Labor and American Politics

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In A Preface to Economic Democracy, Robert Dahl begins his chapter, “The Right to Democracy Within Firms,” with a provocative claim: “If democracy is justified in governing the state, then it must also be justified in governing economic enterprises; and to say that it is not justified in governing economic enterprises is to imply that it is not justified in governing the state.”1 Dahl argues that in order to achieve greater substantive political equality in America, we must narrow the degree of economic inequality between poor and rich and between employers and employees. In his view, the rise of the corporation in the late nineteenth century created a level of economic inequality that “helped to create a body of citizens highly unequal in the resources they could bring to political life.”2 Written in 1985, Dahl’s sentiments may have been provocative, but they were hardly unique among democratic theorists and empiricists within political science. At the time, many of the discipline’s foremost contributors made quite grandiose assertions regarding the importance of attaining workplace democracy in order to bring about a more thriving and equitable democracy in the electoral and legislative arena.3

Twenty-five years later, the United States is in the midst of what some are labeling the “new Gilded Age.”4 The aptness of this label derives from the fact that economic inequalities between the wealthiest Americans and everyone else have reached a level of disparity not observed since the Roaring Twenties, at the same time that a series of political and legal developments have scaled back important aspects of the welfare state while increasing the freedoms of corporations and Wall Street. Political scientists have been active and responsive in calling attention to this rising inequality. In 2004, the American Political Science Association published a widely publicized and discussed report, American Democracy in an Age of Rising Inequality,” and the last several years have seen an outpouring of books devoted to describing the nature of inequality, drawing out many of the implications that this inequality has for democratic representation.5 These works have both pointed to an alarming array of statistical trends and illuminated developments within the nation’s legislative and executive branches, its political parties, courts, and public policies—all of which have been marked by the effects of increased corporate power, decreased participation by disadvantaged groups, and retrenchment of many pieces of a once-vibrant political and economic safety net that regulated big business and protected workers from economic disaster.

Less frequent within these current academic discussions, however, is either a conversation about the role that worsening conditions in the workplace have had in exacerbating political and economic inequality, or a more general interest in worker rights and workplace democracy. This silence is not because workplace democracy has become a reality since the time of Dahl’s writing; far from it. Democracy in the workplace, as well as a broader set of rights, securities, and protections for workers, have all declined in an economic and political climate that has empowered employers and disempowered labor unions and the individual rights of many workers. In this essay, I begin with a review of the findings presented in a recent publication by Lawrence Mishel, Jared Bernstein, and Heidi Shierholz, The State of Working America, 2008/2009. In the book, the authors detail disturbing economic trends in the areas of family income, individual wages and benefits, employment patterns, and distribution of wealth. The statistics they provide are systematic and powerful reminders of what have become increasingly apparent trends in the modern American economy and society: rising inequality, a struggling middle class, a declining working class, and a continuing trend of significant economic disparities between races.

Many of these statistics are familiar to political scientists, even those with a scant interest in inequality. But my broader purpose in discussing The State of Working America is to urge political scientists to return to the concerns expressed by Dahl and others about democracy

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in the workplace and its linkages to democracy in American society. Inequality in America is not just about increasing wage and capital differentials and policy retrenchments; to fully encompass an explanation of rising inequality and its impact on everyday society, we also need to engage with events and trends in the private sector, and particularly the increasing power differentials between employers and employees. Inequality in the workplace lays the foundations of many of the ills that befall democratic society—a demobilized and insecure workforce and an increasingly powerful elite that with the benefit of resources and legality has operated outside the purview of democratic procedures and accountability.

In part, declining rights in the workplace are due to the declining relevance of American labor unions. In the last few decades, labor unions have lost members in dramatic proportions—a result of many factors, including structural changes in the economy and intensified employer opposition, violence, and intimidation toward union organizing. But inequality at work is not just about declining unions. White-collar workers—including those who work in the legal and technical professions and professors in academia—are working longer hours with less job security and fewer benefits. Rising numbers of immigrant workers have come to the United States with expectations of job opportunities, only to find themselves increasingly exploited with low wages and poor working conditions, and by employers taking advantage of unenforced labor laws and the threat of deportation. Laws protecting employees from sexual and racial harassment and workplace discrimination have been narrowed and made more difficult to enforce by having subjected plaintiffs to higher standards of proof and employer intent.

