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The Decline of Labor: A Grim Picture, A Few Proposals

Abstract

[Excerpt] The social context of this four-decade decline challenges a central assumption of the cyclical theory. More than a third of the decline occurred during the 1950s and 1960s, decades of broad economic growth and, for the 1960s, of liberal Democratic ascendancy. Labor lost another 15 percent during the stagflation of the 1970s, despite the Democratic return to power in the wake of a discredited Republican administration. By the 1980s, when a structurally weakened labor movement faced Ronald Reagan, plant closings and demands for concessions accelerated the decline. Organized labor's absolute and proportional decline over decades in which the labor force itself grew; dramatically suggests that the hoped-for resurgence does not lie in awaiting a liberal-populist reprise of the 1930s or "waiting for Lefty." Reagan created obstacles, but he possessed no supernatural powers. Rather, as Daniel Bell argued in 1959 in his prescient book *The End of Ideology*, when labor had then organized about 30 percent of the work force: "But in organizing this 30 percent, they have reached a saturation mark: they have organized as much of their potential as they can."

Keywords

labor movement, unionization, organizing, Ronald Reagan, worker rights

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Comments

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THE DECLINE OF LABOR

A Grim Picture, A Few Proposals

PATCO, Hormel, Greyhound, Eastern, Nordstrom, Equitable: the list goes on and on. Organized labor has suffered its worst decade since the 1920s, as intense employer opposition, encouraged and supported by conservative national administrations, left the labor movement reeling, its membership falling, its morale plummeting. Even victories, such as occurred in the Pittston coal strike, left an odd taste. The United Mine Workers and their allies won a major victory to maintain the status quo; but the hope that this success would rejuvenate labor's spirit has proved elusive.

There are some who argue that, painful as the Reagan-Bush era has been, it did not usher in a new domestic order. In a popular adaptation of cyclical theories of reform articulated by Irving Bernstein, Arthur Schlesinger, Jr., and Kevin Phillips, many in labor have come to see this decade of pain as a harbinger of regeneration. As the CIO (Congress of Industrial Organizations) emerged victorious from the Coolidge-Hoover decade of anti-unionism, so too would labor lay the foundation of renewed growth and vitality.

Perhaps, but I fear not. It is foolhardy to predict the future, as the pundits who predicted labor's continued decline in the spring of 1933 discovered. There exists an enormous capacity for human initiative even in the worst of times. A historically informed analysis of the situation confronting labor, however, undermines easy confidence that the 1990s will duplicate the experiences of the 1930s.

Many of the hopes for regeneration draw strength from blaming Reagan, Bush, and, to some extent, union leaders for labor's precipitous decline. The current level of union

strength, at some 16 percent of the work force, is often considered the consequence of Republican policies, employer resistance, and the somewhat inept response of labor's leadership. The failure to follow the 1981 Labor Day demonstration in Washington with continued activity in cities throughout the country is noted as one example of how the leadership failed. The ugly open fight within labor's family that enveloped all sides in the Hormel strike is another example. There is an assumption that if leaders would only listen to their rank and file, grounding themselves again in the militancy of the American working class, a revitalized labor movement would, in time, vanquish employers and Republicans alike. This, in turn, supports the belief that, following the darkened 1980s, the 1990s will emerge in a CIO-like flourish. For if labor's decline is of recent vintage, as many believe, the turnaround, however complicated, is also close at hand. The history of the past forty years, alas, suggests the opposite.

In its 1960 report the Bureau of Labor Statistics (BLS) noted that the figure for union density (the percentage of workers organized in the nonagricultural work force) had dropped 2 percent from its historic 1953 high of 34.1 percent. Although during the 1950s the reunited labor movement was widely recognized as an important force in the nation's political and economic life, the BLS did not see this trend as an aberration. Instead, it noted that "in recent years" these figures had consistently "moved slowly downward." A decade later, following a period of unparalleled economic expansion, the BLS reported an even lower figure, with only 27.4 percent of the work force organized.

