Introduction

On February 14, 2014, workers at a Volkswagen (VW) auto assembly plant in Chattanooga, Tennessee, voted 712 to 626 against joining the United Auto Workers (UAW) union. The defeat was the latest in a series of failed attempts by the UAW to organize foreign-owned "transplants" in the US South, going back decades (Minchin 2017; Silvia 2016). It was a particularly stinging rebuke for then-UAW President Bob King, who had staked his legacy on the transplants. "If we don't organize these transnationals, I don't think there's a long-term future for the UAW," he warned in 2011 (Thomas 2011).

This time was supposed to be different. The UAW had secured an agreement from Volkswagen management to remain neutral in the election campaign. In previous organizing drives at other manufacturers, management had waged fierce campaigns to convince workers not to unionize. Without the employer trying to influence the outcome, UAW leaders thought that workers would be much more likely to join the union (Brooks 2016; Greenhouse 2014). But those leaders were wrong – the UAW lost.

Anti-union observers quickly cheered the result, suggesting that it showed just how obsolete and unpopular unions are today. "If UAW union officials cannot win when the odds are so stacked in their favor, perhaps they should re-evaluate the product they are selling to workers," opined National Right to Work Foundation President Mark Mix (Woodall 2014). For their part, UAW officials blamed a campaign of outside interference led by Tennessee's political establishment, including Governor Bill Haslam and US Senator Bob Corker. They threatened to

withhold state subsidies if workers unionized, and intimated that Volkswagen would only guarantee new production if workers rejected the UAW.

The politicians were helped by Washington-based anti-union groups like Mix's organization and the Grover Norquist–backed Center for Worker Freedom. These groups funded sophisticated media outreach and backed anti-union workers in the plant. Their campaign linked the UAW to the Obama administration – unpopular in Republican-dominated Tennessee – and blamed it for the disappearance of US manufacturing jobs. Additionally, despite VW upper management's neutrality pledge, lower-level managers actively supported the anti-union campaign (DePillis 2014; Elk 2014).

Analysts more sympathetic to the union recognized that outside interference contributed to the drive's defeat, but they also criticized the UAW's own strategy. They highlighted provisions in the neutrality agreement with VW that hampered the UAW's ability to organize – including a ban on union house visits, a key tactic that organizers use to build union support and inoculate against management attacks. UAW organizers also made little effort to build community support. Instead, they relied on VW management's willingness to "partner" with the union. As King said in response to the anti-union campaign in Chattanooga,

> Our philosophy is, we want to work in partnership with companies to succeed . . . With every company that we work with, we're concerned about competitiveness . . . [W]e are showing that companies that succeed by this cooperation can have higher wages and benefits because of the joint success . . . What I hope the American public understands is that those people who attack this are attacking labor-management cooperation. They don't believe in workers and management working together (quoted in DePillis 2014).

Such rhetoric may have softened management opposition, but it left the union vulnerable to charges that it was too soft on management – that "the UAW has already sold us out," as anti-union VW worker Mike Jarvis put it (quoted in Pare 2014).

UAW leaders appealed the election results with the National Labor Relations Board (NLRB), citing the outside interference from state politicians and Washington think tanks as improper. But they withdrew their appeal just as hearings were about to get underway, amid concerns that those charged with interfering would obstruct the legal process and drag out the appeal for years, defeating the union through endless delay. Instead, they cut their losses. "The UAW is ready to put February's tainted election in the rearview mirror and instead focus on advocating for new

jobs and economic investment in Chattanooga," King said (quoted in Becker and Woodall 2014).

The city of Winnipeg, Manitoba, lies about 1,400 miles, or 2,200 kilometers, northwest of Chattanooga, across the US–Canada border from North Dakota. In early 2015, a group of workers at a branch of the iconic Tim Hortons coffee chain in the city's Wolseley neighborhood connected with a union called Workers United (WU), and started talking about unionizing their workplace. They were concerned about low wages, unpredictable scheduling, and management favoritism.

Management soon caught on. They responded by organizing a mandatory meeting of all thirty-five branch workers, also known as a "captive audience meeting." While franchise owner Kamta Roy Singh was at the front of the room, he told those assembled that Tim Hortons' head office had instructed him to hold the meeting. In it, he leveled a series of threats against the workers, including that he would shut down the location if they unionized. After the meeting, the general manager took aside one of the workers and fired her for talking to a union representative.

