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978-1-107-07175-9 - Employer and Worker Collective Action: A Comparative Study of Germany, South Africa, and the United States

Andrew G. Lawrence

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I

POWER IN THEORY AND CONTEXT

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## I

## Contending Theories of Labor Power

## 1.1 Introduction

“War,” Carl von Clausewitz famously observed, “is nothing but the continuation of politics by other means.”<sup>1</sup> His observation followed from his distinction between general and limited war, which had differing political ends. Sometimes, however, pacific and militaristic means and contexts overlap, making the conditions separating peace from war harder to distinguish from each other. The period following World War I was just such a moment for many countries and regions throughout the world.<sup>2</sup> Neither the Armistice nor the Treaty of Versailles succeeded in bringing to an end all military hostilities, which continued between Red battalions and Allied and White forces in Russia, as well as in Poland, in the Balkans and Mediterranean, in East Asia, and elsewhere into the 1920s.<sup>3</sup>

The blurring of the line separating more violent means from less violent ones paralleled the erosion of the line separating domestic from foreign interests, allies, and identities; hostilities also continued – indeed, often expanded – on several home fronts. The German Freikorps, the paramilitary groups arising in the wake of Versailles, made little distinction between their communist foes on the battlegrounds of Poland, the Baltic, and Russia and those in the streets of Berlin, Dresden, and Hamburg, where fights resulted in hundreds of civilian casualties. After a series of increasingly bitter wildcat strikes between 1917 and 1919, the conflict in the Reich’s industrial heartland, the Ruhr, was brought to a head with the attempted Kapp Putsch in March 1920, when a right-wing

<sup>1</sup> Carl Von Clausewitz, 1976 (rev. 1984). *On War*. Michael Howard and Peter Paret, trans. Princeton, NJ: Princeton University Press: 89.

<sup>2</sup> James Cronin and Carmen Sirianni, eds., 1983. *Work, Community, and Power: The Experience of Labor in Europe and America, 1900–1925*. Philadelphia: Temple University Press.

<sup>3</sup> Eric Hobsbawm, 1994. *Age of Extremes: A History of the World*. New York: Vintage: chapter 2; Mark Mazower, 1999. *Dark Continent: Europe’s Twentieth Century*. New York: Penguin: chapter 1.

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military faction attempted to seize power from the weakened social-democratic interim government. This challenge was defeated only after the government called a general strike that spread from Berlin throughout the country. At the same time, a ragtag grouping of communists, socialists, anarchists, and other splinter groups composed largely of Eastern European immigrants formed a 50,000- to 100,000-strong “Red Ruhr Army” in the “Wild West” of the Ruhr, Germany’s steel and mining heartland, briefly repelling the government army before retreating and disbanding. This insurrection was the largest the region had witnessed, with total casualties numbering in the thousands.<sup>4</sup>

Germany’s was not an isolated example. The following year, under similar conditions of postwar inflation, West Virginia coal miners organized the largest armed uprising in U.S. labor history. Ten thousand to fifteen thousand – also mostly immigrants – led by local United Mine Workers of America (UMWA) District 17 member Bill Blizzard, marched on the newer, unorganized mines in Mingo County, in the southern part of the state, to prevent the unorganized local populace from undermining their union and their contracts at the behest of the mine owners and the police. The mine owners directed the local county sheriff, Don Chafin, to deputize thousands of local volunteers (including several on their payrolls) to dig trenches, block roads, and position machine guns to repel the strikers. This set the stage for the Battle of Blair Mountain, which took place between the end of August and beginning of September 1921. In the course of the battle, Army General Billy Mitchell ordered bombers based in Maryland to disperse the strikers, and the sheriff’s militia also deployed aircraft to drop bleach and shrapnel bombs on the unionists’ positions in one of the first – but not the last – incidences of elected officials aerially bombing members of *their own* civilian population.<sup>5</sup> Faced with such a massive show of force, several hundred striking workers promptly surrendered. More than two dozen members of the sheriff’s militia and between 50 and 100 miners died – a higher death toll than the mining conflicts at nearby Lattimer (in 1897) and Matewan (in 1920), exceeded in the annals of U.S. labor conflict perhaps only by the much longer Ludlow Massacre and Colorado Coalfield War of 1913–1914.<sup>6</sup>

<sup>4</sup> Erhard Lucas, 1985. *Märzrevolution 1920*, Band I–III. Frankfurt a.M.: Stoemfeld Verlag. See also Werner T. Angress, 1957. “Weimar Coalition and Ruhr Insurrection, March–April 1920: A Study of Government Policy.” *The Journal of Modern History*, Vol. 29, No. 1 (March 1957): 1–20; F. L. Carsten, 1966. *The Reichswehr and Politics, 1918 to 1933*. New York: Oxford University Press; James Diehl, 1977. *Paramilitary Politics in Weimar Germany*. Bloomington: Indiana University Press.

