about here --

Political power

Most discussions of unions focus only on the issue of economic power and the impact of unions on the labor market. While this is undoubtedly the main motivation for most people in joining a union, it is by no means the only important role that unions play in society. In particular, unions have the potential to help forge more democratically engaged citizens. Isolated, atomized, individual citizens are likely to be a passive, apathetic political force. The problem of rational ignorance makes people easy to manipulate and discourages participation, and in the absence of strong solidarities, a sense of civic obligation is unlikely to flourish. The labor movement is one of the important ways that individuals can feel connected to each other in ways that makes political activity seem relevant.

Labor unions foster democratic participation in two ways. First, unions contribute to what can be called *organic solidarities*. Unions are organizations that are embedded in one important setting in many people's lives – their workplaces. In countries with a vibrant labor movement, unions in the workplace organize all sorts of activities and help ordinary workers get involved in many collective decisions within work. In many European countries there are workplace councils in which workers, through their unions, are involved in health and safety regulations, monitoring working conditions, grievance procedures, and many other things. When conflicts occur with management, individual workers are more likely to experience these as collective struggles rather than simply individual complaints. Through these activities, the interdependencies that exist within work can become solidarities, and these solidarities can facilitate greater involvement in broader democratic politics.

A strong union movement does more than give people the kind of life experiences that affects their identities and builds a sense of connectedness and solidarity. It also solves crucial organizational problems. Unions provide information to their members helping to mitigate the problem of rational ignorance around political issues, and they lower significantly the individual costs of active participation. Unions typically become, as organizations, directly involved in political parties. In electoral campaigns this helps parties solve a crucial problem – mobilizing people for electoral campaigning, both as voters and as volunteer campaign workers. A strong union movement can help provide the volunteer legwork for practical electoral activities and in this way counteract the influence of money in campaigns. This is an important reason why, where unions are strong, voter participation rates are higher and public policies tend to serve the wider interests of ordinary citizens rather than just elites.

Unions are certainly not the only kind of voluntary association that can play this role of building solidarities and facilitating democratic political participation. They do, however, have two big advantages over many other potential associations. First, they are closely tied to workplaces in which workers already have some solidarity through their interdependencies within work. Workplaces are themselves a cooperative community of interacting persons, and this provides a social basis for building deeper solidarities through conscious organization. Second, unions have the potential to be a mass

movement – called “the labor movement” – since in contemporary capitalism the vast majority of adults work for a living as employees, and most of these employees have no managerial authority within work. The labor movement has the potential to build broad and inclusive solidarities.

A SKETCH OF THE HISTORY AND FATE OF THE U.S. LABOR MOVEMENT

If unions are such wonderful associations in terms of creating a more equal balance of power in labor markets and facilitating a more engaged citizenry in democratic politics, then why, one might ask, are they so weak in the United States? Figure 21.2 charts the trajectory of union membership from the 1930s to the 2000s. Union membership rates in 2008 are only a little over 10% of the labor force. Since unions are legal, why are there so few union members if they are such a good thing?

-- Figure 21.1 about here --

To understand this we need to briefly sketch the history of the union movement in the United States and explain the conditions which make it relatively easy or difficult to actually form unions.

Throughout the 19th century, the state and the courts were extremely antagonistic to unions. Unions were seen as a form of restraint of trade which violated the core principles of laissez-faire capitalism. Basically this reflected a conflict between two values: *freedom of association* – which would give people the right to form unions – and *freedom of voluntary exchange on markets* – which would object to any form of organized coercion in market contracting and thus would oppose unions. Until the reforms of the 1930s, the courts sided consistently with the second of these principles. A union going on strike was regarded as an organized conspiracy to coerce the legitimate owners of businesses to agree to contracts. The result was that strikes were often repressed violently by the police and the national guard, sometimes at great loss of life.

This kind of legal environment made it very difficult to form unions. The basic problem is the extreme vulnerability of organizers to repression and of union members to dismissal until a union becomes very powerful, but it is very difficult to become powerful if a union cannot grow incrementally. For a union to be strong it needs a high proportion of workers in a firm to be members; there is strength in numbers. But of necessity, all unions begin as weak organizations. When a union is weak, individuals are extremely vulnerable to reprisal from employers for joining a union. This makes it very hard for a union to grow slowly and incrementally *unless there are legal protections enforced by the state*.

