

# **LECTURE 25**

## **UNIONS & DEMOCRACY**

**December 6, 2006**

## **I.1. The Problem**

- Democracy:** Rule by the people = the “will of the people” translated into the public purposes of the state.
- The problem:** How to form a genuine “will of the people” and how to translate it into public policy?
- The obstacle:** We live in a highly atomized society of separate, competing individuals pursuing their individual interests, facing numerous “free rider problems.”
- The solution:** The formation of various kinds of grass roots organizations that are directly integrated into people’s ordinary lives and concerns and which help build solidarities and collective capacity.
- Examples:** Unions; Community-based civic associations

## **I.2 THREE SPHERES OF SOCIAL LIFE**

**The economy:**      **the sphere in which we produce and buy things**

**The State:**            **the sphere in which we govern our collective affairs**

**Civil Society:**      **the sphere in which we get together voluntarily in organizations to pursue common purposes**

## II. What Are Labor Unions?

### 1. Conventional view:

- Labor unions are a special interest organization that looks out for the narrow economic interests of their members at the expense of everyone else.
- Some people think that unions mainly benefit union leaders.
- The decline in unions is explained as reflecting the individualistic, competitive preferences of most Americans.

## II. What Are Labor Unions?

### 2. **Alternative View: unions help create more equal power:**

(1). Economic Power: Workers are individually much less powerful than employers: they need a job more than the employer needs them. Unions help equalize their relative power.

Empirical effect: unionized workers earn higher wages than non-unionized workers in the same occupations.

## II.2 (1) Impact of Unions on low-wage workers (2000)

Low-wage occupation	Average wage		Yearly earnings		% difference	Income 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

### Poverty level for family of four (2000)

hourly earnings: \$8.40 (assuming full time work)

annual income: \$17,472

## II. What Are Labor Unions?

### 2. **Alternative View: unions help create more equal power:**

(2). Political Power: The labor movement is one of the important ways that individuals can be brought into politics through two processes:

*Organic Solidarities*: Unions help build solidarities among people in one important setting of their lives – workplaces – and get people involved in collective decisions.

*Organizational capacity*. Unions help build a bridge between individuals and electoral politics. They make it easier for people to work in campaigns and thus counteract the role of money in elections.

### **III. Historical Development of Labor Movement**

#### **1. Historic hostility to unions:**

Conflict of two values: (1) *Freedom of association*, and (2) *Freedom of voluntary exchange in a market*. Until well into the 20<sup>th</sup> century Unions were seen as coercive restrictions of voluntary contracts. Laws which restrict union activities are defended under the banner of the “right to work.”

### III. 2. The Problem: vulnerability of organizers & members

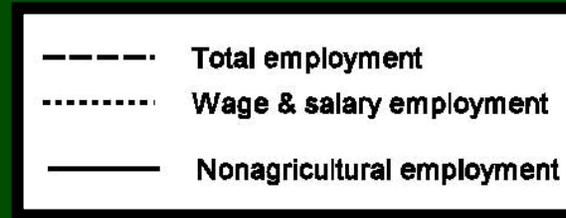
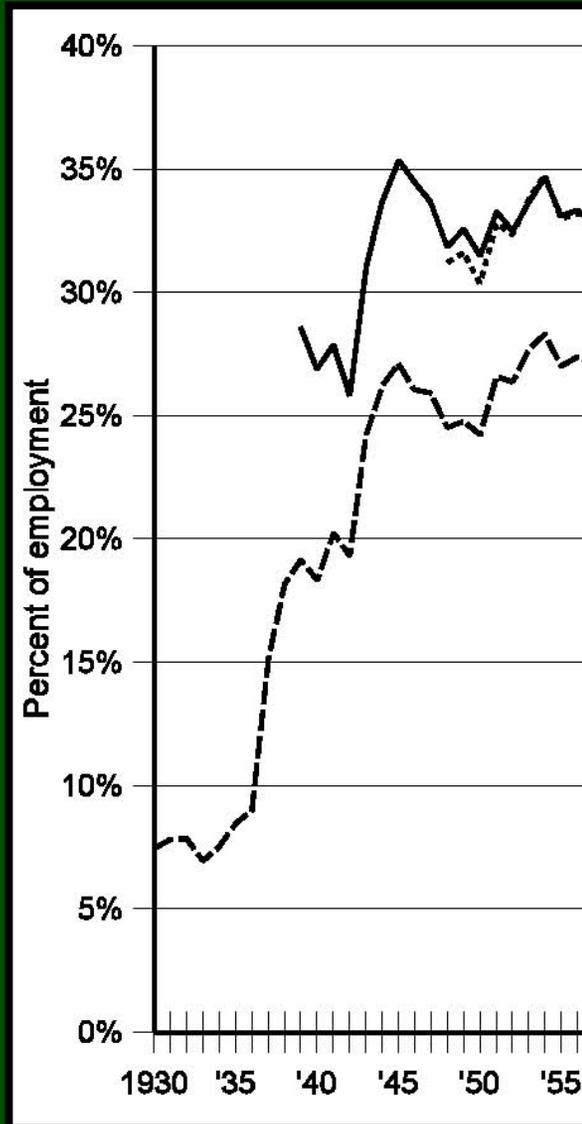
- For a union to be strong it needs a high proportion of workers in a firm to be members: there is strength in numbers.
- All unions begin as weak organizations.
- When a union is weak, individuals are extremely vulnerable to reprisal from employers from joining a union.
- This makes it very hard for 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

### III.3 Breakthrough: the New Deal Reforms, mid-late 1930s

The *Wagner Act* was the most important Labor law reform in the 1930s. Key provisions:

- National Labor Relations Board established to oversee rules
- protections of workers against being fired for trying to form a union or joining a union
- protections against being fired for going on strike
- fair rules for union organizers to try to form a union and clear procedures for certifying a legitimate union
- requirement that employers bargain in “good faith” when there is a union

### III.3 Unionization Rates 1930-1955



### **III. 4. Basic process by which a union gets formed**

- Organizers try to get employees to sign cards saying that they want a union.
- When a majority of employees have signed these organizing cards, then a vote is taken to “certify” the union as a collective bargaining unit.
- After a union has been certified, employers have to meet with them 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.
- 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 nearly always getting rid of the replacement workers.

## **III. 5. Erosion of rules after WWII**

- ***Taft-Hartley amendments* to the Wagner Act significantly weaken union protections**
- **“Right to Work” laws in many states prevent automatic union membership for workers in unionized firms**
- **increasingly lax enforcement of labor laws**

## III.6.

### **Contemporary Strategies of Employers to undermine unions**

- Mandatory captive audience meetings in which anti-union propaganda is presented
- Widespread hiring of professional anti-union consultants
- Threats: to move businesses, to call in INS against immigrant workers
- Illegal firing and discrimination against workers who sign union cards.
- Strategic use of the expense and time workers face of taking employers to court for illegal firing
- Reliance on lax enforcement of labor laws by government authorities
- Even after union victories, use of continual, aggressive anti-union activity to block contacts.
- Less than half of unions who win certification manage to negotiate a contract.

### III. 7. The result: Decline of the Labor movement after mid-1950s



----- Total employment      ——— Nonagricultural employment  
..... Wage & salary employment

## III. 8

### Consequences for Democracy of decline of unions

- Absence of a coherent associational basis for a working class electorate
- Reduced pressures on the Democratic Party to focus on working class interests: the Democratic Party also becomes largely responsive to needs of big corporations
- Reduced counterweight to role of money in shaping political agendas: two sources of power in a democracy – *willingness to pay* and *willingness to act*. Unions used to be a central basis for the latter.