

STATUS OF LABOR UNIONS

In the United States, beginning in the 1960s, market pressures steadily eroded the postwar collective-bargaining system. In auto, steel, and clothing, the problem was intensifying foreign competition; in communications, trucking, railroads, and airlines, it was federal deregulation in the 1970s; and elsewhere, as in mining, retailing, and meat processing, a host of non-unionized domestic competitors entered the field. Meanwhile, a structural shift occurred toward a service economy, narrowing the established union base in the goods-producing sectors: production workers made up 30 percent of the nonagricultural U.S. labor force in 1950 but only 22 percent in 1976. The economic troubles that then set in—declining productivity and a slowing growth rate, inflation, the harsh recession of 1982—had a devastating impact on the American labor movement.

Between 1975 and 1984, four million members were lost, and the unionized share of the labor force shrank from 28.9 percent to below 20 percent. As recently as 1983, more than 20 percent of the workforce was unionized. However, by the year 2003, less than 13 percent of the workforce belonged to unions. If not for public-employee unions, which added two million members between 1956 and 1976, the U.S. labor movement would have found itself in an even more uncertain state, as unionization in the private sector slipped to close to pre-New Deal levels.

Factors that have clearly contributed to this decline include: technology that displaces workers; “downsizing,” in which firms lay off large numbers of employees to keep the company’s stock prices high; and “outsourcing,” in which firms hire cheaper labor overseas to do work previously performed by union-represented employees in the United States.

Notable examples of membership decline are among steelworkers, garment workers, and oil, chemical and atomic workers, which each fell by about 50 percent during the period of 1979-90. Virtually all of these losses are due to the loss of jobs in unionized firms.

For the first quarter century following the Second World War, this country experienced what has been referred to as the “golden age” of economic expansion and opportunity. This was a time when the legacy of President Franklin Roosevelt’s New Deal (which took action to bring about immediate economic relief as well as reforms in industry, agriculture, finance, waterpower, labor, and housing, vastly increasing the scope of the federal government’s activities) continued to be vibrant and a number of government policies enacted in the 1930s and 1940s balanced the interests of labor and capital.

The balance of the interests of labor and capital was enshrined in the Wagner Act, or National Labor Relations Act. These rights were asserted in principle under Section 7(a) of the National Industrial Recovery Act (NIRA) of 1933 and then made thoroughly effective by passage of the National Labor Relations Act in 1935. The National Labor Relations Act of 1935 greatly increased the authority of the federal government in industrial relations and strengthened the organizing power of labor unions, establishing the National Labor Relations Board (NLRB) to execute this program. The right of workers to join a union and bargain collectively for wages and benefits (namely health, disability, life, and pension benefits) was definitely favored by the government during the period following the Second World War. This right supported by government policy ensured that productivity and profit levels were shared with the workforce in the form of wages, group health insurance and life insurance and disability benefits, and pension benefits for employees and survivors.

By the mid-1970’s, the gains by labor unions began to experience some erosion, as firms faced growing competition from abroad and there were efforts to roll back the wages and benefits that had been won through collective bargaining by labor unions in preceding decades. Then, in 1981, employers received assistance from the Reagan administration in weakening unions, when striking air traffic controllers—13,000 of them—were

permanently replaced, an act of enormous symbolic importance that legitimized the resurgence of anti-unionism in corporate America. Judicial protection for union organizing, collective bargaining, and the right to strike were weakened. As Washington Post columnist Harold Meyerson noted, that was "an unambiguous signal that employers need feel little or no obligation to their workers, and employers got that message loud and clear -- illegally firing workers who sought to unionize, replacing permanent employees who could collect benefits with temps who could not, shipping factories and jobs abroad."

As Dick Meister, in his article regarding Ronald Reagan's war on labor, observed: "Most important was Reagan's appointment of three management representatives to the five-member National Labor Relations Board which oversees union representation elections and labor-management bargaining. They included NLRB Chairman Donald Dotson, who believed that 'unionized labor relations have been the major contributors to the decline and failure of once-healthy industries' and have caused 'destruction of individual freedom.' Under Dotson, a House subcommittee found, the board abandoned its legal obligation to promote collective bargaining, in what amounted to 'a betrayal of American workers.'

However, the year 2007 perhaps provides a little good news for unions. The New York Times, in an editorial dated 02/07/2008, had this to say: "The Labor Department reported that the number of workers belonging to a union grew by 311,000 to 15.7 million. That means union members increased from 12 percent of the American work force in 2006 to 12.1 percent last year. In the private sector, unions' share of workers inched ahead from 7.4 percent to 7.46 percent. While the rebound is tiny, and might yet prove to be a statistical mirage, it is the first recorded increase in organized labor's ranks since the 1970s..."

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