The Decline of Labor

The expansion of unionization among government employees, following John F. Kennedy's 1962 executive order allowing them to join unions, temporarily masked a disturbing BLS finding: between 1968 and 1970, union membership in manufacturing had declined by more than 45,000. This was a small figure, to be sure, when the United Auto Workers (UAW) and the United Steelworkers (USW) had a combined membership of over 2.6 million, but ominous, nonetheless, in a decade of economic growth. By 1980, when Courtney D. Gifford edited the BLS volume, the percentage of union workers had dropped to 24.7. The decline of unionization in industrial production continued during the 1970s. In the last two years of that decade, Courtney estimated, the UAW and the Amalgamated Clothing and Textile Workers (ACTWU) each lost over 9 percent of their members, the steel workers' union lost 3.7 percent, and the United Rubber Workers 15.2 percent. Even when the economy recovered from the recession in 1979-1982, these unions failed to revive.

The social context of this four-decade decline challenges a central assumption of the cyclical theory. More than a third of the decline occurred during the 1950s and 1960s, decades of broad economic growth and, for the 1960s, of liberal Democratic ascendancy. Labor lost another 15 percent during the stagflation of the 1970s, despite the Democratic return to power in the wake of a discredited Republican administration. By the 1980s, when a structurally weakened labor movement faced Ronald Reagan, plant closings and demands for concessions accelerated the decline. Organized labor's absolute and proportional decline over decades in which the labor force itself grew dramatically suggests that the hoped-for resurgence does not lie in awaiting a liberal-populist reprise of the 1930s or "waiting for Lefty." Reagan created obstacles, but he possessed no supernatural powers. Rather, as Daniel Bell argued in 1959 in his prescient book *The End of Ideology*, when labor had then organized about 30 percent of the work force: "But in organizing this 30 percent, they have reached a saturation mark: they have organized as much of their potential as they can."

Bell pointed to the difficulties of organizing

small remaining unorganized workplaces in the industrial and service sectors and thought that economic realities would limit labor's expenditure of vast sums of money for small potential returns. He also argued that the potential increase in membership in distribution and transportation would benefit such unions as the Teamsters; but that growth would be offset "by the shrinkage in the industrial work force" overall. Bell also argued that labor's failure, evident even in 1959, to organize the white-collar sector would continue; profound gaps between white- and blue-collar workers would make it almost impossible to achieve an alliance. To all this he added the limits imposed on collective bargaining by the necessity of tying wages to productivity (which, as John Hoerr makes clear for steel, was not always achieved) and the changes occurring in the working class as it increasingly went from a proletariat that worked for hourly wages to a "salaried" class, with a consequent change in the psychology of the workers." If Bell is right—and I think his analysis holds up remarkably well—then a structural transformation occurred over these last decades that undermines the hope that time is on "our" side.

What then is the nature of this structural change and how does it affect the possibility of a resurgence? Perhaps the most important difference between the 1930s and the 1990s is that in the 1930s the economy sat on the edge of an enormous industrial expansion that produced goods, services, and new jobs in unprecedented numbers over the following decades. During the 1960s, however, that situation began to change. The manufacturing sector lost ground to the white-collar and service sectors, with a consequent loss of jobs in the most unionized sector of the economy.

Simultaneously, in steel, auto, rubber, textile, and other industrial sectors, American producers lost technological leadership and market share to foreign imports, primarily from Japan and Germany, but with Hong Kong, Korea, and Taiwan highly competitive as well. The key to this change lay in what the Japanese were able to achieve: high quality goods, with low production costs, and the ability, with

highly flexible structures and work rules, to adapt quickly to changed demand. Given this evolution in production, blue jeans or steel beams produced abroad could be more than competitive on the American market. In an increasingly international market, American industrial producers often found themselves at a competitive disadvantage: either they continued to lose ground to the imports, attempted to transform their production methods in the Japanese image, or sought relief in protectionist trade policies. In any case, the loss of union jobs remained a constant.

