

I. PRESIDENTIAL ADDRESS

Democracy and Industrial Relations

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Introduction

Political democracy is thriving in the world. Think about the changes that have occurred in Korea, Poland, Greece, Portugal, Spain, and Taiwan. Of course, democracy is not an all-or-nothing matter. But clearly many nations have moved in a democratic direction. Democracy in the workplace is also being met with renewed interest. Even the Academy of Management has devoted a recent meeting to democracy.

At this conference, we have devoted numerous sessions to the relationship between industrial relations and democracy. Workplace governance, employee involvement, and corporate governance have been discussed, along with issues of social capital, and its creation.¹ Here I want to highlight the relationship between labor unions and democracy.

My central thesis is that labor unions make a crucial contribution to political democracy. Labor unions play a vital role in making the United States and other nations more democratic than they otherwise would be. My fear is that today America is drifting in a less and less democratic direction in part because of the current weakness of the American labor movement. Unions are essential vehicles of democracy in contemporary societies, and when they are weak democracy suffers.

Democracy may be doing well in the world, but it is not doing so well in the United States. There has been a marked decline in voting in the United States, a key form of democratic participation. Today only a little more than half of the eligible voters go to the polls in Presidential elections—and in local races perhaps a quarter of eligible voters often decide who is mayor or whether a bond proposal has passed.² Income is correlated with voting, and

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also with other forms of political participation—from attending a school board meeting to asking others to vote for a candidate (Conway 2000).³ Not surprisingly, income is also highly correlated with making political donations, and political donations have become a more and more important form of political participation in the United States (Verba et al. 1995). One consequence of current low voting participation rates in the United States is an electorate that has a higher than average income, and a different set of economic interests and concerns, from the population as a whole—reinforcing a conservative tilt to current electoral politics (Wattenberg 2002).⁴ All this matters. It has serious consequences for economic policy, for social safety nets and public services, and for the laws that govern the workplace, including labor law itself. Why? Because when citizens do not vote, politicians do not need to address their concerns.

Let me begin by talking about how labor unions relate to electoral politics. I will try to be non-partisan, in the tradition of the IRRA, but please be tolerant of the fact that I'm quite opinionated. Portions of my talk will surely annoy some of you. I hope that you can still hear my central message because support for democracy is truly a non-partisan matter. As Churchill once said, "Democracy is the worst form of government except for all those others that have been tried" (1947).⁵

Unions and Political Democracy

How do unions relate to electoral politics? Unions encourage their members, other working people, and their families to vote and to participate in politics in a variety of ways. Unions register voters and fund organizations that register minorities. Unions disseminate information about the economic positions of candidates. Unions mobilize members and staff to assist friendly candidates. Local union activity provides members with political experience and the confidence needed to be effective political participants. Unions have, in recent years, reinstated efforts to get members to run for office.

As a result of all this, union members and their families are more likely to vote than others (Schur 2003). In the last Presidential election, about a quarter of all voters came from union households.⁶ Freeman (2003), based on his analysis of National Elections Studies data, reports that union members are more likely to make political donations, to attempt to influence the vote of others, and to report attending political meetings or rallies.

Political scientists have found there to be a higher voting rate and a more representative electorate in those states in which there is higher union membership, other things being equal. Voting has declined more drastically in those states in which union membership has fallen most sharply since the mid-seventies (Radcliff and Davis 2000). Internationally, the same thing is true. Po-

litical participation in the form of voting has declined more significantly in those advanced industrial nations in which there has been a precipitous decline in union membership than in those nations in which unions have remained strong (Gray and Caul [2000] consider the period since 1950; Radcliff and Davis [2000] consider a later period).⁷

Voting is only one part of the story. Unions also increase democracy by acting as an organized “interest group” between elections. They represent the views of working families in the legislature, before public agencies, and in a variety of interactions with the media intended to spread labor’s perspective to the general public. They help enforce laws benefiting workers through lawsuits and briefs on issues before the courts.

In the 1950s, industrial relations scholars writing about democracy made several points that remain valid today.⁸ Employees have unique concerns, and their interests are different from those of corporations. The open expression of the distinct interests of employees through independent labor organizations is an important foundation of a plural, democratic society (Kerr 1958). It is precisely for this reason that the United States promoted legislation in both Germany and Japan after World War II that provided a legal foundation for an independent labor movement in those countries as part of the post-war democratization process. Julius Getman and Ray Marshall (2003) note that the same reasoning should be applied to Iraq, Afghanistan, and other nations in which democracy needs to be fostered today. If this reasoning is true for other nations, it is also valid for the United States.

What are the purposes of union political activity? The media sometimes denigrate unions as a “special interest” group—that is, as a group that promotes the interests of their members over the general public interest. Unions do sometimes act as special interest groups, for example, the Steelworkers lobby for policies benefiting the American steel industry.

