

A VERY BRIEF OUTLINE OF AMERICAN LABOR HISTORY FOR BEGINNERS



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While it is impossible to do a comprehensive job of addressing American labor history in a brief presentation, it is possible to do a gloss that might help you get a sense of the big picture. Some beginning questions might include:

- Q** What is your perception of unions? Why?
- Q** How much labor history did you get in school? Why?
- Q** What drove American workers to form unions?
What did they have to do? How long did it take?
- Q** What did unions get for American workers?
- Q** What is the status of unions today? Why?

Origins and Philosophy

Recently the AFL-CIO has called on labor to open its doors and look to new community-labor alliances in an effort to build a new movement to fight the growing inequality faced by most Americans even as labor's numbers are declining. But this effort to reach out beyond labor's doors is not a new idea if you know your labor history.

Most labor histories begin around 1877, the year of the Great Railroad Strike that signaled the beginning of a militant upheaval of American workers bucking up against the growing inequality and oppression they faced in the midst of the American industrial revolution. It's important to note that any honest assessment of American labor history should start before then, however, and include the struggles of workers of all backgrounds against indentured servitude and slavery as well as the emergence of early workingman's parties in the 1820s. One might also want to include the struggles of the emerging women's movement that grew alongside the abolition movement and included an economic component in things like the Seneca Falls Declaration.

Unions are essentially working people standing together to form collective power in the workplace and in the political arena. Historically, unions have been the only significant institutions representing the rights of working people in America. Before unions, workers had virtually no rights in the workplace and



Until the Civil War the working population of the United States was divided between free and slave labor. Entire families of Africans and African Americans like this one were owned by white masters in the southern United States. Many families were torn apart when the masters sold them to other slave owners. The history of slavery and the abolition struggle to end it is part of the labor history of the United States.

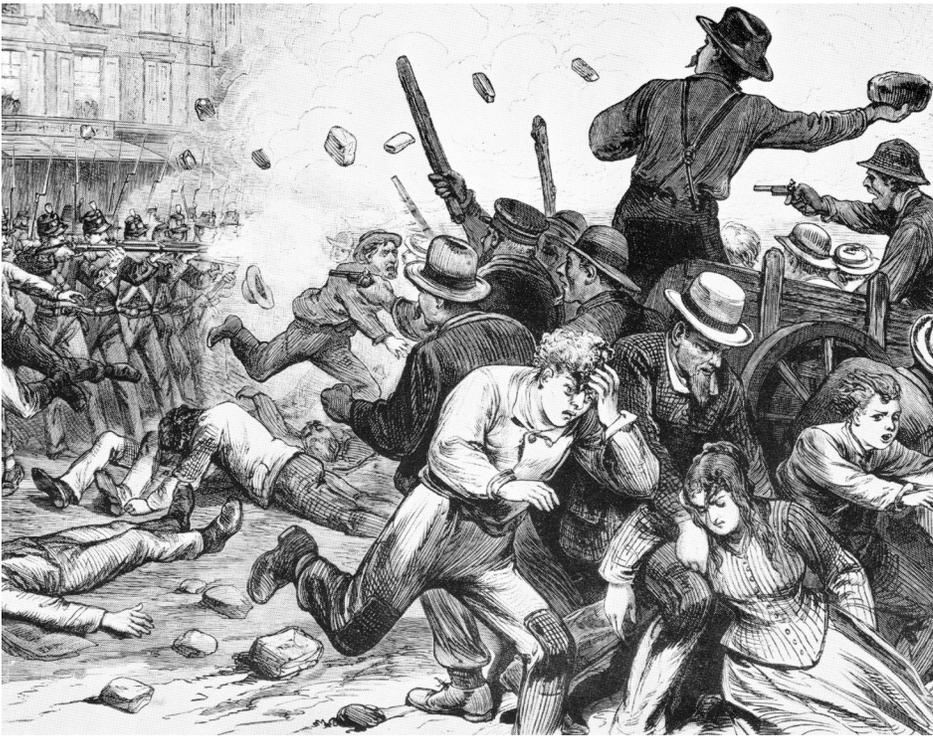
for many years of our early history, non-property-owning men could not even vote. Thus the history of the union movement is the history of working Americans getting together to establish some basic economic and political rights and to have a voice in American society.