<sup>5</sup> Colonial governments as well as WWI adversaries had aerially bombed subject or opponent civilians by this time.

<sup>6</sup> Perry K. Blatz, 1994. *Democratic Miners: Work and Labor Relations in the Anthracite Coal Industry, 1876–1925*. Albany: SUNY Press; Howard M. Gitelman, 1988. *Legacy of the Ludlow Massacre: A Chapter in American Industrial Relations*. Philadelphia: University of Pennsylvania Press; Scott Martelle, 2008. *Blood Passion: The Ludlow Massacre and Class War in the American West*. New Brunswick, NJ: Rutgers University Press; Lon Savage, 1990. *Thunder in the Mountains: The West Virginia Mine War, 1920–21*. Pittsburgh, PA: University of Pittsburgh

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Less than a year later, South Africa provided a third example. Industrial conflict in South Africa centered on the main mining region of the Witwatersrand around Johannesburg, escalating immediately before, during, and after the war, with major but separate strikes by racially segregated black and white workers, composed mostly of recent migrants to the mines in both cases. When postwar recession induced mine owners to cut costs by relaxing the “color bar” protecting white wages and employment, thousands of white mineworkers went on strike in January 1922, forming armed commando units and occupying several neighborhoods. After the strike continued unabated for several weeks, the government of Prime Minister Jan Smuts intervened, declaring martial law and using artillery, tanks, machine guns, and ultimately aerial machine-gun fire and bombardment to subdue the strikers. The aerial attacks alone killed at least a dozen, mostly bystanders. The entire rebellion left more than 150 dead – including several dozen noncombatant civilians, of whom more than two dozen were black workers killed by whites – and several hundred injured.<sup>7</sup>

Each episode belongs to the larger family of conflicts a seasoned participant-observer of the American labor movement has termed “labor wars.”<sup>8</sup> Their transformative aftershocks can be detected in their respective countries’ political landscapes up to the present day. Yet these conflicts’ trajectories and longer-term legacies were by no means set in stone, nor could observers in subsequent generations confidently predict what fate would befall these labor movements. Who would have predicted in 1922 that within fifteen years, Ruhr miners would lose their union and allied party through state repression, U.S. miners would launch a new union confederation and witness unprecedented organizing gains, and South African unions would see their allied Labour Party form a coalition government? Or that a decade after that, the U.S. and South African allied victors in the following World War would witness sustained trade union setbacks, whereas twice-defeated Germany’s unions would enjoy major gains? Or indeed, that eighty years after these bloody conflicts, unionization and collective bargaining would become the norm in these sectors (as well as more broadly) in Germany and South Africa but not in the United States, where union density would diminish to its lowest level since World War I?

Among these historical episodes, several significant similarities are apparent. All three cases took place in the years immediately following World War I and were at the time the largest labor insurrections in each country’s history. All three occurred in major mining areas, an industry of great economic importance for each country; a large proportion of striking workers in all three cases

Press; Robert Shogan, 2004. *The Battle of Blair Mountain: The Story of America’s Largest Union Uprising*. Boulder, CO: Westview Press.

<sup>7</sup> T. R. H. Davenport, 1988. *South Africa: A Modern History*. Bergville: Southern Book Publishers: 278–280; Jeremy Krikler, 2005. *White Rising: The 1922 Insurrection and Racial Killing in South Africa*. Manchester: Manchester University Press, 203 ff., 384 fn. 1; Leonard Thompson, 1995. *A History of South Africa*. New Haven, CT: Yale University Press, 160.

<sup>8</sup> Sidney Lens, 1974. *The Labor Wars*. Garden City, NY: Doubleday Anchor.

