

Forging a Common Bond: Labor and Environmental Activism During the BASF Lockout

Timothy Minchin*

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This book also presents evidence that women's marriage and fertility decisions are related to their employment and earnings, as are men's. Susan Averett's analysis shows that the presence of children is associated with lower earnings for women but higher earnings for men, which is consistent with findings presented by Joyce Jacobsen. Jacobsen also finds that marriage is associated with higher hourly earnings for both women and men. While there is a clear relationship between family structure and labor market outcomes, she cites problems that make it very difficult to isolate causal effects, and says she is unconvinced that there are strong causal relationships that require government intervention. She points out that many work/family policy initiatives are aimed at reducing negative outcomes associated with raising children, particularly in families with unmarried mothers, and rightly suggests that these families can be helped with policies that focus on, for example, increasing parents' human capital, rather than on family structure.

The Economics of Work and Family packs a great deal of information on work and family issues, and is also very readable. Its potential audience is broad and includes undergraduates studying work-family dynamics, scholars in the field, and policy-makers at the state and federal level.

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Forging a Common Bond: Labor and Environmental Activism During the BASF Lockout. By Timothy Minchin. University Press of Florida, 2002. 256 pp. ISBN 0-8130-2580-X, \$55.00 (cloth).

Timothy Minchin's *Forging a Common Bond* is the most detailed study to date of the struggle of OCAW (Oil, Chemical, and Atomic Workers) Local 4-620 against the German-based, worldwide industrial giant, BASF chemical company. The battle between BASF and Local 4-620, which had fewer than 400 members at the time, began in June 1984 with a lockout by the company, whose clear intent was to break the union. It ended in December 1989 with a victory for the union.

Local 4-620 was largely based in one plant in Geismar, Louisiana, in a corridor between Ba-

ton Rouge and New Orleans containing a high concentration of chemical plants—as well as some of the worst industrial pollution and waste in the United States. Working in a capital-intensive, high-wage industry, BASF workers were initially hostile to environmental groups, considering their own workplace exposure to toxic chemicals a necessary and acceptable trade-off for stable, relatively high-paying jobs. The overwhelming majority of the workers were white men (mostly native-born Roman Catholic Cajuns) who did not live in the area and had few, if any, ties to the people of Geismar or Ascension Parish, in which the plant was located. The populations of both Geismar and Ascension were poor, with a high percentage of African-Americans.

Minchin carefully documents not only the history of labor-management relations at the plant, but also the building of an improbable series of alliances among the local and environmental groups concerned about industrial waste and illnesses—female family members, anti-apartheid activists and Jesse Jackson (BASF allegedly illegally supplied computer equipment to the South African police; see pp. 88–90), the Louisiana Roman Catholic Church, some elected officials, Oprah Winfrey, the German Green Party, and assorted other groups and individuals. With this broad base of support, the local, strongly supported by the national OCAW, engaged in a variety of tactics that won over public opinion, environmentalists, and many elected officials, eventually inducing even other chemical companies to distance themselves from BASF and call for the company to settle the dispute.

A necessary prerequisite, to be sure, on the part of the union was the militancy and solidarity of the members throughout the lockout. In the end, however, the union and its most active members were transformed into environmental activists and critics of the company's racially discriminatory hiring and promotion policies, a stance they did not have prior to the struggle. Along with experts from the international union, they began a careful documentation of the company's policies of toxic waste emissions (often illegal) and their effects on the environment and the people of the state, effects that included increased rates of cancer, of other diseases, and of miscarriage. They formed alliances with and helped support local, largely African-American environmental groups, and also worked effectively with more traditional environmental groups. They placed a series of innovative and provocative billboards targeting BASF along highways, including "Bhopal on the

Bayou?" (Bhopal, India, being the scene in 1984 of one of the world's most deadly chemical company disasters) and "Gateway to Cancer Alley?" (p. 67). They set up a Women's Support Group that involved large numbers of wives of male workers. Along with a wide range of environmental groups, they engaged in the "Great Louisiana Toxics March" (p. 133) and a protest at company headquarters in Parsippany, New Jersey, all of which garnered major publicity.

In the end, the company conceded on almost all the major issues, and the union emerged strong, with renewed commitment by its members. After the strike, even with many members still heavily in debt, the local voted overwhelmingly in favor of a \$5-per-month dues increase to support the continuing statewide struggle against toxic hazards (p. 158). In August 2000, despite the fact that Louisiana was a right-to-work state, only two of the approximately five hundred workers at Geismar were not members of the union (p. 167).

The details of the story and the careful research are the strong point of Minchin's book. He bills the story, however, as one in which an improbable alliance of labor and environmentalists won the day. He tells us that this was a unique occurrence and suggests that it is a recipe for future victories, without discussing the rather long history of labor environmental activities and the problems faced in dealing with overwhelmingly white, upper-middle-class environmental groups, which often have little concern for the interests of blue-collar workers. Finally, his comments on the problems of the labor movement in the 1980s and the uniqueness of the Local 4-620 victory amidst a "sea of defeats" suggest a lack of knowledge about what was going on in the labor movement during the last several decades.

First, as Robert Gordon notes in his recent dissertation ("Working Class Environmentalism and the Labor-Environmental Alliance," Wayne State University, 2003), concern by working-class communities about industrial and environmental pollution has a much longer history than Minchin suggests. Coal miners and their communities battled the dangers of silicosis, or Black Lung disease, for decades, erupting in massive demonstrations (of many tens of thousands) in West Virginia and eventually forcing the passage of the 1969 Mine Safety and Health Act. Farm workers' protests against their exposure to pesticides, textile workers' concern about Brown Lung disease, and outrage over the industrial pollution of the Love Canal area were among the forces that led to the 1970 passage of

OSHA. An alliance of labor unions and environmental groups played a major role in the passage of a large range of legislative bills in the 1970s. As Gordon demonstrates persuasively, the BASF battle cannot be fully understood outside this broader context (see his Chapter 1).

