This is a defining moment for the American labor movement—a moment ripe with opportunity and terror.

On the hopeful side, the AFL-CIO is finally moving again. The "new voices" leadership team of John Sweeney, Richard Trumka, and Linda Chavez-Thompson—which ran for office because, in Sweeney's words, "organized labor is the only voice of American workers and their families, and because the silence [under Lane Kirkland] was deafening"—is making good on campaign promises to increase labor's organizing expenditures; improve its public relations program and its political work; build the capacity of regional bodies (state federations, central labor councils); reach out to women and minorities; and remake the federation's own organization, starting with the appointment of younger, smarter, more aggressive unionists to top staff positions. And as reform roils inside the AFL-CIO, labor is gaining a new public face. The "Union Summer" project that put 1,500 young interns into organizing and political drives over the past few months was a smashing public relations success—leading even *Newsweek* to conclude that "It's Hip to Be Union." The dozens of town hall meetings and rallies held as part of the "America Needs a Raise" campaign put more labor leadership in front of television cameras, speaking for broad working-class concerns, than at any time in living memory. And this November, a modernized political operation, spending $35 million on member education, hopes to end Republican control of the Congress. Labor is moving, showing some muscle, and feeling better about itself than it has in years.

On the terror side . . . it may all be too late. Labor may be gaining new friends, but some of its old ones—like those in a Democratic administration resolutely ambivalent about the worth of unions—are increasingly unreliable. Public opinion is vaguely supportive, but unconvinced that labor has any answers. Labor's power in the economy is drastically diminished—with private sector union membership now down to the pre-New Deal level of only 10 percent, and strikes at their lowest level in fifty years. And it still hasn't figured out how to organize in today's political economy. Just to maintain its present share of the workforce, labor needs three hundred thousand new members a year; to bump present levels up one point—and labor is down twenty points from its 1950s levels—it needs a million a year. But nobody's seen anything like those numbers since the 1930s, and today's world is different.

So labor appears ready for change, but it faces a political and organizing climate quite different from the past. And it still lacks a coherent institutional strategy on just how to revive itself.

What might such a strategy be? Nobody has all the answers and nobody ever will. But at least some of the elements seem clear.

### A Role in the Economy

Ask the average person what positive role unions play in the management of our economy and you'll get laughter, hostility, or a blank stare.
This is the first thing that’s got to change. The reason is that unions only advance when they do things that not only visibly benefit members or potential members but benefit the broader society as well—and thereby gain the social cachet and political support they need, in this capitalist world, to defend and organize workers.

The need to make this kind of contribution is not particularly controversial. What is controversial is that it usually needs to be made by helping capital itself—on whose well-being the well-being of the society unfortunately depends. This usually takes the form of unions solving some collective problem that frustrates the growth of capitalism but that individual firms have no incentive to solve on their own. Unions use their reach in the economy, their political power in the state, and the interests of their members to force capital to do something good for itself.

In the New Deal and postwar eras, the problem was effective demand—consumers lacked the purchasing power to stimulate the economy. This was not a problem that any individual cost-conscious capitalist had an interest in solving, but it was one that capital needed solved, and labor provided the solution. Unions demanded and got wage and benefit increases for their members, and thereby boosted aggregate demand. This gave firms markets for sales and reasons to invest. And that, in turn, increased productivity and lowered the costs of mass consumption goods, which was good for everyone. The alchemy of Keynesian economics translated worker interests into general interests; unions were the magicians. Male, pale, stale, stolid magicians—but still magicians.

What is the equivalent contribution in today’s world, in which Keynesianism is qualified by international capital flows and product competition? It will likely come as much through “effective supply” as effective demand. What’s that? Well, capitalism remains as anarchic as ever, and left to its own squabbling devices is ever more ruinous to our health. In response to increased competitive pressures, most U.S. firms have responded with “low-road” competitive strategies geared more to price reduction than quality improvement—strategies that have led to falling wages and rising inequality.