In response, WU filed an Unfair Labour Practice charge with the Manitoba Labour Relations Board and reached out to allies at the Manitoba Federation of Labour, the Winnipeg Labour Council, and the University of Winnipeg Students' Association. Together, they launched a public campaign to get the fired worker reinstated. Management quickly caved under the pressure and reinstated the worker within weeks.

In June 2015, the Manitoba Labour Relations Board issued a ruling that found franchisee Singh guilty of several labor law violations. As a remedy, the board issued a consent order granting WU "discretionary certification," meaning that the board automatically recognized them as the workers' union. Additionally, the board awarded the previously fired worker $1,500 to compensate for emotional stress. The ruling made the Wolseley restaurant one of only a handful of unionized Tim Hortons locations across Canada (Kirbyson 2015; Nesbitt 2015; Workers United Canada Council 2015).

After nine months of tough negotiations, WU managed to negotiate a first contract with Singh. The win at the Wolseley Tim Hortons sparked interest among other food service workers in Winnipeg. WU has since gone on to unionize workers at two KFC/Taco Bell restaurants in the city, as well as a second Tim Hortons location (Fowlie 2017; Kostuch Media 2016; 2017).

Both stories offer insights into the challenges that workers and unions face in the United States and Canada today. On the US side, the UAW's failure in Chattanooga shows just how dire organized labor's situation is. Organizing a union has never been easy, but the obstacles that US workers face today are truly formidable. Staunch employer opposition is a given, meaning that workers who try to organize a union often put their livelihoods on the line (Bronfenbrenner 2009). Even in cases where employers agree to remain neutral, as with VW, other employers and politicians may step in to lead the anti-union charge – especially in the South, a region of the United States where unions have never established a strong foothold.

Once workers have mustered the courage to confront their employer and start on a unionization campaign, they face a thicket of legal regulations that, while originally intended to facilitate unionization, now create opportunities for employers to thwart workers' organizing efforts (Friedman 2015; Rogers 1990). As with the UAW's election appeals in Chattanooga, many workers and unions decide to cut their losses and move on when faced with these legal obstacles.

Even as legal hurdles and employer hostility to unionizing persist, unions themselves have struggled to respond to the challenge. Some, like the UAW, have sought to dodge the anti-union onslaught by pitching a message of "cooperation" with management, even as management seeks to avoid unions entirely. Others have plowed resources into developing innovative organizing strategies (Bronfenbrenner and Hickey 2004). The latter have produced some results, but not enough to turn the tide.

As a result, US unions are in crisis. Today, barely one in ten workers holds a union card. In the private sector, that number is barely one in twenty. This is down from one in three workers overall in the 1950s, and is the lowest level seen since the early days of the Great Depression (Carter et al. 2006; Hirsch and Macpherson 2011).

On the Canadian side, the situation is challenging, but not quite as bleak. As the Tim Hortons campaign shows, Canadian workers seeking to unionize often face stiff employer resistance, just like their US counterparts. And, as in the United States, they also have to navigate bureaucratic legal procedures to exercise their labor rights. Although some Canadian unions are committed to organizing, the overall level of commitment is uneven (Kumar and Schenk 2006).

The main difference between Canada and the United States is that in Canada, the labor laws still work. Employers like Kamta Singh may

threaten and fire workers for trying to organize, but they pay the price for breaking the law. In Singh's case, that meant being forced to compensate the fired worker and bargain with the union. By comparison, when the UAW appealed the Chattanooga election, those they charged with illegal interference openly vowed to flout any subpoenas and gum up the proceedings. "Everyone understands that after a clear defeat, the UAW is trying to create a sideshow, so we have filed a motion to revoke these baseless subpoenas," said Senator Corker's chief of staff. "Neither Senator Corker nor his staff will attend the hearing" (quoted in Williams 2014). There was little that either the state or the union could do to stop them (Brooks 2016).

This is not to say that the situation for labor is great in Canada. The thirty-five Tim Hortons workers in Winnipeg may have won their union, but only after a tough fight. Meanwhile, the chain as a whole remains mostly nonunion, as does most of the Canadian service sector (Doorey 2013). The community and labor mobilization in defense of the workers' organizing campaign was an important gesture of solidarity, but such mobilization is nowhere near the scale necessary to get unions back on track.

