Advantages of Backwardness: Lessons for Social Europe from the American Labour Movement

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Abstract

[Excerpt] In the crisis of declining union influence, the United States has played a vanguard role. The weakness of labour in the U.S. has opened the door to the neoliberal policies developed here and then imposed on the global economy. More recent efforts to revitalise the labour movement aim, among other things, to reverse such policies. In suffering union decline and grappling for new strategies, we have what Alexander Gerschenkron once called the ‘advantages of backwardness’. Ironically, European unions and social democrats can perhaps derive lessons not only from our failures but also from our efforts to turn the tide.

Keywords
labor movement, decline, social democracy, Europe, unions

Disciplines
International and Comparative Labor Relations | Labor Relations | Unions

Comments

Suggested Citation

Required Publisher’s Statement
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The European Union has many admirers around the world, including here in the United States, in the neoliberal heartland. Many of us view the idea, if it is not always the reality, of Social Europe as a benchmark for human-centered economic integration in a global economy. We look to our ‘old European’ friends for inspiration, as we endure the collapse of our own lame-duck regime and look to a better future.

Yet we know all is not well in Social Europe. Social democrats and trade unionists struggle to impose a social model on what is essentially a project of market integration. Social standards are inadequate at the European level, even as they are weakened at the national level. The pages of this and other journals are filled with criticism of the underdeveloped levels of democracy, inclusion, legitimacy, and labour and social standards as the European project proceeds – or more recently, stalls. Experts, officials and activists call for reforms in all these areas, to embed social rights and standards more deeply in processes of economic integration.

It is not my intent to enter these discussions by way of policy recommendations or suggestions for reform. The last thing Europeans need at this point in history is more Americans telling them how to do things. What I do want to suggest, however, is that progressive reforms, whether in Europe, the U.S., or anywhere else, are dependent to a significant extent on the strength of trade unions and their capacity to promote standards and reform policy, at local, national, regional and international levels, based not only on a defense of existing standards but also on a vision of expanded democratic participation in political, economic and social decision-making processes of all kinds. The weakened influence of unions in so many countries around the world, including Europe, is a major factor that has permitted the spread of what Joseph Stiglitz and others have called ‘market fundamentalism’, and at the same time limited the potential expansion of social standards.

‘Progressive reforms are dependent to a significant extent on the strength of trade unions and their capacity to promote standards and reform policy, at local, national, regional and international levels’
In the crisis of declining union influence, the United States has played a vanguard role. The weakness of labour in the U.S. has opened the door to the neoliberal policies developed here and then imposed on the global economy. More recent efforts to revitalise the labour movement aim, among other things, to reverse such policies. In suffering union decline and grappling for new strategies, we have what Alexander Gerschenkron once called the 'advantages of backwardness'. Ironically, European unions and social democrats can perhaps derive lessons not only from our failures but also from our efforts to turn the tide.

Institutional change
While employer opposition and government policy drove union decline in the U.S., unions must also bear responsibility for their inadequate strategic response. The institutional literature, including its latest 'varieties of capitalism' incarnation, obscures the fact that New Deal institutions once incorporated American unions in a recognized position within the political economy. Labour movement upsurge in the 1930s drove institution building and processes of inclusion – never as strong as postwar social partnership relationships in northern Europe but quite substantial nonetheless. What can be won, however, can also be lost. This is the challenge now facing many European unions, as membership declines along with economic and political influence, even in countries where unions remain anchored in strong labour institutions.

Thus a varieties-of-capitalism breakaway literature on institutional change, associated, for example, with the work of Wolfgang Streeck and Kathleen Thelen, identifies the incremental hollowing out of once strong institutions of social policy and economic regulation. Over time, incremental changes at the national level lead to transformation, in ways hardly favourable to the building of a social Europe.

In a market economy, labour and social institutions I would argue need periodic revitalization through pressure from the grassroots. The social movements of the 1960s, for example, applied pressure that strengthened national labour institutions, most dramatically in Italy but in Germany and other countries as well, and opened the door for a period of social activism in the 1970s at the European level.

One problem for contemporary social institutions and policies of the E.U. is that they have been built up over the past 15 years without the pressure of grassroots mobilization. For labour such institutions include, for example, the welcome expansion of the European Trade Union Confederation and the spread of European works councils – but largely from the top down. In a 1996 article in the European Journal of Industrial Relations, I called this 'structure without action'. The argument, and the hope, was that European-level labour structures would open the door for the grassroots engagement necessary to breathe life into the new institutions. Examples today include recent Europe-wide actions organised through the European Works Council at General Motors. For the most part, however, European-level labour institutions have remained structures without enough grassroots action.

