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Search

Go



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« Back to [The State of the Unions](#) main page

Transcript

Guests

Viewer Forum

Related Programs

Feedback

Transcript for:

## The State of the Unions

Think Tank Transcripts:Unions

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Additional funding is provided by the John M. Olin Foundation, theRandolph Foundation and the Lynde and Harry Bradley Foundation.

MR. WATTENBERG: Hello, I'm Ben Wattenberg. The recent AFL-CIOelection brought new leaders to America's labor movement. Whathappens next?

Joining us to discuss the state of American labor are: AlbertShanker, president of the American Federation of Teachers; BarryBluestone, professor of political economy at the University ofMassachusetts and author of 'Negotiating the Future: A LaborPerspective on American Business'; Samuel Estreicher, professor oflabor and employment law at New York University and author of 'TheLaw Governing the Employment Relationship'; and Leo Troy, professorof economics at Rutgers University and author of the forthcomingbook, 'The Twilight of Private Unionism.'

The topic before this house: The state of the unions. This week on'Think Tank.'

Unions have a proud tradition in the United States. They foughtfor better wages and working conditions for workers in the first halfof this century, led by activists such as Samuel Gompers. From 1945to 1973, a period of strong union participation, the median paycheckof American workers doubled. But unions are now in decline. Shortlyafter World War II, almost 36 percent of all workers were in a union.That number has dropped now to only 15 1/2 percent. And as unionmembership declined, so did confrontation with management. In 1970,2.5 million workers participated in 381 strikes. Twenty-five yearslater, 182,000 workers walked out in only 35 strikes.

But all that may change. The AFL-CIO recently voted in newleadership vowing to revitalize organizing and activism. It has beencharacterized by some observers as a victory for the left wing of thetrade union movement.

Unions have a tough road in front of them. Many businesses arerelocating to right-to-work states, where workers have the right notto pay union dues even in a unionized workplace. The 21 right-to-workstates have gained 2.7 million manufacturing jobs since 1960 whilestates that maintain pro-union laws have lost 1.4 million jobs.

Gentlemen, thank you for joining us here. President Al Shanker, let's go around the room once beginning with you. Al, is indeed the American trade union movement in decline?

MR. SHANKER: Well, the private sector has been in decline, but the public sector has been growing, so the overall effect over the last three years is that the actual number has remained pretty constant. Of course, since there are more and more jobs, it does mean that it's a smaller percentage of the work force. But there's still a lot of effective organizing going on in the public sector. That in itself is a problem because if the union movement should become all public sector 80 percent public sector, I think that the union movement will be in very serious trouble.

MR. WATTENBERG: Leo Troy.

MR. TROY: Yes, the private sector union movement has been in decline, in fact, relative to the work force since 1953; in terms of the total number of members, since 1970. They have shed over 7 million members in the private sector. This is an international event, by the way. It's not limited to the United States. Every single major industrial country is experiencing this same consequence.

And I forecast that for the U.S., the percentage of the private sector union movement which will be unionized come the new century will be what it was at the beginning of the 20th century, 7 percent of the work force.

MR. WATTENBERG: Okay, Sam Estreicher, is it a real decline?

MR. ESTREICHER: The union movements have two problems. One is they haven't organized sufficiently to keep pace with the changes in the work force, and it appears that the Sweeney (sp) slate will be addressing that. But the more fundamental problem is they have to come up with a product.

MR. WATTENBERG: The Sweeney slate is the --

MR. ESTREICHER: The new slate at the AFL-CIO.

MR. WATTENBERG: -- the new slate at the AFL-CIO led by --

MR. ESTREICHER: John Sweeney.

MR. WATTENBERG: -- John Sweeney.

MR. ESTREICHER: Of the Service Employees.

MR. WATTENBERG: Right.

MR. ESTREICHER: And he promises a good deal more organizing, and that remains to be seen.

But the second problem, which is a much more fundamental problem, is that the union movement has to come up with a product that makes sense to private-sector workers, that meets the needs of firms in an increasingly competitive environment and provides effective voice for those workers. And that's where the new thinking has to go on.

MR. WATTENBERG: Okay, Barry Bluestone, you have written about the labor movement for many years.

MR. BLUESTONE: I think Sam's (may mean Leo) got it right. The union movement is obviously in decline in terms of the numbers. I think probably even more importantly, it's in decline in terms of its political strength. Both with the changes in what's going on in state legislatures and what's going on in Congress, the union movement doesn't have as many friends as it used to have, and therefore politically it's not as strong.