Compared to the United States though, Canadian unions are in much better shape. Overall union density – the percentage of nonagricultural workers who are union members – currently stands at 28.4 percent in Canada, nearly three times higher than in the United States (Hirsch and Macpherson 2011; Statistics Canada 2016). Canadian unions have taken some hits, but they have managed to hold steady.

Why is this? As much as Canadians insist on their "not-Americanness," and as much as Americans remain unaware of their neighbor to the north, the two countries have much in common (Lipset 1989). Yet when it comes to unions and the broader climate for worker organizing, the differences are vast.

But US and Canadian union density rates have not always been so different. Figure 0.1 shows how union density changed in the United States and Canada between 1911 and 2016. We see that prior to the 1960s, union density looked remarkably similar in both countries. Indeed, it was often higher in the United States than in Canada. It was only in the mid-1960s that union density diverged, declining in the United States and stabilizing in Canada.

Why then, after tracking each other for decades, did union density diverge in the United States and Canada starting in the mid-1960s? That is the question at the heart of this book.

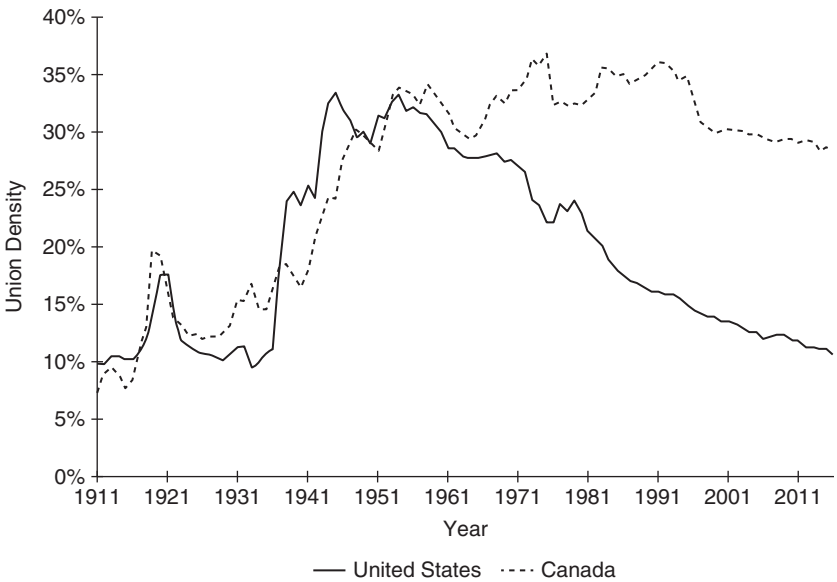

FIGURE 0.1 Union density, United States and Canada, 1911–2016
Source: See Appendix A

WHY UNIONS (STILL) MATTER

But first we should ask a more basic question: why does it matter that US unions are in worse shape than Canada's? In an era when unions everywhere seem to be in decline and many dismiss the very idea of trade unions as antiquated, focusing attention on the state of organized labor may seem hopelessly out of date. Why bother with what looks like a dying institution?

At a fundamental level, unions matter because they powerfully influence workers' everyday lives. On average, unionized workers earn more and are more likely to have adequate health insurance, pension coverage, paid leave, and other benefits than their nonunionized counterparts doing similar work (Buchmueller, DiNardo, and Valletta 2002; Budd and Na 2000; Fang and Verma 2002; Freeman and Medoff 1984; Murray 2004). This is particularly the case in countries like the United States and Canada, where many social benefits are provided through employers rather than the government, and collective bargaining is largely done at the firm level. This means that contracts negotiated between employers and the unions representing their workers apply only to those specific firms and workplaces, which ties the negotiated wages, benefits, and work rules closely to those specific firms and workplaces.

