LABOR UNIONS AS A CRITICAL INTERMEDIARY ASSOCIATION

Margaret Levi

September 2017

I have not studied democracies that have died. My research has been on countries where democracies have endured, despite some serious threats at times. Take the case of the United States: Its democracy has survived civil war, the Great Depression, world wars and small wars, and mass protests. The U.S. has a democracy based on representative rather than direct government and with a highly restricted franchise. Despite the various stresses on its institutions and norms, it has nonetheless persisted and, over time, became more inclusive—if not fully so. Is it thriving? That depends on how you define democracy, of course. But certainly some of its protective institutions and organizations are fraying or fatally flawed, and they were showing their age well before Trump and his politics accelerated that trend. Nor is the United States alone in this, as the cases of Britain, Spain, Italy, and perhaps Australia and France also make clear.

I will let others address the weakness of political parties, electoral institutions and the courts. My focus is on the decline of an important intermediary association, labor unions. These—or something like them—are critical to a flourishing democracy for several reasons: They mobilize voice, votes, and money among a large and important constituency. They provide civic socialization and education. The organized withdrawal of workers' labor is an important economic tool for balancing corporate power and influence. And, as I will argue, when they are at their best, labor unions help transform the narrow economic interests of members into actions in the interests of others, often

distant others with whom there is no likely direct reciprocation. In such instances unions significantly expand the community of fate.[1]

This is not to say that workers as a group are either homogenous or progressive. Racial, religious, and ethnic divides have generally characterized unions and created internal cleavages, potential for strike breakers, and bases for discrimination litigation. In the 1950s, ideological disagreements marked the labor movement, leading to widespread expulsion of communists and leftists.

Nor is progressivism a necessary trait of workers, even among those being most harmed by the excesses of capitalism, employers or politicians. We know all too well that Engel's prediction of "paper stones" never came to pass[2]. The Reagan Republicans were a significant signal of transformations in the political base of the Democrats, and the British Labour and Australian Labor Parties are no longer the socialist or, at least, social democratic organizations they once were. The distinctions among the members of different unions are sometimes stark, e.g. between those belonging to the politically progressive Service Employees International Union (SEIU) versus those in the historically conservative construction trades. Union members often value and attempt to protect jobs in industries that harm the environment and climate, and they are far too often opponents to liberal immigration policies.

The reach of labor organizations and their electoral behavior has been consequential for American politics for over a century. They heighten the turnout of their members and

---

[1] Ahlquist and Levi (2013).

[2] The phenomenon and reasons for it are well documented in Przeworski and Sprague (1986).

families,[3] and the numbers voting have historically been large, particularly given the otherwise low turnout rates among the general public. Unions also contribute significantly through labor political action committees (PACs). The greatest influence has, not surprisingly, been on the Democratic Party,[4] but that influence is waning significantly with the decline in union strength.

Significant labor impact on votes was strong from the 1940s until the last few decades. It significantly increased with the formal recognition of unions and their rights during the New Deal; membership rose to over a third of the non-agricultural private sector work force by 1954. Arguably, U.S. unions were at their height in the early 1970s when they represented approximately 21 million workers, and Big Labor ranked with Big Business and Big Government. One indicator of their influence was the existence of labor pages and reporters in the daily newspapers; there are now few, if any, mainstream media that regularly cover the activities of organized labor.

Reagan era policies accelerated anti-union regulations, employer obstruction, and general antipathy to unions. Yet, at the turn into the 21st century, evidence suggested workers still wanted unions.[5] It would be worth doing such an analysis today, particularly among younger workers. My own research on and experience with workers in the new gig economy suggest that interest in having a voice does not translate into interest in being represented by a union, an organization perceived as constraining individual prerogatives while taking a cut for doing so. In any case, the effect of various

---

[3] See, e.g., Rosenfeld (2014), Schlozman, Verba and Brady (2012), Nagler and Leighley (2007).

[4] See. e.g, Greenstone (1969), Dark (2001), Francia (2006)

[5] Freeman and Rogers (1999), Hart Research Associates (2002), Freeman (2007b)

factors is that unions are decreasing in size and in political and economic significance. As of January 2017,[6] the total union membership in the combined public and private sectors is 10.7% of all non-agricultural wage and salary workers, or 14.6 million people.

These aggregate figures hide the real story, however. Only 6.4% of private sector workers now belong to unions, down from the high of over 35% in 1954. What is keeping unions alive is government employment; 34.4% of public sector workers belong to unions. And the future of public sector unions is, arguably, tenuous.[7] Note the reactions against them in once union-proud states such as Wisconsin. Not only is there growing antagonism among the public to the demands and strikes of government employees, the rising anti-government sentiment extends to those who provide services. Austerity measures further undermine union strength. All of these factors make the support of private sector unions even more essential, but those unions are having increasing difficulty defending themselves let alone their brothers and sisters in the labor movement.