Proponents of social Europe have argued, in the pages of this journal and elsewhere, for expanded social rights, codetermination, a better balance between democracy and economic progress, a clearer vision for the European society of the future and its role in the global arena. These are grand ambitions for which success will surely require sustained struggle. Against great opposition in a context of global liberalization, real breakthroughs are unlikely without the active participation of large numbers of European workers and residents in campaigns for reform. And it is hard to imagine the mobilization of such participation in the absence of leadership from revitalized trade unions.

National strategies and grassroots mobilization
This is where the U.S. labour movement has lessons to offer. The dubious distinction of early, sustained decline has driven unions to experiment with innovation. In the 1980s and 1990s, efforts to build firm-level 'labour-management cooperation' largely failed, both to reform the workplace and to renew union strength. Concessions and cooperation from a position of weakness did little to revive a continually declining labour movement. More promising since the early 1990s have been comprehensive campaigns based on strategic union leadership, grassroots mobilisation and coalitions with other social actors.
Organising the unorganised is a central goal of many such campaigns. Given intense employer opposition to unions in the U.S., organising here is quite different from ‘in-fill’ in the U.K. or the recruitment of union members by works councillors in Germany. The latter two cases assume that unions already have a meaningful presence in the workplace, a reality that is less and less true as employment expands in weak-union sectors. In retail, hospitality, building services and information technology industries, for example, union presence is generally much weaker than in manufacturing. Private sector sales clerks, hotel housekeepers, security guards, cleaners and computer repair technicians are far less likely to belong to unions than are skilled factory workers, truck drivers, construction workers or public sector employees. At the same time, membership density even for the traditionally unionised is also dropping, in Europe as well as in the United States.

New strategies to rebuild union membership are necessary, both where unions have been strong and especially where unions are weak. Two examples from service sector organising in the U.S. illustrate possibilities based on innovative tactics and strategic, comprehensive campaigns. One is ‘Justice for Janitors’, a strategy developed at the national union headquarters of the SEIU (Service Employees International Union) when John Sweeney was president of that union in the 1980s. The campaign aimed to organise thousands of janitors in cities where conditions seemed right. The national union brought strategic guidance and a serious commitment of resources – money, staff, advice and other support. The local union used trained organisers to take the issues to the workers, who often responded with great enthusiasm. Demonstrations, rallies, and support from churches, community and civil rights organisations: such tactics brought the campaign into the open to win over local politicians and garner public support. Demands targeted building owners and large corporate tenants, insisting they take responsibility even though the workers who cleaned their offices were not technically their employees. Pressure came from many directions, including the ‘shaming’ of wealthy companies and their CEOs.

In Denver in 1986, Los Angeles in 1990, and in many other cities including a recent breakthrough victory in largely non-union Houston, owners and contractors were brought to the table and forced to sign management neutrality agreements. With employer opposition pushed aside, the union signed up thousands of janitors in each city case. The campaigns also resulted in spillover: in Los Angeles, for example, the Justice for Janitors victory became a launching pad for the revitalisation of the labour movement, now a powerful force in a city where unions had been significantly marginalized since the 1980s.

In Houston, Denver and Los Angeles, janitors are largely Latino, many of them recent immigrants from Mexico, and this is also true in other cities. Union organising efforts blended with immigrant rights campaigns, offering a mechanism for the mobilisation of excluded low-wage workers and their integration into American socie-
ity. In a society of great inequality, not only between rich and poor but increasingly between the rich and everyone else, Justice for Janitors offers a campaign model in which the interests of low-wage workers coincide with broader struggles for a socially sustainable society, a ‘social America’ if we dare use that term.

A more recent example is the Hotel Workers Rising campaign of 2006. In the U.S., hotels are typically organised and collective bargaining takes place on a city-by-city basis, at individual hotels or in some cases with a local association of hotel employers (which includes some but not all hotels in a given city). Thus some Hyatt hotels are unionised and some non-union, and each hotel in each city confronts organising campaigns separately and at different times. Extreme decentralisation makes it extremely difficult for the union to organise workers or bargain contracts.

Over a period of several years, the union representing hotel workers, UNITE HERE, negotiated contracts set to expire in the same year, 2006, in a number of major cities in the U.S. and Canada, including New York City, Boston, Chicago, Los Angeles, Honolulu and Toronto. San Francisco was already in the midst of a protracted struggle and was thus also included in the campaign. The union crafted a national strategy, to be implemented city-by-city, with the implicit threat of a national strike or rolling strikes at particular firms or cities, supported by solidarity actions in other areas. In each city, the union developed alliances of support with social actors, especially churches, immigrant rights groups, local politicians and elected officials, and with an extensive network of groups such as the Sierra Club, ACORN (Association of Community Organizations for Reform Now) and Jobs with Justice, itself a broad coalition of local unions and social justice organisations.