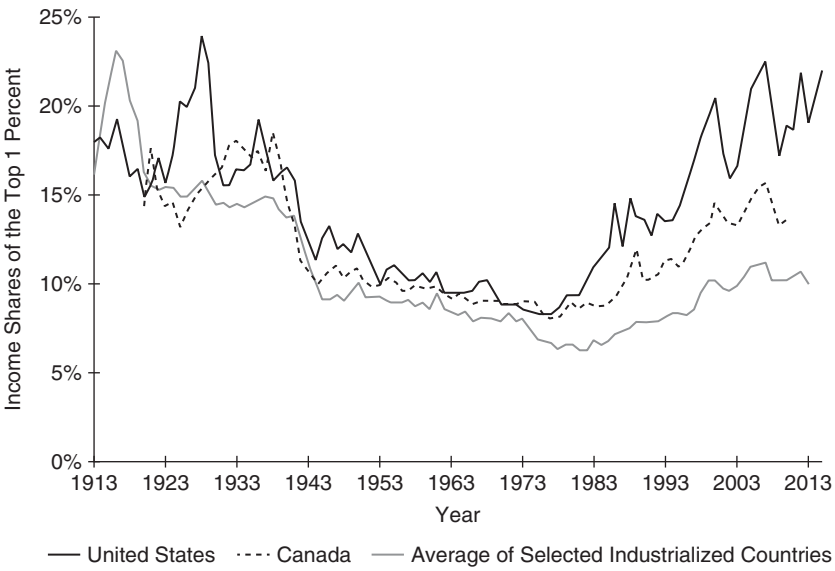

FIGURE 0.2 Income shares of the top 1 percent in the United States, Canada, and selected industrialized countries, 1913–2015
Source: World Wealth and Income Database, http://www.wid.world

But union density has important implications even for those who are not union members. Unions play a key role in reducing economic inequality throughout entire societies. Inequality has been on the rise across the industrialized world for the past three decades, but the magnitude of that growth has differed considerably across countries. Using data from the World Wealth and Income Database compiled by Piketty and his collaborators, Figure 0.2 shows that inequality in both the United States and Canada, defined as the share of total income accruing to the top 1 percent of earners, has been above the average for available industrialized countries. However, the increase has been dramatically higher in the United States. The share of income going to the top 1 percent in the United States grew by 125 percent between 1980 and 2015 (from 8.18 percent to 18.39 percent), as compared to 52 percent in Canada (from 8.06 percent to 12.22 percent in 2010) and 58 percent for available industrialized countries (from 6.43 percent to 10.16 percent in 2013).[1]

[1] Industrialized countries for which data are available include Australia, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Korea, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom, and the United States.

Much of that difference can be attributed to differences in union strength. Existing research shows that higher unionization rates are associated with lower levels of economic inequality (Alderson and Nielsen 2002; Alderson, Beckfield, and Nielsen 2005; Atkinson 2003; Western and Rosenfeld 2011). This is due to unions' ability to "decommodify" labor: they can limit the degree to which workers' wages and working conditions are set by brute market forces, in the same way that the price of commodities such as oil or corn are set (Esping-Andersen 1990). Given sufficient union density, this effect extends beyond unionized workplaces, such that unions can set standards for wages and working conditions throughout the labor market.

As union density declines, so too does unions' wage-setting capacity. Thus, Western and Rosenfeld (2011) find that union density decline accounts for roughly one-third of the increasing gap in US income inequality between the top and bottom quintiles among males over the past forty years, similar to the effect of growing gaps in educational attainment in the same time period. Using different methodologies, Card et al.'s (2004) comparative study of the United States, United Kingdom, and Canada shows that unions continue to play a key role in reducing inequality for male workers, and that differences in union density explain a large portion of cross-country differences in male wage inequality. And in a study of twenty advanced economies from the early 1980s to 2010, International Monetary Fund economists found that "a 10 percentage point decline in union density is associated with a 5 percent increase in the top 10 percent income share" (Jaumotte and Osorio Buitron 2015: 17).

Stronger unions also have a stronger political voice, meaning they can fight for more redistributive social policies and regulations to check employers' power (Rosenfeld 2014). Globally, this power is often exerted through relations that unions have with labor-based or socialist political parties. While party and union interests are not always perfectly aligned, and party-union relations can be strained, unions that are numerically stronger can generally exert greater political power. Existing research comparing US and Canadian social policy highlights the role that stronger unions and their links to a labor-based political party, the New Democratic Party (NDP), play in explaining Canada's more extensive set of protective policies, including its universal public health-care system, more generous unemployment insurance and pensions, and more equitable education and community planning policies (Chen 2015; Maioni 1998; McCarthy 2017; Zuberi 2006). Union strength thus has important

consequences for the shape of the political and policy landscape more broadly.

