

Did Organized Money Defeat Organized Labor?

by Barry Finger

That appears to be the Democratic Party's takeaway from its humbling defeat in the Wisconsin recall election. That and the ever familiar lament that workers no longer seem capable of voting consistently in their own financial interests, consistency in this case meaning in solidarity with embattled public sector workers and their unions. 38% of households with union members voted for the incumbent, as did a majority of non-college graduates. Walker carried the 10 poorest counties in the state by a 13% margin. The Wisconsin results paralleled voter-approved public sector pension cuts in San Diego, an initiative of that city's Democratic mayor, and San Jose.

How did the labor movement find itself in this predicament? The mass protests in Wisconsin ended in March 2012, when Scott Walker signed Act 10, ("the Budget Repair Bill"), turning Wisconsin's public sector into an open shop. Trade union leaders told their membership to go back to work and shifted their focus to recalls and elections. Support groups such as United Wisconsin followed suit, thereby initiating a two-pronged strategy: to reclaim the Wisconsin Supreme Court in the hope that the bill might be declared unconstitutional and to reclaim the state senate and remove the sitting governor. Union money and staff were diverted from training and organization building to the Democrats.

The Republicans nevertheless outspent the Democrats 7 to 1, two-thirds of which was raised from out of state business donors who sought to turn this election into a test case for public sector union busting.

But neither did Walker's opponent, Tom Barrett, run on a progressive platform. He never mounted a robust case for union rights and, as mayor of Milwaukee, was not above invoking Walker's Act 10 collective bargaining restrictions to increase pension and health care contributions from city workers.

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It is also true that Barrett was not the first choice of the labor bureaucracy. Their choice was a candidate seen by the Democratic establishment as being too progressive for the state, despite her refusal to commit to a firm stance against budget cuts and concessionary contract negotiations with public workers. The Democrats were initially pushed from below into a confrontation they were reluctant to undertake by a labor bureaucracy more comfortable with doorbell ringing and manning phone banks than with the unpredictable prospects of mass street mobilization that could easily escape their control. And, all too predictably, pollsters, consultants, advertising campaigns and Democratic functionaries came to eclipse labor's influence. For its part, the extent of the

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After three rounds of elections, labor was left virtually empty handed. Republicans captured the critical Wisconsin Supreme Court post in April 2011. Then in August, the GOP managed to retain 4 out of 6 senate recall seats. Even the senate majority

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they captured is too little too late. There is no legislative session planned before January 2013, that is, after the November elections, when Democrats may lose the majority due to Republican gerrymandering, prior to ever having exercised it.

American politics at the state level operates in a uniquely reactionary context. Incumbent governors campaign on their records of economic growth and job generation that their "policies" purportedly engender. But state governments have a very limited arsenal at their disposal. Their success crucially depends on their ability to woo business from other states by offers of more generous subsidies, tax rebates and every other imaginable means of financial inducement. Capital adroitly plays state against state in a competition for the most business-friendly playing field. The difference between Republicans and Democrats often boils down to this: Republicans offer capital a union-free environment while Democrats reassure business that their traditional "friends of labor" reputation can be harvested to deliver labor docility.

At the same time, most state budgets must, by law, be in balance. While socialists and progressives favor taxes on investment property over labor, the entire dynamic of state politics militates decisively against this. Consequently, working people are steamrolled by a budgetary process that picks their pockets at every turn. While 50 million homeowners are under water, they are squeezed even further by mounting real estate taxes. While hanging on to employment by a thread and without realistic hope for pay raises, they face burgeoning income taxes, as

well as regressive sales taxes. Even cops are routinely unleashed to blitz working people on their way to and from work with traffic fines, not to enhance public safety but to raise additional streams of revenue.

It should have been obvious that the local electoral arena is extraordinarily toxic to labor solidarity. The system is rotten-ripe with possibility for an alliance between business elites and private sector workers against the public sector. To deny that private sector workers are acting in their own immediate interests is to be blind. It is utterly irrelevant to dispute the contention that public sector employees' compensation, including health and retirement benefits, are accurately depicted as excessive compared to their private sector counterparts. The continuity of government has provided public workers with a degree of job security that is the envy of the private sector, and that continuity and those benefits, whether excessive or not, are paid for by private sector working class taxes.

