The Future of the American Labor Movement

Coming at a time of profound change in the global conditions under which American organized labor exists, *The Future of the American Labor Movement* describes and analyzes labor's strategic alternatives. The analysis is broadly cast, taking into account ideas that range from the current European Social Dialogue to the methods of the nineteenth-century American Knights of Labor. There are a number of intriguing strategies, including worker ownership and labor capital strategies, that have potential for reviving the labor movement in the United States. This book demonstrates the necessity for a number of diverse strategies to be pursued simultaneously. For this to work, one has to think in terms of a broad *movement* of labor, consisting of diverse parts, held together by a clear idea of its purpose and a new structure. The treatment includes an introduction by Lynn Williams, former president of the United Steelworkers of America, and an interview with John Sweeney, president of the AFL-CIO.

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Professor Wheeler's publications include *Industrial Conflict: An Integrative Theory*, which was selected by *Choice* magazine as one of the Outstanding Academic Books of 1986; *Workplace Justice: Employment Justice in International Perspective* (coeditor); and articles in such journals as *Industrial Relations*, *Industrial and Labor Relations Review*, *Labor Studies Journal*, *British Journal of Industrial Relations*, *Personnel Psychology*, *Labor Law Journal*, and *The Annals of the American Academy of Political and Social Science*. He is a coauthor of the chapter on the United States in Bamber and Lansbury's widely translated text *International and Comparative Employment Relations*. Hoyt Wheeler is an attorney, having been a partner in the Charleston, West Virginia, law firm of Kay, Casto and Chaney, specializing in labor law. He is also a long-time arbitrator and a member of the National Academy of Arbitrators. He is active in the International Industrial Relations Association, serving as Rapporteur for its 1989 World Congress in Brussels, and is founding Co-Chair of its Study Group on Employee Rights and Industrial Justice.

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To Elizabeth Anne Dawson Scrivener Wheeler ("Liz"),
et le deuxième printemps.

If the reader discovers any reasoning in conflict with his own, let him not resort to abusive epithets in order to disprove what is said in these pages; rather . . . show wherein the error exists, that others may profit thereby.

Terence V. Powderly, Grand Master Workman, Noble Order of the Knights of Labor, 1889.

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Foreword

This is a point in the history of the American labor movement, and of labor movements throughout the world, when realities are changing rapidly – even cataclysmically. It has been said of such times that:

> ideas, economic and otherwise, grow out of . . . experience. When one stage of society meshes smoothly into the next . . . ideas are reshaped in a gradual and orderly fashion. In the case of a cataclysmic historical change . . . events leap ahead and ideas lag behind (Bernstein 1960: 262).

At present, events have indeed leapt ahead of ideas regarding the labor movement. For labor to cope with new and powerful economic and social forces, it is necessary for its ideas to catch up. It is important that this happen, given that the labor movement is at the very heart of American democracy.

This book is an attempt to facilitate the American labor movement's catch-up by identifying and analyzing ideas that offer some hope for it. As there is nothing new under the sun, almost none of the ideas put forward here are original in the sense that no one has ever thought of them before. Instead, they consist of a revival of old ideas, new combinations of ideas, changed emphases, and a restructuring of the ways that strategies are put together. Also, there is an attempt to figure out what is central to a labor movement and to suggest a new structure for it.

To the extent that this is a successful enterprise, its success is owed to the contributions of a large number of trade unionists and scholars. In Europe, in 1994, a round of European interviews began in Paris with Jerry Zellhoefer, European Representative, AFL-CIO; John Evans, General Secretary, Trade Union Advisory Council, Organization for Economic Cooperation and Development (OECD); and Dr. Ulrich Briefs, University of Bremen, Germany. In Antwerp, Belgium, there was an interview with Ferre Wyckmans, Adjunct General Secretary, LBC-NVK; and in Utrecht, the Netherlands, with Jan Peter van den Toren, Research Officer, CNV. In Brussels, it was David Foden, Research Officer, European Trade Union