Whatever the prattle about our wage levels being set in Beijing, we know from other countries that this response is not dictated by the market. A “high-road” alternative is in fact available and viable under highly competitive conditions—a strategy that promises more enduring economic strength and higher living standards. Broadly described, this high road depends on generalizing a practice of nearly continuous innovation and productivity growth among firms and the substitution of quality-based competitive strategies for price-based ones. High-road restructuring is associated with better industrial relations, higher levels of worker involvement, a more democratic workplace, higher productivity and pay, vastly reduced environmental damage, and greater firm commitment to the health and stability of surrounding human communities—all happy outcomes for workers and American society in general, all immensely preferable to the low road alternative of sweated workers, economic insecurity, rising inequality, and degraded natural environments.

The problem is that the high road is generally not taken because the costs of moving to it are great, the supports aren’t there, and it’s too easy to make money taking the low road instead. We as a country have failed to close off the low road or to pave the high road.

That is what labor should do. That is its role. And—far more than any individual firm, or the government, or any other social force—it is uniquely positioned to play that role. It should declare itself the provider of “effective supply”—of demands on firm performance, and assists in meeting those demands under competitive conditions—for high-road production.

What could labor provide? Among the elements:

• a trained and motivated labor force, capable of sustaining the requirements of continuous innovation and high-involvement and high-responsibility forms of work organization;
• redesigned labor-market institutions providing clear labor-market signals to incumbent workers and new entrants, resources to permit their advance along career paths, and rewards
for choosing the high road, so that they will in fact “buy in” to such advanced production;

• “bottom line” floors on wages and working conditions, and elimination of state subsidies to low-road firms, to discourage pursuit of low road strategies;

• systems of employee management and industrial relations that promote labor-management cooperation and flexibility, thus capturing the full productivity potential of workers and enabling firms to plan ahead more efficiently;

• systems for rapid diffusion of new technology and high-performance forms of work organization;

• sources of “alternative” capital (beginning with labor’s own) for such improvements, especially in most-needy areas neglected by a risk-averse and highly “impatient” private capital market;

• competent “public” (not necessarily government) capacities for the monitoring, enforcement, and efficient achievement of those aims under competitive conditions.

Labor, in short, should declare itself the conscience of the economy, the designer of a better order more respectful of human values, the savvy partner of progressive capital in advancing toward that order. It should not just concern itself with the distribution of economic opportunity and reward, but with the organization of production itself. And it should not just look to the state or employers, but to itself and allied communities, to make that economy perform to more demanding democratic standards.

Nice work if you can get it?

You can get it. But doing so requires breaking with routine.

The Old Model and the New

Postwar labor’s organizational practice, often summarized as “traditional unionism,” was defined by four basic elements.

Just Service, in Majority Settings. “Provide members with good wages and benefits and the unorganized will join up.” This was the theory of growth that trade union leaders offered in the postwar period. With the exception of a 1960s explosion in the public sector, organizing expenditures as a percentage of total revenues stagnated or declined throughout the period. Union wages and benefits rose; but the new members did not come as fast as the old ones were lost. Where new units were targeted for organizing, the guiding idea was “first sign the contract, then keep the peace.” The basic goal was majority status; dues were collected only after it was achieved, and union members were asked for little else. Where organizing failed to achieve majority support within a limited time, it was generally abandoned.

Staying Clear of Production Control. Encouraged by law and their own organizational sense, most unions steered clear of making demands on issues lying at the “core of entrepreneurial control.” They reacted to the firm’s decisions on training, technology, investment, relocation, product strategy, and work organization; they negotiated job descriptions; they engaged in “productivity bargaining” tying compensation to success in raising the rate of output. But they did not typically seek to take responsibility for steering the firm’s product strategy or organizing the necessary inputs. Since unions were in a weaker position than employers, such assumption of responsibility was seen as promising only responsibility, never power, and blurring the distinction between “us” and “them” critical to maintaining union solidarity. Needless to say, the task of changing entire industry strategies was considered even more daunting and unattractive.