Because many hotel workers are housekeepers, most of them women working for low wages with few rights, many of them immigrants or African-Americans, the union was in this case also able to frame the issue in terms of social justice. Through press conferences, spirited rallies that drew large numbers of participants and attracted media coverage, through publicity within supporting religious, community and political organisations and by other means, the union was able to broadcast its message. The great advantages of union representation were highlighted: for non-union hotels, wages typically not far above the legal minimum with no health care or pension benefits; at union hotels, even belonging to the same company and sometimes in the same city, twice the wages with full health and pension coverage and in some cases training rights as well.

Because most large urban hotels are owned by one of the major chains, and because profits are accumulated at national and even global scales, companies had long been able to take strike losses at single hotels or cities without undue loss. The union, therefore, targeted the major companies – Hilton, Starwood, Hyatt, Marriott – with simultaneous campaigns across a range of large cities. Demands included not only pay and benefit raises at unionised hotels but, most importantly, neutrality agreements which allow the union to sign up workers at non-union hotels without major employer opposition.

By the end of 2006, the campaign had achieved significant success. Beginning in New York City, where hotels are most heavily unionised, and moving across the country, UNITE HERE won impressive settlements for its members, gained public and political support, and signed up thousands of new members. In many cases, the union also won management neutrality agreements, opening the door for many more new members in 2007 and beyond. Keys to victory included an innovative national strategy based on simultaneous campaigns across the country, led in each city by well trained staff committed on a full-time basis to the campaign: the active support of religious, community and other social actors as well as political organisations and officials; public support based on compelling demands for social justice; and grassroots mobilisation, the active participation of both union members and workers at non-union hotels, at demonstrations, informational picket lines and in ongoing organising efforts.

A final example concerns politics and election campaigns. Although labour’s numbers are low, unions have over the past decade increasingly mobilised members and their families to get out the vote. Together with environmental, anti-war, community and local political organ-
isations, African-American and immigrant rights groups, internet activist organisations and other allies, unions contributed significantly to the election of a Democratic Congress in 2006. And in a break with earlier practice, labour did so conditionally, case-by-case, based on explicit candidate support for labour’s agenda, from minimum wage to expanded health care coverage to fair trade (meaning trade agreements that include basic labour and social standards). Most importantly for the future of unions and a litmus test for labour support, unions demanded candidate commitment to the Employee Free Choice Act (EFCA) legislation, designed to remove major employer-led barriers in the way of union organisation and growth. In the new Congress, the House of Representatives passed this critical piece of legislation soon after taking office in early 2007. Although our current president would never sign such a bill, the groundwork is laid for a better outcome after the 2008 elections – for which unions will mobilise like never before. Again keys to success are national strategy and resources, local mobilisation, and broad alliances with other organisations.

A final note: many European unionists and social democrats are puzzled by the 2005 labour movement split, resulting in two major federations, the AFL-CIO and Change to Win (CTW). That story is too long to tell here. But the reality is that although SEIU and UNITE HERE (the unions that led Justice for Janitors and Hotel Workers Rising) are CTW unions and that federation has made the strongest commitment to organizing, a parallel expansion of innovative organising is also on the agenda at the AFL-CIO, including unions such as the Communication Workers of America (CWA) and the United Steelworkers (USW). And the two federations have worked together on the political front, each of them devoting massive resources to voter education and get-out-the-vote drives in the 2006 elections, with more to come in 2008. Both federations are actively campaigning for EFCA, with its promise to kick open the door for renewed union growth.

Transatlantic Social Dialogue

My argument is not that these organising and campaigning strategies are directly transferable to Europe – any more than we can adopt works councils legislation to strengthen labour’s hand any time in the foreseeable future. Rather I believe that new strategies, based on innovative activism on the part of unions and workers, perhaps drawing a few lessons and some inspiration from current union efforts in the U.S., could strengthen unions and thereby help to revitalise the social Europe project. The British Trades Union Congress, for example, used lessons from U.S. organising efforts to build an Organising Academy in the 1990s. Over the past two years, the Transport and General Workers Union has for the first time hired large numbers full-time organizers. The T&G has also worked with SEIU in common efforts, to organise cleaners at Canary Wharf and in other campaigns.