Institute; Peter Coldrick, General Secretary, European Trade Union Confederation; and Jeff Bridgford, Director, European Trade Union College; and attendance of a meeting of the Trade Union Regional Network and a discussion with its Executive Secretary, Joe Mitchell (Joe Mitchell contributed ideas on other occasions as well). In London, there were interviews with Gavin Laird, General Secretary, Amalgamated Engineering and Electrical Union; and Mike Smith, Head of Press and Information, Trades Union Congress. In Geneva, the interviewees were Leon Lynch, Director of International Affairs, United Steelworkers of America; Jack Calamatta, Deputy General Secretary, General Workers Union, Malta; Angelo Gennari, Research Director, CISL, Italy; Peter Unterweger, Head of Automotive Department, International Metalworkers Federation; Mona Hemmer, International Secretary, AKAVA, Finland; Heli Puura, Jurist, SAK, Finland; Amaia Betelu, International Representative, ELA, Basque Country, Spain; Tom Etty, International Department, FNV, the Netherlands; Simon Steyne, International Officer, Trades Union Congress (TUC), United Kingdom; Rene Pizzaferri, International Officer, CGT-L, Luxembourg; Rosalynn Noonan, Workers' Adviser, New Zealand Confederation of Trade Unions (NZCTU) National Executive, New Zealand; and Dwight Justice, International Confederation of Free Trade Unions (ICFTU).

There were also a number of interviews in the United States. In Washington, in 1997, at the AFL-CIO there were discussions with Bob Welsh, Executive Assistant to the President; Jonathan Hiatt, General Counsel; Nancy Mills, Acting Director, Center for Workplace Democracy; and Ron Blackwell, Director of Corporate Affairs. In Washington, in 1997, there were also interviews with Gregory A. Humphrey, Executive Assistant to the President and the Secretary Treasurer, American Federation of Teachers; Tom Woodruff, Director of Organizing, Service Employees International Union; Frank Hurt, President, and David B. Durkee, Executive Vice President, Bakery, Confectionery, Tobacco Workers and Grain Millers International Union; Ken Edwards, Research Director, International Brotherhood of Electrical Workers; Evelyn Temple, Assistant to the President, and John Dunlop, Director of Collective Bargaining/Compensation, National Education Association; M. E. Nichols, Vice President, Communication Workers of America; Bill Luddy, Administrative Assistant to the President, and Denny Scott, Head, Industrial Department, United Brotherhood of Carpenters and Joiners of America; and Richard M. Bank, Special Counsel to the General President, and Paul Boldin, Research Director, International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America.

In 1999 the following officials of the United Steelworkers of America were interviewed in Pittsburgh: Richard Davis, Vice President for Administration; Roy Murray, Director, Collective Bargaining Services Department; and Kim Siegfried, Special Assistant to the Secretary Treasurer. Also in 1999, there was a discussion with Charles Taylor, then State Coordinator, Carolina Alliance

for Fair Employment (CAFE), and in 2000 with Steve Henry, attorney, another of its founders. Last, and far from least, was a 2001 interview with AFL-CIO President John J. Sweeney.

I would like to thank M. E. Sharpe, Inc., publishers of *WorkingUSA* for publishing my paper on the Trade Union Regional Network (Wheeler 1999), and for permission to include material from it in this book (reprinted by permission from M. E. Sharpe, Inc., Armonk, NY 10514); and to thank the *Journal of the Law and Economics of Employee Ownership* for permission to use two figures developed by Chris Mackin and Fred Freundlich. I would also like to express my appreciation to Dean Jacques Rojot of the University of Paris I, Sorbonne, Werner Sengenberger of the International Institute of Labor Studies of the International Labour Organization, and Joe Ullman of the Riegel and Emory Center for Human Resources Research at the Moore School of Business at the University of South Carolina for their support and the financial support of their organizations. Professor Rojot and Professor John Addison of the Department of Economics, Moore School of Business, University of South Carolina, and my son, Jeffrey Wheeler of the National Labor Relations Board, were kind enough to read parts of this book and provide me with a number of very helpful comments. Priyanka Gupta, while a student in the University of South Carolina Master of Human Resources program, furnished valuable research assistance.

I am especially grateful for, and honored by, the introduction to this book written by Lynn Williams. Lynn is one of the true statesmen of the American labor movement whose vision, eloquence, and dedication have contributed immeasurably to there being a labor movement whose future can be studied.