Labor's response to this change proved inadequate, as indeed did management's as well. For too long each side squared off across the rhetorical divide of class conflict, with a weakened labor movement, not surprisingly, faring poorly. When labor did join with industry, moreover, the uneasy alliance most often assumed a defensive, nationalist posture, demanding a protective tariff high enough to prevent "dumping" of high quality, low-cost products. Bound by its own historic suspicions of state involvement in the economy, labor made few sustained efforts to develop a coherent industrial policy in either the corridors of power or in the public arena. In any case, these alliances quickly broke down. Competing business interests (and not just the Reagan administration) made protectionism a highly controversial public policy. Those firms able to compete in the revamped international market demanded free trade so as not to be excluded from lucrative foreign markets. In auto, for example, any tendency toward "Japan-bashing" quickly gave way to cooperative efforts between Japanese and American manufacturers. That American corporations used this transformation to further weaken unions in their industries and to undercut hard-won gains in wages and work conditions is true; but it is not the only truth. In order to stay competitive within capitalism's global framework, fundamental changes were required, lest more jobs be lost. In the absence of a public consensus that would provide, under government aegis, joint labor-management oversight of basic industrial policy—an absence with roots in American political culture far deeper than

Ronald Reagan—"free market" concepts dominated the (de)regulation of this transformation.

The central problem that the union movement faces is not that the employers did not play fair. Critics who yell foul at management's hard-ball policy forget the intense antagonism that has usually marked American industrial relations. We have to face it: labor's central problem has to do with the fact that, whichever way it turns, it faces bleak alternatives. To continue in an adversarial mode and engage management in direct conflict promises little success. Production can be shifted, strikebreakers introduced, new technologies substituted. But it is not at all clear that accommodation with management will bring better results. In auto, for example, a decade-long experiment with labor-management cooperation has been quite successful in preserving some jobs, increasing quality, and streamlining production. Yet the domestic auto industry and the UAW remain highly vulnerable to competition, especially from Japan. As of summer 1991, American auto producers continued to lose market share to Japanese models; while the UAW remained unable to organize the Japanese "transplants" that increasingly dot the American landscape. These twin losses, coupled with a sluggish economy, produced the inevitable: in an industry with serious efforts at cooperation, General Motors announced last summer that it would close two more plants by 1993, at a cost of an additional 3,500 jobs.

Since 1988 eight GM production plants have closed, directly as a result of Japanese competition. While the UAW leaders claimed that GM was "dishonest, callous and just plain dumb," and called for restrictions on imports, the underlying reality was worse. At the nonunion transplants, wholly owned subsidiaries of Japanese corporations, production increased, quality was high, and a relatively satisfied work force has, to date, rejected union organization.

Under both Democratic and Republican administrations labor has lost ground. Unable to stem the loss of membership or to achieve labor law reform under any administration from Harry Truman to George Bush, labor has endured—barely. Organizing drives in Los Angeles during the 1960s and in Houston in the

1980s simply petered out. By 1988, according to Courtney Gifford, less than 10 percent of the working class under age twenty-five held union cards; of those between twenty-six and thirty-four, a paltry 15 percent. Even more difficult were the alterations in basic industry. The UAW lost over three hundred thousand members between 1980 and 1988. Still more disturbing is that the losses since 1988 have cut into the core of the union's membership, affecting production workers with significant levels of seniority. Indeed, the UAW seemed to have recognized these realities in the last contract round when it bargained for income, rather than job security, in the form of extensive financial benefits for displaced workers.

In steel and rubber, the conditions are actually worse because neither union has been able to achieve the security the UAW obtained for its members. While public sector unions continued to grow during the 1980s at a good rate (Service Employees International Union increased by 17 percent between 1980 and 1987), unions in the private sector hemorrhaged. In that same period the Steelworkers lost 58 percent (over seven hundred thousand) of their members, the Machinists lost 32 percent, the Carpenters 22 percent, and the Electrical Workers 23 percent.