Two of the key labor organizations in the latter part of the 19th century were the American Federation of Labor and the Knights of Labor. Both of these organizations were confederations of unions from different crafts and industries, and active

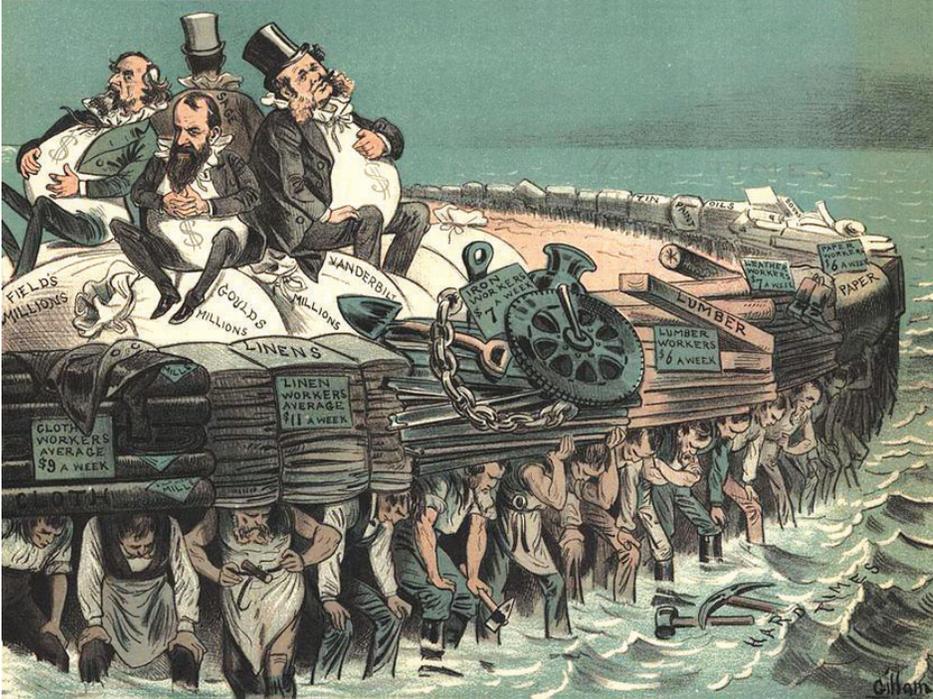
back when less than 10% of American workers were in unions (which were not yet legally recognized entities). Labor's early struggles were for things like the 8-hour day, livable wages, basic age and safety regulations, and a voice in an American political system dominated by the 'Robber Barons' of the era of the industrial revolution. During this period, the economy was quite unstable and unforgiving for working Americans with the new economic elite gaining great power while most Americans struggled to get by.



The largest early organization of working people in the 1880s was the Knights of Labor, which organized workers into "assemblies," similar to union locals. The assemblies were created in two ways: "craft" assemblies, with workers doing similar types of work together, or in "mixed" assemblies, with workers organizing themselves across occupational lines.



The 1877 railroad strike was the first national job action by American workers. But state and corporation repression was harsh. More than one hundred workers were killed by state and local militia and police forces acting on behalf of the railroad corporations. Millions of dollars worth of trains and other corporation property were torched by the strikers in retaliation for the killing of workers.



With the decline of unions, wealth has been redistributed upwards away from working people, creating what some economists call "neoliberalism", an economic and political philosophy calling for reduced unionization, smaller government, and lower taxes for the rich and corporations. It has resulted in a much less equal society, resembling the social inequality of the late nineteenth century "Gilded Age."