But I think Sam is also right. It really -- the struggle for the trade union movement is to win back the hearts and minds of the workers of this country, and that's going to require a reinvention of what the trade union movement is like. At the bottom of the income distribution, of the low-wage workers, we're going to see some really exciting new organizing campaigns. At least Mr. Sweeney and the new leadership have promised that.

The real question will be for the vast number of workers in the economy, from those who are in white collar, those in blue collar, those who are professional and technical workers, is it possible for the trade union movement to create a new kind of trade unionism which appeals to the modern worker?

MR. WATTENBERG: Okay, at this AFL-CIO convention that is supposed to design us or move us into a great era of prosperity, the new number two man, Richard Trumka of the Mine Workers Union, had been quoted as saying if his slate is elected, and it was, that it would be 'business's worst nightmare.' Now, is that what labor ought to be doing now?

MR. TROY: The change in the leadership -- the French have an expression covering that. 'The more things change, the more they stay the same.' I don't think it makes any difference what he uttered or it makes any difference what Sweeney has promised. The economic, the market, the international forces, and the weakness that Barry has pointed out, the political weakness of organized labor in this country make it clear to me that we're going to have more of the same. I mean their rhetoric is not a substitute for results.

MR. ESTREICHER: If I can speak to Trumka's rhetoric, I think that he has never read Gompers 101. Sam Gompers, who was the former and founding member of the AFL, understood that unions could only survive if they could spread the cost of unionization across all competitors, and that was sort of his fundamental insight that brought the AFL to the place it once had.

MR. WATTENBERG: They never brought it to all competitors. At their high point, they were only a third of the working force.

MR. ESTREICHER: At their high point, they were a third of the working force, but where they were strong, they organized virtually the entire product market. So, for example, in automobiles, you know, the CIO organized all of the automobile manufacturers and the construction beforehand.

MR. TROY: What about the Japanese transplants, Sam? I mean, competition still works, and it --

MR. WATTENBERG: The Japanese auto transplants --

MR. TROY: -- are basically -- are non-union.

MR. WATTENBERG: -- are non-union.

MR. TROY: Honda, Nissan. As a matter of fact, the UAW sought to organize the Nissan plant in Tennessee several years ago. They lost by two to one, and this is a major, powerful, well-organized, well-led, well-financed union, and they flopped.

MR. BLUESTONE: But I think the reason why they flopped, Leo, was that they were still coming with the old organizing strategy, and what I'm hoping will come out of the new AFL leadership are some new strategies, some new ideas as to how to appeal to workers.

You're also going to see that the international cooperation is going to be important. You're going to have the Metalworkers' Federation in Germany helping the UAW organize the BMW plant here in the States.

MR. WATTENBERG: Is it -- Barry, is it wise for the new union management to talk about making a nightmare for American business? Does that make any sense?

MR. BLUESTONE: I think -- I don't think it's wise and I think it's taken out of context. I think what Rick Trumka was saying, what the leadership has been saying is that for those firms who think they can roughshod over labor, they're going to have a new strengthened labor movement out there to contend with. But I've also seen leaders all through the AFL-CIO, from George Becker (sp) of the Steelworkers to Steve Yokich (sp) of the UAW, sitting down with responsible management and developing new forms of unionism which both focus on raising the productivity and quality and innovation of the firm to make them internationally competitive and give the employment security to workers as a result.

MR. WATTENBERG: Al Shanker, we have heard about Gompers 101. What is Shanker 101 on what happened really in that convention, the emblem of which might be this sort of very tough sort of language that Trumka used. Is this -- was this a move to the left? Was it a fair convention?

MR. SHANKER: Well, let me say that I think we ought to not necessarily take campaign speeches too seriously. We don't in the general politic, and I think we ought to exercise the same judgment insight of union elections.

I don't know whether -- I think some of the unions in the coalition that won are further to the left, traditional or old left, than the labor movement has been in the past, but not all of them. And I think it remains to be seen whether the whole movement goes that way or not.

MR. WATTENBERG: Let me just question you on one thing. As I understand it, you feel that the actual operation of the convention was unfair or rigged. Could you explain what your grievance was?

MR. SHANKER: Well, it was a very unpleasant experience because, first of all, everybody came with -- the people on the Sweeney side had manuals, actually, which said, 'Cheer at this point,' or 'Make this statement,' or -- et cetera. We have a copy of the manual. We managed to get one. So the whole thing was scripted, and each day a different shirt, a different uniform, a different cheer, and so forth.

But there were 500 delegates that came from unions that pay a lot of money -- they pay dues, and there were 500 delegates rounded up from very central labor bodies. Basically, these were sort of bought votes. They were central labor bodies that never sent anybody before and --

MR. WATTENBERG: Bought by the Sweeney side.

