Imagining Unions

Joel Rogers and Charles Sabel

Unions are in serious trouble in the United States, and despite the efforts of President Obama, Stuart Scheler, Krist Rudruskas, and Allison Potter and Richard Benjamin, their current trajectory is grim. Private sector union density (the percentage of the workforce that is unionized) has fallen to a pre-New Deal level of eleven percent, collective bargaining is now about "givebacks," and the national political profile of unions is visibly shaky — even in the Democratic administration they just spent tens of millions of dollars getting elected.

Along with members and class, unions have lost social esteem. Most Americans actu-actually like unions (if not their leaders), but correctly view them as increasingly ineffec-tively representing the interests of working people. Unions, now treat them with contempt. And liberal "new class" professionals try not to think about them at all. Among friends and in the media, unions are routinely en-gaged as social dinosaurs. Appropriate, per-haps, to an age of manufacturing, white male workers, mass production, and class struggle, but not to a service economy. The once-majestically dominated by women and racial minorities, allegedly heading toward a "blue-collar workplace" in which all workers are "emancipated" and management is just the new other. Few outside the labor movement see unions as part of the solution to current economic and social problems. And if you're not seen as part of the solution — well, you're in deep—

International comparisons underscore the depth of American labor's current weak-ness. The United States now has the lowest effective rate of unionization in the developed world. And now, as ever, it lacks those other institutions — work-based political parties, mandated "works councils" or other forms of worker representation inside the firm, or general wage regulation — that else-where supplement government. As a result, unions are more "union free" than any other rich nation. And by any measure, it shows — in the lowest level of general social protections (e.g., health insurance), lowest level of wage regulation, income inequality, and working class electoral ab-sence from the developed world.

While labor's pain is shared by the United States is particularly excruciating, however, they are not unique. Worldwide, the "forward march of labor" has been halted or reversed. Virtually all rich nations show a decline in union density since 1980. Deep fissures have appeared within unions and union federa-tions. Union solidarity and collective bargain-ing have widely collapsed. And labor's stature within social democratic parties has been sharply curtailed, even as those parties formulate strategies to restructure.

In thinking about the revival of unions in the United States, this international pattern suggests that more will be needed than to address the special difficulties labor faces here. We completely agree with Larry Cohen on strengthening the right to organize, with Allison Potter and Richard Benjamin on the need to devise more resources to or-ganizing, and with Krist Rudruskas on the need to develop new models of how organizing is done. We also recognize and respect the fact that any American unionist would kill for the problems of the Swedish or German labor movement. But the worldwide decline of labor suggests that improvements in labor law or union organizing efforts, essential as they are, will probably not be enough to re-store labor's position in American public life. After all, labor law and organization are al-ready better elsewhere, and unions are still in trouble. A more fundamental rethinking of labor's position is in order.

Labor is in trouble around the world because a particular set of political and eco-nomic institutions that once gave it power — unionism, social democracy, the welfare state — are coming unstuck. We believe, despite this change in circumstance, that the basic func-tions unions perform remain absolutely es-sential to democracy. That past arrangements can be understood in ways that are instruc-tive about the general requirements of union strategy, and that the broad outlines of vi-tal governance strategies therefore remain re-quirements are visible. We believe, in short, that it is both necessary and possible to imag-ine unions once again. This is what we refer to as the resurrection of labor.

Necessity and Possibility

Forget about Hoffa and pinky-rings for a moment, and consider unions in the ob-struct. What are they? They are the most ba-sic (in America the only) independent, collective organizations of workers in the economy. Their central purpose is to repre-sent workers in the organization of produc-tion, and to assure a more fair distribution of the benefits and burdens of economic co-operation. So described, unions are mani-festly necessary to a democratic society.

Democracy means something like "every-body should have an equal say in how things are run." But that union power by any mea-sure, we are more union free than any other rich nation. And by any measure, it shows — in the lowest level of general social protections (e.g., health insurance), lowest level of wage regulation, income inequality, and working class electoral ab-sence from the developed world.

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DEMOCRACY PROJECT

The New Face of Unions

American firms were naturally drawn to it in the 1980s because union weakness kept it available, and because the American skilled workforce relied on for generations of "assembly line" mass production provided a weak basis for more advanced and versatile production strategies.