Second, as Gordon demonstrates, it is important not to overstate the possibilities for these alliances. Mainstream environmental groups, with their overwhelmingly affluent, white constituencies, tend to focus on endangered species, wetlands, and national parks; they tend to be less interested in the issues of greatest concern to working-class communities, including toxic waste, environmental clean-up, and air and water quality. These tensions are often especially sharp when class issues (especially those related to jobs) and racial issues are involved. Gordon documents the unwillingness of virtually all major environmental groups during the early 1970s to come to the aid of "low-paid Latino farm laborers" in their fight against restrictions in the use of dangerous pesticides by the growers (Chapter 4). Thus, the degree to which alliances like the one around the struggle at BASF can be the basis for a broad strategy for labor can easily be exaggerated. Much of these remarks suggest the limits of attempting to generalize from one, however important, case study without carefully establishing a broader context.

Finally, Minchin does not present an accurate long-range picture of labor union decline. He suggests, as do many popular commentators, that problems for U.S. unions began, or at least became qualitatively worse, under former President Ronald Reagan, especially with the 1981 firing of 11,000 striking air traffic controllers—that the 1980s were a "sea of defeats," with the BASF struggle proving an unlikely exception. Neither statement is entirely accurate. Growing opposition to unions (especially to new organizing), difficulties in NLRB elections, refusals to negotiate contracts, and declining union density can be dated to the 1950s, not merely to the 1980s, as a large amount of industrial relations literature clearly shows. Although the defeat of PATCO was extremely important, the undermining of construction unionism, spearheaded by the Business Roundtable, was happening in the 1970s, and the beginning of concessions by major unions occurred in that same decade, the most prominent example being the 1979 contract concluded between the UAW and Chrysler as part of Chrysler's bailout package. Nor, on the other side, was BASF the

only dramatic victory for labor in the complex industrial relations landscape of the 1980s: Pittston coal miners, New York State electrical workers, and Las Vegas hotel workers, among others, registered important gains, after major strikes.

Facts about any individual labor victory or defeat, while often highly illuminating, are rarely if ever a projection in miniature of the trajectory of U.S. labor relations. Minchin's detailed account of the struggle around the 1980s lock-out at BASF is an important piece of recent labor history (which I heartily recommend to everyone interested in the subject), but it must be put into a broader context to be fully understood.

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Monopsony in Motion: Imperfect Competition in Labor Markets. By Alan Manning. Princeton: Princeton University Press, 2003. 424 pp. ISBN 0-691-11312-2, \$45.00 (hardback).

...another bad case of monopsony in motion ... monopsony can break your heart ... the capitalists will rue the day when workers win their way.

musical tribute to *Monopsony in Motion*, at <http://econ.lse.ac.uk/staff/amanning/work/book.html>

The haunting electronic beltings of John DiNardo, in what has to be the only theme song ever written for an economics book, might send a shiver down the spine of the most conservative neo-classical labor economist. Beyond its entertainment value—it will surely convince a few people that advanced material in labor economics is not always somniferous—I believe the song is a shot across the bow of perfect competition's ship, as Alan Manning sets sail to challenge a number of accepted explanations of stylized facts in labor economics.

What would you do if your employer cut your hourly wage by one cent? "Lace up my running shoes and sprint for the nearest office exit," you might say, parrying a silly question with a silly

answer. And yet such questions naturally arise when one assumes that all firms operate in perfectly competitive labor markets. The one-cent-per-hour wage cut is, in fact, the seemingly daft example with which Alan Manning introduces *Monopsony in Motion* and sets the stage for his careful examination of the various puzzling implications of taking perfect competition as the baseline when thinking of how the labor market operates.

Manning emphasizes that blind adherence to the perfectly competitive paradigm means implicitly accepting a divergence between theoretical predictions and observed empirical regularities. Among the more important theoretical predictions that appear to be on shaky ground are that minimum wages unequivocally reduce employment (there is a dearth of corroborating empirical evidence); that firm size and wages are uncorrelated, all else constant (empirical evidence shows rather large positive employer size–wage correlations); and that workers bear the full costs of general training (empirical evidence shows that many firms provide general training). Often, these and many other observed empirical regularities are "explained away" either by advancing new theories, viewing them as anomalies, or even attributing them to monopsonistic behavior—without explicitly naming it as such. However, until now, there has been no unifying thread in the explanation of these observations.

Manning presents a fascinating table indicating that only 1.5% (my calculations) of the pages in standard labor economics textbooks are devoted to monopsony. Perhaps even more telling would have been the observation that less than 0.75% of the labor economics publications catalogued in *Econlit* since 1969 include "monopsony" or "segmented labor markets" as either main subjects or keywords. Moreover, where there has been work in the area, rarely is it bold enough to suggest that an entire paradigm be changed. A review of the monopsony literature by Boal and Ransom in 1997 (*Journal of Economic Literature*, Vol. 35 [March], 1997, pp. 86–112) found that monopsony based on location and small numbers of employers is rare, but has a large effect when it exists, and that monopsony power based on frictions is widespread, but with smallish effects on average. However, the authors never suggested that these results pose a significant threat to the perfectly competitive paradigm.

No doubt, to some extent the issue of monopsony has been ignored by many labor economists. However, it is also likely in some cases