Beyond questions of dollars and cents and particular policies, stronger unions make for a stronger democracy. It is workers, often organized into unions, who have pushed to expand democratic rights and notions of "social citizenship," usually by creating disruption and social instability to which political elites had to respond (Ahmed 2013; Marshall 1992; Rueschemeyer, Stephens, and Stephens 1992). And as one of the only types of membership organizations run not only *for* working-class people, but *by* them, unions offer workers the opportunity to develop the confidence, leadership, and organizational skills necessary to be politically active (Levi et al. 2009). In this sense, they can serve as "schools for democracy" that incorporate working-class voices into the existing political system (Lipset, Trow, and Coleman 1956; Sinyai 2006). Research shows that there is a lack of working-class political representation in the United States, and that this skews the political landscape in favor of the wealthy and powerful (Carnes 2013). Unions can provide a fertile training ground for working-class political leaders, and where they are stronger, we find more working-class political representation (Carnes 2015).

Beyond "regular politics," some unions have been vehicles for pushing a more transformative political vision (Ahlquist and Levi 2013; Gourevitch 2014; Stepan-Norris and Zeitlin 2003). Union decline in the United States has thus narrowed the scope of political debate, as well as the range of actors contributing to that debate. By contrast, while it is important to acknowledge the real limits of labor's political power in Canada (Ross and Savage 2012), the combination of a stronger labor movement and a labor-based political party (the NDP) has created an organizational infrastructure for developing working-class leaders and keeping unions in closer dialogue with social movements and a broader left politics (Bernard 1994; Schenk and Bernard 1992).

In the workplace, unions don't just mean higher pay and benefits for workers. They also allow workers to make their voice heard on the job (Freeman and Medoff 1984). They can offer recourse and respite from the pettiness and arbitrary treatment that far too many workers experience far too often at the hands of management. This is why workers often cite the need for dignity and respect on the job even more than pay or benefits as their primary motivation to unionize (Bronfenbrenner et al. 1998; Forrest 2000).

Unions provide voice by creating mechanisms at work for exercising and defending many of the basic rights we take for granted as citizens in

a democracy, such as freedom of speech, freedom of assembly, due process and equal protection under the law, and more. Without unions, workers have to check these rights at the door when they show up to work every day (Anderson 2017; Edwards 1979; Jacoby 1985). While these rights do exist in some nonunion workplaces, they are there at management's discretion and are subject to change without notice (Edelman 1990). To be sure, just as the reality of political democracy often falls far short of its promise, the same can be said of efforts to build workplace democracy. But whereas citizens in a democracy are at least theoretically given opportunities to have a say in politics and society, union decline has meant that many workers have no means of implementing, let alone improving, mechanisms for articulating and defending their rights at work (Hyman 2016; Summers 1979).

Far from being an arcane statistic tracking the decline of an antiquated institution, then, union density shapes broader social trends affecting inequality and democracy. Understanding why union density changes, and why it varies across countries, helps explain a lot about the shape of politics and social policy in those countries.

EXPLAINING US–CANADA UNION DIVERGENCE

Unions are still crucial social institutions. But the question remains: why did union density diverge in the United States and Canada? Many others have sought to answer this question. Common explanations point to cross-border differences in the structure of employment, worker and employer attitudes toward unions, labor policies, political institutions, national values, internal union cultures, and the structure of racial divisions.

As I will show in Part I, these explanations are incomplete. The argument I advance in this book is that US–Canada union density divergence was the outcome of political struggles organized by parties – a process of *political articulation* (De Leon, Desai, and Tuğal 2015). Specifically, it resulted from different ruling party responses to worker and farmer unrest during the Great Depression and World War II. My core argument is that in Canada, the outcome of these struggles embedded what I call "the class idea" more deeply in policies, institutions, and practices than in the United States, where class interests were reduced to "special interests." By this I mean that in Canada, politics and policy recognized class divisions – and the power imbalances underlying them – more than in the United States. There, politics and policy delegitimized