American Federation of Labor: Bread and Butter Unionism

The AFL was primarily a **bread and butter** union federation that focused more narrowly on things like wages and benefits, a philosophy they called "pure and simple unionism." They recruited primarily white, Anglo-Saxon, Protestant male skilled workers and initially had no great involvement in politics beyond the work place. They also believed in "volunteerism" or a strict reliance on the union and its members rather than a broader social focus. Hence the AFL was an *exclusive* organization. Early AFL unionism was largely conservative and defensive and its narrow, exclusive focus set the pattern for many unions for the next century and beyond. Simply put, the AFL was not about social, economic, and political transformation but about getting a bigger piece of the pie for its members.

Knights of Labor: Social Justice Unionism

The Knights of Labor was a broader-based **social justice union** whose philosophy is best summed up by their motto, "An injury to one is a concern of all." Thus Knights of Labor unionism was more *inclusive* as it sought to organize workers across barriers and included skilled and unskilled workers as well as more women and people of color (although the Knights too were problematic at times with regard to race). The Knights were also interested in challenging monopoly capitalism, a system they saw as a threat to democracy and proposed the idea of a "cooperative commonwealth" in opposition to the growing plutocracy of the era of the Robber Barons. In a nutshell, the Knights of Labor sought not just to get a bigger piece of the pie for their members but to change the way the pie was made and distributed.

From the New Deal to the 1960s: Unions Build the Middle Class

The AFL's early conservative, defensive unionism may not be as inspiring to us as the Knights of Labor's philosophy but it did help them survive through very difficult times and prosper into the twentieth century. The Knights of Labor did not survive into the new century, but their more progressive philosophy laid the groundwork for later unions such as the Industrial Workers of the World (IWW, or the 'Wobblies') in the teens, and the Congress of Industrial Organizations (CIO) in the 1930s.

Indeed, it was the principles of social justice unionism that led the CIO to organize the unskilled and work across the color line during the single biggest upsurge of labor union membership and activity in U.S. history. That activism and the union movement's full engagement in politics helped pave the way for the New Deal in the nineteen thirties that included the Wagner Act, or National Labor Relations Act, a law that allowed for the legal recognition of unions in the private sector of the economy and many of the rights we take for granted today. During the thirties and onward, the CIO's success prompted the AFL to follow suit and become more inclusive in order to compete with its surging rival. By the middle of the 20th century, close to 35% of American workers were in a union, the high water mark of union density.

Some of the key gains that the labor movement brought American



After World War II the American labor movement — thanks to its militant collective struggles in the 1930s and during the war — reached a peak of strength, with a third of the working class enrolled in unions. As a result economic inequality was reduced, and the working class attained its greatest level of overall prosperity, before or since.

workers by the middle of the twentieth century were: the right to collectively bargain, an increased standard of living, the eight-hour day and the forty hour week, a minimum wage, health and safety laws, child labor laws, retirement benefits, COLA (cost of living adjustments to wages), Social Security, a voice in politics and much more. This was also the high point of the American “middle class” when, as a result of their new political power, American workers had a seat at the table in government and were getting a bigger piece of the economic pie.

[See Box “As Unions Decline Inequality Rises” and **Figure A** after Part 4]

By midcentury, the New Deal Coalition was talking about Franklin Delano Roosevelt's idea of a ‘Second Bill of Rights’ that included access to affordable housing, the right to an education, health care, and a whole range of rights we are still struggling for today.

The AFL and CIO merged in the 1950s and threads of both ‘bread and butter’ and ‘social justice union’ philosophy continued to exist in the American union movement. While the McCarthy Period led to a purge of many progressives from the union movement and bread and butter unionism morphed into a stale “business unionism” that became bureaucratic and stopped organizing, social justice unionism made a comeback in the form of efforts like the farmworkers’ broad-based coalition in the sixties and the fusion of civil rights and labor rights in Martin Luther King Jr’s famous last campaign for striking public sector sanitation workers in Memphis.

During this period, the progressive wing of the labor movement was key in pushing not just for rights in the workplace, but civil rights in the broader society and a better deal for the poor, including passage of federal legislation that created Medicare and Medicaid.

