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It's the Economy

Workers of the World, Sit Tight

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For 25 years, Monty Newcomb has worked at the same chemical plant in Calvert City, Ky., making products that hold pills together and remove sediment from beer. In his early years, Newcomb watched his union, the International Association of Machinists and Aerospace Workers, lose one battle after another in its ongoing struggle with management. In the '80s and '90s, workers throughout the country justifiably feared that their plants might close and move to a union-free state. Or that they might simply import products from low-wage, nonunionized countries like Mexico and China. Newcomb told me that at his company, International Specialty Products, workers were disgruntled and the work suffered — for example, more than 20 percent of one chemical they produced didn't pass inspection.

As a union steward, Newcomb feared that unless something changed, the plant would shut down and everyone would lose his job. So in the mid-'90s, his union asked management to attend its High Performance Work Organization Partnership program, which was creating a revolution in labor-management relations. In addition to regular collective bargaining, union members and their managers engaged in trust-building exercises and developed plans to collaborate on improving conditions, products and profits. After a tough few years ("I mean really tough," Newcomb said), the union persuaded management to provide an incentive program and improve the pension and insurance plans. When management requested more efficiency, Newcomb helped them downsize not by firing workers but by not replacing retiring ones. These changes helped it thrive despite two recessions in a decade. And although the plant, now owned by Ashland Inc., currently exports about 50 percent of its product, it's keeping production in Kentucky, where it recently invested $15 million in upgrades. "We make things so much cheaper than anyplace now," Newcomb explained. Ninety-nine percent of that particularly pesky chemical now passes inspection.

For decades, the growth of technology and the global market has created an existential crisis for U.S. labor unions. While the country's manufacturing output continues to grow steadily, it no longer produces significant job growth. Factories compete against low-wage foreign labor by investing in automated machinery and implementing new techniques — like the aptly named Lean system, which focuses on efficient work flow — to make them far more productive. Since 2000, factories have shed more than five million jobs. Last month, the Bureau of Labor Statistics revealed that union membership is at a 97-year low of 11.3 percent.

Workers have obviously chafed at these job-shrinking strategies, but Matt Vidal, a labor sociologist at King's College London, told me that Lean actually works best for everyone (executives, employees, customers) when managers work with unions to preserve jobs and foster worker support. This tends to lead to more worker self-management. "In my research, it was clearly the case that the leanest factories I saw in the U.S. were largely union factories," he said. In 2010, Bob King, the president of the United Automobile Workers, embraced this when he called for a new age of union-management collaboration.

Collaboration, however, is definitely not the only technique being used to successfully combat the perceived existential threat. Stuart Appelbaum, the president of the Retail, Wholesale and Department Store Union, has become something of an organized-labor star by employing the old-school approach of unifying workers in distrust of rapacious managers in new ways. And his successes have come in unlikely places: vulnerable, often immigrant workers in low-skill, itinerant jobs. He recently organized the workers at five New York City carwashes and at a poultry plant in Alabama, a state particularly allergic to unions. "We don't argue to owners, 'We're doing this for your sake,' " he said. "We're not going to be the ones who say, 'We think you have to cut back on things to make your stockholders more profitable.'

Unlike factory workers, Appelbaum's members don't have any incentive to cozy up to management. They work in what economists call the nontradable sector: jobs that can't be moved easily to a low-wage country. Low-skill workers in nontradable jobs actually have one small but important organizing advantage. U.S. cars can be made in Mexico, after all, but they have to be washed here. As a result, unions are seeking growth in other nontradable fields, like carpentry, plumbing and transit drivers. The top prize is a group that comprises the single largest number of jobs that must be done on American soil: Walmart workers.

Unfortunately neither of these approaches — collaboration or defiance — has solved the fundamental challenges of organized labor. Union membership has been falling since 1954, when about 35 percent of the U.S. work force was organized. (When excluding comparatively successful public-sector unions, less than 7 percent of workers are now organized.) It's also hard to find anyone with a convincing explanation of how membership could grow. Many recent union fights, in fact, have been waged over issues that seemed settled long ago, like the bulwark against anti-union right-to-work legislation in Rust Belt states. Even Appelbaum's great successes are modest. One of his biggest accomplishments, a 17-week strike at a Mott's applesauce plant, prevented a wage cut but brought few new benefits to workers.

In France and Germany, where union coverage is drastically higher and protections are stronger, there has been a steady erosion in the past few years. President François Hollande of France recently brokered a master contract with the three largest unions that will make it easier for companies to lower salaries or to lay off workers when business drops. Most of the labor scholars I spoke to — all broadly sympathetic to the union movement — said the decline of private-sector unions will continue. Gary Chaison, a labor-relations specialist at Clark University, in Massachusetts, was especially blunt. "There's no way of really dealing with the global impact. There’s very little you can do.” Those machinist and autoworker jobs will grow ever more scarce, leaving workers to compete for lower-skill, lower-pay work. Subsequently, those nontradable service-sector jobs, like retail and washing cars and carpentry, will become overcrowded.

What will an America with no private-sector unions look like? For many on the left, this is a dystopian future of inevitable worker misery. For many on the right, it would mean more competitive companies and a healthier economy. One thing seems fairly clear, though: where there is no collective bargaining, there is only individual bargaining. And that means each worker, sitting down with a manager, making an argument for a job or a raise or against some form of bad treatment.

A lot has been written about the growing disparity between the top income levels and the rest of the country, but inequality has been growing at every skill level. That suggests a reversal of decades in which there was far less disparity, in which some plumbers, say, or lawyers made a huge amount while others made far less. Unions have been a brake on this version of inequality, and a unionless future suggests more inequality everywhere, even on the shop floor. In this new world, it is pretty likely that Monty Newcomb would not spend so much time trying to make life better for all his union brothers and perhaps their managers and customers, too. But you imagine he might spend all his energy figuring out how to make life better for Monty Newcomb.