As the authors of *The State of Working America* astutely argue, rising inequality in America has much to do “with the diminished bargaining power of the American worker,” as employers have taken a significant upper hand in disempowering employee rights at the workplace, in the legislature, and in economic policy discourse (p. 15). Dahl’s claims mentioned previously suggest that we should go further to understand decline in equality and civic health, viewing labor’s decline in the workplace as reflective of a much broader decline of democracy and equitable conditions for Americans in the place where they spend most of their waking hours. It is also in the workplace that power relations are formed and rooted, both institutionally and socially, shaping in important ways the scope of democratic possibilities and meanings. The purpose of this essay is to review the state of workers in America, and argue that we as political scientists would be well served by paying more attention to the study of the workplace. By expanding the range of venues where we perceive politics and democracy to take place, we can better understand the roots of political inequality and explain why such inequality has increased so precipitously in recent decades.

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**The Decline of the Worker and the Decline of Worker Rights**

*The State of Working America* empirically demonstrates the recent decline of American workers in terms of economic security, income, and benefits, and who find themselves fighting to maintain the significant gains of the middle of the twentieth century. The mid-twentieth century was a time when the ranks of the middle class increased dramatically, with white men in particular benefiting from an unprecedented rise in upward mobility. With the changes in civil rights policies in the 1960s, this expansion then reached to racial minorities and, during the 1970s and 1980s in particular, to women (pp. 50; 250–251). The real median income of families between 1947 and 1973 doubled (pp. 46–47). In the last few decades, however, the decline in the economic condition of workers is apparent from a range of areas and measures.

The modern era has been witness to a dramatic economic inequality that finds its closest comparisons with the Roaring Twenties; indeed, the last time that the wealthiest 1% in America held more total income (23% in 2007) was in 1928, just prior to the stock market collapse and the Great Depression (p. 44). The top 1% had earnings growth of 144% from 1979 to 2006, whereas the bottom 90% saw an earnings growth of just 15.6% (p. 29). Corporate executives in 1977 earned just under 30 times the amount of their average employee; by the mid-1990s, this had increased to 115 times. Between 1962 and 2004, the share of wealth held by the bottom 80% of the wealth distribution fell from 19% to 15% (p. 8). From 1947 to 1979, the top slice of wage earners made about 20% more than the bottom 90%; by 2006, that difference had risen by 77 times.

It is not simply the case that the rich are getting richer but also that working-class Americans are receiving less. During the short tenure of the new millennium, more than $400 billion of pre-tax income moved from the bottom 95% of wage earners to the top 5%, a loss of $3,660 per household on average in the bottom 95%. For the first time since the mid-1940s (when the Census Bureau began tracking such data), the real incomes of middle-class families are lower at the end of the most recent business cycle than they were when it began (p. 43). In the 2000s, the longest jobless recovery on record hurt families’ earnings capacity, while increased inequality meant that the growth that did occur bypassed the middle class. Employer-provided benefits for workers are now a less frequent addition to employee compensation. Between 1979 and 1994, employer-provided health care coverage fell before stabilizing briefly and then fell again from 2000 through 2006—from 69% in 1979 to 55% in 2006. Pension-plan coverage during this same time fell as employers substituted defined-contribution plans for defined-benefit plans—overall, employer pension plans declined from 50% to 42% between 1979 and 2006.
Low-wage countries represented only 1.6% of GDP, but developing countries. In 1979, for example, imports from sourcing but also a specific trend of trade with lower-wage decades have seen not only a general move toward outsourcing but also a specific trend of trade with lower-wage countries. In 1979, for example, imports from low-wage countries represented only 1.6% of GDP, but by 2006 this number had reached 6.2% of GDP, making up more than half of all manufacturing imports (p. 187). By 2005, the nation has lost 4.3 million “less than B.A. jobs” while losing another million “B.A. or more” jobs (p. 190). Today, more than 30 million jobs are vulnerable to future moves by companies offshore, most of which require at least some college education, indicating that they are middle-wage jobs.

