

# Filling in the Rank-and-File Strategy

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The rank-and-file strategy continues to be a topic of both debate and practice. This is enormously encouraging news. When I encountered the rank-and-file strategy as a young labor activist, the fact that activists were even talking about it offered a glimmer of hope in very dark times. But now, as activists actually begin to put it into practice, there is perhaps the likelihood that it will become more than just a glimmer.

The rank-and-file strategy is an approach for socialist organizing and building working-class power. In a nutshell, the rank-and-file strategy encourages socialists to take jobs in strategically-important economic sectors, to help develop the “militant minority” on the shop floor, and thereby help develop the working-class consciousness needed for the struggle for socialism.

Insofar as what it affirms, I can only endorse the rank-and-file strategy wholeheartedly. But the rank-and-file strategy does have some significant gaps. The rank-and-file strategy tells us that unions should be more democratic and more militant, but, other than that, there is very little discernable difference in how unions structure themselves or change the content of their demands. Similar concerns led Luke Elliott-Negri recently to label it the rank-and-file *tactic*.

As I see it, the problem reduces to this. We need to constitute the working class as a class for itself, but the rank-and-file strategy as currently conceived sees this process too one-sidedly, as one of consciousness and identity rather than one of union structure and organization. Yet decades of trade union experience across the world indicate just how important structure and organization are for consolidating working-class gains and power. Of course, workers must be organized into unions. But the varying forms of labor union organization have much stronger implications for strategy and politics than many seem to appreciate.

## Capitalist Competition and Union Organization

As Howard Botwinick argued in his brilliant analysis of labor markets, business firms, both between and within industries, differ significantly in their organization of work, technology, and capital investment, leading to big differences in productivity, output, and the ratio of capital to labor. It is easier for the most productive and profitable firms to pay higher wages or benefits than the less profitable and productive. Those differences between firms create the *possibility* of significant wage differentials between workers, regardless of skill or ability. The possibility, in other words, of unequal pay for equal labor.

Whether unions contest or exacerbate these wage differentials depends on both the way labor unions bargain and how unions themselves are internally organized. Unions across the advanced capitalist countries (and elsewhere) differ dramatically in these dimensions. In terms of bargaining, the dominant practice in the United States is for labor unions to bargain with only a single firm or, more typically and narrowly still, a single workplace. Accordingly, unions at more productive firms will be able to bargain for better wages than unions in less productive firms—which usually remain unorganized. In contrast, it is more common for unions in Europe to bargain on an industry basis and demand “solidarity” wages: equal pay for equal work, regardless of the productivity of the individual firms. There are certainly exceptions to these contrasts. There has been both “multiemployer” bargaining and “pattern” bargaining in the United States, mainly in three decades following World War II, as found for example in the steel (USW), auto (UAW), mining (UMWA), and trucking (IBT) industries.

What is crucial, I argue, is that how unions themselves are internally organized influences the way they bargain. It is much easier for a local union to bargain a separate agreement—with wages above the industry-wide agreement—when, as in the United States, the local union rather than industry-level confederation, has control over decisions like strikes and finances. This initially sounds attractive: higher wages for militant workers bucking the onerous industry agreement! But by undermining the industry agreement, this practice more typically leaves workers at less productive firms with nothing, because their wages and even their union’s existence are dependent on the strategic power of their better-placed comrades.

### **The Bitter Fruit of Union Fragmentation**

Once workplace-level unions acquire these special privileges, the interests in protecting them will be strong. Without solidarity wages the labor market remains a highly unequal place. It would be a disaster for a unionized worker at a highly productive firm to lose their job and face the prospect of being hired at a non-unionized establishment with lower wages or no benefits. Decentralized unions therefore have employed a variety of instruments to establish “job control” and “job trusts.” These practices produce union “sectionalism,” a division between insiders and outsiders, and gains for particular workers rather than for workers as a class.

Perhaps one of the most pervasive of these practices is the seniority system. A seniority system awards preferential treatment to workers on the basis of their longevity with the company. Most frequently these privileges pertain to promotions and layoffs, but they can also include preferences for shift work or bumping rights to displace less tenured workers when work is downsized or jobs eliminated. “Last hired, first fired” is the common phrase.

In addition to the “insurance” they provide against labor-market risk, seniority systems are also often hailed for taking away unilateral control from the employer and giving workers and unions a say in the governance of the workplace. By expanding the time horizon of the worker, it is also said to encourage greater incentives to work hard and invest in skills.