Centered on Specific Sites, and Not Coordinated. Despite lead agreements and pattern bargaining, collective bargaining agreements were generally negotiated on a firm by firm, and often plant by plant, basis. Contract administration was highly decentralized, with wide variation across sites. Within regional labor markets, there was little effort to generalize wage or benefit norms beyond organized employers. Efforts at multi-union bargaining, much less organizing, were infrequent. Murderous jurisdictional disputes were not. And if relations among unions were not close in regional labor markets, relations between the labor movement and community organizations were generally confined to charitable giving, with no coordi-
nation of organizing strategies.

**National Liberal Democrats or Bust.** With very rare exceptions, unions were loyal supporters of the Democratic party and deeply hostile to independent politics. In contrast to the weight of union activity and need, political work—understood throughout as support for candidates—was also heavily skewed toward national, as against state or local, government.

This "traditional model" of unionism worked passably well—though chiefly for those already in unions—in a relatively closed economy, dominated by large and spatially concentrated firms, employing un- or semiskilled labor, composed overwhelmingly of men, and in a "nationalizing" state in which even Richard Nixon declared his loyalty to Keynes. But it works much less well in today's world, with lower average firm size, more dispersed production, a working class composed increasingly of minorities and women, firms subject to increased competition, and policy makers hostile to unions or utterly confused about the vital contribution organized workers can make to a productive economy.

More precisely, the traditional model is hopelessly expensive, and it doesn't produce active and engaged memberships. Particularly in large firms, the preoccupation with majority status imposes too demanding a condition of success, and slows the needed coordination across sites, regions, and even different branches of decentralized employers. It also fails to take advantage of opportunities for membership growth, since in virtually all workplaces some significant percentage of workers—typically, about 30 percent—wish to belong to unions. Economic restructuring has meanwhile made investment, relocation, technology, and training decisive for member well-being, the promotion of which requires that unions be as deeply involved in "baking" the pie as carving it up. Where unions can best do this, however, is less in the high politics of federal policy than the low politics of regional labor markets, where in any case their continued existence is unthinkable without substantial local political power.

For both reasons, unions have found the need for closer strategic alliance with a range of community groups and populations (in particular, minority populations) traditionally operating at some distance from the labor movement. But this often sets them on a collision course with internationals much more interested in the next Congressional election, and a Democratic party that, at its best, provides real support only in the most visible races, and at its more frequent worst is hostile to the idea of building union power.

As a general matter, then, this traditional model should be turned on its head. That would mean:

"**Everything that Moves**" Organizing. Locally based organizing staffs and member organizers are cheaper and more effective than parachuting international representatives in. Imagine a union movement that fostered the development of *in situ* organizing capacity—among rank-and-file members, stewards, local unions—building on the one signal strength labor still has: the loyalty of its own people. With such a strategy, it becomes possible to contemplate truly long-term and large-scale campaigns and, within them, clearer focus on the real goal of organizing—which is not just to sign contracts but to build the union presence in the workplace. Employees in units still lacking majority status would be given the full rights and responsibilities of other union members and affiliated with the larger organizing machine. The job of "organizer" would become less "parachutist" and more "member of the community"—an on-the-scene full-time union activist. The organizer would help direct the training and administration of the local organizing machine, plan political supports for campaign efforts, and so on.

**Seeking to Control the Terms of Production.** In the supply-side kingdom, the bourgeoisie is king, but only if the serfs permit it. Operating across firms as well as within them, a union movement seriously interested in affecting the organization of work could in fact do so. Power in this area, moreover, could be bargained for power in decisions further back in the production chain—investment, new technology, and product strategy. And especially in the United States, where employer associations are not much more than trade associations, coordination across firms to supply the needed inputs for advanced production—regional training systems, one-stop shopping for labor-market ser-
vices, intermediaries for economically targeted investment, modernization assistance of all kinds—is something that unions are uniquely positioned to provide. Imagine then, a labor movement that did provide them—but only to employers prepared to share power in decision making and comply with specified wage and production norms.