The Rise of the Public Sector

It was during the 1960s that public sector unionism took off as a result of President John F. Kennedy signing an executive order that allowed for public sector unions in the Federal Government. After that, many public sector workers like teachers, postal workers, firefighters, and others got active.

AFT had been around since 1916 but it was a series of teachers' strikes in New York City beginning in 1960 that started the wave of unionization in education that spread across the country after the victory in New York.

California teachers did not get collective bargaining rights until the passage of the Educational Employment Relations Act (EERA), sponsored by a former CFT local president who had become a state senator, Al Rodda, in 1975.

Collective bargaining rights helped improve the standard of living for public employees and made them a powerful political force as well. By the end of the 20th century, there were as many public sector workers in unions as private sector workers. Today the number of unionized public sector workers is slightly higher than private sector workers.



Public sector workers, who had been left out of the National Labor Relations Act in 1935, pushed hard for collective bargaining rights state by state in the 1960s and 1970s. In California public sector unions, including CFT, organized politically and in the community to build support for collective bargaining laws. Here CFT members rally on behalf of the Educational Employment Relations Act, which passed in 1975.



The turning point for American unions came in 1981 when recently elected US president Ronald Reagan fired and replaced eleven thousand striking air traffic controllers protesting unsafe working conditions. The decline of unions accelerated at this point, as corporations understood they had a friend in the White House. As a result the country has grown steadily more unequal since that time.

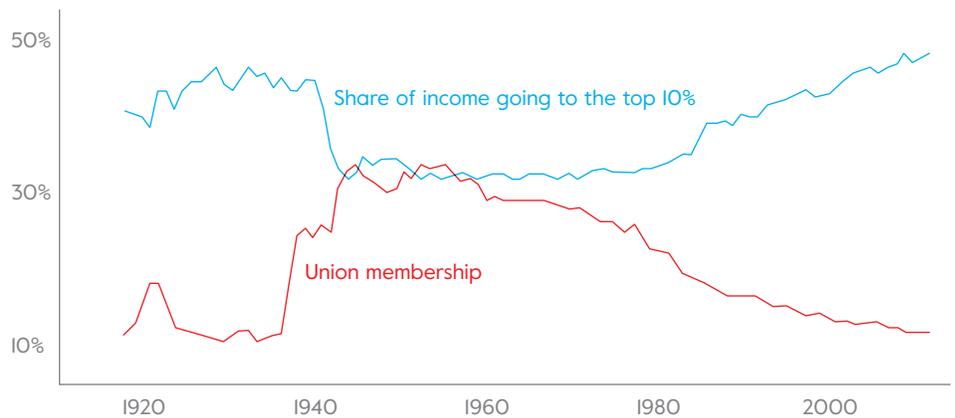
The Decline of Labor and the American Middle Class

By the time labor reached the 1970s and '80s it saw a steep decline. This was due to **internal factors** such as labor's failure to organize and recruit younger workers and **external factors** such as globalization, the ascendancy of the right wing, and the growing corporatization of the Democratic Party. Reagan's firing of striking air traffic controllers (PATCO) workers in 1981 and Clinton's support for the North American Free Trade Agreement (NAFTA) in the 1990s are the seminal examples of this. This is the result of **neoliberalism**, a bipartisan philosophy that favors free trade, privatization, minimal government intervention, and reduced governmental expenditures on education, social services, and infrastructure.

Despite all of this, public sector unions continued to grow until, during the Great Recession (2008-

Figure A

Union Membership and Share of Income Going to the Top Ten Percent, 1917–2015



Sources: Data on union density follows the composite series found in *Historical Statistics of the United States*; updated to 2015 from unionstats.com. Income inequality (share of income to top 10 percent) data are from Thomas Piketty and Emmanuel Saez, "Income Inequality in the United States, 1913–1998," *Quarterly Journal of Economics* vol. 118, no. 1 (2003) and updated data from the Top Income Database, updated June 2016. —Economic Policy Institute (EPI)

2012), the assault on collective bargaining by conservative governors aided by the Koch network and other right wing forces in Wisconsin, Michigan, and elsewhere delivered a blow to public sector unionism similar to what Reagan's crushing of the PATCO strike did in the 1980s.