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were immigrants, many of whom shared a syndicalist worldview; the workers' demands concerned recognition as much as, or more than, redistribution; and all three involved direct or indirect government suppression of striking workers, in each case (and not coincidentally) making use of recently demobilized troops. It is probably no coincidence, either, that the political authorities directing this suppression were all on the center-left of their respective political spectrums (respectively, German Social Democratic Chancellor Friedrich Ebert, South African Party leader and Prime Minister Jan Smuts, and West Virginia Democratic Party members Sheriff Don Chafin and Governor John J. Cornwell). More broadly, all three countries were then, and remain today, the wealthiest capitalist rule-of-law states on their respective continents and had experienced exponential industrialization growth over the preceding half-century, during which their major institutions of employer and worker collective action were founded.

Behind the similarities, important differences also emerge: in the episodes' duration (less than a week in the U.S. case; in the Ruhr episode, a week, or longer with reference to all Freikorps activities; and almost two months in the South African case); in casualty rates (from roughly 100 American deaths, to more than 100 in South Africa, to several hundred in the Ruhr); in degree of ethnic or racial integration of the protesting workers in question (substantial in the U.S. and German cases, absent in the South African case); centralization of political power (more federally decentralized in the U.S. and German cases, more centralized in the South African case); and in government stability (no change in the U.S. case; a subsequent fall of Smuts's government in South Africa, but otherwise substantial continuity; protracted instability in the German case). Although among these three, the U.S. episode involved the fewest striking workers, it was but one of the more than 4,000 strikes in the postwar period that involved one in five workers in U.S. industry, including major sectoral strikes in steel (1919–1920 – ending two months before the Ruhr uprising – and involving more than 350,000 workers) and by railroad shop workers (beginning a few months after the Rand uprising in July 1922, with almost 400,000 workers striking for three months, and remaining the largest U.S. strike for more than three decades).<sup>9</sup>

Puzzlingly, however, these differences all suggest a more favorable condition for U.S. labor than for its German and South African counterparts. Indeed, most U.S. workers enjoyed an increasingly stronger comparative position throughout the interwar period, when U.S. levels of union density increased dramatically by the eve of World War II, whereas South Africa's stagnated and Nazi rule banned unions at its outset. U.S. unions then enjoyed a major share of Allied victory after World War II and several years of continuous increases in density, welfare provisions, and real wages with few rivals elsewhere in the world.

<sup>9</sup> Ibid.: 242. On the rail and steel strikes, see Aaron Brenner, Benjamin Day, Immanuel Ness, eds., 2009. *The Encyclopedia of Strikes in American History*. Armonk, NY: M. E. Sharpe, 356–357; 494–497.

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Yet by the 1980s, this era of U.S. dominance had long since passed. By contrast, collective bargaining had become the norm for South African mining by the end of the decade, with more than three-quarters of mine workers (irrespective of citizenship status) unionized and under collective bargaining contracts. More than a decade after the introduction of universal franchise, coverage in the Rand and nationwide varies by sector (from 10 percent in agriculture and construction to almost half in manufacturing and more than 50 percent in the infrastructure, transportation, and health sectors), but union density averages above 25 percent among formal sector workers and one-third in the nonfarm sector.<sup>10</sup>

In Germany, one in five employees was a union member in 2009, down from roughly one in three immediately after reunification. Collective bargaining coverage, however, remains more stable, because all workplaces with more than five employees can establish a works council that can facilitate collective bargaining, and a majority of works councilors are union members. Thus, despite declines, a majority of workers remain covered by company-level or sectoral-level contracts, and a larger proportion (roughly 58 percent) are represented by works councils, rising to 96 percent of firms with more than 1,000 workers.<sup>11</sup>

Like South Africa, the United States has no German-style statutory system of works councils facilitating collective bargaining and partly compensating for union density. Unlike South Africa, however, collective bargaining is much more of an exception in the United States: density declined to less than 7 percent of the private-sector workforce (less than 12 percent of the total workforce) in 2011; less than 14 percent enjoyed collective bargaining coverage.<sup>12</sup> Most importantly, unlike their counterparts in either of the other countries, U.S. employer opposition to unions – expressed as either “union avoidance” or, more overtly, in employers’ refusal to recognize unions and bargain with them in good faith – is more the norm than collective bargaining is. With a more continuously stable democratic government in the intervening decades, why should American unions’ twenty-first-century prospects appear to be the worst among these cases?

Of course, it would be remarkable if the episodes of insurrection described here, or indeed the broader movements of which they were a part, were themselves decisive in determining outcomes occurring several decades later. Indeed, these episodes caution against relying too much on synchronic comparisons or presuming that trends evident in a given period will necessarily continue.

