Title
An opportunity not taken…yet: U.S. labor and the current economic crisis

Permalink
https://escholarship.org/uc/item/9n98d9wq

Author
Tilly, Chris

Publication Date
2010-09-01
An opportunity not taken…yet:
U.S. labor and the current economic crisis

by

Chris Tilly
Institute for Research on Labor and Employment
UCLA

September, 2010
An opportunity not taken...yet:
U.S. labor and the current economic crisis

Chris Tilly
Institute for Research on Labor and Employment
UCLA
tilly@ucla.edu

September 2010

The United States is undergoing what in many ways is its most profound economic crisis since the Great Depression of the 1930s. The Great Recession, as it is popularly called, is having a devastating impact on U.S. workers. In this context, U.S. unions, workers’ most important advocates, have been vociferous in calling for financial reform, job creation, and other strong policy measures. However, whereas the Great Depression in the United States saw labor engaged in dramatic mass mobilizations, large-scale militant actions, and a powerful role in promoting policy changes, the current economic slump the U.S. labor movement has accomplished none of these things. At first glance, this absence may seem surprising. However, I will argue, expanding on an earlier analysis by Milkman (2010) that in fact, it is a relatively unsurprising outcome of both long-term historical trends and shorter-term conjunctural factors.

The paper makes this case in four sections. First, I briefly summarize the impact of the crisis on U.S. workers. Second, I describe the response of U.S. unions to the Great Recession, drawing extensively on online searches to document my findings. Third, I discuss the long-term and short-term reasons for the very limited nature of that response. In closing, I explore some alternative paths that may indeed lead U.S. labor to mount a more vigorous response in the months and years to come.

The Great Recession’s impact on U.S. workers

The severity of the U.S. impact of the economic crisis that began in 2008 (technically December 2007), while not approaching the Great Depression’s estimated unemployment rate of 25 percent, can hardly be overstated. By a number of measures, the Great Recession is the most severe since World War II (Elsby, Hobijn, and Sahin 2010).

Open unemployment spiked above 9 percent in mid-2009 and has remained at that level or above ever since. In late 2009, it stood at 10 percent, a figure only reached once before in the post-World War II era, during the Reagan/Volcker recession of 1981-82 (U.S. Bureau of Labor Statistics 2010a). The most recent estimated unemployment rate at the time of this writing was 9.6 percent as of August 2010 (U.S. Bureau of Labor Statistics 2010b). Worrisomely, in this recession the percentage of the workforce who had been openly unemployed for more than six months reached a U.S. postwar high of over 4 percent (Elsby, Hobijn, and Sahin 2010), and in August 2010 still stood at that level. Putting these numbers in context, a broader measure of underemployment, including involuntary part-time employment and “discouraged workers” who want a job but have given up looking, stood at 16.7 percent in August (U.S. Bureau of Labor Statistics 2010b).

The absolute number of nonfarm jobs plummeted a stunning 6.1 percent between their peak in December 2007 and their trough in December 2009 (U.S. Bureau of Labor Statistics 2010c). Though there has been some job growth since that time, as of August 2010 jobs still languished 5.7 percent below their peak (U.S. Bureau of Labor Statistics 2010b). This is a far slower employment recovery than in the last two recessions (1990-91 and 2001), and indeed slower than the 1981-82 recession, despite the fact that the early 1980s recession reached a higher peak level of unemployment (Dougherty 2010, Schmitt and Conroy 2010). The recession is also hammering wage growth: in second-quarter-to-second-quarter comparisons, growth in hourly nominal wages fell for men from 5.3 percent in 2007-08 to -1.3 percent in 2009-10, and for women from 5.2 percent to 3.7 percent (Mishel and Shierholz 2010).

Labor’s response
The Great Depression in the United States sparked an upsurge of mass mobilizations. High points included the Bonus Marchers of 1932 (unemployed World War I veterans and their supporters demanding payment of promised bonuses), locally based Unemployed Councils organized by communist and socialist organizations (Lucia 2010), and the greatest burst of union organizing the country has ever known, triggered by the formation of the CIO (Congress for Industrial Organizing, later Congress of Industrial Organizations) and making widespread use of the sitdown strike (factory occupation) as a tactic (Lichtenstein 2003).