The Rise and Decline of Unions and Rights in the Workplace

To a considerable degree, the authors have constructed this book by letting the data speak for themselves: As they write, this book is not meant to be “a policy manifesto” (p. 38). To the degree that the authors intervene with opinions or implications, they are sparing. As a result of the data that they present, one might well infer, for instance, a claim that Larry Bartels has recently made more explicitly—that working- and middle-class Americans fare better when Democratic majorities are in Washington. Throughout their explication of data, they consistently find decline in worker conditions that begin to slide in the 1980s, reverse somewhat in the 1990s, and then sharpen in decline and disparity during the most recent Bush administration. When the authors briefly provide editorial comment on the statistics, their emphasis focuses on the significant changes in the rights of workers and the increasing power of employers to make employment decisions without democratic input. The authors blame the decline in worker economies on “the diminished bargaining power of the American worker. Not simply the story of the factory workers facing competition from cheap imports. Not simply that of the disempowered worker trying to form a union while facing threats and hostility from above, nor simply the tale of the minimum wage worker facing a sinking real wage floor.” They argue that while all of these stories are involved, the chief problem lies with “the rise of YOYO economics, the ‘You’re-on-Your-Own’ philosophy that has guided economic policy makers for too long” (p. 37). They claim that this philosophy has enabled employers to have increasing control over the workplace and the economy, while calls for more regulation are increasingly deemed by policy leaders of both parties to be illegitimate and obstructive to a more vibrant and expansive market.

Ample attention in the book is given to the decline of labor unions and the impact of this decline for worker conditions. As I mentioned, unions have historically been one of the few types of organizations that have protected worker rights. The importance of unions to the workplace over time is hard to overstate, from serving to bring to the American worker “the weekend,” to raising wages, pensions, and working conditions, and to providing protections against unfair firings and retributions. In the decades after the 1935 passage of the National Labor Relations
Act (more widely known as the Wagner Act), the unionized workforce reached 35% of the private sector. The Wagner Act empowered workers to act collectively to choose leaders and to enter into federally supervised (by the National Labor Relations Board [NLRB]) and binding contracts, and it protected workers from a number of important “unfair labor practices” by forbidding employers from intimidation, retaliation, and discrimination against union supporters.

Unions are also in a long period of precipitous decline. After the percentage of the workforce represented by unions stabilized in the 1970s, it rapidly fell, from 27% to 14% (p. 200). The decline is more marked in the private sector. In 1970, there were nearly 17 million labor union members in the private sector, representing a density rate of roughly 30% of this sector’s workforce. Within the next decade alone, the number of unionized workers in the private sector declined by four million and to less than 20% of that sector’s workforce. It has continued to decline, dropping to 10% by the end of the 1990s and to just 7.2% in 2009, representing just over 8 million workers, and representing a unionized percentage of the workforce that has not been seen since prior to the passage of the Wagner Act. Among high school graduates, union membership declined from 38% to 19% between 1978 and 2005.

Even in their weakened state, unions continue to benefit those workers who remain members quite significantly. In 2009, the median weekly income of a union member was $908, compared to $710 of a full-time employed nonunion worker. These numbers are even more disparate for women union members versus nonunion members ($840 per week compared to $628), African American workers ($749 compared to $581), and Latino workers ($774 compared to $516). Unionized workers today are also 18% more likely to have health insurance and 22.5% more likely to have pension coverage (p. 202). This union benefit extends to nonunionized workers who work within the orbit of highly unionized industries: these workers find higher levels of compensation and labor practices beyond what they would be in the absence of a union presence (p. 206). Henry Farber found in his study of airline and telephone industry deregulation, for instance, that nonunion wages fell faster than union wages as the threat of organization receded. This union threat effect comes when employers are trying to forestall unionization, leading to the establishment of norms for higher wages and working conditions even for nonunion workers.