<sup>10</sup> Statistics South Africa, 2005.

<sup>11</sup> M. Dorsch-Schweizer and T. Schulten, 2001. “Betriebs- und Personalräte zwischen Belegschaft, Arbeitgeber und Gewerkschaft.” *WSI-Mitteilungen*, Vol. 54: 113–123; Jelle Visser, 2006. “Union Membership Statistics in 24 Countries.” *Monthly Labor Review*, Vol. 129, No. 1: 38–49; Jelle Visser, 2009. “ICTWSS Database: Database on Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts.” Amsterdam Institute for Advanced Labour Studies AIAS University of Amsterdam.

<sup>12</sup> Visser 2006; Bureau of Labor Statistics 2012. “Union Members Summary”: <http://www.bls.gov/news.release/union2.nro.htm>.

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Nonetheless, major reversals of fortune are no less surprising and demand further investigation not only of their causes but also of the contrasting patterns among several cases.

These changes became increasingly apparent in the period between the end of World War II and the end of the Cold War. In the immediate postwar period, the U.S. labor movement had achieved an unprecedented degree of prominence, bargaining power, and confidence as easily the largest labor movement among democracies worldwide, whose members commanded the highest wages and standard of living.<sup>13</sup> Yet since the 1930s, despite the Democratic Party's dominance in all three branches of federal government (the presidency from 1933–1952, 1960–1968, 1976–1980, 1992–2000, and since 2008; the Senate and House from 1933–1946, 1948–1952, 1954–1994, and 2008–2010), the U.S. labor movement was unable to effectively counter persistent private-sector employer hostility and an unfavorable organizing context and witnessed a steady decline in density and collective bargaining levels that only accelerated in the 1980s, from which it has never recovered. Indeed, in 2009, for the first time in U.S. history, the total number of unionized employees in the public sector – which comprises only a small fraction of all total employees – exceeded the private sector's total.

Conversely, despite the political dominance of the center-right Christian Democratic Union (CDU) Party during the same period (the dominant or majority power in the Bundestag between 1949 and 1969, between 1982 and 1998, and since 2005), (West) German union density increased steadily throughout the Cold War, with even greater gains in collective bargaining. Already by 1960 it had surpassed the U.S. density level, more than doubling it in the 1990s. South Africa presents an even more dramatic contrast and turnaround between right-wing, white supremacist National Party (NP) monopolization of rule from 1948 to 1994 and an unprecedented upsurge in formal sector unionization and collective bargaining that accelerated during apartheid's last decade. Even before South Africa's first democratic elections, in fact, its union density levels – including among disenfranchised black workers – had surpassed Germany's. Over the past two decades, all three countries have witnessed declines in both aggregate membership and density, but so far without affecting the prior presence (Germany and South Africa) or absence (United States) of collective bargaining norms (see Table 1.1).<sup>14</sup>

At a time when the stable incorporation of unions has long been an established fact among most members of the Organization for Economic Cooperation and Development (OECD, a shorthand for the world's thirty-two wealthiest

<sup>13</sup> Alan Milward, 1979. *War, Economy, and Society, 1939–1945*. Berkeley: University of California Press, 63.

<sup>14</sup> Declining density is in fact the common trend for most middle- and upper-income countries during this period; see J. Pencavel, 2005. "Unionism Viewed Internationally." *Journal of Labor Research*, Vol. XXVI, No. 1: 65–97.

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TABLE 1.1. Union Membership (M) and Density (D) by Country, 1950–2010

Year	1950		1960		1980		1994		2003		2010	
	M	D	M	D	M	D	M	D	M	D	M	D
Germany	5,200	29	6,400	41	9,500	42	11,685	36	7,120	20	6,300	18.6
South Africa	200	10	425*	14	750	13	3,000	38	2,800	33	3,900	30
USA	14,300	32	17,000	31	22,400	25	16,700	16	15,776	13	14,715	11.4

