U.S. Workers in the Late Neoliberal Era

written by Kim Moody | July 3, 2017

Capitalism in the United States and across the world has gone through a series of mind-bending crises, spatial "fixes," and continuous restructurings that have disoriented organized labor in most of the developed economies since the beginning of the neoliberal era in the late 1970s and early 1980s.

Since then, however, continued problems of profitability and competition have altered the structure of U.S. capitalism and the working class in ways that could lay the basis for renewed class struggle, as union activists, non-union workers, insurgent immigrants, and urban-based workers caught in low-wage jobs increasingly come face-to-face with deteriorating working and living conditions and with each other in new concentrations of labor on the edges of urban America.

On May 3, just a couple of days after tens of thousands of immigrant workers struck and demonstrated, a few hundred railroad workers rallied at rail yards across the country to demand a fair contract, defend of their medical benefits, and advocate for national single-payer health care. With bargaining stalled for months and the leaders of most of the several unions that represent railroad workers reluctant to act, the 40,000-member Brotherhood of Maintenance of Way Employees Division of the Teamsters (BMWED) took the initiative to call these rallies on company property at major rail yards. This small, racially diverse union of track workers saw a rank and file reform movement in one of its divisions in the 1990s that still influences what is now a Teamster affiliate. In the 2017 Teamster elections, its members voted 3-to-2 in favor of Teamsters United, the reform slate that challenged the Hoffa leadership and whose presidential candidate Fred Zuckerman came within a whisker of winning. This anomaly among rail craft unions advocates single-payer health care and endorsed Bernie Sanders in 2016.

There were workers at these rallies from other rail unions as well, including another Teamster affiliate, the Brotherhood of Locomotive Engineers and Trainmen, which also voted 3-to-2 for the Teamster reformers. Bringing these various rail union activists together was the rank and file, cross-craft Railroad Workers United (RWU). Founded in 2008, RWU's object is to bring together activists from the 13 unions that represent most of the 150,000 unionized rail workers to fight for unity, solidarity, democracy, and an end to concessions bargaining. RWU is also fighting the introduction of single-worker crews on North America's rail freight carriers—the rail boss's version of lean production. Not surprisingly, some RWU members also belong to Teamsters for a Democratic Union (TDU) now that two rail unions are affiliated with the Teamsters. RWU, the rallies, the campaign for single-payer are examples of contemporary workers' self-activity that falls below the radar of the mass commercial media.

Why start this article with a report on a relatively small event when the nation was rocked by bigger direct actions by striking women on March 8 and striking immigrants on February 16 and May 1?

The reason is to look at the potential relationship between the highly visible grass-roots movements among workers and those still below society's radar to see if there is the potential for something even bigger. Unlike the high-profile strikes of women on March 8 and immigrants on February 16 and May 1, which certainly got less press than they deserved, no mainstream media outlet that I am aware of reported the actions of the black, brown, and white men and women rail workers who invaded key points in North America's emerging just-in-time, digitally driven logistics network and even faced police intimidation at one Chicago yard.

There are plenty of other invisible worker movements and actions, but this one illustrates an interface between these unionized rail workers and tens even hundreds of thousands of workers, many of them immigrants, African Americans, and women as well, who work in the logistics networks that link production, transportation, express delivery, service, IT, call centers, e-commerce, and retail workers in today's just-in-time supply networks. Before examining this potential dynamic, we first must take a quick look at the dire state of organized labor.

Counterpoint:
Business-as-usual Unionism

While millions demonstrated against the new president of the United States, and a few of the more democratic and progressive unions endorsed the May 1 event, some top union leaders knelt to kiss the ring. Trump, of course, courted these selected labor leaders. Building trades leaders, some of whom already had dealings with the billionaire real estate developer, were among his early guests, lured by the promise of tens of thousands of jobs in infrastructure projects. Sean McGarvey, head of North America's Building Trades Unions' division of the AFL-CIO, said of the meeting with Trump, "So far so good." Terrance O'Sullivan of the Laborers waxed enthusiastic: "It is finally beginning to feel like a new day for America's working class." Most other top union officials were wary or opposed to most of Trump's policies and proposals, but some, such as UAW President Dennis Williams, were drawn to his promise to rewrite the country's trade deals, notably NAFTA. Williams has gone a step further and proclaimed a new "Buy American" campaign—even though domestic car and truck production has reached an all-time high, in part on the backs of his depleted membership. This latter poisoned apple, we will argue below, ranks high among labor's self-imposed points of

vulnerability.