A further response — more common in Western Europe — was to compete on quality and product differentiation rather than price. The basic idea here was to allow skilled workers to operate sophisticated machinery, to customize products to customers' needs. Although goods made this way cost more than the mass-produced versions, buyers would pay a premium to get what they want more than covers the difference. This "high-wage, high-skill" strategy is now catching on for domestic and lines of work not formerly thought possible.

Today, however, the line-up between countries and strategies is much less clear. Both American and European firms discovered hidden ideas as their strategies. Now they borrow from the other's model.

The news from the United States is that American manufacturers are adding value to their existing goods and not just building new ones. As a result, they are moving out of competition on price and toward competition on quality and product differentiation. The focus is on maintaining a strong position in the market. The result is that domestic and global competition is increasing, and the demand for skilled workers is growing.

Instead of just competing on price, firms are now competing on quality and product differentiation. This is a good thing, because it means that firms can succeed by producing high-quality goods for a premium price. It also means that firms can compete on price, but only if they can offer something that their competitors cannot.

The new face of unions is one of cooperation and negotiation, rather than confrontation and strike action. This is a positive development, because it means that unions can work with management to improve working conditions and to negotiate better wages and benefits.

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A World Regained

What can unions do? To survive and prosper in the new system, unions must create and occupy a place analogous to their old one. That means, again, that they need to serve their members' interests in a way that also serves the interests of the broader society (and particularly because it serves both) enables labor to claim to advance a general will that stands above the special pleading of any one group or individual. What does this new face look like, given the restructuring underway?

Take the first of the problem of serving members' interests. In the old system the unions provided jobs. In the new system the unions must provide job security through a combination of Keynesian demand management and internal labor market administration. As we have just seen, difficult to do (choosing macro-economic demand and the internal structures of the firm make that much more difficult today). Accepting this, the alternative is also bleak for the notion of job security, and to develop mechanisms of insurance rooted more in "effective supply" than effective demand. Instead of trying to defend a system that is being eroded, a new unionism would seek to ensure workers' power in fluid times. The way to do this is to provide all workers with the advanced technical ("high-tech" or "new"") training and counseling needed to assert power in the design of the work teams in which they are increasingly employed, and to move firmly to block or counteract if their current employer goes under.

Notice that while workers desperately want such training and counseling services, there is little likelihood that firms themselves will provide the services. After all, the firms are busy forming cost and profit centers precisely because they have no idea what is working well enough to justify additional investment. Notice too that such services cannot easily be provided by firms if they might be funded by the state, which is certainly no more able than firms to ascertain the costs of services needed. They will need to be provided by the institutions that are both actually rooted in the economy, extend across the population of firms, and have workers' interests chiefly in mind. In short, they will need to be supplied by the state.

Unions cannot equip members for careers independent of particular firms, however, if compensation and work rules in the corporate sector have become so uneven and diverse that no one with an acceptable job will dare to move. This problem, familiar today from the way people cling to jobs to preserve firm-based pension or health benefits, can only be solved by generalizing compensation and organizational practices. Barriers to mobility arising from the cross-firm differences — in performance review or dispute-resolution procedures, stock option plans or opportunities for skill acquisition, and compensation itself — that have in part arisen from decentralization now stand as a barrier to worker mobility. Just as unions can serve members' interests by making their skills more versatile, they should serve them by pressuring both firms and government for greater uniformity in the conditions of compensation (itself increasingly tied to skill and employment).

Here again, notice that unions have unique capacities to perform this role. If they are in touch with their members, they will have a much better idea than government officials or managers about just what underlying standards of equity need to be
respected in establishing "comparable" work settings. As institutions spread across firms, they will have a widening experience of different kinds of jobs that cluster into careers than even the most decentralized, joint-venturing corporation. Firms and groups of employees trying to reconcile differences sufficiently to establish a workable workplace could thus well look to the unions when conflicts arise over the definition and application of rules. Moreover, as institutions of workers in the economy itself, unions are indispensable vehicles for enforcing standards—with the local knowledge and capacity for disruption needed to play that role.

Next, consider how the interests of firms are advanced by this two-fold strategy of rank model unions. On the first—training and counseling—while members want a combination of technical and managerial skills to protect themselves against the risks of the labor market, firms would like to have a magic wand over their current workforce and have employees with precisely these skills readily available. The unions can help firms figure out how to make effective use of the vast public funds available for training, they can be the magic wand.