Hoyt N. Wheeler
Columbia, South Carolina
September 1, 2001

Introduction

Lynn R. Williams, former President,
United Steelworkers of America

There is no subject of more compelling interest and concern to those who care about working people and their unions, than to consider the future of the American labor movement. In this volume Professor Wheeler presents us with a most thoughtful and comprehensive review and analysis of how the present difficult circumstances came to be, including an intriguing look at some historical precedents and an innovative, inclusive, and wide-ranging set of ideas and proposals about how a positive future might and indeed will unfold.

There can be no doubt that recent decades have been difficult for the American labor movement. The statistics are familiar, presented most frequently in terms of the decline in union density, that is, in the reduced percentage of eligible workers represented by unions, from a peak of 32.5 percent in 1953 to the present percentage of approximately 13.5 percent. Of course there are an array of subordinate statistics in and around these overall numbers showing the percentage of representation to be much higher in the public than the private sector; the enormous growth in the service sector outstripping in sheer volume labor's many effective organizing efforts with and among service workers; the decline of manufacturing and, therefore, much of labor's base; and the relative lack of unionization in the new economy.

Labor's fundamental explanation for these circumstances is management's vicious and unremitting hostility to the labor movement. This is expressed in word and deed by most private-sector employers when their workers attempt to organize a union, aided and abetted by egregiously inadequate labor laws, which have been destructively interpreted and applied to labor, during most of the last fifty years. One of the worst of many negative developments was an early court interpretation that permitted employers to permanently replace strikers with scabs, thereby undercutting the effectiveness of much strike action and in so doing denying American workers the most fundamental democratic right of all, the right to withdraw their labor. Although this

was an early decision, it was not until the Reagan union-busting years of the eighties that this interpretation came into general use.

The impact of these and related developments has been to make the legally mandated unit-by-unit organizing approach exceedingly difficult. This is true particularly as employers have been permitted – ironically in the name of free speech – to keep their employees hostage for antiunion captive-audience meetings and one-on-one antiunion supervisory interviews and subject them to constant harassment when they attempt to exercise their "right" to organize. Fear of breaking what behavioral laws there are provides little constraint to employers' antiunion activities. The only remedies against employers are civil in nature and penalties are nonexistent. Justice is delayed so that, in many instances, the organizing effort has long been chilled by illegal employer interventions by the time any attempt at achieving justice has come to a conclusion.

There is both considerable research and considerable commonsense evidence for this explanation of the affairs that I have sketched out. Whenever the employer's ability to express hostility is constrained by contravening political power in the public sector, by neutrality clauses in collective agreements in the private sector, or by a tougher set of laws and practices constraining hostile acts by the employer (e.g., as by the National Mediation Board's administration of such matters in the transportation sector), the success rate of union-organizing campaigns is much higher. The percentage of union density within the jurisdiction of the National Mediation Board, for example, is much closer to the international norms for such representation that exist in most developed industrial democracies.

One of the great disappointments of the last half-century has been the utter failure of the business establishment to support or even, with rare exceptions, to give expression to the importance of a free, strong labor movement as a foundation stone of democracy. There was a time and place in the last century, in Europe immediately after World War II, when farsighted leaders, including some American business, government, and political leaders, were instrumental not only in insisting that the labor movement be rebuilt immediately as a bulwark against Nazism, but also in inventing new institutions, such as the iron and steel community and its codetermination, among whose purposes was to guarantee labor a place at the tables of power in economic decision making. This is an idea and approach that has persevered across Europe ever since. The American labor movement, however, in its organizing efforts has faced unremitting hostility at home, whatever American representatives may have done at an earlier time in Europe. Also when establishing North American satellites many European companies have employed American antiunion tactics even when codetermination works perfectly well in their company in their home country.

In this book, Professor Wheeler conducts a thorough, detailed, wide-ranging investigation and discussion both about how the present circum-

stances came to be and about what should, can, and must be done to change them. He examines the "enabling conditions" that make it possible for a labor movement to develop. Four of these conditions have to do with the workers' perceptions of themselves, their work, their fellow workers, and the role of collective bargaining; the others have to do with the level of employer opposition and the level of government support. It seems clear that no broadly representative labor movement, in terms of the percentage of the eligible workforce it represents, exists in the world without either the support of effective laws, as in Europe or as in America before the laws' deterioration, or a societal understanding of the movement's importance, as in Great Britain before the Thatcher government and its attack on their traditional social contract.