What is notable about the public policies advocated by American unions, however, is how often they reflect the interests of a broad swath of Americans. In fact, the economic and public policies that benefit union members typically coincide with the policies that benefit wide sections of society. These are public policies that promote full employment, rising wage and living standards, social insurance for those who cannot work, access to good quality health insurance, excellent public education, safe streets and workplaces, full equality for all citizens, and so forth. A current example would be the considerable effort unions have made to protect overtime pay.

Unions, Workplace Democracy, and Political Democracy

What about the workplace itself?

Unions also play an important role in enhancing industrial democracy in

those workplaces where they represent employees. A web of complex rules governs all workplaces—but only in unionized workplaces do employees have an effective way to change workplace governance through periodic negotiation (Dunlop 1958). Unions, as long as they are internally democratic, are vehicles of representative democracy in the workplace for this reason alone.

Unions also contribute to workplace democracy by increasing individual liberty on the job.⁹ In union workplaces, employees cannot be disciplined or discharged for speaking their mind or for talking to other employees about common workplace concerns—whereas in some nonunion workplaces, individuals can be discharged for doing something as minor as comparing their paycheck with that of a coworker. Union workers are simply freer as individuals to speak up on the job.

Freeman and Medoff (1979) have talked about the two faces of unionism, with the political, or “voice,” face of labor organization standing in contrast to the economic, or “monopoly,” face. Some have oversimplified this idea until it appears to be something like the good and the bad side of labor organization—unions are good when they voice the concerns of members and enhance democracy in the workplace and bad when they raise employee compensation, because the latter disadvantages consumers and business organizations. This argument concludes that public policy should encourage the exercise of voice in the workplace while it simultaneously limits unions’ economic power. That argument is a flawed understanding of the concept of two faces. The two faces of unionism are really two sides of the same coin: they are inseparable.

Why? Because effective voice requires power. In contemporary market-based societies, working people are largely a dominated group. Only by empowering themselves through united, common activity in a labor organization can working people effect change—either in the workplace or in the society as a whole. Power is not given by the powerful—it must be created by the initially powerless through a successful challenge to existing situations of subordination. And once power is created through collective action, employees will use it to express their own needs and interests, including their own economic interests.

Members want unions to raise wages, raise benefits, enhance leisure, ensure income security—and all the other actions that some decry as unions exercising a “monopoly.” In fact, inequality of income and wealth has been growing in the United States over the past thirty years; these trends are due to declining labor organization as well as to other factors. Today, working families are not receiving a fair share of the fruits of their labor—it is mistaken to decry their legitimate economic demand for more equity.

A balanced distribution of income is important for effective political democracy. Societies in which there are enormous disparities of income and

wealth are societies with great social distinctions between families. These are unequal societies full of powerless, politically-unrepresented people. Social distinctions between people are muted in societies with a relatively greater income equality. Social mobility is more possible in these societies, and political democracy is more likely to flourish.

Thus, the labor movement, through its successful efforts to raise wages and benefits for its members, contributes to democracy in the wider society. It is the major institutional counterforce to widening economic and social inequality. Unions raise the earnings of the lowest paid members in the establishments where they represent workers (Mishel and Walters 2003). In the wider society, unions champion minimum wages, overtime pay, universal health care coverage, a strengthened social security system, and other programs that reduce socioeconomic inequality. The economic and political aspects of unionism are two sides of the same coin.

The bottom line is that it is a good thing that unions raise their members' wages—the problem is not that there is too much “monopoly unionism” in the United States today but that there is far too little, especially among the low wage retail and service workforce.

Policy Implications

What are the policy implications of all this?

One implication is that labor law reform that would make it easy to form or join a union needs to be a priority for all who value democracy. The problem is that labor law reform is not likely to be enacted until there is a significant expansion of democracy in the United States—and low levels of unionization in parts of the country make that difficult. States with small populations have disproportionate representation in the United States Senate, and the labor movement is especially weak in the southern and mountain states that hold effective veto power over legislation in that body. Senate rules on ending debate and bringing proposed legislation to a vote have been particularly important in blocking changes that would make it easier to organize.¹⁰ Labor law reform came close to passing in the Carter Administration but was defeated by a cloture vote. Even though a clear majority of fifty-nine senators supported reform, this was just short of the sixty votes needed to end debate (Dark 1999).¹¹ Informal vote tallies that promised a similar situation stopped labor law reform before it got seriously under way during the Clinton Administration in the early 1990s.¹²

In order to change this situation, labor needs to recast itself as a truly national movement—and gain strength in those parts of the nation in which it is currently weak. The growing importance of Latino and other immigrant groups in the southern and mountain states—and the efforts that labor is making to

organize these workers both politically and for purposes of collective bargaining—are particularly hopeful developments. Labor movements in European countries developed a strong political dimension precisely because they needed to bring political rights to large portions of the population; the American labor movement now needs to act as a similar agent of democratization in the United States. Organizing and political action cannot be seen as alternatives by labor—they need to go hand in hand.