On the second—achieving comparability across firms in conditions of work and compensation—employers, too, have an interest in this goal. As firms decentralize and cooperate more and more closely with outsiders, there is less connection between who employs a person and where and with whom that person works. If an automobile manufacturer and an airfreight manufacturer co-develop a new product, a project group from one might easily spend six months on the other's site. Or, if a manufacturer firm subcontracts its information-system work to a data-processing firm, technicians employed by the data processor might work full-time at the manufacturing site. In such cases, cooperating firms are in trouble if they tell their respective employees to treat their new co-workers as partners, and then themselves treat the partners very differently. Without some generalization in work conditions, rules, and compensation, advanced forms of cooperation are far more difficult to enter into, manage, and fold when the task is done.

Just as in the old system, then, unions can play an economic role that both advantage their members' interests and solves economy-wide problems beyond the capacity of any firm. Organizationally, their doing so will inevitably require them to be adapted to a wider variety of worker interests than they are identified with at present, and—to make deals across diverse firms—to be more defined by geographic region and by economic sector. (Here, recent signs of revival among US-metropolitan central labor councils are suggestive.) At the same time, because people still work in particular settings (largely defined by firm-ownership) it is vital that unions extend the power of workers in such settings throughout the economy—linking sites where unions themselves have relatively few members. This will require getting the government to guarantee a basic level of worker representation. All these changes would give unions more of a "political" flavor than they have at present. At the same time, the immateriality of unions as innovative, moral, and national social agents of general belief will avoid them a fair degree of political

capital with the general public. People will see the "point" of unions more clearly than they do now.

In combination, these changes suggest a basis for a new political role for unions, at both the local and national levels, as advocates for the legalized social protection and supports needed to ensure equity as well as innovation. The welfare state needs to be moved from a job-based system to one of more generic social entitlements. Public programs—as in unemployment insurance and training—need to take full measure of increases in job mobility and risk. And, perhaps especially in the United States, the government needs to help spur industrial upgrading of the desired sort not only by rationalizing its services to firms, but by using its residual powers of direction (such as purchasing power, direct regulation of wage and production standards) to encourage movement in the right direction. New-model unions, as agents of the general interest, could play an important role in making sure that all this happens.

From Here To There Would such a transformation of unions be possible in the United States? In truth, nobody knows.

Certainly there are already promising ingredients of the new strategy in place: innovative union-led training programs; new models of organizing that seek to operationalize broader notions of community; a growing awareness throughout the labor movement that its real choice is not between passive "cooperation" and active "less adversarialism," but between the effective death of unions and their assumption of greater responsibilities for actually running the firms and the economy. And, certainly, there is a broad social interest in getting a better handle on the industrial restructuring that now harms workers' living standards. Reflecting this, the Clinton administration says it wants to promote the "high-skills, high-wage" path—even if it has thus far declined to push firms hard to do so, and even as it remains deeply ambivalent about the contribution of unions to making that happen.

But there are obvious obstacles as well. Redefining themselves as innovative agents of high-flex productivity would, for most unions, require considerable change in how they think about their jobs and change them, and that is often hard. The strategy outlined would also require a vast increase in union reach—implying substantially greater commitments to organizing, and willingness to work with new forms of representation in sites without majority support—and a vast effort to filter into their own operations the technical competence to perform this new role. Eventually, we believe, it will also require unions to be much more active than they are at present in promoting a genuinely independent worker politics, and to rely less heavily on their "friends" in the Democratic party to save them. And, first and finally, there is the opposition—amounting to a debate at times to an almost irrational hatred—of the business community.

So it will be a fight, as ever. All we have tried to suggest here is that the fight is winnable—there is a way, albeit schematically, that unions could see their way through to renewed importance and worth—and that almost everybody in America has a clear interest that it be won.

Democracy Project
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Prizes | $2000, publication of story in Fall 1994 GTS, and 20 copies of that issue, to winner. First/second runners-up will receive $500/$300, respectively, and honorable mention.

Open To | Any writer whose work has not appeared in a nationally-distributed publication.

What to Send | A copy of your original (1200-600 word) story, $10 reading fee, cover letter with your name, address, and the words "NW Short-Story Award for New Writers".

Important Details | Must be postmarked between Feb. 1 and March 31, 1994. No more than two stories per entry, and must be sent in the same envelope. Materials will not be returned, so no need for SASE. We cannot acknowledge receipt or provide status of any particular manuscript. Send SASE for guidelines.

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