Things have changed in the U.S. labor movement in the last decade or more, to be sure. Yesterday's civil war between the SEIU-led Change to Win federation and the AFL-CIO has cooled. The AFL-CIO has embraced some of "alt-labor" by bringing the New York Taxi Workers Alliance into the federation and giving it a national existence. More generally the AFL-CIO recognized the contribution of workers centers to actual and potential growth. Nurses unions have led a new militancy and progressive politics. Unconventional efforts to organize warehouse workers are underway. And the Sanders campaign shook labor's political routine for a time and gave many workers and local union activists a new vision of the possible. But overall, the record tells a tale of continued decline and business-as-usual-unionism.

The crisis of organized labor in the United States, is, nevertheless, deep and is likely to get deeper in the face of increased political attacks on both public and private sector workers. Union membership is down again, having dropped another quarter-million members from 2015 to 2016, to 14.6 million members. Public workers have come under vicious attacks with their unions losing more than a half-million members since 2010. The level of official strike activity continues to decline, hitting about 112 work stoppages in 2016—at least as measured by the three government agencies that keep count. Real wages remain below their 1973 levels. Annual wage increases negotiated by unions ran at an average of 2.7 percent in the private sector—saved from further real decline only by the recently collapsing consumer price index. Surveys showed that in 2016, cost-saving changes were imposed in 79 percent of health insurance plans covered by labor contracts and in 24 percent of pension plans. Of course, there have been some wins, such as the strike by 39,000 Communications Workers at Verizon, many of the nurses strikes of the last several years, and the Chicago Teachers 2012 strike.

The economy has not helped. Recovery since the Great Recession of 2008-2009 has been sluggish with growth at less than 1 percent, while employment for private sector production and nonsupervisory workers only reached its 2007 level of 95.7 million by 2014, finally reaching 100 million in 2016. Despite falling unemployment, the reserve army of labor remained large as the labor force participation rate fell from 66.6 percent in 1994 to 63 percent in 2014, and for "prime age" men (25-54), from 84.4 percent to 80.9 percent over those years.

Beyond Lean Production

From the early 1980s to today, the neoliberal era has seen major changes in the working class, the conditions in which most workers labor, and the very infrastructure of U.S. capitalism. While manufacturing jobs disappeared by the millions over this period, manufacturing output increased, so that by 2010 manufacturing production workers were producing four-times what they had in the 1950s and twice their production of 1983. While imports hit some industries hard, it was the twin forces of four serious recessions and rising productivity that killed most of these jobs. On the other hand, millions of "service" jobs were created as capital's needs for the social reproduction of labor-power and the maintenance of its vastly expanded built environment and transportation arteries called forth armies of low-paid workers—many of them immigrants. Overall, today's working class is far more racially diverse in most occupations than at the dawn of the neoliberal era. Today, about 40 percent of the nearly 30 million workers who produce, transport, move, maintain, or build things are black, Latino, or Asian—well over twice their proportion in 1980. In service-producing occupations it is over 40 percent.

By the 1990s most of these old and new jobs had become reorganized along lean-production lines, measured and intensified by programs such as Six-Sigma, statistical process controls, total quality management, and so on, all enabled by new technology. By the early twenty-first century these

techniques had been supplemented or superseded by new electronic and biometric means of worker monitoring and job measurement that now reached beyond the factory to the hospital, warehouse, hotel, supermarket, and beyond. Sixty-seven percent of employers electronically monitor their employees, while one estimate reports that 80 percent of U.S. workers are monitored. Across both service and goods-producing workforces, those in semi- and unskilled work saw their break time reduced from 13 percent of the day in the 1980s to 8 percent in the 2000s, "filling up the pores of the workday," as Marx put it in *Capital*. Taken together, these changes created the greatest work intensification in U.S. history—far surpassing the now quaint norms of Taylorism.

