

### Research Brief

#### **Public Sector Labor Relations Under Siege: Union Transformation or Retrenchment?**

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**T**he current assault on public sector collective bargaining is unprecedented in its breadth and depth. Legislative proposals that would roll back bargaining rights have been introduced in at least 16 states, with related attacks on both public and private sector unions in another ten. These range from the broad frontal attack on public unions in Wisconsin, Ohio, and Indiana to ‘right to work’ legislation in a half dozen states and limits on union political activity in others. Included are proposals narrowly targeted at education unions. Some would weaken or eliminate tenure, others would mandate teacher evaluation based on test scores, and still others would shift substantial funds from public education to charter schools.

#### **The Public Sector Challenge**

The reality is that public sector unions were largely unprepared for this aggressive and apparently coordinated attack from the right. For 30 years public sector union density has been remarkably stable at about 35 percent. While private sector unions have been involved in a long-term, herculean struggle in the face of aggressive management opposition, weak labor laws, and the combined forces of globalization and deregulation, unions of government workers have settled into a relatively comfortable pattern of bargaining, contract enforcement, and political action.

And yet it was reasonably obvious a decade ago that the private sector union experience would eventually be mirrored in the public sector. Back then I wrote: “The threats faced by public sector unions today are eerily similar to those ignored by private sector unions 20 years ago. Privatization, reinventing government, a changing public sector workforce, antigovernment forces on Capitol Hill and in state houses, union myopia, and member apathy...” The likelihood of a more pronounced challenge in the face of both dwindling private sector union influence and the rightward shift of both major political parties was understood by many public sector union leaders and key national staff, who crafted a six point strategic response:

- Intensify political action;
- Fight privatization;
- Expand organizing activity;
- Pursue partnership with management;
- Preserve bargaining effectiveness; and
- Support broad labor movement revitalization.

In retrospect, it is clear that the strategic framework was pursued at least piecemeal, but the emphasis was on more traditional functions—political action, bargaining, and partnerships where possible.

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Analyzing the public situation in 2011, it is clear that a more dramatic shift of strategic priorities (and, indeed, potentially radical organizational transformation) is required, whatever the distractions. Although it is clearly unfortunate that a more aggressive approach was not pursued prior to the current crisis, the situation is more complicated than simply shifting direction now. Not only is the labor relations framework threatened, but also unions face new internal difficulties not imagined when the prevailing set of priorities was adopted. Because of the serious economic downturn that still grips the economy, and the resulting budget crisis at all levels of governance, public unions are experiencing declines in membership and dues revenue while simultaneously attempting to address expanding personnel expenses tied to generous staff benefits (especially pensions and retiree health insurance). These problems have to be addressed even while unions simultaneously attend to the bargaining and political challenge of defending members' pay, benefits, and job security. In this context it is instructive to take a brief retrospective look at the response of private sector unions to an equally difficult set of challenges over the past 20 years.

### **The Private Sector Experience**

The initial substantive response to private sector union decline came in the early 1990s under the rubric of the *organizing model*. As originally conceived, the idea was to “organize for everything we do,” or, in other words, to adopt an organizing approach for all of the key union functions: contract negotiation and enforcement, political action, coalition building, and of course external organizing. The objective was to mobilize members and keep them mobilized and engaged in all aspects of the union. Although some unions devoted substantial energy and resources to implement the organizing model, it eventually became clear that members were not really prepared to be in a constant state of action, and that, rather than freeing staff time as members assumed more responsibility, the reality was that mobilizing was very staff-intensive work.

Ultimately the organizing model morphed into a focus on external organizing. Mobilization of members was still pursued, but primarily to engage activist members in the recruitment of new members. Eventually, unions with an organizing focus came to realize that, even with volunteer organizers contributing, external organizing was difficult, staff intensive, and expensive. By the mid 1990s, in the early years of the Sweeney administration at the AFL-CIO, a new framework had evolved which incorporated member involvement in organizing but placed higher priority on moving resources away from representational functions and into organizing, with a prescribed goal of 30 percent of union expenditures targeted for growth. This was marketed as the “Changing to Organize, Organizing for Change” program.

Substantial resources were indeed shifted to organizing, and unions did recruit hundreds of thousands of new members. Nonetheless, although private sector decline slowed, and density even stabilized for a few years, the failure of Changing to Organize to reverse labor's fortunes led to frustration. With the viscerally anti-union George W. Bush in the White House, most major unions decided that future success depended on more effective political action. The organizing priority remained, but efforts were funneled into labor law reform and the ill-fated Employee Free Choice Act. Mobilization efforts were now concentrated on labor's political program, and those unions still committed to the Changing to Organize agenda left the AFL-CIO to form Change to Win. In effect, with the exception of the Change to Win unions, attempts at radical internal union transformation largely ended with the split.

### **Lessons from Union Transformation Efforts**

For 20 years the U.S. labor movement has searched for a path to renewal. There are a number of lessons that have emerged from the experience. Because strategic decision-making authority resides in individual national unions not in the two federations, it is the varied experiences of the different unions that are

relevant. One grouping of unions includes those that have embraced the rhetoric of union transformation with no effective change in approach, most accurately described as *strategic rigidity* masquerading as organizational stability. The dominant path, which includes all public sector unions, is to make modest modifications and adjustments in the name of *organizational evolution*, which in effect has resulted in merely symbolic change or, at best, marginal improvements in strategic capacity. A third path has been to restructure in order to centralize authority, and then mandate change. In effect, new priorities are sanctified at the cost of disruption and possible internal rebellion. This *organizational combustion* approach has succeeded in some unions but with substantial negative fallout, especially around the curtailing of democratic processes. Perhaps most promising is a fourth path that has been pursued successfully in some large locals and state affiliates of national unions. A small number of innovative leaders have embraced radical restructuring and elevated new priorities but, simultaneously, have adopted a philosophy of *inclusive unionism* built on member involvement and grassroots democracy. This combination of top-down strategic leadership and bottom-up member activism has proved hard to maintain, but it has great promise as an effective route to organizational transformation.