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And the Democrats did nothing to rewrite the playbook. Neither at the local level, where Barrett said little or nothing about raising state revenues by taxing the wealthy or corporations, nor at the national level. Obama, following in the footsteps of Bush, cemented the predicate for this top-down Republican alliance. He could have stimulated the economy and indirectly recapitalized the banks from the bottom up by bailing out state and local governments and by placing imperiled pension funds, public and private, on the Fed's balance sheets. He could have expanded aggregate demand by an immediate moratorium on all federal payroll taxes. He could have devised a program of wide-scale mortgage relief. He could have spurred investment in new energy, infrastructure and education initiatives. He could have revived New Deal public works style projects.

But Obama chose, instead, to continue the Bush bailout of bank shareholders and Wall Street investment firms, securing as its first priority the very epicenter of the financial quake that shook state and local governments to their foundations. He chose in effect to oversee a series of state and local budgetary crises that will be financed in no small part by asset-stripping the public sphere. He threw none of the banksters in jail and exacted no meaningful concessions from a criminogenic Wall Street, not even symbolic caps on executive compensation. The structures of the casino economy remain fundamentally unaltered, the economy one bubble away from a plunge down the abyss.

In what world, then, should workers have entrusted the Democrats to deliver on the promise of

elementary economic justice? In an every-man-for-himself context, why not go with the party that has an authentic claim to that message? If the Democrats cannot make government work for "us," why not keep it as small as possible?

Clearly, Obama and the Democrats picked their Wall Street benefactors over their working class base, and the bewildered, panic-stricken labor bureaucracy picked the Democrats over mass action. Both marched over the cliff holding hands.

What could have been done? In February 2011, thousands of university teaching assistants and striking public school teachers in Madison sparked an occupation of the capital after Walker unveiled plans to strip public-sector workers of collective bargaining rights and eliminate billions of dollars from public schools, higher education, health care, poverty and children's programs. It sparked the imagination of tens of thousands of ordinary workers, students, young people, liberals and leftists—not only in Wisconsin, but nationally, foreshadowing the Occupy movement—precisely because it was a mass democratic uprising against the entrenched forces of austerity. Power was in the streets and the spirit of social resistance and fightback was palpable, electrifying and contagious.

Talk of general strikes, sick-outs and rolling walkouts heated the atmosphere. This was clearly the only arena where concessions could have been extracted. The political arena, as it is presently constituted, is entirely stacked against labor and its allies. It is a democracy-proof bubble of elite consensus, swaddled by an ever-obliging corporate media. Only through the credible threat of crippling civil disobedience could the movement have inspired and emboldened private sector workers and other layers of society to act in a manner similarly commensurate with their own interests and to align their struggles with that of public workers. It is primarily through struggle and confrontation that movements cultivate an awareness of their own power and begin to break the spirit of servility that keeps their rank and file chained to a system that betrays and oppresses them.

The Democrats, as is their wont, swarmed to the front offering to defuse the situation by negotiating givebacks in return for the maintenance of public sector collective bargaining rights. A grateful union bureaucracy, fearing government retaliation from above and the loss of control to mass action from below and desperately seeking some way out, eagerly seized this opening. But movements grow by taking risks, and the increasingly moribund nature of the American trade union movement is ample testimony to the rampant risk aversion of its bureaucracy, of its alarmingly narrowed horizons. It has reduced labor to the level of special pleaders, of lobbyists often indistinguishable in the public eye from any number of other special interest groups. In Gallup's annual poll on confidence in institutions, American unions now score close to the bottom of the list, barely above business and Health Management Organizations, but below banks.

If there were a takeaway, it would be this. The more labor supports the Democrats, the more labor is treated by them with scorn and contempt. The less it supports them, the less it accommodates the status

quo, the more it is respected and feared. Where labor's loyalty is taken for granted, the capitalist parties close ranks to the right. Where labor resists, Democratic politicians find their dedication to bipartisanship to be suddenly conflicted. Labor's response will, unfortunately, be to double down on Obama, as if endlessly pressing the reset button will change the outcome. The Democrats, in turn, will double down on corporate fundraising, leaving union concerns and social justice behind.

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For in the end, it is not organized money that defeated organized labor in Wisconsin. It was a long festering, self-inflicted wound called the Democratic Party.

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