The price of these gains, however, is steep. Increased longevity between the firm and the worker

and basing employment security on the job itself fractures class consciousness by creating greater identification with the employer than with workers in other firms. More gravely still, seniority systems have shared an unholy alliance with race, gender, and other forms of discrimination, exacerbating these inequities if not directly causing them.

In the words of one observer writing in 1972:

Thus it is doubtful that seniority, as a rule, still provides for a continuously accumulating, foreseeable job stability; instead, it tends to produce a hard core of “job proprietors” who can expect to survive drastic changes in employment ... , a “middle class” of fairly stable jobs in “normal” times but vulnerable in recessions, and a fringe of short-time employees, defined by age and—as additional impeding factors—race and education, with the multiple “trial and error” experience of recurring or steady exclusion. Under present conditions, it comes up to a polarization of the labor force, making the jobs more stable for those who hold them and less accessible for those who are out ...

Here again, the rank-and-file strategy is too prone to seeing invidious discrimination within unions as a problem of consciousness, without identifying how that consciousness is produced or sustained by certain union practices, however innocent their original intent. Defenders of these ambiguous union practices from the left are prone to draw a distinction between democratic and undemocratic forms. But it is difficult to envision a justifiable form of democratic exclusion.

Fragmented union structures also help us to understand what Kim Moody and others have called the “private welfare state.” Given decentralized unions and the diversity of capitalist firms, it is not surprising that some workers have been able to obtain generous fringe benefits, while other workers have, at best, their wages. Once some workers acquire these benefits, they have little reason to give them up, while the rationale for fighting for inclusive, public benefits becomes harder to sustain. Once again, I would contend that these private welfare states are not only the product of a narrow business union consciousness, but of the structure of narrow union organization as well.

We can also see how union fragmentation contributes to the bureaucratization that is a main concern of the rank-and-file strategy. Staffed and financed union locals proliferate when authority over strikes and finances are devolved to lower levels, overshadowing more participatory forms of local organization, such as shop-stewards committees.

None of this is to lay the entire blame on unions and workers for the massive declines of union membership since the 1950s. It is the constant differentiation among firms created by capitalist competition that provides the material basis for these outcomes, to recall Botwinick’s analysis. Neither could the consequences of union organization have been foreseen back then.

Nevertheless, workers and unions have a choice of how to respond to these conditions, and as we have seen how different union structures have fared in response to globalization, financialization, and neoliberalism over the last several decades, the consequences of those choices has become more apparent.

### **Inclusive, Broader-Based Bargaining**

Contrast fragmented, workplace-based unions with bargaining and union organization that takes broader and more inclusive forms. Rather than serving a privileged group of workers in exchange for paying membership dues or agency fees, rank-and-file strategists should fight, on and industry and

sector basis, for all workers—whether union members or not. The goal should be to “take wages out of competition,” to pay equal wages for equal work, regardless of firm or industry, or race or gender, and increasing labor’s strategic power in the process.

Make no mistake, for privileged workers in more productive firms and sectors this can feel like wage *restraint*. But experience has demonstrated that this is the only effective way of building worker power across firms—of challenging the domination of the labor market and not just individual employers.

Does this mean we should also jettison cherished union practices like seniority? There are indeed far more inclusive ways of achieving security in the labor market. Solidarity wage bargaining is one such practice: the incentive to construct job trusts is weakened when equal work for equal pay prevails across all firms, industries, and sectors.

Further, full employment policies and/or a national job guarantees will remove the sting of unemployment and also bolster worker power by weakening the threat of termination. Unemployment insurance should be strengthened by raising the replacement rate, the percentage of former wages paid as benefits. While we’re at it, we might want to ask whether striking workers can be made eligible for unemployment insurance, something that only one or two states currently guarantee.

Broader-based bargaining becomes even more important in the gig economy. Although the share of gig workers in the economy has been prone to exaggeration, the related practices of outsourcing and supply-chain management are not. These strategies give capital the power of arbitrage, pitting workers against each other in a race to the bottom. Labor can outflank capital only by bargaining on a broader basis, duly acknowledging the (global) challenges.

Most readers would be unlikely to disagree with proposals for more inclusive bargaining or taking wages out of competition. At the same time, most readers would be also be unlikely to appreciate the dramatic changes in organizational structures necessary to achieve them. The next section describes some of these changes.