As public sector unions face the current crisis they will be forced to select a path to the future, and no matter which route is chosen there will be substantial internal barriers. Based on the private sector experience, all of the following should be expected:

- a structural fix temptation;
- strategic rigidity/denial;
- lack of clarity;
- resistance from elected leaders;
- the servicing magnet;
- burnout, apathy;
- resistance from staff;
- resistance from members;
- internal dissonance; and
- conflicting values.

All unions that have aggressively pursued organizational transformation have been forced to confront these barriers. The most successful unions have come to understand that organizational change is a multi-layered process. They have adopted most or all of the following:

- priority attention to building internal political will and support for change;
- member, leader and staff reticence addressed directly;
- resource shift in the context of a strategic plan
- simultaneous attention to traditional representation and new priorities;
- increased involvement of all of those affected; and
- re-discovery of the original spirit of the organizing model.

### **Responding to the Neoliberal Assault**

The fatal flaw in union transformation strategies is the implicit assumption that unions have the ability to reverse decline if only they can pursue effective restructuring and make appropriate strategic choices within the constraints of the prevailing political-economic framework. The U.S. labor movement has operated within the confines of neoliberalism without mounting an ideological or political challenge to it.

Neoliberalism is a contemporary ideology based on historical economic liberalism, which favors a minimized role for government and a maximized role for the market as the most efficient and equitable distributor of resources, the best guarantor of growth, and the most able protector of individual liberty.

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The difference between neoliberalism and traditional economic liberalism is the use of government by the political right to promote and implement neoliberalism. For the past 30 years neoliberal ideas have spread globally, and, within the U.S., have infiltrated the thinking of both major political parties. Social democracy and Keynesianism have been cast in the role of guilty parties. Incredibly, even the economic crisis has not resulted in a resurgence of progressive policies, but rather government intervention has supported and reinforced market mechanisms. The current attack on public sector unions is a natural extension of neoliberal policies.

Most unions have reacted to decline with pragmatic short-run strategies designed to protect the interests of current members and preserve institutional structures. Neither in the U.S. nor elsewhere has labor mounted an effective response. Based on a global scan of labor movement responses, there are four categories of possible labor movement perspectives in the face of neoliberalism:

- Agreement and support, viewing neoliberal globalization as benign and progressive, and following a mutual gains agenda;
- Conditional support, advocating for protection for members and industries that employ them;
- Social democratic opposition, advocating policies to mitigate negative outcomes and promote some semblance of equity; and
- Socialist opposition, or resistance to globalization and national neoliberal policies, and advocating socialism as the only acceptable alternative.

Although opposition by labor has had some moderating influence in selected European and Latin American countries—and in Canada—the reach and influence of neoliberal policies continues to grow. In the U.S. the standard response has been conditional support rather than opposition.

If public sector unions hope to survive the current neoliberal onslaught and be positioned for possible renewed expansion in the future, simple strategic transformation following even the most successful private sector models will not be sufficient. An effective and aggressive opposition to neoliberalism, which realistically in the U.S. should be based on social democratic not socialist ideals, is absolutely essential. Public sector unions are at a juncture where the obvious choice is to embrace a new model of social justice unionism. Public sector unions have long been at the forefront of the struggle for equality, leading the way in women's rights, civil rights, and LGBT rights. Education unions are particularly well positioned also to understand the problems and barriers faced by the immigrant community because the children of immigrants populate the public schools in many communities. If unions are to survive they must stand up to neoliberalism and promote social justice. The most recent activism by the NEA and other unions in Wisconsin, combined with the appeal to fairness and democratic ideals, demonstrates the potential for a new style of union transformation that is rooted in social justice. By combining this spirit and set of ideals with comprehensive strategies of organizational change that build on the private sector experience, the NEA and other unions will have the potential to lead the way to new unionism and labor movement rejuvenation.

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*All references are authored, co-authored, or co-edited by Richard W. Hurd.*

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### About Richard W. Hurd

Richard Hurd is is Associate Dean for External Relations and Professor of Labor Studies at Cornell University’s School of Industrial and Labor Relations. A leading specialist on trade union administration and strategy, he has been quoted widely in the national print and broadcast media on various labor issues. Much of his research has focused on professional workers. Professor Hurd works closely with labor organizations, offering technical assistance on strategic issues, including trade union management, organizational change, internal and external organizing, strategic planning, and leadership development. His clients have included the Canadian Labour congress, AFL-CIO Office of the President, AFL-CIO Department for Professional Employees, AFT Shanker Institute, New York State United Teachers, SEIU, UNITE-HERE, the American Guild of Musical Artists, and the Writers Guild of America-West.

Professor Hurd has offered testimony before congressional committees and presidential commissions. He has published dozens of papers in books and professional journals, and has co-edited three volumes published by Cornell University Press: *Rekindling the Movement* (2001), *Beyond the Organizing Model* (1998), and *Restoring the Promise of American Labor Law* (1994). An economist by training, Dr. Hurd has served as an Economic Policy Fellow at the Brookings Institution. He earned his Ph.D. from Vanderbilt University.

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