The early months following the U.S. financial collapse of summer-fall 2008 saw some optimism that this experience would repeat itself. There was a wave of popular anger against the bailouts of large banks and Wall Street firms. In December 2008, 240 laid-off workers occupied the factory of Republic Windows and Doors in Chicago, staying there for six days until their demands were won (Luo and Cullotta 2008, Ness and Maddern 2009). But on closer scrutiny, both of these events warranted some skepticism as harbingers of a labor mobilization. The anger at bailed-out bankers also spilled over onto unionized auto-workers as large majorities opposed the bailout of General Motors (Greenhouse 2009, Rasmussen Reports 2009). And the the laid-off workers at Republic only demanded 60 days of severance pay plus earned vacation time, required by U.S. law and the union contract. Rather than launching a wave of sit-ins, this factory occupation has remained an isolated case (though another union threatened a sit-in at nearby suit manufacturer HarMarx, winning an agreement not to offshore jobs [Ness and Maddern 2009]). It was organized by the rather exceptional United Electrical Workers, a left-led union dating back to the 1930s that managed to survive the anti-communist purges of the 1940s and 1950s.

What has been the track record of the mainstream unions in the United States since the 2008 crash? The United States has two main union federations, the AFL-CIO and the Change to Win federation that broke away from the AFL-CIO in 2005 with a call to devote more resources to organizing (a relatively small number of unions, ranging from the small United Electrical Workers to the large National Education Association, remain outside the two federations). The AFL-CIO claims 11.5 million; Change to Win claims 6 million (though the total of the two exceeds estimates of union members in the United States). Their websites provide rich sources of information about their views and activities, and much of the information in this section relies on searches of those websites. Both federations have laid out policy priorities to aid in the revival of the U.S. economy. Their programs are outlined in Table 1.

### Table 1: Economic revitalization programs of the two U.S. labor federations

<table>
<thead>
<tr>
<th>AFL-CIO</th>
<th>Change to Win</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Take care of families hard-hit by the downturn [social assistance including extended unemployment benefits]</td>
<td>1. Relief for struggling homeowners</td>
</tr>
<tr>
<td>2. Rebuild America [infrastructure]</td>
<td>2. Quality affordable healthcare for all</td>
</tr>
<tr>
<td>3. Help state and local governments meet pressing needs</td>
<td>3. Retirement security</td>
</tr>
<tr>
<td>4. Put people back to work doing work that needs to be done [public service employment]</td>
<td>4. Energy independence and green job creation</td>
</tr>
<tr>
<td>5. Ease the credit crunch for small- and medium-sized businesses</td>
<td>5. Investment in American infrastructure</td>
</tr>
<tr>
<td></td>
<td>6. A fair tax system that rewards work</td>
</tr>
<tr>
<td></td>
<td>7. An economy that works for everyone [calling for the Employee Free Choice Act, a reform of labor laws]</td>
</tr>
<tr>
<td></td>
<td>8. Affordable education [funding for early</td>
</tr>
</tbody>
</table>
Notes: Explanations in brackets added by author. The AFL-CIO lays out more detailed economic programs in Resolution 2, “Good jobs, tough times: A national strategy for economic recovery and sustained growth,” and Resolution 20, “Call for a national JOBS Now! Initiative,” from its 2009 convention, which overlap with the “Call to Action” above but address a wider range of issues including taxes, housing, education, and trade. The resolutions have in common with the two programs a complete focus on federal government policy. See AFL-CIO 2009.
Sources: AFL-CIO 2010, Change to Win 2010

These goals are admirably broad and comprehensive. However, they constitute a relatively mainstream policy menu (though to the left of the current policy consensus in the United States). Stewart Acuff, Chief of Staff of the Utility Workers Union of America, argues that “We’ve neglected a rich opportunity to condemn unregulated, deregulated free market capitalism.... We are too timid to criticize capital or the failures of capitalism” (Acuff 2010; see also Lerner 2009 p.46).

In each case, the program consists entirely of a wish list for policies to be adopted by the federal government of the United States. What, then, are the federations’ strategies for achieving these policies? Change to Win did not spell out a strategy (though the timing of the statement made it clear that they sought to influence the outcome of the 2008 presidential election). The AFL-CIO ends its “Call to Action” with “a five-point plan for mobilizing union members, communities, and allies.” The five points are:

1. We will act as one as a labor movement....
2. Our goal will be to restore good jobs for all Americans—and we seek to join with all those inside and outside the union movement who share that goal.
3. We seek bold action from Washington, from state capitols and from local government, and we will hold our elected officials accountable for what they do or don't do.
4. We will hold the private sector accountable...and we will stand with anyone in the business community that is working to create good jobs.
5. We will be in the street wherever the fight for jobs is being fought.