In April of 2005, I attended a remarkable week-long conference called Never Work Alone, hosted in Hamburg by ver.di (the consolidated service workers union in Germany) and co-sponsored by the Hans-Böckler-Stiftung and the School of Industrial and Labor Relations at Cornell University, organised together by ver.di and OrKa, a small consulting firm dedicated to the spread of organising and campaigning strategies among German unions. Activist-minded ver.di officials drew on an earlier successful campaign at the Schlecker drug store chain, a 1994-95 comprehensive effort – led by HBV (the banking, insurance and retail union that merged into ver.di in 2001) in Mannheim – that looked very much like Justice for Janitors and Hotel Workers Rising in the emphasis on innovative strategy, grassroots engagement and coalition building. Conference planners invited organisers from SEIU, UNITE HERE and CWA to

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share experiences and offer lessons from their own successes in the U.S. It was clear that Verdi officials in attendance, including the national vice president, were impressed. Verdi subsequently hired its first full-time organisers, to target building security guards in Hamburg, and invited an SEIU organiser to spend a year working with them on the campaign.

Such experiences have also laid the groundwork for nascent transnational campaigns to organise workers in building services (cleaners, security guards and maintenance workers), food service (for cafeterias, workplaces, schools, stores), hotels and retail stores, aimed at multinational corporations doing business on both continents. Although breakthroughs take time, organising and campaigning strategies offer possibilities for strengthening labour movements on both sides of the pond.

**Labour and the revitalisation of social Europe**

None of this is meant to imply that unions in the U.S. do not have more to learn from European unions than you do from us; from social policy to labour institutions and labour market regulation. In most countries, European unions have much stronger institutional anchors on which to build renewed union growth, if and when this becomes an organisational priority. In Nordrhein-Westfalen, for example, IG Metall has developed an innovative strategy based on proactive plant-level negotiation, ‘besser statt billinger’ initiatives, and member recruitment. The regional union in NRW considers the latter to be most crucial, the key benchmark by which other strategies are evaluated. The heightened priority on membership growth is new for IG Metall, as it would be for many European unions. Aided by export strength and renewed economic growth, there are significant signs of success. The active training of works councils and union members to recruit new members parallels the American emphasis on organising the unorganised, in a far more favourable context that includes institutional support and a tradition of union strength. This is the kind of strategy that many more European unions could be taking.

An important point to repeat here is the emphasis, in the United States, on organising low-wage workers. This makes great sense in the U.S. given the vast ‘low road’ portion of our economic structure (from unprotected day labourers to Wal-Mart ‘associates’). Here again we have the advantages of backwardness, for what is now also a growing concern in Europe as inequality there increases. Union organising can raise the low-road threshold, improve living standards for millions of underpaid workers, and promote broader social integration. Especially important in the U.S. case is that so many of these low-wage workers are women, immigrants and from racial or ethnic minorities.

In the previous issue of Social Europe, Jürgen Habermas called for policies of inclusion for the growing numbers of immigrant and migrant workers and families in countries throughout the European Union and incidentally mentioned that Europeans can learn something from the U.S. in this area. Union organising drives that target such workers are a potentially powerful mechanism for social inclusion. Contrary to popular belief, organisers in the U.S. have found that immigrants and women are in fact more receptive to joining unions than native-born white male workers, when unions reach out to them. This is also consistent with what we know about native-born African American workers, who have long been the most receptive population group in the U.S. when it comes to union organisation.

While low-wage workers are most in need of union representation and the civic integration that unions can offer, union organising and collective bargaining are also much needed in mid-range jobs, in health care, education, transportation, construction, telecommunications, light manufacturing and more. Strategies must be appropriate for particular industries and occupations, but comprehensive campaigns of one kind or another have clearly demonstrated potential at many levels in the U.S. Thus efforts to organise nurses, bus drivers and flight attendants often look quite like the campaigns aimed at janitors and hotel housekeepers. It must be said that neither these nor any other strategic approaches have yet reversed the decline of the American labour movement. Innovative organising and campaigning efforts, however, have breathed new life into the movement and offered the best chances for a revival of membership and influence.

The main point of this article is not to suggest that European unions adopt organising and
campaigning strategies developed by unions in the U.S., except where such approaches make sense to leaders and activists. Rather, the central argument is that active grassroots participation, in political, economic and social reform projects, is an essential component for the revitalization of social Europe, and in such efforts innovative unions have an important role to play. Transparency, electoral and institutional reforms, a constitution with clearly defined social rights, stronger directives and regulations for social and labour issues – all of these are important. Coming largely from the top down, however, such reforms are unlikely in themselves to relaunch a project of European integration that addresses not only the expansion of internal markets and external influence but popular legitimacy and support as well.

In the development of new approaches that combine strategic leadership, grassroots engagement and broad social alliances, European unions and other social actors just may find useful lessons from the crisis-driven innovations of their counterparts across the sea.