Service jobs, like those in manufacturing, became more capital-intensive as the nation's capital-labor ratio increased. Unlike those in goods production, concentrations of workers became larger on average in the service sector as the number of workers in workplaces of 500 or more grew from 16.5 million in 1986 to 24.7 million in 2008, and those in places with 1,000 or more increased from 10.7 million to 16.5 million over this period. On top of this, more and more new jobs were low-skilled and low-paid, with the Bureau of Labor Statistics projecting that 70 percent of nonmanagerial and nonprofessional jobs would fall in these categories by 2024. This is a workforce producing "service" commodities in jobs transformed in the image of the modern factory for wages akin to those in agriculture.

The Forging of the Just-in-time Supply Chain Gang

Even more recent has been the emerging "logistics revolution" of the last two decades. The supply chains that have always characterized the flow of goods from produce to producer, producer to retailer and service provider, have been streamlined, digitally tracked and guided on a just-in-time (JIT) basis, and moved by intermodal transportation systems from "node" to "node" along upgraded rail, road, water, and air "corridors" and through high-tech cross-docking warehouses. Time has become the centerpiece of competition. It is an irony that amidst today's crumbling national infrastructure that is the object of so much political opportunism, the nation's five dominant rail freight carriers have spent billions to upgrade cross-continental rail corridors. These improvements are meant to carry double-stacked container platforms of both domestic and foreign-made goods along North America's major "land bridges"—much of the system built and maintained by the members of the BMWED we met above.

Like the JIT rhythms of lean production, these reshaped supply chains set the brutal pace of work throughout the entire process of capital accumulation. They underlie capital's new slimmed-down just-in-time supply chain gangs. But these chains are now famously vulnerable to worker actions and can be broken. Their time-bound nature and the role of delivery speed in competition have increased this vulnerability in the last two decades.

The major "nodes" in this backbone of production and circulation are not only key points of transshipment, but also huge concentrations of workers. If the pressures of today's faster-moving production of goods and services are an incentive to resistance and to some extent the means of effective action, the new concentration of workers in massive "logistics clusters" has provided potential sites for a major rebellion. There are about sixty logistics clusters in the United States, each concentrating thousands of mostly blue-collar or manual workers. By one estimate there are 3.2 million people employed in these clusters, but this leaves out many rail, road, and communications workers and others who service and link the clusters together across the country.

Among the largest are those adjacent to Chicago, with 150,000-200,000 mostly blue-collar workers; Los Angeles and the port of New York-New Jersey, with at least 100,000 each; UPS's "Worldport" in Louisville, employing 55,000; and the FedEx hub at Memphis, directly employing 15,000 with a total

of 220,000 in the surrounding cluster. They draw on the vast reserve armies of labor in the cities of which they are extensions. These are the Detroits, Garys, and Pittsburghs of today. These urban centers are the homes to those immigrants who struck twice this year, to the activists in Black Lives Matter, and to tens and even hundreds of thousands of current union members, some of whom, at least, could be mobilized to help organize these new proletarian heartlands—if, that is, the eyes and minds of both union leaders and many members were not so firmly focused on the imagined "others."

It is in these giant concentrations of workers that rail workers, truck drivers, mechanics, IT specialists—mostly white, relatively well-paid, unionized, but also under attack—meet the growing mass of those who move goods into, across, and out of huge factory-like warehouses. These latter workers are mostly Latino and black, about a quarter of them women, all are poorly paid, non-union, and often employed by labor supply agencies. The opportunity to organize hundreds of thousands of workers is obvious. But barriers of race, ethnicity, and immigration status, always present, are if anything more pronounced in the aftermath of Trump's victory. Taking on racism and nationalism will be key to organizing and uniting these different groups of workers. In this respect, the legacy of business-union ideology and practice presents one more barrier to an opportunity that could turn the labor movement around.