This is a bit vague, so on each website I conducted a search for the word “strategy” paired with either “recession” or “crisis”. On the Change to Win Website, both searches turned up zero results, so I broadened the search to any document with the word “recession,” yielding 11 hits. Given these very limited results, I went on to review all Change to Win press statements from August 2008 forward, a total of about 80 documents. On the AFL-CIO website, the pairing of “strategy” and “recession” generated 144 documents. A review of all of these web pages results in several observations:

- The word “strategy” is overwhelmingly used by the two federations to refer to recommended federal government policy strategies
- The AFL-CIO at times also refers to an electoral strategy or a legislative strategy to win approval of the Employee Free Choice Act, which would reform labor laws to make it harder for employers to run anti-union campaigns, currently very effective in defeating union organizing
- The top leaders of the two federations are constantly making speeches and issuing statements calling for changes of government policy
- Beyond speech-making and electoral action (for example, Change to Win’s National Talk Change at Work Week in the run-up to the 2008 election), there is very little to be found about strategy
or action to mobilize workers and their supporters. My searches only turned up two exceptions, both on the AFL-CIO web page. One was an April 2010 march of “thousands of workers and union leaders” on Wall Street (plus related small demonstrations in Kansas City and San Francisco) to protest bank bailouts and demand job creation (Salazar 2010, Targeted News Service 2010), a number that pales next to the 100,000+ mobilized by conservative leader Glenn Beck, conservative Christian groups and Tea Party activists in August 2010. (At the time of writing, a major demonstration targeting job creation was planned for October 2010.) The second was the June 2010 “America’s Future Now!” conference organized by the Campaign for America's Future, a progressive advocacy organization independent of the labor movement, though the President of the United Steelworkers serves on the Campaign’s board.

To investigate further, I examined AFL-CIO Convention resolutions from 2005 and 2009 (AFL-CIO 2005, 2009), which are not indexed for search. (In the case of Change to Win, there has been no convention since 2007). The latter convention took place in September 2009, more than a year into the crisis. In both cases the federation adopted resolutions on organizing (Resolution 1 in both years) and political action (Resolutions 8 and 9 in 2005; Resolution 2 in 2009). In both instances, the strategies laid out are strikingly similar, focused particularly on passing the Employee Free Choice Act (which was introduced in Congress as early as 2003). It is clear from comparing the 2005 and 2009 resolutions that the AFL-CIO’s ability to make political contact with and mobilize its members has gotten stronger. According to the 2009 resolution, the federation used this greater capacity in electioneering in the 2008 election and in generating calls/letters/emails in support of the Employee Free Choice Act. I hasten to add that the content of the AFL-CIO’s economic policy platform clearly reflects concern about the economic crisis (including resolutions on “Good Jobs, Tough Times: A National Strategy for Economic Recovery and Sustained Growth” and “Call for a National JOBS Now! Initiative”). But these shifts in the platform have not led to any discernible change in federation-level strategy.

The U.S. labor movement is highly decentralized, so it is possible that most of the action is on the level of sectoral or local unions. But as New York Times reporter Steven Greenhouse (2009) summarized the landscape in mid-2009, “Unlike their European counterparts, American workers have largely stayed off the streets, even as unemployment soars and companies cut wages and benefits.” Correspondingly, a Google search of “unions” paired with “recession” or “economic crisis” turned up even more scant results than searches of the federation websites. Most mentions of union strategies and actions again referred to lobbying in support of the Employee Free Choice Act. There are some limited reports that non-unionized government workers, buffeted by cutbacks, are increasingly seeking unionization (Cunningham 2010, Rosenberg 2009).

