

The Twilight of the Old Unionism.

By Leo Troy, Armonk, NY, M.E. Sharpe Publishers, Inc., 2004, 156 pp., \$64.95/cloth; \$24.95/paperback.

The Twilight of the Old Unionism is the third book in a trilogy on labor relations in the United States written by Leo Troy, professor of Economics at Rutgers University–Newark Branch. The first, *The New Unionism in the New Society* (1994), analyzed the rise of public sector unionism. The second, *Beyond Unions and Collective Bargaining* (1999), analyzed nonunion labor relations. In this, the third book, Troy focuses on what he believes is the irreversible decline of unionism in the private sector (Old Unionism), while also touching briefly on public sector unionism and nonunion labor relations mentioned in his earlier books.

Today's labor unions can trace their origins back to the European guild of the Middle Ages, but the labor movement in the United States didn't come into its own until after the Civil War. The first labor organization that was more than regional in membership and influence was the Knights of Labor, organized in 1869. In 1886 the American Federation of Labor was established, and this union grew much more quickly. Overall, the strength of the labor union movement waxed and waned over the next several decades, but by the early 1930s it appeared that the influence of unions in affecting labor conditions was on the decline. From a trough in union strength in 1933 there began a spectacular expansion of the Old Unionism, accelerated by the passage of the National Labor

Relations Act (NLRA) in 1935. This act reversed years of federal opposition to organized labor and guaranteed the right of employees to organize, form unions, and bargain collectively with their employers. The legitimacy of the NLRA was challenged, but ultimately was validated by a 1937 Supreme Court decision. The FDR administration created the National Labor Relations Board to arbitrate deadlocked labor-management disputes, and its favorable attitude towards unions played a significant role in their organizing success. Passage of the Taft-Hartley Act in 1947 was a setback, but the Old Unionism nonetheless continued to grow to a peak density (percentage of workers in unions) of 36 percent in 1953. From that high point it began a continuous downhill slide, however; the U.S. now has a private sector density of between only 7 and 8 percent.

Troy provides several reasons for the decline of Old Unionism, but sums them up using Joseph Schumpeter's theory of Creative Destruction. Schumpeter (1883–1950) believed that the success of capitalism as an economic structure was a function of its dynamism, i.e., its ability to adapt to continuous change. He believed there were always new consumers, new methods of production, new goods and new markets ready to replace old ones that couldn't keep pace. Applying these principles to today's marketplace, Troy suggests that Old Unionism's monopoly power left it too rigid to adapt to changing conditions for several reasons. First, the U.S. economy experienced a structural change, from a predominantly goods-oriented labor market to a predominantly service-oriented one, the latter being much less

receptive to union organizing than the former (at least in the private sector). Even within manufacturing, there has been an occupational shift from blue-collar to white-collar jobs, which have always been more difficult to organize. Geography is another factor, as the population has trended away from the "Rust Belt" toward the South and West during the past 40 years. The South is the least union-organized section of the country; in fact, several southern states have passed right-to-work laws prohibiting unions. And while academics and unionists typically explain the decline in Old Unionism as a result of employer opposition to unions, Troy argues adamantly against this proposition. On the contrary, he suggests that one of the reasons for union decline is *employee* lack of demand, and even opposition, to unions, and he cites a 1992 report covering the 1977–91 time-frame to support this. It is his position that many workers have come to prefer individual representation.

New Unionism, as Troy points out, has experienced significant growth since the 1960s. Public sector unionism had been virtually non-existent before President Kennedy's executive order authorizing "the formation of federal employee unions with powers of exclusive representation and mandatory good faith bargaining." After that order, many State governments followed suit by adopting similar laws, some even requiring employees to join unions (closed shop). As a result, public sector unionism now accounts for approximately 37 percent of total union membership, and its long-term survival is no longer in doubt. If this trend continues, the majority of organized labor members will

soon be white-collar workers, and the majority of them will be government employees.

Troy also analyzes whether the twilight of the Old Unionism is unique to the United States. Information on public and private sector union density in the G-7 countries is combined, so answering that question for Europe is difficult to determine. Canada is usually cited as an exception to union decline. Troy found that Canada did have a higher union density, but he attributed that to more favorable labor laws and higher public sector density. His

research found that private sector density in Canada has also been experiencing a similar decline, but with a 10-year lag.

In the final chapter, Troy attempts to make a case that the Democratic Party in the U.S. has become “the Labor Party.” Per Troy, when Old Unionism’s organizational efforts failed to stem its decline, it increasingly shifted its focus and resources to its political function.

Leo Troy makes a good point about Old Unionism’s failure to adapt to structural changes the past 50 years, which is well supported

by the evidence. He states that collective bargaining will continue to remain a key factor in determining working conditions, also not controversial—but his contention that most workers want individual representation, and that it can be just as effective as organized representation, could be considered so. Those receptive to his point of view, or at least tolerant of it, will find the book enjoyable, enlightening, and not a difficult read. □

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