

A look at the state of the U.S. labor movement while, in protests, workers fight for \$15

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Tens of thousands of low-wage workers protested in 200 American cities on April 15, many of them marching, demonstrating, and sitting-in at McDonald's fast-food restaurants and other low-wage employers. Smaller numbers of workers walked out of some workplaces on strike. They were demanding an increase in the current federal minimum wage from \$7.50 to \$15 an hour. April 15 was chosen because it is the day that Americans must file their federal income tax return, and everyone is thinking about their incomes, and increasingly thinking about inequality.

While most people think of the minimum wage earners as fast-food workers or employees of the big box stores like Wal-Mart, they also include home-care workers, car washers, musicians and actors, and adjunct professors at colleges and universities. About 30 percent of all workers are considered low-wage, based on earning 150 percent of the federal government's poverty guidelines. More than half of all state and federal spending on poverty programs goes to working families whose breadwinners don't earn enough to support families. That is, because the bosses don't pay the workers a living wage, the taxpayers must subsidize the workers' income, with the federal and state governments paying 153 billion dollars per year to do so.

It was the Occupy Wall Street movement of 2011 that first brought the issue of income inequality into the public debate. While OWS and its offspring throughout the country organized many protests around these issues, by 2012 the movement had been crushed by the police and largely disappeared from public view. Yet the issue of income inequality and low wages became part of the public debate as it had not been for decades.

Employer groups like the U.S. Chamber of Commerce and other employers groups argue that raising the minimum wage won't affect many workers, since few workers earn the minimum; that while it would help those wages, it would not impact the income inequality people are now concerned about; that it would tend to deter employers from hiring more workers or even lead them to lay off workers, or force them to go out of business. Republican politicians too oppose increasing the minimum wage, arguing like the employers' organizations, that it will result in fewer jobs for low-wage workers. Liberals and labor unions generally argue that raising wages will improve workers lives, lead to greater consumption, and therefore in the end be good for business. Few except those on the left argue that raising the minimum wage and wages generally is part of a struggle against the employers, for a redistribution of wealth toward, the workers, and part of a broader fight against the capitalist system. Only leftists see the "Fight for \$15" as the first step in building a militant and independent working class movement.

More recently with the sudden upsurge of the Black Lives Matter movement, there were attempts to connect police racism and repression with other social issues such as the lack of enough jobs at living wages, especially in the black and Latino communities. While there were some Black Lives Matter demonstrations linked to the Fight for \$15, that movement too proved to be short-lived, at least on a mass, national scale. Consequently, it has been the labor unions which have taken the lead

in organizing low-wage workers.

The Service Employees International Union (SEIU), one of the largest unions in the United States, has been the principal force behind the recent campaign, though other unions, community groups, and socialist organizations have been involved as well. SEIU and other unions have spent tens of millions of dollars on the campaign which began in New York in 2012, spread to 60 cities by the summer of 2013, and to 190 cities by winter 2014. While a small but growing number of workers have been participating in the protests, the movement has not yet really developed a strong base among these low-wage-earners. While there have been some low-wage worker strikes in fast-food restaurants and big box stores, they have so far mostly been symbolic, but workers participation in the protests is growing.

The unions and the left have seen the \$15 campaign as a way to rebuild the workers movement, other earlier and more traditional attempt to do so having failed. The U.S. labor movement over the last four decades has been ground down to a fragment of what it once was. Today in the United States only 11.1 percent of the workforce belongs to a union. While the public employee unionization rate is 35.7 percent, in the private sector it is only 6.6 percent. While unionization levels differ greatly from state to state—New York at 24.6 percent and North Carolina at 1.9 percent—everywhere unions are under attack. Republican governors and legislatures have been putting forward legislation which makes it more difficult to organize unions in both the public and the private sector.

Not only is union membership down, but there are also fewer strikes than at any time since 1947. In 2014 there were only 11 major strikes involving 1,000 or more workers. Only 34,000 workers were involved and only 200,000 workdays lost. Very few American workers have ever participated in a strike and most remain reluctant to do so. There is not much fight in the American working class at the moment, and it is hoped that the minimum wage campaign will lay the basis for future struggles. But at the moment Republican governors' attacks on unions have the political initiative.

While political attacks on the unions are significant, at the root of the problem are changes in the economy and employer policies. The United States has suffered a dramatic decline of manufacturing jobs, a result both of greater automation and of the movement of plants to other countries, from nearby by Mexico to China. Those industrial, union jobs were among the best paying in the country. At the same time, employers adopted policies such as out-sourcing that turned formerly jobs over to non-union companies. The bosses have also hired many fewer permanent, full-time employees, preferring employees who are temporary and part-time workers and therefore do not acquire seniority, do not enjoy benefits and the regular terms of employment. That is, in America as everywhere else precarious employment has grown while stable employment has declined.

So, while the federal and state minimum wages are a problem, the greater problem is that—because of the loss of industrial jobs and the decline in union representation—for decades the great majority of U.S. workers' wages have remained stagnant, even though productivity has increased enormously. As a result, while in the 1970s wages made up about 50 percent of the gross domestic product, today they represent only 40 percent of the GDP.

How have Americans survived if their wages have stagnated? Largely through increases in personal debt—household mortgages, automobile loans, and credit card debt—though the latter is down since the crisis of 2008. Total household debt is now 11.52 trillion dollars. Not surprisingly Americans have more debt than they have savings. Student debt has grown rapidly over the last decade and now averages \$30,000 per graduate. College tuition at state universities average \$9,139 per year while private schools average \$31,321 for 2014-15. The elite private universities may cost as much as 50 to 60 thousand dollars per years. Clearly students who once put themselves through school by

working as waiters or flipping hamburgers can no longer do so, not at \$8.00 an hour. So many students have become supporters of the \$15 an hour minimum wage movement.

SEIU, other unions and the community groups involved in the \$15 an hour movement see it as a way to revitalize the labor movement, or to prepare the ground for future struggles by building organization, training activists, and identifying leader. They also see the fight for \$15 as building a broad base of support for workers among the general public. Opinion polls show that 75 percent of all Americans support raising the minimum wage to \$12.00 an hour. The unions' calculus seems to be correct so far, even though the number of workers involved in the movement still remains small, thousands of workers have now been touched by the movement, and the general public has begun to change its opinion.

The Fight for \$15 poses a real problem for the Democratic Party. The liberal wing of the party led by New York Mayor Bill de Blasio and Massachusetts Senator Elizabeth Warren has argued that something must be done to stop the widening income gap. But the liberals don't have a presidential candidate. Hillary Clinton, who will almost certainly be the Democratic Party nominee, needs to give lip service to the fight against income inequality and to the fight for higher wages. But, after the primary elections she will have to move back toward the center in order to win the votes of mainstream democrats and independents.

Clinton will use the income inequality and wage issues to win the support of African American, Latino, and low-wage white worker, and the AFL-CIO unions will provide the foot soldiers to get them to the polls. But her commitment to those issues may end as early the Democratic Party primary and will certainly end with the general election. Still, it is true, Clinton and the Democrats will fulfill Obama's promise to raise the minimum wage to \$12 by 2020, while the Republicans will do nothing to improve workers' lives. While the Fight for \$15 may be the beginning of an important workers' movement it is still not large enough and strong enough—and certainly not independent enough—to change this fundamental dynamic of American working class politics. That is, that in the end, the workers will be led by the unions to vote for one of the bosses' parties.

Dan La Botz, 27/04/2015

P.S.

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