Note: Membership figures (M) are in thousands; density (D) represents the percentage of the nonagricultural economically active population (EAP) with union membership. Figures for Germany from Andrei Markovits, 1986. *The Politics of the West German Trade Unions: Strategies of Class and Interest Representation in Growth and Crisis*. New York: Cambridge University Press: 11, 12, 45; Claus Schnabel, 1999. "Trade Union Membership and Density in the 1990s." IW Köln research paper. <http://eiroweb.found.ie/1999/08/FEATURE/DE9908113.FHTML>; Visser (2006; 2009); for South Africa (\* = figure for 1958); Jon Lewis, 1984. *Industrialisation and Trade Union Organisation in South Africa, 1924–55: The Rise and Fall of the Trades and Labour Council*. New York: Cambridge University Press, ch. 9; Thompson 1995: 278; Jeremy Baskin, ed., 1996. *Against the Current: Labor and Economic Policy in South Africa*. Johannesburg: Ravan: 23; Statistics South Africa (2005, 2011) at <http://www.statssa.gov.za>; for the United States: Alexander Hicks, 1989. *Social Democracy and Welfare Capitalism: A Century of Income Security Politics*. Ithaca, NY: Cornell University Press: 115; Michael Goldfield, 1989. *The Decline of Organized Labor in the United States*. Chicago: University of Chicago Press 10, 16; Barry Hirsch and David Macpherson, 2012 at <http://www.unionstats.com/>; US BLS; Visser (2006, 2009).

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established democracies) but is a fading memory in the United States – and when the struggles that gave birth to unions are an even more distant memory for most residents of wealthy democracies – it is worth posing afresh the questions of whether, why, and how unions matter. As the divergences among these cases might suggest, answers to these questions are, to some extent at least, specific to a given place and time. But for most capitalist democracies over the past century (a category now at least nominally comprising the great majority of the world's states and population), several common themes apply.<sup>15</sup>

Unions are the only organizations that combine workplace representation with a political voice beyond the workplace, usually with national reach. Because most urban households the world over (themselves now comprising a majority of the world's population) directly or indirectly depend on wages for their well-being, and their breadwinners spend more of their working hours earning these wages than engaged in any other pursuit, unions have great potential to improve the lives of their members and broader communities.

This potential, like that of democracy, is always so great as never to be entirely realized. But unions' gains are measurably and indisputably real. Their capacity to redistribute profits is widely documented; average OECD unionization rates are 50 percent greater than the U.S. level, and average weekly earnings between 1980 and 2000 in these countries (excluding the United States) rose by nearly 23 percent in real terms for men and nearly 32 percent for women; for U.S. women in this period, they rose by only 15.3 percent and fell by 5.5 percent for U.S. men.<sup>16</sup> Redistributive capacity is dependent, however, on unions' prior ability to gain recognition from employers and the state and provide members a means to represent and rearticulate their interests in politics.<sup>17</sup> Indeed, where unions are strong enough to centralize bargaining nationally,

<sup>15</sup> See, e.g., Rick Fantasia and Kim Voss, 2004. *Hard Work: Remaking the American Labor Movement*. Berkeley: University of California Press, especially chapter 1, "Why Labor Matters"; Vanessa Tait, 2005. *Poor Workers' Unions: Rebuilding Labor From Below*. Boston: South End Press; and Michael Yates, 2009. *Why Unions Matter*. New York: Monthly Review Press.

<sup>16</sup> Francine D. Blau and Lawrence M. Kahn, 2002. *At Home and Abroad: U.S. Labor Market Performance in International Perspective*. Thousand Oaks, CA: Sage: 50.

<sup>17</sup> The economic effects are more analyzed, even if in practice inseparable from political ones. Within a given context, collective bargaining typically increases wages and reduces wage inequalities; the more centralized and comprehensive the bargaining, the greater the egalitarian effects: see, e.g., Michael Wallerstein, 1999. "Wage-Setting Institutions and Pay Inequality in Advanced Industrial Societies." *American Journal of Political Science*, Vol. 43, No. 3: 649–680; and Miriam Golden and John Londregan, 2006. "Centralization of Bargaining and Wage Inequality: A Correction of Wallerstein." *American Journal of Political Science*, Vol. 50, No. 1: 208–213. In highly decentralized contexts such as South Africa and the United States, the scope of collective bargaining and its capacity for extension are more curtailed, but union members still enjoy a "union premium" over similarly situated nonmembers, particularly among lower-wage workers. For a review of the situation in South Africa, see Haroon Borat, Sumayya Goga, and Carlene Van Der Westhuizen, 2011. "Institutional Wage Effects: Revisiting Union and Bargaining Council Wage Premia in South Africa." Working Papers 11146. University of Cape Town, Development Policy Research Unit. In Germany, the union premium is amplified by