Even a search of the triad “protest,” “unions,” and “economic crisis” resulted in only 16 references to protests by U.S. unions out of the first 100 results. The vast majority of hits referred to protests in Europe, especially France and Greece, despite the fact that this U.S.-based search was limited to English-language sources and uses an algorithm that tends to favor U.S.-based sources. Among the 16 references were only three large-scale actions (over 1000 participants). The largest by a factor of 10 or more was a march of 150,000 (by media estimates) in the October 2009 general strike in Puerto Rico—perhaps the least “Americanized” of U.S. territories—led by government unions protesting planned layoffs of 17,000 public sector workers (Thomas 2009). Consistent with the paucity of protests, Greenhouse (2009) quotes United Steelworkers President Leo Gerard as stating that there are “smarter things to do than demonstrating against layoffs—for instance, pushing Congress and the states to make sure the stimulus plan creates the maximum number of jobs in the United States....
In short, Ruth Milkman’s (2010, 372) grim assessment, “no bold vision or new strategies have been forthcoming from the beleaguered House of Labour,” appears on-target.

Long-term and short-term reasons for a limited U.S. labor response

There are both long-term and short-term factors that help explain U.S. unions’ relative quiescence. One group of long-term factors falls under the heading of “American exceptionalism,” the well rehearsed explanations of why the U.S. working class has not formed a politically significant labor or social democratic party, and why union decline in the United States has been particularly precipitous. Prominent among explanations of the lack of a labor party are the division within U.S. working class life between community-based experience with hospitable party machines and workplace-based experience with hostile employers (Katznelson 1981), and political, religious, and ethnic divisions in the working class at key historical points of opportunity (Archer 2007). Explanations for the comparatively weak labor movement in the United States include weak labor laws combined with continuous employer resistance (Bronfenbrenner 2009, Freeman 2007, Freeman and Medoff 1984), continuing racial divisions in the working class (Fletcher and Gapasin 2008), and the massive post-World War II purges of leftists from the unions (Fantasia and Voss 2004). Some analysts point to an exceptionally individualistic culture as an underlying explanation (Kennedy 1999). Union density in the United States stood at 12.3 percent in 2009, but only 7.2 percent in the private sector (U.S. Bureau of Labor Statistics 2010d).

Another long-term factor cuts across the United States and most of the rest of the world: the ascendance of neoliberalism over the last 30 years (Milkman 2010). To be sure, neoliberalism was and is particularly powerful in the United States, but the shift has been world-wide. Neoliberalism’s deregulation of markets (including the labor market), shrinking of the social functions of government, and in some cases direct government attacks on unions have all weakened labor movements (Boyer 2010, Crouch 2010). This helps explain the background for United Auto Workers militant Jerry Tucker’s comment to Greenhouse (2009): “You have a general diminution of union leadership that was focused on defending workers by any means necessary. The message from union leadership nowadays often is, ‘We don’t have a choice, we have to go down this concessionary road to see if we can do damage control.’” Unions in the U.S. and elsewhere entered the recession already greatly weakened.

Three short-term factors augment these longer-term issues. First, in the last several years the U.S. labor movement has been racked by bitter divisions and jurisdictional disputes between the AFL-CIO and Change to Win and within Change to Win (Meyerson 2009a, Milkman 2010, Pringle 2009). These struggles absorbed much organizational energy and resources. Second, U.S. organized labor’s close ties to the Democratic Party, and the unusually promising opportunity for Democrats in the 2008 election, also have constrained labor in various ways. Unions poured a huge amount into winning a Democratic presidency and majorities in the House of Representatives and Senate in 2008 (Beachler 2009). In the presidential campaign alone, unions (and their political action committees) expended nearly $450 million and reached out to more than 13 million voters, in some cases repeatedly (Greenhouse 2008). Their primary goal was to win the Employee Free Choice Act (EFCA). However, as is well known, successful resistance by Republicans and conservative Democrats has stalled Obama’s legislative agenda. A business media offensive painted EFCA as an attack on the right to secret ballot elections and
an invitation to intimidation of workers by unions. The business community has remained extremely united on the issue, and, as in the case of labor law reforms promised by Presidents Carter and Clinton, the proposed reform has not been enacted (Fraser 2009, Meyerson 2010b, Weil 2008). Paradoxically, labor’s huge, successful investment in electing Democrats disarmed unions in three ways: by exhausting their treasuries and foot-soldiers in the election effort (for example, Change to Win, which distinguished itself from the AFL-CIO by its commitment to organizing, pulled resources out of organizing to shift to the election campaign), by committing them to a narrow strategy pinned primarily to one piece of legislation, and by constraining their ability to criticize a government that they sought to defend from unceasing attacks from the right.