A most interesting aspect of the book is the taxonomy of union styles or types that are used both to enrich our understanding of the labor movement and also as an analytic tool for thinking about how to proceed into the future. In this, Professor Wheeler moves far beyond the traditional social versus business unionism dichotomy. They include Pure and Simple Unionism, by which is meant unionism that is straightforwardly preoccupied with direct union action in the collective bargaining arena as the principal mechanism for pursuing its members' interests. He discusses Cooperationist Unionism, which includes the worker-participation activities of the last twenty years, with some concern that such activities make it more difficult to maintain labor's broader social vision. He includes Militant Radical Unionism with its zeal to build a new society, as exemplified by the Industrial Workers of the World (IWW), rather than be embroiled in the existing society as collective bargaining inevitably requires. There is also, among others and one of the most important, Social Democratic Unionism, which attempts to achieve many of the unions' objectives through political and government action but involves itself in collective bargaining as well. The author uses this taxonomy as an excellent tool for analysis and an aid to understanding, not as a means of rigid categorization. Different unions and labor movements exemplify different categories, syntheses, and combinations.

The role of globalization is not neglected in the analysis. The author sees it, in combination with the technological advances, as creating a world of customization that has destroyed America's traditional mass production advantage, resulting in stagnant or declining wages for our production workers but relatively high wages for those who enjoy a skill match with the high-tech jobs of the new economy. For the labor movement, these developments, along with the rise of the service sector, the increases in immigration, and the changing role of women in the workplace, have all represented challenges to traditional organizing and bargaining methods and to living successfully with a law structured in earlier and different times.

These worldwide changes have also seen the introduction of lean production systems from Japan, autonomous work groups from Sweden, and other

worker-involvement high-performance systems. As mentioned previously, one of the concerns is whether these really are compatible with strong, democratic trade unionism. They certainly have a potential to structure workers away from labor's broader concerns into a more enterprise-based way of considering the world, but that is not the only possible or necessary result. They are indeed powerful tools that can be very helpful in maintaining a productive manufacturing base in America and that can be focused on the more general needs of an industry, a region, or the country, not simply on the needs of one enterprise. They also have the advantage of helping unionists to become much more fully informed and aware of all that is happening around them, which can in turn result in the exercise of greater power and solidarity, flowing from a deeper base of knowledge and understanding.

Although Professor Wheeler discusses the European movement as little involved in Cooperationist approaches and moving slightly away from the Social Democratic mode to something more akin to the categorization of Pure and Simple – meaning in this context a greater focus on direct collective-bargaining solutions – there is also the possibility that the fundamentals of a Cooperationist system have been in place for so long, in the form of codetermination mechanisms, that they are simply part of the atmosphere, part of the way in which the labor movement functions as it moves on to incorporate other approaches as well.

Praiseworthy note is made of the enormous variety of strategies, tactics, and approaches with which the American labor movement is involved, both as a result of its own programs and of the ideas that sympathizers and other activists around it propose or in which they become engaged. Thus there are discussions of the home-care campaign in Los Angeles; the importance of work and family issues; the necessity for more imaginative approaches to white-collar organizing; associational unionism and the need to accommodate the needs and concerns of professionals; and the AFL-CIO's Voice@Work program, which focuses on the violations of the right to organize in our society. I don't mean this to be an exhaustive list, only to indicate the variety of the subject matter. I don't think there is anything happening, or in the contemplation stage, that is not given consideration by our author.

Along the way, two key approaches are presented as being less utilized than seems to be the case to me. One is the corporate or comprehensive campaign idea, which the author suggests is not being used as much as it was. My sense, possibly distorted by the experience of my own union, is that the corporate campaign does not have as high a profile as before, precisely because it has become a much more normal element in the way in which the labor movement carries out its responsibilities. Certainly in the Steelworkers, in the AFL-CIO, and, I believe, in many other affiliates, the process of conducting corporate campaigns has been institutionalized so that it is an essential

element in coping with any critical and difficult collective-bargaining situation.

Similarly, Professor Wheeler is somewhat dubious about the extent to which an international strategy is becoming significant in our collective bargaining. Again, the reality is difficult to determine with any precision. Obviously, with internationally diversified companies a great deal of collective bargaining occurs without reference to what the company's activities may be in other countries. However, there is a great deal more international information sharing than ever before, for example through databases maintained by international trade secretariats, and a great deal more communication through both formal channels and informal, person-to-person contact facilitated by today's technologies. Certainly, again referring to experiences with my union, the international circumstances and potential for influence are routinely examined in any difficult collective-bargaining situation.