The Great Diversion:

Imports, Immigrants, and Benign Management in Business-union Ideology

One reason so many workers, union members, and labor officials are drawn to Trump's xenophobic promises to end immigration, imports, and offshoring is that for decades the official union explanation of job losses in manufacturing and elsewhere has centered on imports and offshoring. This focus, of course, has been encouraged by the entire "free trade" ethos of the neoliberal era, with its trade agreements like NAFTA, the now-dead Trans-Pacific Partnership, and the not-yet-dead Comprehensive Economic and Trade Agreement and its rule-making institutions like the World Trade Organization and the European Union. These are policies and structures that labor should oppose because they prevent the sort of state intervention that developing nations need to industrialize, develop domestic markets, and increase incomes. At the same time, these trade agreements demand privatization, marketization, reduced government spending, and the undermining of labor rights in the developed economies as well. But much of the rhetoric that comes from labor leaders appeals to base forms of nationalism and anti-foreign sentiment. Yet, while imports and offshoring do take away some jobs, they are not the major cause of lost manufacturing jobs or more recently of slow job creation in the United States and most developed nations. These are functions of capital's profitability problems in an increasingly competitive world.

The systemic instability spawned by globalization, falling profit rates, and neoliberal remedies that brought on the deep recession of the early 1980s, the lesser ones of the early 1990s and 2000s, and the Great Recession of 2008 destroyed millions of manufacturing production jobs. The increased productivity of most of this era, a result of the intensification of work as well as new technology, guaranteed that when production rose again between recessions, few if any new manufacturing jobs were created. The double irony here is that not only did most U.S. union leaders focus almost exclusively on the sometimes imagined (and sometimes real) results of free trade, but they submitted to or even encouraged the concessions and various labor-management cooperation schemes that accompanied lean production *and* promoted the very productivity increases that were the major cause of job loss and of growing inequality over most of this period. Talk about shooting yourself in the foot—twice.

The legacy of this analysis and practice is not only a misguided focus on imports and a willingness to

make concessions in hopes of saving jobs by becoming "competitive," but also a labor nationalism that encourages a dim view of immigrants as the "foreign other" job stealers. "They" steal your jobs when work goes to their countries, and "they" steal them when they come here. Nationalism and racism, of course, have been there in one degree or another since the birth of the republic, but the official labor focus on things foreign has only strengthened these and legitimized them through the mantra of globalization. Even though most top union leaders no longer take this line on immigration and most unions actually, indeed, necessarily, attempt to recruit immigrant workers, the legacy of "Buy American" is deeply ingrained and only a stone's throw from "Make America Great Again."

Aside from the fact that "Buy American" was a total flop in the 1970s and 1980s in textiles, garment, and auto, its revival by the UAW and possibly others is sure to be a gift to the Xenophobe-in-Chief in the White House. It is also likely to stoke up anti-immigrant sentiment, since "Buy American" is neighbor to "American Jobs for American Workers." Now that U.S. auto workers are producing more cars and trucks than ever, with a much smaller workforce, wouldn't it make more sense to fight the conditions in those auto plants that cost all those jobs in the first place and to organize the non-union suppliers in the Midwest and the "transplants" in the South? Wouldn't internationalism, at home in alliance with immigrant workers who fill supplier plants and abroad with auto workers facing the same conditions, competition, and hostile employers, provide a more durable future?

The twin scams of labor nationalism and labor-management cooperation have worked well for capital, with owners' share of income growing apace over this whole period. It is the enormous increase in capital's share of value added (that is, surplus value) extracted on the job through lean and post-lean methods, more than tax policy or financial (that is, fictitious) capital, that is the source of increased income inequality. As political economist Anwar Shaikh points out in his monumental work *Capitalism,* "the overall degree of income inequality ultimately rests on the ratio of profits to wages, that is, *on the basic division of value added*." (Shaikh 2016, 55, emphasis original).

One is heartened by an all too rare union leader like Chuck Jones, president of Steelworkers Local 1999 at the Carrier plant in Indiana where Trump posed as savior. Jones not only questioned Trump's sincerity in this grandstand move to get the state of Indiana to bribe Carrier to save a few hundred of the much larger number of jobs being moved to Mexico. Jones also routinely tells his members that it isn't Mexican workers who are taking their jobs, but greedy corporations like Carrier. What a breath of fresh air from the home state of Gene Debs and, well, Mike Pence.