A central problem in any labor movement is therefore creating a favorable legal framework for union organizing. Four legal protections are especially important:

- employees need protection against being fired or disciplined for joining a union
- employees need protections against being fired while on strike
- there need to be fair rules for union recognition

- there need to be effective prohibitions against employers engaging in unfair tactics against a union.

And, of course, all of these rules need to be effectively enforced and violations rapidly dealt with. Prior to the New Deal, none of these protections existed. Employers had nearly a free hand to do whatever they liked to block union drives.

All of this changed in the 1930s with the passage of New Deal labor law reforms. The key legislation was the National Labor Relations Act, commonly referred to as the Wagner Act, passed in 1935. The central elements of the act included the establishment of clear rights of workers to form unions, protections for organizing activities and machinery for preventing employers from engaging in unfair practices and bad faith bargaining. The act established The National Labor Relations Board (NLRB) which had the responsibility for enforcing these protections and investigating abuses.

The act signaled a major change in the attitude of the Federal Government about the legitimacy of collective organization by workers. Senator Wagner, the sponsor of the legislation, expressed this change in understanding this way:

There can no more be democratic self-government in industry without workers participating therein than there could be democratic government in politics without workers having the right to vote... The right to bargain collectively is at the bottom of social justice for the worker, as well as the sensible conduct of business affairs. The denial or observance of this right means the difference between despotism and democracy.²

Under the terms of the Wagner Act, the first step in forming a union is for organizers to get employees to sign cards saying that they want a union. When a majority of employees have signed these organizing cards, then either the employer can agree to the union or can insist that a vote is taken to “certify” the union as a collective bargaining unit. After a union has been certified, employers have to meet with union representatives and engage in what is called “good faith bargaining.” This bargaining ideally culminates in a contract – an agreement between the union and the employers. The contract is then voted on by union members. If no contract is bargained, then the union can go on strike to put pressure on the employer. During the strike an employer can hire replacements – which unions called “scabs” – to work instead of the striking workers. Often employers hire immigrants for this, and even recruit workers from poorer regions. Employers are not allowed to fire workers while on strike, but they also are not prevented from replacing them with permanent replacements. One of the conditions of settlement of successful strikes is always getting rid of the replacement workers.

With these rules in place and more or less effectively enforced, many successful organizing drives were launched from the mid-1930s to the early 1950s. The result was a rapid and dramatic expansion of unions.

² John W. Budd, *Employment with a human face: balancing efficiency, equity, and voice* (Ithaca: Cornell University Press, 2004), p. 103

This favorable legal framework for union organizing only lasted 12 years. In 1947, in the aftermath of the massive strike wave in the year after the end of WWII involving over five million workers and in the context of the growing anti-Communist hysteria of the emerging Cold War, the Wagner Act was drastically amended by legislation known as the Taft-Hartley Act. In the original Wagner Act only potential abuses by employers were included in the list of “unfair labor practices.” The new act added a long list of prohibited actions by unions including wildcat strikes, solidarity or political strikes, and secondary boycotts among other things.³ The law also allowed states to pass what are called “right-to-work” laws. These are laws which prohibit unions from forcing all workers to join the union in a company that is unionized. This, in effect, allows individual workers to be free riders on the union dues paid by union members: the nonunion members get the benefits of a union without having to pay any of the costs. All of the states in the Deep South rapidly passed such right-to-work laws, along with most other traditionally Republican states in the Midwest and Mountain regions.

These changes in the legal framework of unions significantly undermined efforts expanding union membership in existing unions and forming new unions. Equally important, there was a gradual erosion of the willingness of the NLRB to intervene energetically on the side of workers in labor disputes, particularly beginning in the 1980s with the ascendancy of free market neoliberalism as the dominant political ideology. The response of unions to these changes was mostly defensive – adopting strategies to protect the union members in established unions rather than engage in aggressive drives to create new unions and expand membership. In many instances, in fact, it seemed to many observers that union strategies were mainly concerned with protecting the interests of union leaders rather than the rank and file, although such accusations were often simply expressions of anti-union sentiment.