It should be noted that unions have always been weak in the southern part of the United States, where union membership is consistently well below the average. South Carolina had the lowest membership at 1.6%, but the highest southern state was Alabama at 8.1% in a dead heat with Wisconsin, traditionally an above average state. The membership in the non-coastal western states was never very high. The decline in membership throughout the manufacturing states is notable.[8]

---

[6] https://www.bls.gov/news.release/union2.nr0.htm

[7] Ahlquist (2012)

[8] https://www.bls.gov/news.release/union2.t05.htm

The difficulties are daunting for organizing new unions and retaining membership in those that persist.[9] Legislation, costs, and media influence attitudes and constrain behavior. In 1947, the Taft-Hartley Act made it possible to create what became known as "right-to-work" laws that enable workers to opt out of dues-paying even when gaining the benefits of representation. Eleven states, most in the south, immediately adopted "right to work" regulations. Another five more became "right to work" by 1955. Today 28 states and Guam have this status.[10]

The decline of union strength is disastrous for American democracy. When unions are relatively strong, they play a significant democratizing role by providing:

- A forum for discussion of policies and candidates
- An internal process that teaches about electoral processes and participation and that can then be translated from union governance to local, state, and federal government
- Lobbying for legislation that is in the interest of workers and against legislation that harms their interests
- A means for channeling discontent with the political process into informed consideration of practices, policies, and candidates

But as important as the diminution in political and economic efficacy is what appears to be an increased focus on narrow material interest. Unions are no longer part of a larger social movement that considers how to raise the incomes and influence of all workers. Rather, most unions tend to focus on the particular interests and grievances of

[9] Farber and Western (2001), Levi (2003).

[10] http://www.ncsl.org/research/labor-and-employment/right-to-work-laws-and-bills.aspx

their own members to the exclusion of all else. This has, of course, always been a tendency with the U.S. labor movement, but exceptional times and exceptional unions often cut across these biases. This was hard enough to do in the past; it is arguably impossible now.

Let me reframe the history of American unions in light of my claim. "Business unionism," that is, a focus exclusively on the wages, hours and working conditions of the members, informed the ideology of the craft unions and the American Federation of Labor (AFL) born of them. The rise of the industrial unions and the Congress of Industrial Organization (CIO) in the 1930s held out a promise for a union movement committed to the betterment of all American workers, union members or not. However, the anti-communism of the McCarthy era deprived unions of radical leadership and organizing energy. The failed efforts of the CIO's Operation Dixie to recruit Southern workers into unions further undermined the more militant labor activists. The acquiescence of nearly all the large industrial unions to firm-based health insurance and pensions undermined and deflected campaigns for universal coverage.

The laws and administrative institutions encouraged the narrowing of goals. The decentralized and firm-centered bargaining that characterizes American unions is in part a reaction to the constraints imposed by the 1947 Taft-Hartley Act, whose rules "…encouraged trade union parochialism and penalized any serious attempt to project a classwide political-economic strategy."[11] The merger in the 1950s of the two confederations into the AFL-CIO may have held some promise of becoming an encompassing organization, but it never fulfilled that promise. It proved a poor substitute

[11] Lichtenstein (2002), 122

for the lack of a Labor Party or other form of political association that represented workers' interests to government and helped create the corporatism of many European countries. From the mid 1950s on, most unions increasingly focused exclusively on the interests of their members. They lost whatever commitment they may once have had to welfare for all workers and not just those in their unions.

Even so, there were and are unions that try to socialize, educate, and otherwise encourage their members to make collective commitments to causes that are far beyond what they can demand of employers in terms of material gains. Most have (or had) leaders immersed in syndicalist, socialist, or communist ideology. Yet, few of their members joined with such a perspective.[12] It was their experiences in the union that led them to believe the old Wobbly and current ILWU (International Longshore and Warehouse) slogan: "An injury to one is an injury to all"—with the all being all workers, not just those in their union. The ILWU has even intervened in foreign policy; the union refused to ship pig iron to China after its invasion of Manchuria in 1938, and they refused to unload goods from South Africa to protest apartheid there. Yes, the ILWU is an exception in the American context, but it is an instructive exception.