## **Toward Encompassing Unions**

Currently, liberals are ahead of the game on the issue of broader-based wage bargaining. Academics, think-tank scholars, and even union leaders have recently recognized the importance of broader-based, sectoral bargaining. Sectoral bargaining appears in the labor reform proposals of both Bernie Sanders and Elizabeth Warren. This is a surprising reversal from just a few years ago, when such talk would have been dismissed as outlandish and incompatible with American union traditions.

But liberal proposals have predictably taken state-based, legal-regulatory, and technocratic forms. A favored plan is to replicate, in other states or at the federal level, the wage board that Governor Cuomo used to implement an industry-specific minimum wage increase for New York fast-food workers in 2015. This Fight-for-15 goal was a notable and worthwhile victory for workers. However, the wage board process takes the setting of wages and working conditions out of the hands of workers themselves, and this should be objectionable to socialists.

Instead, socialists and rank-and-file strategists, working inside existing unions or in organizing new ones, should be at the forefront of a bottom-up struggle for broader-based bargaining. It needs to address labor’s institutional weakness by overcoming its organizational silos. More specifically, this will require shifting union authority over strikes, finances, and “core” bargaining to industry-level

union organizations. It will require rank-and-file tactics that coordinate actions across firms and industries—whipsaw strikes, mass picketing, and secondary strikes—and civilly disobey antiquated labor laws. It will bypass the blackhole of the National Labor Relations Board election process, which tends toward the proliferation of small bargaining units, and demand concessions directly from employers.

There is a belief that one can build more encompassing unions and bargaining by simply “adding up” workplace victories one by one. Previous history says this is unlikely. The CIO never completely broke with workplace-based practices and models of the AFL—particularly after the militants were eliminated during the McCarthy era. To the extent that sectoral bargaining prevailed in the post-war economy, as “pattern” bargaining, it was more limited in scope. This may be because pattern bargaining involves securing a “pattern-setting” contract on one employer, and then trying to impose a similar agreement in separate bargaining with other employers. This balances the entire burden of enforcing the pattern on the union. In Europe, sectoral bargaining involves negotiating an agreement with an employers’ association, which itself shares in the burden of enforcing it.

### **Democracy versus Centralization?**

Perhaps the most pointed objection raised against the demand for greater union centralization is the danger it poses to union democracy. It is hard to sustain members’ engagement when decision making within the union becomes more distant from the workers who, alas, must live and work in particular locations. Furthermore, when sectoral bargaining is controlled by the union officialdom, it can be used to impose widespread concessions on workers.

But one should not confuse localism with democracy. Centralization can be as democratic as one can make it, by empowering workers to vote *at the industry level* over matters like strikes and collective agreements. To the contrary, it is profoundly *undemocratic* when a privileged union local is allowed to undermine a sector agreement at the expense of other workers in the industry. Class consciousness is not achieved by simply being more militant than the next union local. It must be embodied and sustained in the institutions created by the workers themselves. Those institutions must be as broad, encompassing, and inclusive as possible.

Of course, union centralization can proceed from the top-down, as has often been the case in recent decades. But the motivation in these instances is not to increase worker power but to consolidate union finances and staff in an era of membership decline. And although some more recent struggles going under the name of union democracy have had a localist flavor, more often than not these seem actually to be expressions of intra-bureaucratic squabbles.

In fact, historically, centralization and rank-and-file movements have gone hand in hand. “Amalgamation” was an important objective of both the shop stewards movement in Britain in the 1910s and communist labor militants in the US in the 1930s, when the ranks understood better than the leaders the importance of centralization for worker power. Danish unions give workers the right to vote over industry-level union contracts. More recently, Lucio Baccaro has described the bottom-up character of the centralization of bargaining in Italy in the 1980s and 1990s.

### **Conclusion**

As a strategy for organizing the working class, politically and organizationally, the rank-and-file strategy is essential. But in the fight to rebuild a working-class consciousness, we also need to address the structural and organizational sides of that problem. Historically, union organization in the United States has been profoundly narrow and fragmented, leading to structural weakness and sectionalist practices that have undermined working-class consciousness. Making broader-based,

more inclusive bargaining intermediate objectives in the rank-and-file strategy will make it more than just a tactic in the fight for socialism.