Unionization in the private sector reached its peak in the 1950s, and has declined ever since. This was, at first, largely the decision of unions themselves. Coming out of World War II, unions had a defined core of strength in a limited number of sectors: regulated industries (transportation, communication, and utilities), mining, commercial construction, and manufacturing. In ways they would later come to sorely regret, their membership was also heavily clustered in limited parts of the country: New England, the upper Midwest Great Lakes, and the west coast, from Seattle to Los Angeles. They did not put much effort of organizing outside this core, except in the public sector in which a small explosion in new organizing occurred in the 1960s, both among civil servants working directly in government and among public sector teachers. What unions failed to do was attempt to expand membership into the rapidly growing private service sector or the growing South and other largely “union free” areas. Still, even as the rest of the economy grew around them, and thus the share of the economy in which unions were prominent dropped, unions managed to maintain high densities within this core well into the late 1960s.

³ A secondary boycott is an organized attempt to get people to stop doing business with a firm that does business with a firm whose workers are on strike. An example would be a truck driver union refusing to deliver goods produced by a firm that is on strike to a store that is not on strike.

By the early 1970s, however, the uneasy truce between unions and employers, always confined to this core, was already coming unstuck. New competitive pressures from abroad highlighted union costs to employers. New technologies in mining, longshore, and meatpacking were eroding union power. And a drumbeat of academic studies, often sponsored by business, were pointing out the excessive costs of regulation. Business was also changing its organization, becoming qualitatively more sophisticated and coordinated in attacking union power. The formation of the Business Roundtable and a revived U.S. Chamber of Commerce, among other developments, presaged what was to become a very tough decade for unions. Those parts of the union core that were active in international trade especially felt the bite of new competitors. Major deregulatory initiatives succeeded in trucking and airline transportation and communications. And then, in the 1980s with the election of Ronald Reagan the government launched a major attack directly on unions, beginning with Reagan's decision to fire all unionized air traffic controllers in 1981 during a strike early in his administration. The result was a precipitous decline of unions even with its traditional core.

Since the early 1990s there has been renewed effort at revitalizing the labor movement. There have been some successes in organizing previously unorganized sectors, most notably among some categories of service workers. There have also been initiatives to reinvigorate internal democracy within unions, although in general with uneven success. None of these efforts, however, have been sufficiently robust to reverse the overall decline in union membership.

These efforts at reviving unions have occurred in a context in which labor law remains hostile to union organizing and meaningful penalties faced by employers for violating even these weak laws are non-existent. So, working just up to the limits of the law, and often beyond, employer intimidation of workers is unfortunately typical. Over the years employers have developed a sophisticated arsenal of strategies to combat unionization. A partial list of employer strategies would include the following:

- Employers organize mandatory captive audience meetings that all workers must attend. They also often require repeated one-on-one meetings of supervisors with workers in which anti-union propaganda is presented.
- When a union drive occurs, employers regularly hire professional anti-union consultants to fight the union. These consultants train managers and supervisors in the best ways of discrediting unions.
- Employers make widespread threats to move businesses abroad if a union is certified. If there are immigrant workers in the firm, it is also common to intimidate workers by threatening to notify the Immigration and Naturalization Service.
- Illegal firing and discrimination against workers who sign union cards is a common occurrence. It is very hard and expensive for workers in a firm in which the employer engages in illegal forms of intimidation to take employers to court and have the laws properly enforced. The process is cumbersome and time consuming, the fines are not serious, and the long delays in getting a decision effectively give power to employers to use illegal tactics. Many professional anti-

union consultants, in fact, encourage employers to act illegally. This is why the issue of the efficient enforcement of labor laws and not simply the existence of laws on the books is so important. Non-enforcement is a deliberate strategy of the government through understaffing and directives to not aggressively pursue cases.

- Even after union victories, the consultants encourage continual, aggressive anti-union activity, delays, etc. to block contracts. Again, the passivity of the NLRB in enforcing the good faith bargaining provisions of labor law is crucial here. Less than half of unions who win certification manage to negotiate a contract.