From Under the Radar into the Sunlight

Like the protesting rail workers we saw above, the conflict and upsurges within today's apparently monolithic and bureaucratic unions receives little media attention. To find out anything about these internal rebellions you have to read *Labor Notes, Union Democracy Review,* or some of the left press. Change, however, rumbles below the surface and under the media radar. Most of the grass-roots rebellions in the unions want real democracy, oppose labor-management cooperation, reject concessions in favor of greater militancy, attempt to draw on the increasing racial and gender diversity of many unions, and generally go beyond the norms of business unionism.

Rank and file reform movements sometimes win national power, as in the Postal Workers and Amalgamated Transit Union. Other national reform challenges to incumbent union leaders came close, as in the Teamsters, or made a respectable showing as in the International Association of Machinists, winning a third of the vote. Some, like those in the Machinists, Teamsters, and New York State Public Employees Federation, got a few members on the union executive board.

More typical are rebellions in local unions. Some of these, like in the Chicago Teachers, the New York State Nurses Association, Communications Workers Local 1101, or various Teamster locals,

won in large local unions. In the huge United Federation of Teachers in New York City, the MORE/New Action caucus swept the seven high school seats, as the opposition often has in the past, but couldn't beat the powerfully entrenched Unity Caucus. Most, however, are neither clearly victorious nor visible. But when they are, they can inspire others. The Chicago Teachers Union, for example, has spawned similar movements in teachers unions across the country and even set up a national caucus, the United Caucuses of Rank-and-File Educators (UCORE) with about twenty affiliates. This grass-roots trend is growing, but is still a minority and largely invisible to the public, other union members, and even much of the political left.

Most of these challenges arise from previous efforts to organize against concessions, unresponsive or pro-company leadership, or conditions in the workplace discussed above. The IAM (Machinists) Reform Slate, for example, arose in part from a grass-roots movement called Rosie's Machinists 751. This local movement against concessions and deteriorating conditions has gone national and was important in the 2014 challenge. Sometimes it also goes the other way as well. After reformers took over Communications Workers Local 1101 in New York, they went on to play a key role in the activist nature of the 2016 Verizon strike.

Do these movements or organized labor in general have any relationship with the mass strikes and demonstrations we saw in the spring of 2017? So far, the answer has to be: not much. To be sure some unions, particularly those with reform leaderships, large numbers of immigrant members, or the few with left traditions, endorsed the May 1 Day Without Immigrants. The International Longshore and Warehouse Workers, the Communications Workers, the United Electrical Workers, National Nurses United, American Postal Workers Union, Amalgamated Transit Union, SEIU United Service Workers West, and some local unions endorsed May 1. Of course, many of the May 1 strikers surely were union members. But it was not an action organized by unions or their leaders.

The highly visible events on February 16 and again on May 1, when tens of thousands of immigrants and their supporters struck and demonstrated in 40 cities across the United States, were possible because of the work of immigrant-worker organizations that are themselves as invisible to the public and other workers as the rank and file rebellions in the unions. Many of these are immigrant-based workers centers such as Make the Road New York and Make the Road Pennsylvania, the Restaurant Opportunities Center, and other immigrants' rights or neighborhood groups. The organization most behind this remarkable strike nationally, however, appears to have been *Movimiento Cosecha* (Harvest Movement). Itself until recently under the media radar, Cosecha explicitly advocates striking and noncooperation as the only way to make immigrants' rights an issue in the United States. Their statement on this is instructive:

Time and time again our community is asked to vote for the next Deporter-in-Chief, whether Obama or Trump, who will shape immigration policy for the next four to eight years. Each election, we're promised that if we vote for the Democrats, they will give us immigration reform. When their promises go unfulfilled—when Obama deports three million immigrants or when Trump expands his power to deport and terrorize our communities—what do we do? We strike.