The final short-term factor is the recession itself. With layoffs and business failures, union membership has slumped, reducing the membership dues that are unions’ source of income (Milkman 2010, U.S. Bureau of Labor Statistics 2010). High unemployment stirs job insecurity and fear, suppressing solidarity and militancy (Bowles, Gordon, and Weisskopf 1984). Indeed, the union upsurge during the Great Depression of the 1930s was an unusual exception, not a typical pattern.

Two astute observers of U.S. labor have summarized this situation well. Labor scholar Ruth Milkman commented, “the future of U.S. unionism appears bleaker than anytime in the past half century” (2010, p.373). Stephen Lerner of the Service Employees International Union, architect of some of the most successful organizing strategies of the last two decades, describes the current situation as the “moment of (perhaps) our greatest weakness” (2009, p.46).

*Alternative paths?*

Though both Milkman and Lerner demonstrate pessimism of the mind, they also exercise optimism of the will. Milkman goes on to say (p.375), “Nevertheless, a labour revival is not impossible to imagine.” Lerner is worth quoting at length:

> Arguing that—in a moment of (perhaps) our greatest weakness—we should commit ourselves to expanding the scope of our demands runs counter to what we’ve done for years; in moments of weakness, we’ve narrowed what we organize around and fight for. But unions, collective bargaining, and organizing make less and less sense the more we narrow the scope of what we are trying to achieve. The union campaigns that show the greatest promise and make labor relevant are the ones that broaden—not narrow—what we are fighting for. (Pp.46-47)

Building on their arguments and proposals, it is possible to suggest some positive prospects for the U.S. labor movement. As Milkman (2010) points out, U.S. unions still possess enviable assets. Compared to most left or social justice organizations in the United States, they remain well funded. They have greatly enhanced their political mobilization capacities, as the AFL-CIO’s 2009 convention resolutions suggest. And unions still enjoy relatively majority popular support, though public opinion remains sharply divided. Despite a steep falloff of public support of unions in the recession, a majority (52 percent) of people in the U.S. still approved of labor unions in August 2010, and the number had recovered somewhat since its all-time low in 2009 (Jones 2010). A similar percentage of non-union workers indicated that they would definitely or probably vote for a union in their workplace in 2005 (Freeman 2007 Figure 5.1; the survey has not been repeated more recently).
Milkman cites one final, very important asset: unions’ alliance with immigrant workers and the immigrant rights movement. Despite decades of nativism, U.S. unions have recently embraced immigrant workers and taken strong positions in support of immigrant rights (Fine and Tichenor 2009). Immigrants account for 13.5 percent of the U.S. population (United Nations 2009), and have powered many of the great union organizing victories of the last two decades (Milkman 2006). The Latino share of union membership has more than doubled from 5.8 percent in 1983 to 12.2 percent in 2008 (Schmitt and Warner 2010). Moreover, demonstrations supporting immigrant rights have been by far the largest mass mobilizations in the United States in recent years, peaking in 2006 when millions marched in the streets to oppose restrictive federal legislative proposals (Milkman 2010). Recent anti-immigrant legislation in the state of Arizona has led to a renewed upsurge of protest, with tens of thousands demonstrating in Arizona’s capital of Phoenix, in Los Angeles, and elsewhere. Though, like unions themselves, immigration policy remains a divisive issue and about half of immigrants are non-citizens, demographic shifts point to increasing clout for immigrants and for Latinos, who even when non-immigrants tend to sympathize with immigrant demands.

Two more short-term shifts in the terrain may also redound to the advantage of unions. Importantly, U.S. unions have begun to heal their internal disputes. The nastiest battle, between the Service Employees International Union (SEIU) and UNITE-HERE, has been resolved, the polarizing top leaders of SEIU and Change to Win have stepped down, and there are discussions of re-forming a single, unified labor federation (Meyerson 2009b, 2010a).