With the election of Donald Trump, the assault on labor has intensified with a wholesale shift in Federal policy away from workers' rights to corporate hegemony and a new anti-labor majority on the Supreme Court undermining public sector unions through the **Janus decision** which hurt public employee unions' ability to collect dues by allowing for "free riders" to benefit from union protections and gains without paying their fair share.

As a result of the economic and political assault on the labor movement, the number of American work-

ers in unions is now down to around 12% of the total workforce with only 7% or so in the private sector. The direct result of this is the decline in the American worker's power in the workplace and the political arena.

Thus, at a time when American workers are more educated and more productive than ever and are driving record profits for corporations, the wages of American workers have declined or remained stagnant as the wealth accumulated by the top 1% of earners has skyrocketed.

In short, we've gone back to the future and are presently in what economist Paul Krugman and others have called "A new gilded age" of record inequality and diminishing returns for most Americans [See **Figure B**].

As Doug Henwood notes in his review of Thomas Piketty's seminal study, *Capital in the Twenty-First*

(Continued on p. 8)

As Unions Decline, Inequality Rises

To a remarkable extent, inequality, which fell during the New Deal but has risen dramatically since the late 1970s, corresponds to the rise and fall of unionization in the United States.

The passage in 1935 of the National Labor Relations Act, which protected and encouraged unions, sparked a wave of unionization that led to three decades of shared prosperity and what some call the Great Compression: when the share of national income taken by the very rich was cut by one-third (and yet they remained rich). The “counter-

vailing power” of labor unions (not just at the bargaining table but in local, state, and national politics) gave them the ability to raise wages and working standards for members and non-members alike. Both median compensation and labor productivity roughly doubled into the early 1970s. Labor unions sustained prosperity and ensured that it was shared; union bargaining power has been shown to moderate the compensation of executives at unionized firms.

However, over the next 30 years — an era highlighted by the filibuster of labor law reform in 1978, the

Reagan administration’s crushing of the PATCO strike, and the passage of anti-worker trade deals with Mexico and China — labor’s bargaining power collapsed. The consequences are driven home by **Figure A**, which juxtaposes the historical trajectory of union density and the income share claimed by the richest 10 percent of Americans. Union membership has fallen and income inequality has worsened — reaching levels not seen since the 1920s.