The ILWU and other such exceptional unions illuminate the political consequences of what Ahlquist and Levi characterize as an expanded community of fate and reveal the process by which it develops in civil associations. Without a leadership committed to a transformative politics and without institutional arrangements that instantiate principles of equity and internationalism, the aggregated preferences of union members are likely to reflect only their material interests. Still elusive, however, is the

[12] These claims are based on Ahlquist and Levi (2013) .

mechanism by which members come to believe that they have and can act collectively on preferences for social justice causes, political ends, or universal insurance schemes that transcend their immediate economic interests. Once organizational leadership and institutions have established a normative underpinning, there are several possible reasons members may respond accordingly: socialization and education; the desire for social approval in a context where one's behavior is visible; and psychological processes of coordination and adjustment that bring individual preferences in line with others in the group and thus lead to a shared and aggregate commitment. The same mechanisms may, of course, produce any number of equilibrium outcomes. This makes leadership commitments and the organization's rules and procedures determinative.[13]

The combined loss of power and the increased focus on particularistic gains make it difficult for unions, even the large confederations, to block the policies that amplify inequality in the U.S.. Even as U.S. productivity continued to rise since the early 1970s, real wages went down and labor's share of productivity declined. Simultaneously, the super-rich got richer and took a greater and greater share of the productivity gains (Freeman 2007a, chapters 2-3). Freeman (2007a, 50) estimates "the decline of unionism accounted for perhaps 20 percent of the rise of inequality…"

The combination of union decline and narrowed definitions of interest also facilitate the rise of populism by eliminating an alternative \framework for understanding the situation of workers. Unions used to play a much greater role than they do now in

[13] I am building here on arguments developed in Ahlquist and Levi (2013) Ahlquist and Levi (2011), which in turn builds on the economic literature on leadership and corporate culture e.g., Kreps (1990), Hermalin (2007), Hermalin (1998).

influencing both political and corporate responses to transformations in the workplace, distribution of jobs (and training), and social insurance. Interestingly, populism (while existent) seems less politically determinative in those countries in Europe where unions still play some of those roles, e.g. Germany, Sweden. I would hardly argue for a return to the old unions, but we do have to find new intermediary institutions that give workers effective voice and power and realistic frameworks for organizing their very real grievances.

References

Ahlquist, John S. 2012. "Public Sector Unions Need the Private Sector (or why the Wisconsin protests were not labor's Lazarus moment)." *The Forum* 10 (1).

Ahlquist, John S., and Margaret Levi. 2011. "Leadership: What It Means, What It Does, and What We Want to Know About It." *Annual Review of Political Science* 14 (1):1-24.

———. 2013. *In the Interests of Others*. Princeton: Princeton University Press.

Dark, Taylor. 2001. *The unions and the Democrats: An enduring alliance*. Second ed. Ithaca: Cornell University Press.

Farber, Henry S., and Bruce Western. 2001. "Accounting for the Decline of Unions in the Private Sector, 1973-1998." *Journal of Labor Research* 22 (3):459-85.

Francia, Peter L. 2006. *The Future of Organized Labor in American Politics*. New York: Columbia University Press.

Freeman, Richard. 2007a. *America Works: The Exceptional Labor Market*. New York: Russell Sage Foundation Press.

———. 2007b. "Do Workers Still Want Unions? Yes More than Ever!" In *Economics Policy Institute Policy Forum on Broadly Shared Prosperity, Work that Works*. Washington, D.C.: EPI.

Freeman, Richard B., and Joel Rogers. 1999. *What Workers Want*. Ithaca, NY and New York: ILR, Cornell University Press and Russell Sage Foundation Press.

Greenstone, J. David. 1969. *Labor in American Politics*. New York: Vintage Books.

Hart Research Associates. 2002. "Labor Day 2002: Americans'Views on the Economy, Corporate Behavior and Union Representation." Washington, D.C.: AFL-CIO.

Hermalin, Benjamin E. 1998. "Toward an economic theory of leadership: Leading by example." *American Economic Review* 88 (5):1188-206.

———. 2007. "Leading for the long term." *Journal of Economic Behavior & Organization* 62 (1):1-19.

Kreps, David M. 1990. "Corporate Culture and Economic Theory." In *Perspectives in Positive Political Economy*, ed. J. Alt and K. Shepsle. New York: Cambridge University Press..

Levi, Margaret. 2003. "Organizing Power: Prospects for the American Labor Movement." *Perspectives on Politics* I (1):45-68.

Lichtenstein, Nelson. 2002. *State of the Union*. Princeton: Princeton Univ. Press.

Nagler, Jonathan, and Jan E. Leighley. 2007. "Unions and Class Bias in the U.S. Electorate, 1964-2004." *Journal of Politics* 69:430-41.

Przeworski, Adam, and John Sprague. 1986. *Paper Stones: A History of Electoral Socialism*. New York: Cambridge University Press.

Rosenfeld, Jake. 2014. *What Unions No Longer Do*. Cambridge: Harvard University Press.

Schlozman, Kay Lehman, Sidney Verba, and Henry E. Brady. 2012. *The Unheavenly Chorus*. Princeton: Princeton University Press.