Spatial and Sectoral Coordination. If unions are to bring about these changes in large industries, those industries need to be organized, and growing variation across firms increasingly requires that organization really be “wall-to-wall”—every employee in a given firm should be organized, regardless of job category. Frequently, this simply cannot be done by a single union. Imagine, then, a labor movement that recognized this fact, and devised joint organizing strategies instead of policing existing jurisdictional boundaries. Recruited members could be divided up among cooperating unions or brought into a new pool jointly administered by those contributing to it. Unions should also cooperate in organizing regional labor markets. With critical mass provided by pooled resources, organizing campaigns are the natural complement to regional skills standards and other aspects of “effective supply” —especially in metropolitan labor markets—not least because they can foreclose the low-wage restructuring strategy that suppresses the demand it aims to meet. As regional labor bodies come to take a more active role in creating the infrastructure of advanced, high-wage, production, it would thus be natural for them also to assume supervision of such organizing, in a double-barreled strategy of imposing norms on the economy (and thus punishing “bad” firms) while assisting firms in meeting them (rewarding “good” firms).

Independent Politics. Finally, labor needs to be genuinely independent—governed in its political endorsements and supports not by party label but by the values and programs of those seeking its help. And it should invest heavily in developing its own capacity to shape the terms of political debate and action—spending less on “hand it over” PAC contributions to individual candidates and more on membership training, candidate recruitment (and more training) from within its own ranks, the development of precinct-based labor-neighbor political machines, and ongoing work with the progressive caucus of candidates elected. This effort would best be made where it was most feasible and traditionally neglected—in local and state politics. There, the costs of elections are infinitely cheaper, the offices at stake are of immediate relevance to improving labor’s organizing terms (police that behave, local service agencies that respond, and so on), and the vast majority of offices (certainly 80 percent) are nonpartisan—so support for a more labor-friendly formation than the Democratic party need not even raise concerns about traditional national loyalties. For relatively modest expenditures, in most American cites, it would again be possible for labor to help set the public agenda.

Elements of Design

How can little labor begin to implement such a strategy? With care and targeting, through demonstration in selected sites, guided by the following principles:

Seek Leverage and Critical Mass in Sectors and Regional Labor Markets. With a long enough lever, you can move the world; in any campaign, you know you’re winning when the opportunists climb on board. These two varieties point to what should be an iron law of organizing: always devise strategies that exploit existing strengths while aiming for “critical mass” effects—sufficient numbers and momentum that the costs of offering support drop and the costs of not joining rise.

Often, of course, such critical mass is to be sought in industries or sectors characterized by many competing firms—and here the antecedents are so familiar as to hardly bear mention. A traditional goal of unions has been to “take wages out of competition,” to make the costs of unionization felt by all competing firms. Competing firms should be indifferent between union-free and fully unionized environments; it is only the intermediate case—where unionization is a cost felt by some but not all competitors—that drives them to resist or roll back unionization. Even here, however, there are different incentives for employers depending on the extent of unionization. Imagine employer
happiness as a U-curve, with the top left tail being the union-free environment and the top right one being the fully unionized, and the line on which the U sits describing increasing union density. Unions need to scramble hard to get to the bottom of the curve, and they can expect to do so over general employer opposition, but once a certain critical mass of unionization is reached they can expect something quite different: tacit or overt support from already unionized employers for extending the benefits of unionization to their rivals. The costs of new organizing drop sharply, making it possible to go wall-to-wall.