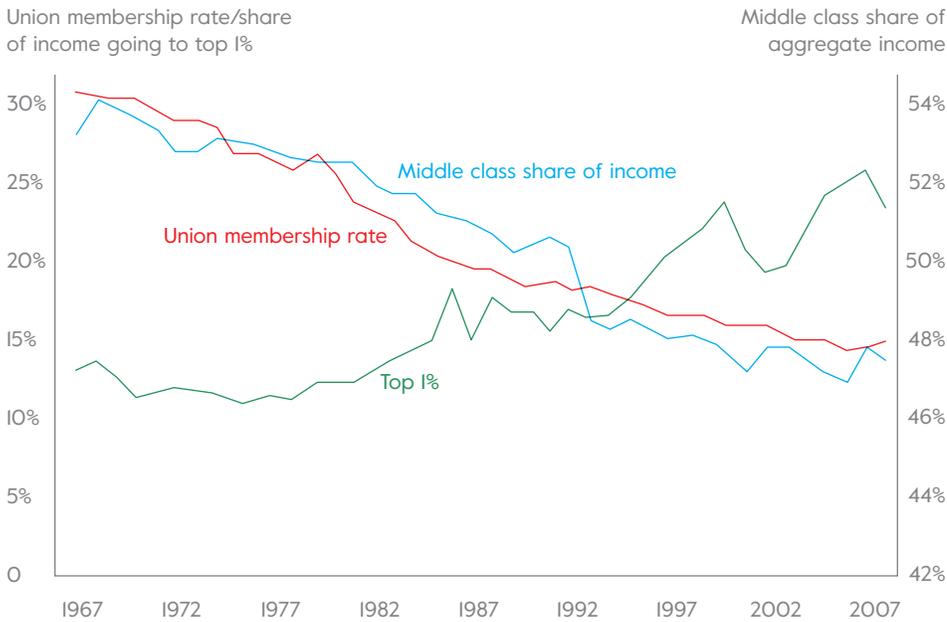
Source: EPI



One strategy some unions have adopted to counter inequality and recreate the ability of the state to properly fund public education and other social services is “progressive tax policy.” The CFT is a leader in these efforts, which included the ballot measures Proposition 30 (2012) and Proposition 55 (2016) calling for higher taxes on the rich. These statewide measures passed, helping to restore jobs and services lost to layoffs in the Great Recession.

Figure B

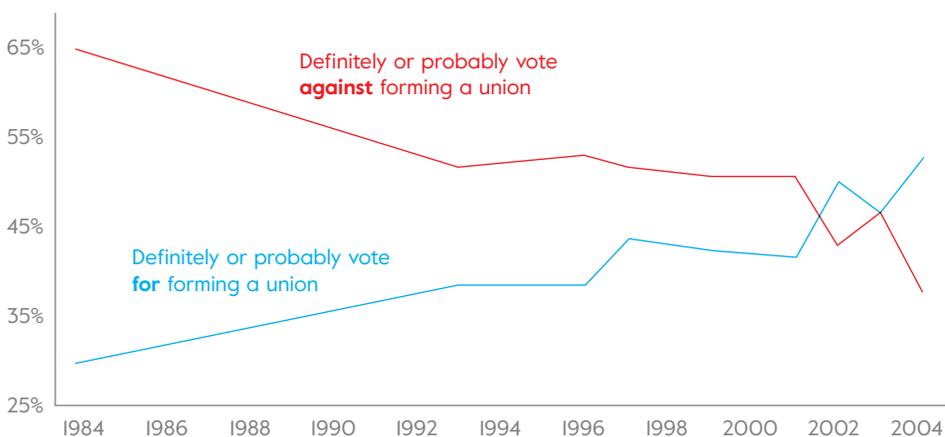
As Union Membership Rates Decrease, Middle Class Share of Income Shrinks and Top One Percent Incomes Explode



Source: EPI.

Figure C

The Gap Between Workers' Desire and Union Density: Nonunion Worker Likely Vote in a Union Representation Election



Source: Hart Research Associates, various polls, except 1984.

(Continued from p. 6)

Century: "The core message of this enormous and enormously important book can be delivered in a few lines: Left to its own devices, wealth inevitably tends to concentrate in capitalist economies. There is no 'natural' mechanism inherent in the structure of such economies for inhibiting, much less reversing, that tendency. Only crises like war and depression, or political interventions like taxation (which, to the upper classes, would be a crisis), can do the trick. And Thomas Piketty has two centuries of data to prove his point." The only political mechanism American workers have ever had to address this is the labor movement and that is why most Americans should care about the fate of the labor movement, whether they are in a union or not.

Today, the AFL-CIO's new focus on reaching out to all workers, union or non-union, in an effort to make common cause with progressive groups and workers who share our values and are striving to address the growing inequality of American society, is an effort to resurrect the spirit of the CIO and social justice unionism. Indeed, despite over 30 years of attacks on labor, more than half of American workers would join a union if they could [See Figure C]. Without this, the slow drift toward oligarchy will continue.

Some recent signs of hope for American workers and unions include the success of the Fight for \$15 movement in raising the minimum wage in states and within businesses across the country, big wins in a wave of public education strikes that began in red states and spread more broadly, and electoral victories in places like Missouri where voters defeated efforts to undermine unions and collective bargaining by a 2-1 margin. These events prompted the *New York Times* to editorialize that "unions have the wind at their backs for the first time in a long while. That is welcome news for long-suffering American workers."

In sum, the struggle continues.

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