According to Richard Freeman, from the late 1970s through the late 1980s, declining unionization was estimated to explain 10% to 20% of the growth in men’s wage inequality. Not only has union decline led to wage decline, but “the erosion of unionization accounts for 65 percent of the 11.1 percentage-point growth of the white-collar/blue-collar wage gap among men over the 1979 to 2005 period” (p. 123). A recent study by Bruce Western and Jake Rosenfeld finds similar significance in union decline contributing to increasing wage gaps: “When individual union membership is considered, union decline accounts for 22 percent of the large growth in men’s earnings inequality. Adding the normative effects of unions on nonunion pay increases the union decline effect to 33%.” Thus, an important element of rising inequality in the United States is simply unexplainable unless you look more closely at union decline.

Union decline has implications beyond direct wage and benefit statistics. Without unions, most American workers have few rights vis-à-vis their employers. The majority of Americans are “at-will” employees, meaning both that they can leave their position of employment at any time and that they can be removed from their position for nearly any reason. One can be fired for not showing up to work on time; one can also be fired for showing up to work on time, or for being polite, for being well-dressed, for being a hard worker, or for any reason at all. Individuals can be and are fired for reasons having little to do with the quality of their work but, instead, based on appearance, weight, personality, or entirely arbitrary reasons.

There are important exceptions to at-will laws that have been put in place by state and federal legislation, as well as through common law decisions. Many of these decisions came during the “rights revolution” of the 1960s. At the federal level, for instance, statutes such as Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, and the Americans with Disabilities Act of 1990 have legislated that one cannot be fired or discriminated against on the basis of age, sex, race, a legally recognized disability (assuming there is a reasonable way for the employer to accommodate the disability), national origin, and religious beliefs. Various federal laws also protect workers from unsafe conditions in their place of work, most notably the 1938 Fair Labor Standards Act and the 1970 Occupations Safety and Health Act. State and local worker protection laws have gone further in some places, protecting workers who are employed in smaller companies (federal laws typically protect only those who work in businesses of 15 or more employees) and extending protections against discrimination to gays and lesbians and other groups granted protected status. Federal and state courts have found further protections for laborers through common law schemas often rooted in implicit contractual obligations or tort violations, such as intentional infliction of emotional distress. Finally, federal government employees have rights under the Fifth and Fourteenth Amendments, and some workers (such as most tenure-track and tenured political scientists) sign contracts that provide a certain set of protections, from multiyear guarantees to life tenure.

Although these laws led to monumental breakthroughs in diversifying many sectors of the economy during the
1960s and 1970s, they nonetheless provide merely a hodgepodge of rights that leave out much of the American workforce. To enforce these laws, individuals must undertake costly and stressful litigation. Class-action lawsuits on behalf of worker rights are rare, and increasingly rarer over time. Supreme Court decisions in recent years have further contributed to this decline in worker conditions and rights, narrowing many of the federal statutes discussed here by restricting disparate impact standards and demanding higher standards of proof to make a legal claim of discrimination, as well as by expanding the opportunities for employers to mandate—as a condition of their employment—that employees go through arbitration instead of litigation if they find themselves discriminated against on the job.

Court and NLRB decisions have also weakened already ineffective labor laws that have directly hampered union organizing on behalf of these workers. In their efforts to defeat unionization efforts, employers have been able to increasingly discriminate against, illegally fire, and intimidate union organizers and organizers. The Department of Labor issued a report from the Dunlop Commission in 1994 that found that employers in one in every four union elections illegally fired union organizers. Since the 1970s, employers have actively sought out and paid large sums to anti-union consultants who advise the employers to tip toe on the line of legality by threatening plant closures, bribing union leaders with new contracts, hiring new workers (presuming they will be less immediately pro-union), supervising workplace conversation, and holding captured-audience meetings with employees that are designed to persuade in few uncertain terms what costs a union will bring to the workers’ lives.