But while leverage and critical mass can be sought on a sector or employer basis, the most obvious place to seek them is within regional labor markets. It is there that the effects of unionization in one firm can be most easily leveraged to its neighbor, there that the effects of unionization in one sector can be most easily leveraged to another, there that the range of solidarity and service activities that would satisfy members without contracts are most easily and efficiently realized. And it is there that the distinctive modern contribution of unions to creating a "well-ordered economy" would first have to be realized: regional labor market boards and integrated human capital systems, modernization programs, a variety of public goods essential to the success of advanced firms and not capable of being produced by any one of them.

Integrate the Politics Throughout. Public power is needed to reduce organizing costs. It is hard to imagine the Hotel Workers' Las Vegas campaigns (or the Atlanta Central Labor Council campaign on Olympic work) without local political muscle, or UNITE's Dominican Republic success without the law, or a Justice For Janitors campaign with a completely hostile police presence. But national unions have been slow to take the point of this — slow to seek the political power, beneath the federal or even state level, that would most directly aid them in their organizing. Nor does the importance of politics consist only in the help that some power in the state may provide organizing. In today's world, no less than the old one, thinking of building a union movement as an essentially "economic" project distinct from a political one is like thinking about ice without water, or skiing without snow. Politics is necessary to lubricate the economic advance, and to define what that advance is about. Most abstractly, but necessary for labor to grasp, the economic project can only command popular support if it is a project that clearly embodies some broader notion of the social good. The signature of new labor is to institute higher standards and then help to enforce them. This is impossible without some measure of state power.

Pay-As-You-Go. Some unions have had success with "members only" representation—allowing individuals to join unions even before a majority of their co-workers have voted in favor of union representation. Of course, this strategy requires a break with the "contracts are us" model of unionism, a shift in the goal of organizing from serviced contracts per se to independent worker organizations that are durable and that grow before as well as after they reach contract. Given the plethora of unenforced labor regulations, bad management practices, and possibilities for alliance with others elsewhere in the improvement of workplace conditions, it is not so very hard to convince workers that they have something to gain from being in a union, even if a majority of their colleagues are not yet persuaded of that fact. A labor movement that turns away the energy and resources of such workers is wasting an obvious asset. Notice too that harnessing that asset would vastly extend the range of labor's reach. It would be, if not dominant everywhere, then at least present almost everywhere.

Concentrate on Cities. Put the pieces together, and what have you got as the natural targets for investment in organizing? First and foremost: cities and their metro regions. The degree to which the labor movement was always a distinctly metropolitan phenomenon is not widely enough appreciated in the labor movement. But union membership in metropolitan areas has always been, and continues to be, several times that of national levels, and it is the failure to preserve metropolitan unionization at critical mass levels that most explains
the collapse of traditional unionism. These are the most promising ruins from which to arise.

A labor movement that took these lessons seriously—concentrating resources in ten to fifteen metro areas, doing advanced political and strategic training of the most progressive local leaders, establishing independent political organizations, establishing genuine community unions with ties to its economic development work, concentrating organizing campaigns against partially organized local employers, and then seeking their aid to extend organization to rivals—would show explosive growth.

There is much else, of course, that labor needs to do. It's got to figure out a foreign policy in a world in which trade is organized to erode living standards rather than raise them and U.S. citizens continue to be denied the “peace dividend” they've paid for so many times. It's got to radicalize its own process of reform, with an overhaul of its decrepitly undemocratic procedures for electing leaders and making strategic choices. (We shall discuss these internal reforms in a future issue of Dissent.) Mostly, however, labor needs to recognize, and act aggressively on the recognition, that it can in fact win again—in ways that build further success, and indeed that benefit from the help of the millions who would benefit from labor's revival—but that doing so requires more than leadership changes and diffuse goodwill and uplifted spirits. From a position of extreme weakness, with time running out, labor needs to show both the compelling promise of its long-term transformation, and short-term success consistent with it. Performing this two-step requires a vastly expanded social role and ruthless focus in spending the resources it has.