The transformation of work and the demands of international competition have produced structural changes in the economy. Computer technology now allows banks and major corporations to have work forces in Ireland, Barbados, and Singapore process the personal checks of New Yorkers and the medical claims of union members covered by commercial insurers and to maintain the circulation files of major publishers.

Labor's valued post-1945 "social contract" with employers now seems a product less of a permanent social change than of a particular historical moment. Hammered out during a time of American economic dominance, this "contract" has clearly become a casualty of the economic restructuring. It is to preserve and restore central aspects of that "social contract" (livable wages, affordable medical insurance, pension and vacation benefits, and so on) that leads many to turn to the political arena. They hope to achieve there what has been lost in the

economic struggle. Here too, however, labor's position is far more tenuous than it once was.

For forty-four years the labor movement has been unable to repeal the most offensive aspects of the Taft-Hartley Act, passed over Truman's veto in 1947. Through both Democratic and Republican administrations, in the heyday of liberalism as in the depths of Reagan's reverie, labor has been unable to amend what its leaders have called a "slave labor bill." This failure was long understood as the consequence of an unholy, regressive alliance between southern Democrats and northern Republicans. Labor's voters, generally held to be liberal and progressive (even if historically some 30 percent voted Republican), formed the backbone of the Democratic party. But by the Reagan years that distinction no longer held true. In the 1984 national election, which saw the reelection of Ronald Reagan in the wake of the PATCO strike and other overt anti-union policies, slightly more than 40 percent of trade unionists voted for the Reagan-Bush ticket. How, after four years of Reagan, could some 40 percent of organized workers and their families vote for one of the most openly anti-union presidents in recent memory? What does such a vote indicate about labor's internal composition? Answers to such questions do not encourage optimism.

Those who would look to the 1930s, explicitly or not, as a model for reform-in-the-making, would do well to consider some important components of that decade. Liberalism as a political movement was ascendant, spurred by the horrendous unemployment and the inactivity of the Hoover administration. Liberalism had a clearly identifiable premise: government had an important role to play in social and economic life. Tactically, New Deal liberalism, while containing within it many tensions and contradictions, possessed a central vision. As Thomas and Mary Edsall have written: "The original strength of Democratic liberalism was its capacity to build majorities out of minorities." It was within this framework that the CIO flourished. Itself a coalition of tendencies, the CIO, in tandem with the Democratic party, provided the organizational

focus for these newly mobilized workers who were shedding many of the ethnic differences that had, in the 1920s, hampered unionization.

But today liberalism as a political movement is adrift, discredited in the popular culture and lacking within itself a defining premise. Gone is the operating premise about the role of government in American life; absent is widespread support for a variety of social programs; diminished, too, is the belief that organized working people represent a progressive force in the society. Democratic congressional representative Jim Slattery of Kansas, who authored legislation in April 1991 that ended the rail strike over the opposition of the unions, expressed some of these new attitudes in explaining his bill:

I consider myself to be a representative of the blue-collar workers of America. But there are two basic factors to keep in mind. One is that the number of workers who are members of labor unions has dramatically declined. In many congressional districts there are more small businessmen and women than there are members of labor unions. Second, in the last ten years, with the emergence of political action committees, the Democratic party is less dependent on the contributions of organized labor than it was fifteen years ago.

The fact that liberalism has always been a practical political philosophy underscores the very crisis labor confronts today. Political rhetoric is no substitute for the necessary ward and precinct captains committed to a specific social program. There are many Jim Slatterys who now respond in ways dramatically different from what their predecessors did in the 1930s or 1940s. They do not fear retribution from labor or from Democratic party leaders for violating party discipline. The former has little ability to punish while the latter has no defined position on labor policy that would provide a reason for such discipline.