The decline of worker rights and standards is occurring across service and manufacturing sectors. Sweatshops and slaughterhouses, which have always been sites of hardship and bad working conditions (but also used to be the site of labor activism) have largely been moved to areas of the United States in the middle of “nowhere,” away from unions and legal supervision, and with the factories populated largely by immigrants. Political scientists have not been spared this changing economy: the percentage of professors in tenured or tenure-track positions has declined from 75% in 1960 to 27% today. Job tenure more broadly has declined across age ranges and educational attainment, although this is far more acute among men than women, and somewhat more so among those with the least education. Particularly in sectors with many low-income workers, rights and conditions have declined dramatically. At Wal-Mart, as of 2008, the average full-time (34 hours a week) associate made $10.84 an hour, for an annual income of $19,165 a year. Wal-Mart has been besieged with lawsuits accusing them of gender and race discrimination and overtime law violations, as well as union busting and the firing of union sympathizers. They also enforce bottom-line standards that make for a harsh work environment; roughly half of the Wal-Mart workforce in a typical year turns over. Declining job security is a long-term trend. Overall, the share of workers who had been in their job for 10 years fell by over 5% for workers between the ages of 35 and 54. Between 1973 and 2006, men between the ages of 35 and 44 saw a decline from 8.5 to 7.0 years in average job tenure; men between the ages of 45 and 54 witnessed a decline from 13.1 to 11.0 years (though women in these age groups had increases in tenure) (p. 257). When workers lose their jobs, wages at their new job tend to be lower—a decline of almost 7% for those workers who lost their jobs between 2003 and 2005 (p. 258).

Political Science, Democracy, and the Workplace

Given the impact of declining workplace democracy for rising inequality, it is worth focusing greater attention on this realm in future research. To do so, we need not start afresh but simply build on long-standing (though somewhat forgotten) traditions within political science. In the middle of the twentieth century, “industrial democracy” became a cornerstone not only of the workplace but also of broader democratic goals in American society. Walter Lippman famously declared that “without democracy in industry . . . there is no such thing as democracy in America.” Similarly, Louis Brandeis argued that America “cannot develop citizens unless the workingmen possess industrial liberty.” As mentioned, the Wagner Act was the centerpiece of a series of pieces of national legislation that extended opportunities for workers to select unions to represent them in bargaining with employers. Its passage prompted the chief legislative sponsor, Senator Robert Wagner, to claim that it was “the next step in the logical unfolding of man’s eternal quest for freedom.” And, for a time, it played that role in American society, with union numbers rising to record levels and numerous big industries such as auto and steel entering into long-term collective bargaining agreements. As Ken Kersch writes, the Wagner Act was thought at the time to be one of the signature constitutional achievements of the era; only when the Heritage Foundation objected to a 1947 Freedom Train touring America with a handful of foundational documents of the nation’s democracy, such as the Declaration of Independence, the Mayflower Compact, and the Gettysburg Address, was the Wagner Act removed from their side. Well into the 1960s and 1970s, labor power showed little outward signs of decline. J. David Greenstone’s work of this time saw labor as a critical player in Democratic Party politics and in broader advancement of the welfare state. Although Greenstone worried that the labor movement had put its hopes almost entirely in the hands of the Democratic Party, and, in the process, that its radical edge
would get lost by the need of unions to accommodate and aggregate interests that supported “consumer” goals consistent with the moderate fringe of labor’s agenda, he nonetheless believed that unions were largely engaging with organizational maintenance from a general position of strength. Labor, he argued, no longer needed to be concerned “with the efforts of employers as economic authorities to impose their demands on the government over the opposition of their workers.”27 But since that time, few in political science have paid much attention to the dramatic changes that have occurred in the workplace and the implications of these changes for worker rights and for democracy. Labor decline warrants footnotes and the occasional review essay, but it has not led to a sustained body of research that links the legacy of declining democracy in the workplace to democracy in America.