MR. SHANKER: Yeah, they were brought there. And by having 500 people in the hall who were not dues payers, that was enough to prevent a roll call vote on issues, so that one of the things that people left the convention with -- of course that we're all going to try to make it work, we're all trade-unionists, we're all in trouble, and we're not going to continue a whole bunch of in-fighting. We're going to pull together, and on some issues we'll differ. But people did leave with somewhat of a bad taste, namely, that you couldn't get up and make a statement without being hissed or booed and that you couldn't really get a roll call vote because 500 people were brought in who don't pay a nickel to the AFL-CIO, and they had enough votes, really, on the floor to outvote those who pay millions and millions of dollars.

MR. WATTENBERG: Okay. Barry.

MR. BLUESTONE: I think it's important, Ben and Al, to note that there was need for change in this organization. The AFL-CIO did not have the allegiance of most workers in this country. I'm a union member. I'm a member of the UAW and I'm also a member of the National Education Association, which is a union outside the AFL. And I think a

lot of people voted for the Sweeney slate, the one that won, on the basis that they wanted to see real change and they saw the need to send a message to workers in this country that there were new people in charge. And that's what it basically came down to.

MR. TROY: Could I pick up on this point of change? We heard from Barry before about new ideas, new leaders. Let's take one of the new leaders. The central new leader, let's call him the operating general in this, and it's Trumka, what has he accomplished as the leader of the United Mine Workers? Here's a union which today if it has 30 (thousand), maybe 40,000 members, it has a lot. Once upon a time, the United Mine Workers had 600,000 members. This is the person that's going to lead this new onslaught to organize workers? The union's been fined numerous times. I mean, this is the new leadership of the new ideas. What are the new ideas?

When you say new ideas, Barry, what is a new idea?

MR. BLUESTONE: What am I talking about? Well --

MR. SHANKER: This is the Gary Hart approach, 'new ideas.' (Laughter.) But where were they? And it was a Simonesque campaign. There were no new ideas in the campaign.

Furthermore, all the people who ran for office were sitting at that table with me, as a member of the executive council, for 5, 10, 15 years. If they had a new idea, I would have heard it. (Laughter.)

But there may be new ideas that come out of this now because there are a lot of promises that were made in the course of the campaign, but there weren't any so far.

MR. WATTENBERG: Your position, as I understand it, is a trend in motion will stay in motion. I mean that it's gone down in the private sector and it's going to --

MR. TROY: Exactly. Nothing has changed. You see, look, the international competition which has brought down the private sector union movement is not only continuing, it's gaining power. You mentioned movement of companies to the right-to-work states. What you ought to also mention is that companies are moving below the Rio Grande River, companies are moving to the Far East.

MR. ESTREICHER: Leo, isn't it a mistake -- I mean, the market forces are very important, I believe in them, but you have this view that they are a hundred percent and there's no room for human behavior to change some outcomes.

I think that it's a mistake to focus on the AFL-CIO level. The AFL-CIO is a service provider for the national organizations. We ought to be focusing on what the national organizations do and whether they're meeting the needs of the companies that they have organized. The problem is, companies compete with other companies. Companies don't have an alliance of interests. The international represents a force, a multi-employer force, that doesn't correspond to the interests of the particular companies they organize.

MR. WATTENBERG: So you think that in this day and age, simply put, unions are not useful?

MR. ESTREICHER: Unions as multi-employer organizations that are fundamentally seeking to push an industry wage pattern that is I think a thing of the past. It is not - - and the problem is that the existing AFL organizations believe that that is still fundamentally what they are about. That's what Richard Trumka believes he is fundamentally about. And that has to change or some other organization will develop.

MR. WATTENBERG: Barry.

MR. BLUESTONE: What you're finding is it is changing, and it's changing because of the market forces that Leo talked about. But what you're finding is that those same trade union leaders who presumably weren't making any change are starting to develop whole new ways of dealing with management.

You take a company like Magma Copper, a big copper producer out in Tucson, Arizona. This is a company that was going bankrupt in 1988. A new relationship between the union and the company, 15-year accord to get some employment security and get that company going, 86 percent increase in productivity, in large measure because the union workforce has helped do that.

The CEO of that company, in fact, ran a full, you know, quarter-page ad in 'The Wall Street Journal' and 'The New York Times' praising the union for their help in rebuilding that company. That's a small, little example of what could be done. I think Leo is absolutely right, the future looks bleak -- unless we see those kinds of changes on a larger scale.