The only people clearly served by this system are employers dead set against giving workers any real voice and power in the firm. Certainly the society is ill-served by a deliberately adversarial system of labor relations. And certainly this doesn't come close to meeting the desire of workers for greater voice and say in the workplace. Richard Freeman and Joel Rogers conducted a systematic national survey of the workforce exploring a wide range of themes around attitudes towards work and workplace representation. They found that about a third of nonunion workers said that they would vote for a union if given the opportunity, and virtually all existing union members said that they would vote to retain their union in an election for union representation. Taking these two numbers together suggests that *in the absence of intimidation and other anti-union tactics*, the rate of unionization in the private sector in the United States would be around 44%.⁴

POLITICAL CONSEQUENCES OF THE DECLINE OF UNIONS

Many commentators have examined the economic consequences of the decline of unions. For example, the decline of unions is often cited as one of the important trends that contributed to rising income inequality since the 1970s. Strong unions tend to create broad sectoral norms on wage rates that reduce variation. Less attention has been given to the political effects of the decline of union and the implications for American democracy.

Two things seem especially important: first, the impact of the decline of unions on the character of political participation of people in the working class, and second, the impact on the priorities and policies of the Democratic Party.

The decline of unions removes the most important associational basis for a coherent working class electorate. Unions constitute a systematic associational counterweight to the competitive pressures of the market and the privatized lives within the working class. They provide the micro-context for linking the experiences workers have within their workplace to a form of collective organization, and this is a crucial step in the process of becoming connected to political processes on a class basis. The issue here is not only that unions counteract the tendency for people to act in individualistic ways that fuel political apathy, but that unions help foster political identities in class terms. A strong union movement is essential both for increasing the political engagement of workers and for that engagement to have a distinctively working class character.

⁴ Richard B. Freeman and Joel Rogers, *What Workers Want*. (Ithaca: Cornell University Press, 1999). Revised edition, 2006.

It is entirely possible, after all, for workers to become politically engaged in ways quite disconnected to their class situations. Workers can be embedded in associational contexts in which their political identities are formed on the basis religion or ethnicity or gun ownership or many other issues. Associations are critical to political participation, but class-based associations are only one of many. The decline of unions, then, has seriously eroded the basis for working class politics.