Conclusion

Let me conclude by recognizing the difficulties of the current situation.

Today the United States is in a perverse equilibrium with considerably less democracy in fact than in the theory espoused in our political ideals. Democracy is distorted in part because the labor movement is weak and hence many people do not vote. Democracy is also distorted because of institutional aspects of our system—from Senate rules to the Electoral College itself. It is hard for workers to organize under the present law and hard to change labor law because democracy is distorted.

Nonetheless, I am fundamentally optimistic when I step back and look at history. Over time, democracy has grown, developed, and become more inclusive both in the United States and elsewhere. Universal male suffrage was an achievement of the eighteenth century in the United States, women's suffrage an achievement of the early twentieth century, and the actual ability (as opposed to the theoretical right) of African Americans to vote was expanded significantly in the 1960s. Indeed, the rights of all workers have expanded dramatically in the United States from the repressive environment of the nineteenth century.

Americans of all parties subscribe to democratic ideals. The issue of democracy in our nation needs to be put on the political agenda. Consequently, it is important that industrial relations scholars continue to produce research relevant to making both the workplace and society more democratic. It is equally important that practitioners continue to experiment with ways to make our democratic ideals real. I hope this conference contributes to the exchange of ideas that is central to advancing democracy.

Notes

1. See Putnam (2000) for the seminal work on social capital.

2. In the November 2003 elections for the New Jersey legislature, only 31 percent of registered voters and 26 percent of all eligible voters cast ballots; in that same election in New York City, 13 percent of the registered voters cast a ballot on whether or not the city charter should be amended to eliminate political party primaries (McIntire, November 6, 2003). On November 10, 2003, the Associated Press reported that five states have eliminated presi-

dential primaries because only about 20 percent of all voters cast ballots in these elections, and they entail considerable costs for financially-pressed states (Tanner 2003). See the U.S. Census Bureau, February 2002, for information on who votes in presidential elections.

3. About 10 percent of all Americans report that they gave money to an individual candidate or to a political party (see data from the National Elections Studies at <http://www.umich.edu/~nes/nesguide>). Less than 1 percent of all adults in the United States make political donations of two hundred dollars or more (the level of donations that need to be itemized on personal taxes). The Political Action Committees of labor unions broaden the base of political donations substantially, even though corporate contributions to candidates totalled approximately twelve times the amount of union donations in 2002 (AFL-CIO 2003).

4. Verba, Scholzman, and Brady (1995) demonstrate that this conservative tilt is even greater with regard to political donations.

5. Amartya Sen (1999) argues that democracy has intrinsic importance to promoting participation and freedom in human life, instrumental importance in keeping government responsible and accountable, and constructive importance in forming values. He points out, "Political rights, including freedom of expression and discussion, are not only pivotal in inducing social responses to economic needs, they are also crucial in the conceptualization of economic needs themselves." Rodrik (1999) provides evidence regarding the instrumental value of democracy in responding to economic crisis.

6. Freeman finds that part of the difference is due to socioeconomic factors that differentiate union members.

7. In discussing this phenomenon, political scientists Benjamin Radcliff and Patricia Davis point out that not only do labor organizations mobilize their own members to vote by providing them with information about candidates and key issues in an election, but also that unions influence the entire political discussion in a way that makes politics more relevant to working families (2000). Candidates address issues important to working families, both union and nonunion, because the candidates are courting the endorsements of unions or because they fear their active opposition. Our current labor movement plays the important institutional role of putting members' issues on the table. A more powerful labor movement could bring more issues to the political agenda that matter to working families, thereby motivating increased political participation.

8. There has been an explosion in the number of organizations concerned with race, gender, environmental, and other issues since the 1960s in the United States, making our politics more plural than ever before. Still employees need political representation as employees.

9. Elaine Bernard (1998) has written eloquently about the relationship between democracy in the workplace and democracy in the wider society with a focus on the essential rights of freedom of speech, freedom of association, freedom of assembly, and equality under the law—the very rights that are absent when employees are not organized.

10. The largest states (containing 50 percent of the U.S. population) elect only 18 percent of all U.S. Senators (Matthews 2001).

11. Reform had already passed the House with close to a one hundred vote margin; that vote was a more accurate reflection of public opinion at the time.

12. At present, labor breathes easier because the power of less-than-majority voting blocs in the U.S. Senate allows labor and its allies to challenge changes in the law that would hurt

workers or unions themselves. Nonetheless, in the long run it is imperative to modify legislative rules to decrease the power of such voting blocs in the Senate.

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