As labor has never been a majority force in American society, the inability of liberalism to maintain coalition politics is of profound importance. Over the last half century liberal legislators and trade unionists joined to support a governmental social program. But as communities across the nation have lost important portions of their tax base because of economic

restructuring, the pressure on city and state governments to raise taxes has intensified, especially in light of federal cuts in social services. This has greatly strained labor's traditional coalition politics. Both trade unionists and unorganized working people, especially in the private sector, have been quite vocal in their communities (New Jersey, for example) in resisting new taxes or transfers of what they perceive as their diminishing resources to poorer residents. Simultaneously, some public-sector workers in New Jersey were so infuriated with Democratic cuts in social spending that they threatened to run independent, union slates in the legislative elections. "This is the end of the relationship between the Democrats and the labor movement," Robert Purcell, regional director for the Communications Workers of America, announced. But lest one think that this signaled the long-awaited return of "Lefty," a reporter asked Purcell whether labor had many friends among the Republicans. "I'm not sure we ever had a lot of friends among the Republicans," was the reply. "But if we are going to get hurt, we'll take a lot of people down with us." Purcell's comments reflect more than personal pique. In such an atmosphere, coalition building frequently falters or is never attempted.

Central to this divisiveness within labor, as in the larger society, has been the issue of race. It is not irrelevant that black unionists make up an ever larger percentage of public-sector workers or that the recipients of such government programs are widely, if erroneously, perceived as the black or Hispanic poor. The effect on labor's electoral efforts is troublesome. In the 1984 national election, labor's problem was not just that 40 percent of its members and their families voted Republican. When broken down by race these figures reveal that more than half of all white union family members pulled the lever for Reagan-Bush in 1984. The Democrats did as well as they did within labor largely as a result of the black vote. These statistics, essentially replicated four years later, suggest that the problems of building coalitions even *within* labor's diverse membership will be incredibly difficult.

Since 1964 white men in general, northern and southern, workers and employers, have left the Democratic fold in large numbers. Although nationally the Democratic party still maintains a lead by a small margin, the Republicans have edged ahead for the first time in two generations among white voters and among all voters under forty. In contrast, less than 10 percent of blacks list themselves as Republicans. Affirmative action, welfare, the problems of the underclass, urban crime—these and other issues have effectively, if viciously, been used by Republican candidates to make serious inroads into traditional liberal constituencies, and specifically within labor's ranks. It is not as if all these whites are racists, although racism does explain a good portion of this reaction. Rather, as Jim Sleeper has argued in *The Closest of Strangers*, white workers themselves are hard-pressed economically, threatened by crime and neighborhood decay, and have received little understanding from liberals. Long before liberalism imploded upon itself, many of these workers already thought it was a bankrupt political force. As for organized labor, it has had neither the energy nor the vision to address these issues within its ranks.

Thus, at a time when the need is greatest, the ability to build liberal coalitions is weakest. Ethnic and racial divisions abound and, in some quarters, even to hint at the potential for uncovering common ground is cause for scorn and rejection. A depressing moment, to be sure. Is there anything, then, that might be done?

One foundation for the reversal of this situation may rest, paradoxically, in the recognition that no quick or immediate solution exists. Offering credit cards, for example, in an effort to gain the confidence of nonunion workers is at best a timid response that diverts attention from the depth of the problem; at its worst, it confuses the role of the union with that of the consumer culture. The nature of production may be changing, but unions must focus their energy on workers' relationship to production nonetheless.

It might be useful for labor to take this moment of structural change and organizational weakness to reassess its vision of a possible American future. The experience of the municipal unions in 1991 in New York City's

ongoing fiscal crisis may be instructive here. The public emphasis on the old, hoary slogan, "Tax the rich," actually worked to undermine the possibility of using that very crisis to (re-)build a broader coalition of working people. While the slogan contained a certain elementary truth (tax laws are not equitable), it appeared to deny the economic restructuring that has transformed the tax base in cities and states. Its claim of justice for one segment of the work force, moreover, rang hollow for the overwhelming majority of workers who fell outside such union contracts. Higher raises for teachers may seem easy to justify; but if they come at the expense of classroom size and the quality of instruction for the overwhelmingly nonunion working-class children of New York's public school system, these increases pose a long-term problem for the teachers' union, for the labor movement, and, not least, for the children themselves.