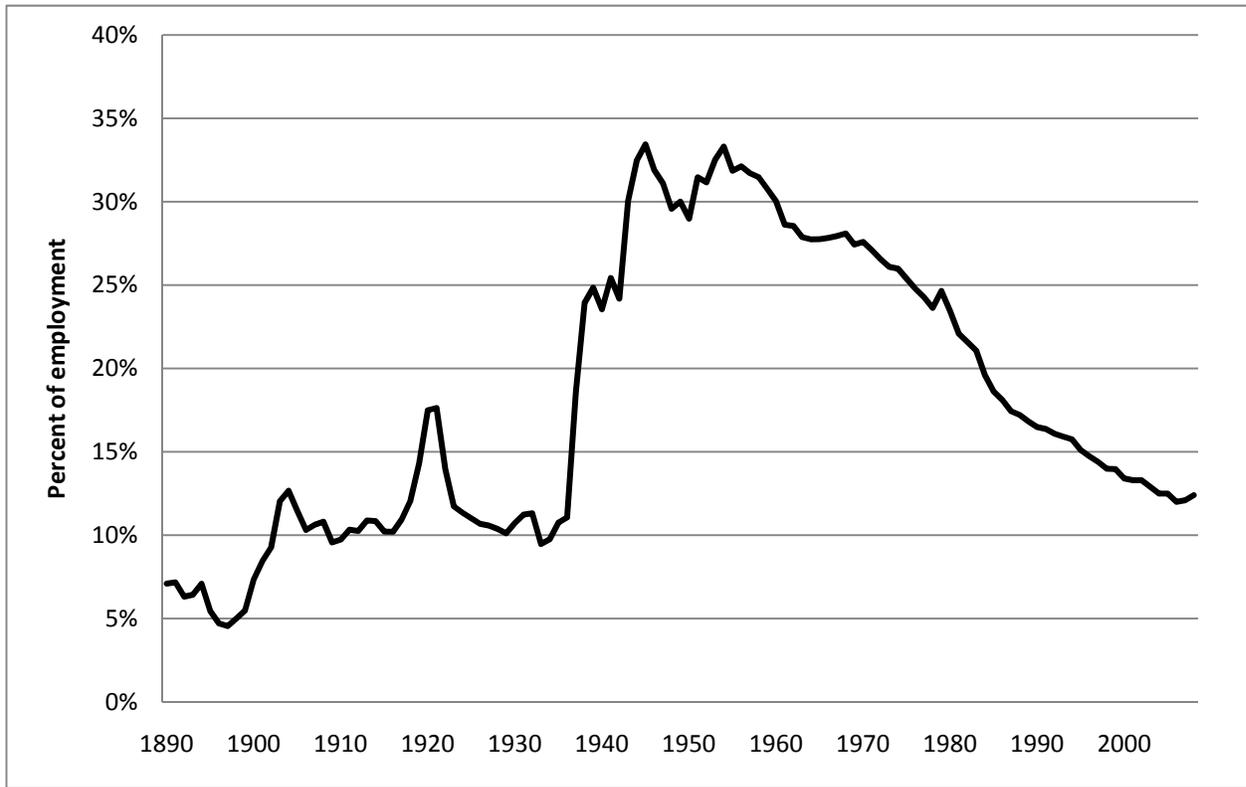
In such a situation two sorts of things are likely to happen. Many workers simply become disengaged from politics altogether. Politics seem remote and unconnected to their lives, and they feel no strong sense of civic obligation to participate in the rituals of democracy. That is one possibility. Another is that their political identities become formed through other kinds of associations. This is one of the explanations of the rise of working class Republican voters mobilized around conservative social and moral values in the last decades of the twentieth century. With the decline of unions the main remaining associations in which workers participated were churches, and since working class churches tend to be socially conservative, this became the basis for shift in political identity and loyalty among a segment of the working class. If unions had remained strong, then there would at least have been competing associational groundings for political engagement within the working class.

The decline in unions not only affects the way working class political identities are formed; it also reduces pressures on the Democratic Party to support working class interests. Both the Democratic Party and the Republican Party have to seek support from rich individuals and major corporations because of the financial exigencies of electoral campaigns. Unions since the 1930s constituted a counterweight to the role of money in shaping the political agenda of the Democratic Party. As we argued in the discussion of the “resource constraint” in chapter 16, there are two main ways that groups of people can systematically influence politics in a democracy -- one is based on *willingness to pay* and the other on the *willingness to act*. Corporations and wealthy individuals can affect politics through the first of these. Unions are one of the main ways for facilitating the second. The decline of unions means that their influence on Democratic Party agendas relative to the influence of large corporations has also declined.

This shift in the balance of organized forces in the Democratic Party helped push the Party away from a political agenda anchored in the model of an affirmative state centrally concerned with inequality, poverty and urban development, to a party that shared with the Republicans an aversion to taxation and a commitment to much more relaxed regulation of the market. By the 1990s a Democratic President could announce the end of the era of Big Government. Reversing these trends by revitalizing the labor movement is one of the necessary conditions for renewing American democracy. For that to happen in a sustainable way basic changes in the legal environment for union activity is essential.

 Figures & Tables for Chapter 21

Low-wage occupation	Average wage		Yearly earnings		% difference	Annual earnings difference
	Union	Nonunion	Union	Nonunion		
Cashier	\$10.04	\$7.35	\$20,883	\$15,288	37%	\$5,595
Janitors	\$12.12	\$8.69	\$25,210	\$18,075	39%	\$7,134
Farm workers	\$10.51	\$7.71	\$21,861	\$16,037	36%	\$5,824
<p>Poverty level for family of four (2000): hourly earnings: \$8.40 (assuming full-time work) annual income: \$17,472</p> <p><i>Source:</i></p> <p>Table 21.1 The unionization wage-premium for selected low wage occupations, 2000</p>						



Source: 1890-1999, *Historical Statistics of the United States*, [Figure Ba-U](#); 2000-2008, BLS, Series LUU0204899600.

Figure 21.1 Unionization rates 1890-2008