But isn't the strike dead? Isn't it the case that strikes associated with collective bargaining have almost disappeared? The Federal Mediation and Conciliation Service (FMCS), which unlike the Bureau of Labor Statistics attempts to report all strikes associated with contract negotiations, records a mere 112 strikes during fiscal 2016, down year after year. In the first three months of 2017, the FMCS reports only 20 strikes ongoing or ended in these months. To be sure, in a rudimentary search I found a few strikes in early 2017 and more in the last two years that the FMCS missed. Most of these were wildcat, grievance, or unfair labor practice (ULP) strikes. Some workers have turned to ULP or grievance strikes where permanent replacements can't be deployed.

The fact remains, however, that union leaders and members have shied away from conventional strikes due in part to the threat of replacement workers, the uselessness of most current labor law, and the growing anti-union fervor of capital and its politicians. This, in spite of the fact that a growing number of employers are vulnerable to strike action due to the just-in-time nature of their production or inputs and supplies.

Yet, tens of thousands of mostly working-class people, by holding demonstrations on work days, have turned to the strike weapon to vent their grievances. It's hard to know just how effective this year's immigrant strikes were. Fox News, of all places, reported that on February 16, "thousands were estimated to have abstained from work, school, and other commitments in protest and solidarity." *The Atlantic* (February 21, 2017) cited bricklayers, shipyard workers, and paint manufacturers who were fired for striking on that day, though most participants did not face retaliation. *Bloomberg* reported that construction felt the impact, but that it was the restaurant industry that was hardest hit on February 16. The U.S. Senate coffee shop had to close as workers stayed away.

May 1 was much smaller than the 2006 Day Without Immigrants, when construction sites, meatpacking plants, and trucking in Los Angeles's busy ports were shut down. Yet, May 1, 2017 was also called "A Day Without Immigrants" in most cities, meaning withholding their labor. Reports of businesses closed were common. In Reading, Pennsylvania, for example, about three-quarters of that city's businesses were closed. The *Huffington Post* spoke of people "skipping work" and Philadelphia teachers calling in sick on May 1. It was not only immigrants fighting for the right to stay and work in the United States, but also the women who struck on March 8 for gender equality and against Trump. The Fight for $15 also called its actions strikes, although some question whether these actions over the last few years really involved many strikes. It has to be noted, however, that $15-minimum-wage laws have been passed in a number of cities and states as a result of that effort and of unions picking up the issue.

So far, all these have been limited to one-day actions with necessarily limited impact. Labor historian Nelson Lichtenstein speculated, "We may be entering an era of political strikes, in which unions and other groups set a date and an agenda, but in which lots of unaffiliated people join in. The question is: Can these strikes be given any sort of institutional backbone, any impact other than a one-time event that needs to be recreated from start each time?" In a more optimistic tone, Cosecha has stated, "We will start with one day, but we are going for seven—a week without immigrants." This is a tall order that will be hard to deliver, but it is a goal worth pursuing. All this remains to be seen.

The use of the strike for broad social and political goals, no matter how limited, is something we have not seen in the United States since the May 1, 1886, strike for the eight-hour day by 300,000 or more workers who were themselves mostly immigrants. The significance of this should not be lost or underestimated in understanding the state of the U.S. working class. These previously unrecognized workers and their mostly under-the-radar organizations have reintroduced, if not perfected, the mass political-social strike and brought their struggles into the sunlight that even the self-censored media could not ignore.

Will this inspire more unionized workers to turn to the strike and use the new, often interconnected, vulnerabilities that the reorganized production and circulation of goods and services offer? Will the overlaps of these seemingly different groups of working-class people in the urban centers and their adjacent "logistics clusters," where millions are concentrated, contribute to another worker upsurge on the scale of the 1960s and 1970s, or even the 1930s? Will working-class struggle in general come out from under the radar into the sunlight, bringing new troops to an embattled labor movement?

Union growth and mass strike movements, the British historian Eric Hobsbawm reminds us, do not come in "a mere rising slope," but from "accumulations of inflammable materials which only ignite

periodically, as it were under compression" (1964, 139). This certainly describes the conditions of most working-class people in the United States, indeed, across the world, today. This isn't something to be predicted, but to be sought in practice. To paraphrase the well-known Wobbly, "don't wait, organize!"

Footnotes