Unions traditionally fight for their members, but in this context the flourish of combat was counterproductive. Given that raises and improved conditions for pupils in the schools could not both be achieved in the same fiscal year, the teachers' demands appeared to many, working people as well as middle class, as narrow, selfish demands from relatively well-paid city workers. These raises in turn established the plateau sought by other city workers, with the painful result that whatever shreds of broader political vision labor could claim lay tattered in the streets.

But there is another option, one that would both recognize the seriousness of the crisis and begin the revival of labor's self-esteem. Had the unions used that moment to raise in public discussion and at union meetings the interdependency of *all* working people, a different political vision might have emerged. If, for example, teachers and hospital workers, social workers and janitors, jointly discussed both their needs and the effects of such demands on others, including the recipients of their services and working- and middle-class taxpayers, two possible results might have emerged. Labor could have taken a giant step toward being perceived, for the first time in a generation, as a positive force in the lives of unorganized working people; and out of those ideas an

alternative public policy position might have emerged. However understandable may be the urge to protect one's members, labor in New York nonetheless lost the opportunity to claim a more important goal in speaking for a common good and a common vision. "Share the pain" might have been the slogan; a sharp, informed analysis of the inequities in determining winners and losers in this quite real fiscal crisis across all segments of the city's people might have been the trenchant, underlying message. Even if it lost in the immediate moment, the fact that organized labor transcended its tendency to equate the needs of its ever-diminishing membership with those of all working people would have provided a foundation for further education and activity.

To call for a broad public debate within the house of labor, a debate premised on the recognition of that interdependency, is not to suggest that labor cede its efforts at organizing. Rather, it is to argue that those efforts will not, on balance, be successful without an effort to reposition labor at the core of working people's lives. A recent study by Hank Farber of Princeton University suggests why. Farber found that, among nonunion workers, job satisfaction increased and/or these workers remained unconvinced that unions could offer solutions to what dissatisfactions they had. To attempt to regain that position of importance labor needs to encourage the development of an inclusive social vision within its own ranks that may then serve as a basis for appealing to nonunion workers. Such a vision would, to be effective, publicly recognize the scope of the economic transformation already accomplished. This is essential for labor's own self-education, for the last thing labor needs at present is (understandable) anger and misinformation. Such an effort would have the additional benefit of directly involving a larger portion of labor's own members in developing specific policy responses. National leaders and staff experts play an important role, but without a broader involvement the contradictory attitudes within labor will find few avenues for resolution. The tensions that exist between public-

and private-sector workers need discussion, as do the effects of the public sector's political decisions on the private sector's economy. These issues of industrial policy are simply too critical for labor not to develop regional and national voices projecting an informed social analysis. Such efforts will not secure labor from further immediate erosion but they may provide ideas necessary for a rebuilding in the future. Finally, this public recognition of that interdependency may provide a way to address more frankly the divisive issue of race within labor's ranks.

To achieve such a vision it is not necessary to transform the labor movement into something it traditionally has not been. It is a profound irony of present circumstances that a labor movement that has been for so long pragmatic and narrow in enunciating its interests must now expand its vision if only to protect that narrower set of interests. Nor is it necessary for labor to transform itself organizationally to initiate this debate. Although national leaders can and should encourage such discussion, it is at the local level where the critical change must occur. In existing shop-steward councils, in the infrequently used one-to-one programs between stewards and the rank and file, and in labor and labor-community coalitions already in place the structures exist to generate a discussion of possible responses. That labor by itself cannot dictate public policy should not paralyze these efforts; nor should the seeming invincibility of that Republican ascendancy bring only gloom. If only by default, labor may be one of the few national institutions able to serve as the incubator of a new liberal coalition. At a minimum such an attempt will provide labor with an understanding of the present depressed circumstances that will guard against greater demoralization. As Vaclav Havel wrote: "No political defeat justifies complete historical skepticism as long as the victims manage to bear their defeats with dignity." Poised as we are at a moment when the strength of the contemporary labor movement is fast approaching its pre-1918 level, the specter of widespread skepticism is the most frightening possibility. □