The second short-term change is more double-edged. All signs point to a renewed Republican majority in the House of Representatives following the 2010 midterm elections. It appears there will also be a number of representatives and senators from the far-right Tea Party movement. Both of these, of course, will mark defeats for the labor movement. But they will also open new opportunities. There will no longer be any plausible reason for the unions to lobby for EFCA (at least until the composition of Congress changes once more), freeing up the labor movement’s political energy for other issues. A Republican majority in the House can ill afford to remain “the party of No,” criticizing government policies from the wings and benefiting from widespread dissatisfaction with the state of the economy; it will be compelled to make its own legislative proposals, subjecting them to greater public scrutiny. By the same token, Tea Party activists will find it harder to attack government in general once they are in a position to govern.

Unions have, in recent decades, expanded their strategic repertoire, and in shifting away from a single-minded focus on EFCA and on a lobbying strategy, they may choose to invest more in a number of other promising strategies:

- **Comprehensive or corporate campaigns**, which, rather than using conventional narrow organizing and collective bargaining approaches, utilize multiple points of leverage (including consumers, suppliers, sources of finance, government certification processes, and so on) and a variety of coalition partners to exert pressure on employers. Such campaigns have been shown to greatly improve unions’ chances of success (Bronfenbrenner and Hickey 2003, Lopez 2004).

- **Community unionism**, meaning organizations of workers based in a community rather than a workplace and typically united by ties of ethnicity. Particularly active are immigrant worker centers, which have been growing rapidly and now number well over one hundred across the United States (Fine 2006). Unions and worker centers have begun to form alliances, with mixed results (Fine 2007). An interesting new initiative is the “UCubed” organization created by the International Association of Machinists to organize the unemployed (UCubed 2010).
- **Urban/regional coalitions**, in which unions and community partners use local politics and local government’s powers of purchasing, tax and subsidy, and development approval to win demands related to job quality and access (Turner and Cornfield 2007).

- **Deterrence.** This strategy, for which I have adopted a term from geopolitics, is not widely used, but there an intriguing, imitable example took place in Colorado in the 2008 elections. Business interests led a drive to put a “right-to-work” referendum on the ballot, which would “[have made] it more difficult for unions to collect dues from their members, effectively ending the growth of organized labor in Colorado” (Goldstein 2008). Seeing this drive in progress, a labor-linked coalition organized referenda to make business executives personally liable for violations of law and to outlaw firing without cause (which is currently legal in the U.S.). With all three measures on the ballot, the labor coalition then successfully bargained with business leaders, getting them to agree to campaign against their own ballot initiative (raising $3 million to do so!) in return for the coalition’s withdrawal of its two initiatives. In a somewhat similar vein, Lerner (2009, p.48) calls on organized labor to “punish and isolate specific politicians who take money from those [financial corporations] that destroyed the economy.”

- **Make demands that benefit consumers and communities.** This is not a new idea, but typically unions choose consumer-aiding demands because they will directly benefit their members, as when health care unions argue for adequate staffing ratios (Lopez 2004). Lerner (2009) calls for linking worker demands with sector-specific demands to aid communities even when the community-oriented demands do not directly mesh with union member needs. He and many others are currently promoting a coalition around retrofitting buildings for energy efficiency that would link environmental sustainability and community access to jobs with new job creation and requiring that jobs be compensated at union rates (Grabelsky and Thompson 2010).

A final point is that history both takes unexpected turns and offers second chances. Milkman (2010) reminds us that as of the early 1930s, unions in the United States had been written off as irrelevant and rapidly heading for extinction. Just a few years later, unions were experiencing the most explosive growth in American history. It is useful to keep in mind that this explosion only took place six years after the initial economic collapse (Devinatz 2009). While it might be tempting to think that modern demand management techniques would render impossible a six-year slump, I would argue to the contrary that the current grip of political opposition to government deficits, along with the continuing income inequality underlying the growth of financial bubbles, basically assure a prolonged or soon-to-repeated economic slump—though explicating that argument would be another paper altogether! I am not calling for faith in providence to rescue struggling unions, but rather positing that in coming years and perhaps even decades recurrent recessions will provide important opportunities for unions to scale up innovative strategies and shift U.S. politics. If so, there will be ongoing, momentous debates and struggles over the best way to lead the country out of economic crisis, and an expanded and revitalized labor movement could once more be a decisive actor building a coalition for an economically and socially just solution.
References


Targeted News Service. 2010. “As Wall Street reform rages on in Senate...clergy, workers, families march on Wall Street banks in Kansas City and San Francisco.” April 27.