This book includes some very interesting and pertinent historical material, particularly with regard to the goals and style of the Knights of Labor. It is fascinating to contemplate the reach of the Knights around the developed world in their all too brief period of dramatic growth and support. One of the principal mechanisms was their assemblies, which provided a gathering place for collective political and social action, not simply for trade unionists but for like-minded individuals and groups across the community. It is proposed that the AFL-CIO might well assume a role as the instigating and umbrella organization for a modern version of this approach, particularly given the proliferation of political, environmental, safety and health, and other nongovernmental organizations (NGOs) with whom labor has many shared concerns.

Such an approach would also provide access to the various worker-rights groups to whom the author pays considerable attention. There are a multitude of these groups, such as the Carolina Alliance for Fair Employment (CAFE) organization in the Southeast that Professor Wheeler emphasizes, particularly in areas where organizing is especially difficult, which struggle to help workers have some voice and some impact. Frequently their role has been to support organizing campaigns in which unions are involved; sometimes they provide the only voice that is available and can enable the workers to survive the antiunion activities of the employers.

Another of the author's key concerns is to consider various ways by which the hostility of employers can be minimized. Considerable hope, in this regard, is expressed regarding the growth of employee ownership. Worker-owners, in union settings in which democratic worker-owner rights such as pass-through voting and Board of Director membership have been established, can clearly ensure there is no antiunion bias. Also presented are ways by which the issue of employer hostility might be finessed, such as using a Cooperationist approach, or a focus on economic development, as a means

of affirming that unions are part of the solution, not of the problem. I remain concerned that such approaches, although helpful, are not enough. What American workers must endure in seeking representation is simply unconscionable. I don't believe the labor movement or its friends can rest until a way is found for workers in America who wish to bargain collectively to have free and unimpeded access to the exercise of that fundamental right. In no way, of course, does this excuse the labor movement from pursuing all the changes, reforms, strategies, and tactics that it must on its own behalf. It is simply that our society must pay much greater attention to what is decent, fair, and consistent with the democratic values that we espouse.

The discussion of Social Democratic Unionism, particularly in relation to developments in Europe, has important implications for the future. European unions are seen to be emphasizing direct-action Pure and Simple trade-union approaches to a greater extent than before, mentioning in that regard the metalworkers' achievement of a reduced thirty-five-hour workweek through collective bargaining rather than by legislative action. Concurrently, however, one of the most dynamic elements on the European scene is the mandating of works councils across borders. This is the single strongest push in the direction of international collective bargaining, or, more accurately, international collective action concerning workers' rights and representation that is being undertaken anywhere throughout the world. This development was very much the result of initiatives taken by the European Commission under the leadership of Jacques Delors, certainly with trade-union advocacy, encouragement, and support.

Attention is given to the increasing importance of regional developments, using as particular examples the Trade Union Regional Network (TURN) in Europe, with its emphasis on economic development and worker training, and the development of the Heartland Project in the United States, a union-sponsored fund for investment and economic development. One of the interesting aspects of TURN has been that it functions through the direct networking of local unions across Europe, not through the national organizations. One of the regrettable developments is that support funding from the European Commission ran out in 1996. Despite this fact TURN continues to function.

The importance of labor intellectuals in contributing to a positive change in labors' circumstances is also considered. The role of intellectuals in making labors' case and providing articulate and effective support for working people and their needs is indeed an honorable one. One of the most encouraging developments through these difficult years has been the amount of energy and talent that is coming into the movement from students, recruited often by the AFL-CIO's Organizing Institute, as they join in labors' struggles.

A critically important focus of the prescription for the future is that the labor movement should have its commitment to democracy in all its facets – dignity, voice, freedom, equality – at the center of its program.

My hope is that in this introduction I have communicated some sense of the breadth and the depth of Professor Wheeler's work. He demonstrates on every page a profound understanding of the American labor movement, its roots, its significance, and its concerns, along with a sympathetic, informed, and positive commitment to its future. We can all learn a great deal from the insights that have been the result of the diligence of his scholarship and the breadth of his experience.