MR. WATTENBERG: You know, why does Al Shanker say that he has sat for 5, 10 or 15 years with the very people at the executive council table who are now in charge, and he wonders, you know, where are all those new ideas? I mean he was there.

MR. BLUESTONE: On the board that Al sits on and that he voted for, last year the AFL-CIO board passed a magnificent statement, 'The New American Work Force,' in which they laid out a blueprint for the kinds of changes that we've been talking about here. The problem is that we've just not seen it -- MR. TROY: Look, they laid out a blueprint back in 1984 or 1985. They had the Lou Harris Associates do a study for AFL-CIO, and they had a program and they were predicting how this is going to turn things around.

You know, again, I hate to repeat that French expression, but the more things change, the more they're still staying the same. Nothing has changed.

MR. WATTENBERG: You have been concentrating sort of on facts, and very elegantly and it sounds to me very accurately. What is your opinion of those facts? The fact that private unionism is diminishing in the United States, is that good, bad or indifferent?

MR. TROY: I would like to rephrase your question to this extent: Does it make the United States economy more competitive? And I'll answer that question. If you want me to say it's good, I'll say it's good because it makes the American economy more competitive. And that's a fact.

MR. BLUESTONE: I totally disagree, Leo. The fact --

MR. TROY: Well, naturally. I mean, you know, we heard previously that unions tried to establish a uniform wage across the economy, which they never succeeded in doing. I mean, some unions were successful to a limited extent, like the Steelworkers. But what really counts in addition to the wage level is just the productivity of those workers, union labor costs.

MR. BLUESTONE: And productivity of union labor in general is higher than non-union labor.

MR. TROY: That is a --

MR. BLUESTONE: The work that's been done on this shows it over and over again.

MR. TROY: I know, but I have a lot of reservations about the authors of those studies. They're the same authors who for 10 years said that the Canadian union movement was booming, the American union movement was collapsing.

MR. WATTENBERG: I mean, you think they are in labor's pocket, those scholars?

MR. TROY: Oh, there's no doubt about it. I don't think there's any question about it.

MR. BLUESTONE: They're not necessarily in labor's pocket, but even they concede that unions are bad for the profits of a firm, and if unions are bad for the profits of a firm, capital moves out of the union sector and builds up the non-union sector, goes to the South and elsewhere, so that even they concede that point, and there are measurement questions about productivity.

MR. WATTENBERG: Al, your favorite institution is being attacked. MR. SHANKER: Let me say, there are two -- at least two new ideas as to how the union movement can ultimately grow. One is to temporarily forget about selling the union and in the body politic develop rights for workers as workers, not in terms of unions. The right of all workers to, let's say, organize their own little thing in their workplace, to have meetings; the right for them to elect, just for their own group, a representative who would speak to the employer, and that employer is required periodically to talk to that person. Not a union. These are just a bunch of people there.

Now, so that's not unionism coming in. This is, hey, these are a bunch of people. If they want to meet there to discuss their problems, why shouldn't they? If they want to talk to the boss, it becomes a very different issue.

Now, ultimately that does, in some places, lead to unionism. So that's one new idea which would be a road for building.

There's a second one. Almost every poll shows that about 35 percent of working people say that they would like something like a union. That would be a lot of people.

MR. WATTENBERG: What percentage?

MR. SHANKER: About 35 percent. Now, the trouble is it's hard -- in order -- the way the union movement has been organizing up to now, you go into a shop and if you don't get 50 percent plus 1 in an election, you don't have anything, because nobody is organizing the 35 percent who don't conveniently -- you know, aren't in places where they're in appropriate bargaining units and in an election you get 51 percent.

So if the union movement were to go out there and start organizing on a different basis, in other words, organize the way the American Association for Retired Persons does, say, 'You're a worker. Alright, you don't have 51 percent, but you're a worker, you want to join the AFL-CIO or you want to join the American Federation of Teachers' -- we've started doing this -- 'join as an individual.' We will have discount benefits --

MR. WATTENBERG: The American Federation of Teachers.

MR. SHANKER: Yes, and it has helped us in our regular organizing drives because if you organize people as individuals because they want discount insurance, they want travel, they want identification -- by the way, they also want conferences, they want training, they want all sorts of things that professional associations provide. Now, when we get a certain concentration of these people, we write them and say, 'Hey, do you know that there are 85 people in your community who are members of the AFT. Would you like to have a meeting and get together?' We have actually organized very extensively in both Texas and Louisiana using that technique.

MR. WATTENBERG: All right, Leo Troy looks as if he's going to jump out of his seat here.