This lack of attention to the workplace is surprising, not simply because of the clear economic connections as discussed here but also because we talk around the issue of worker and labor rights in a number of ways. Numerous scholars talk about labor unions in the national political realm, dating back to Greenstone’s important work on labor’s relationship with the Democratic Party, something that has been furthered in spirit by the works of Peter Francia, Marie Gottschalk, Terry Moe, and Taylor Dark—all of whom argue that labor wields considerable power within the Democratic Party’s legislative and electoral battles.28 Others have looked at labor’s contribution to mobilizing workers, immigrants, and other disadvantaged groups.29 American political development scholars consistently write about unions as having historically been important engines of state building, arguing that they played a central if not singularly critical role in bringing about social welfare reforms in the early to mid-twentieth century.30 Still others have noted the role of labor unions in promoting further public activism and enhancing citizenship; Robert Putnam, though he sees union decline as largely a feature of workers no longer wanting to participate, nonetheless laments this development as contributing to the broader public malaise and decline in civic valor.31

The late twentieth century has also marked an important transition within political science in dealing with labor unions. Research has for the most part moved to the margins of the field.32 In the inaugural issue of this journal some seven years ago, Margaret Levi cited the lack of attention that political science has paid to labor unions, something that was lamentable because “organized labor is arguably the most effective popular vehicle for achieving a democratic and equitable society.”33 Perhaps this scholarly disinterest is because the decline of unions has led them to be seen as less necessary for understanding modern-day social welfare development. Or perhaps there is a perception that unions are no longer advancing the rights of groups most in need, that our focus of inequality in American economy and democracy ought to lie elsewhere.34

Conclusion

Even in decline and weakened condition, labor unions remain a vital piece of American political and economic life. Unions continue to provide quite tangible economic benefits and remain capable of mobilizing millions of working-class voters for political campaigns. They can also quite plausibly lay claim to representing the largest and one of the most important civil rights organizations in the nation, with working African-Americans, Latinos, and women having become the most receptive groups to unions and labor organizing.35 Indeed, recent union battles with Wal-Mart, hotels and restaurants, health care, transportation, and many other industries, in many ways represent an important modern-day extension of the civil rights activism that Martin Luther King and other civil rights activists fought for decades ago. We too rarely recall that King’s last public speech on April 3, 1968, was a dramatic oratory in which he told Memphis sanitation workers involved in a local labor struggle that their demands for “fair and honest” dealings with their employers were a direct continuation of the centuries-long fight for racial and human equality.

King’s speech, as well as Dahl’s words that were used to begin this essay, remind us that inequality has its roots in places that extend beyond the formality of elected officials and the halls of legislatures and executives. In recent years political science has been far too narrow in its definition and delineation of the realm of politics. It has left to other academic disciplines to engage with political acts that occur in a range of venues outside of formal political institutions—from the arts to popular culture, from the family to the workplace. The authors of The State of Working America make dramatically clear that the substitution of autocracy for any semblance of democracy in the workplace has had a direct impact on the state of American democracy and substantive equality. By extension, political science—and particularly those interested in inequality—ought to view the decreasing rights in the American workplace not just as worthy of a footnote, but instead a site to be mined for understanding the more complicated and not-so-complicated ways that worker experiences connect to the broader state of democracy in America.

Notes

2 Dahl, Preface to Economic Democracy, 4.
16 Regarding some of the monumental victories that came from Title VII of the Civil Rights Act, see Paul Frymer, Black and Blue: African Americans, the Labor Movement, and the Decline of the Democratic Party (Princeton: Princeton University Press, 2008).


24 Both are quoted in Ken I. Kersch, “The New Deal Triumph as the End of History? The Judicial Negotiation of Labor Rights and Civil Rights,” in Ronald Kahn and Kersch, eds., The Supreme Court and American Political Development (Lawrence: University of Kansas, 2006), 185, 188.


27 Greenstone, Labor In American Politics, 408.