MR. TROY: Thank you. I appreciate the opportunity. Look, that 35 percent figure was -- as an ancient history tool. It was most recently regenerated by the Dullop (sp) Commission. And what they forget to tell the world is that means that 65 percent said they don't want unions. That's exactly what the Lou Harris survey found for the AFL-CIO. They didn't get wide notoriety, but 65 -- actually, it was two-thirds, said they would not vote for a union in a secret-ballot election.

So the point is that, as far as this other form of representation, it reminded me, Al, of

the 1920s and early '30s, of the employee representation plans -- of course, not with the employer in charge of that plan. These ideas --

MR. SHANKER: That's a big difference. (Laughter.)

MR. TROY: Well, at this moment, they're not legal because the -- the National Labor Relations Board has said that these plans are employer influence.

MR. SHANKER: The only --

MR. WATTENBERG: All right, now listen, hold on a minute. We are running out of time, and I want to take the opportunity -- I'm going to give Al Shanker the last question here. Al, you started out in the labor movement, you were regarded as quite a radical when you organized the New York City teachers. There's a Woody Allen movie that talks about the future where when Al Shanker is president of the world, he'll blow up an atomic bomb.

MR. SHANKER: Drop the bomb.

MR. WATTENBERG: Drop the atomic bomb, right.

MR. SHANKER: 'Sleeper.'

MR. WATTENBERG: Right, 'Sleeper,' right. You are now regarded as an eminent and tough moderate, if I may characterize -- eminent, tough and activist, but moderate in this fight that recently happened, certainly. What happened in the intervening years and why were you what you were then and why are you what you are now?

MR. SHANKER: Well, I think am what I was. (Laughter.) And, you know, if this were a different program, I'd make the case as to which of the -- you know, and if this were before the AFL-CIO election, I'd make the case as to who really stood for change.

MR. WATTENBERG: Right, that the traditionalists really stood for change, and you do.

MR. SHANKER: Yes, because first is that the proposals that I just made, which would really transform the labor movement substantially, were by and large rejected by the people who are now the winners. I mean, these were ideas put forward by Donahue and by Kirkland and which I supported, and we lost on them. So there have been quite a few changes proposed, but not by the side that won.

Now, of course, they're up to bat, and we'll see what changes they propose.

MR. WATTENBERG: Right. Let's just end this now quickly, going around the room, starting with you, Barry Bluestone. Let's look into the future 5 or 10 years. Are we going to see a big change for the better or the worse?

MR. BLUESTONE: Well, I think if we continue to have trends in wages down, trends in insecurity up, there's a chance -- there's a chance -- for the trade union movement to organize lots of workers. But they're going to have to change their stripes and give us a new kind of unionism before that's going to happen.

MR. WATTENBERG: Okay, Samuel Estreicher.

MR. ESTREICHER: Well, I agree with what Barry said. They have to change. They have to organize more and they have to change their product so that in fact we see more labor-management cooperation, we see a provision of voice for workers that takes account of the needs of the firm.

MR. WATTENBERG: Okay, Leo Troy.

MR. TROY: I don't see much change coming out of this new leadership and the AFL-CIO in general, and I foresee a continuing decline of the private sector and continued



stability with a little growth in the public sector.

MR. WATTENBERG: Al Shanker.

MR. SHANKER: I don't know whether it's going to come, but there is an opportunity there and the pressure is there. A lot of promises were made, and I think there will be an effort to fulfill those promises. So I think it will be an exciting time.

MR. WATTENBERG: Okay. Thank you, Albert Shanker, Barry Bluestone, Leo Troy, and Samuel Estreicher.

And thank you. We enjoy hearing from you. Please send your questions and comments to: New River Media, 1150 17th Street, NW, Washington, DC, 20036. Or we can be reached via e-mail at [thinktv@aol.com](mailto:thinktv@aol.com), or on the World Wide Web at [www.thinktank.com](http://www.thinktank.com).

For 'Think Tank,' I'm Ben Wattenberg.

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'Think Tank' has been made possible by Amgen, a recipient of the Presidential National Medal of Technology. Amgen, unlocking these secrets of life through cellular and molecular biology.

Additional funding is provided by the John M. Olin Foundation, the Randolph Foundation and the Lynde and Harry Bradley Foundation. END

### **Back to top**

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*Think Tank* is made possible by generous support from the Smith Richardson Foundation, the Bernard and Irene Schwartz Foundation, the Lynde and Harry Bradley Foundation, the John M. Olin Foundation, the Donner Canadian Foundation, the Dodge Jones Foundation, T. Rowe Price, and Pfizer, Inc.

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