Chapter 2

DISTINGUISHED SPEAKER LUNCHEON: *THE BIG SQUEEZE: TOUGH TIMES FOR THE AMERICAN WORKER*

Steven Greenhouse*

On Tuesday, I was giving a speech in Denver: the Upton Sinclair Memorial Lecture to the American Industrial Hygiene Association. My presentation followed that of Cecil Roberts, president of the United Mine Workers, the best speaker in the labor movement today. Following him was as difficult as following the very nice remarks that Margery Gootnick offered just now in her introduction of me to the National Academy of Arbitrators.

Some people think I have a sexy job. Sure, sometimes my stories run on the front page. And sure, sometimes I shine a light on illegal practices. True, I sometimes go to Washington to interview senators and labor secretaries, and even the head of the National Labor Relations Board (NLRB). Sure, sometimes I even confront union bosses about being corrupt or autocratic. And yes, I occasionally cross swords with Walmart, the nation's largest company, about off-the-clock work and locking workers in at night. But please understand that my job really isn't very sexy. I say that for a reason that few people understand, but which I believe the people in this room will understand. My job isn't sexy because it's much like the job done by an arbitrator.

"What'd he say?" Believe me, I do much of what an arbitrator does. I painstakingly listen to what both sides in a dispute have to say. I read and read and read both sides' arguments. And then, like many arbitrators, I sweat and stall and sweat some more, as I write what I have to write. I try to write a smart, balanced oeuvre. Okay, you call it "a decision"; we call it "an article." But we both sift through the evidence before us in an effort to get to the truth, and then write a smart, intelligent decision or piece.

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*Labor and Workplace Correspondent for the *New York Times* and author of *The Big Squeeze: Tough Times for the American Worker,* published in hardcover by Knopf and in paperback by Anchor Books, a book about the problems facing American workers today.

I'm not kidding when I say that I try to write balanced articles. I remember when I covered the UPS strike back in 1997, a strike that the whole nation was watching. I was so worried that UPS would accuse me of tilting my articles toward the Teamsters, and that the Teamsters would accuse me of tilting things toward UPS, that I counted paragraphs. I counted how many paragraphs might be construed as pro-union and how many paragraphs might be construed as pro-UPS. I tried to make the number of each equal. When you have hundreds of thousands of readers reading your stories about what was one of the most closely followed labor disputes over the past 15 or so years—except for maybe the baseball umpires strike—it's important to try to . . . here comes another baseball metaphor . . . pitch the ball right down the middle.

But there is a difference between journalists and arbitrators. And this is a little delicate. You often have parties testify before you. And should you get a sense that a witness is not telling the truth, you can dismiss what they say when you reach your decision. However, when we, as journalists pursuing the Holy Grail of balance, interview people who we know damned well are lying to us, we often have to quote them just as much as we quote the other side. And for me, that is one of the ethical and philosophical difficulties of being a journalist: achieving balance even when you know that one side is not speaking the truth. My responsibility, in that circumstance, is also to try to furnish facts and statistics to show that this particular party may not be telling the truth.

While covering labor and workplace matters for the *New York Times* in 2004 and 2005, years that were generally quite prosperous years for the nation, I saw that, in many profound ways, things were getting worse for America's workers. And I was disturbed to see that the nation's news media and the nation's politicians were paying precious little attention to that trend. So, notwithstanding that I'm an objective, balanced, and supposedly fair *New York Times* reporter, I decided to write a book about the economic decline of middle-class workers and lower echelon workers. This was before the recession that began in December 2007, which made even more apparent that the nation's workers were facing a squeeze. Fittingly, I called the book, *The Big Squeeze: Tough Times for the American Worker.*

A book about workers did not seem very sexy to publishers, and a book about unions was the last thing many commercial publishers wanted. They viewed unions and collective bargaining as relics of the 1930s, and not being nearly as noteworthy as Apple iPhones, iPads, and such.

I was once having lunch with a reporter friend of mine, someone who used to be a union organizer but who is now a reporter in India, and she suggested that I call my book, *Screwed at Work.* I told her that that was far too risqué for an uptight, inhibited reporter like me. So instead, I decided to call the book *The Big Squeeze,* in the hope that some Philip Marlow and Raymond Chandler fans would buy it, thinking they were getting *The Big Sleep.* Michael Lewis's number one best seller right now is titled *The Big Short,* and my son says he's convinced that Lewis stole the title *The Big Short* from me. And, of course, he did.

In my book, I identify three trends that are hurting America's workers and that the news media and politicians are giving insufficient attention. I call the first trend an *economic squeeze.* By this I mean many things, including that over the past decade, workers' wages have been stagnant. Since 2000, inflation-adjusted wages are up just a few percentages, even though productivity is up about 20 percent over the same interval. There is a disconcerting disconnect between productivity and wages. Compare this to the years between 1947 and 1973 (a time that many of you call the "golden age of collective bargaining"), an era when productivity for business rose by 104 percent and, correspondingly, wages after factoring in inflation rose just under 104 percent. Increases in productivity and wages were coupled, were closely connected. But between 1973 and 2006, productivity rose by a very nice 83 percent, while wages after inflation barely budged. By some measures, wages after factoring in inflation haven't risen at all since 1973. Some economists now say that productivity and wages have become decoupled.

According to the annual census report about poverty and income, the median family income in the United States was actually lower in 2008—the most recent number available—than in 1998. That's startling to think about: the typical family has made no progress after inflation compared with ten years ago. Median family income is $50,303. That's down about 5 percent from the peak in 1999.

A second part of this economic squeeze has been the increase in income inequality. For the middle fifth of Americans—the middle of the middle-class—median household income has increased 21 percent after inflation since 1979, and that's mainly because the woman in the household is working more hours than she had before. For the bottom fifth, median household income is up only 6 percent, and that is largely because of the more generous earned income tax credit. For the top fifth of Americans, incomes are up 80 percent over that period. And for the top 1 percent, incomes increased 228 percent. That means their incomes more than tripled.

Larry Summers, whom many liberals often attack, said something very revealing a few years ago: "If the level of inequalities had not changed since the 1980s, the typical American household would be earning about $8,000 more." For the average family making $50,000 a year, that ain't nothing. It might be decisive as to whether your house is foreclosed and your car is repossessed.

A third facet of the economic squeeze has been the loss of domestic manufacturing jobs, a phenomenon that was not part of the political discussion in Washington. Since 2000, this nation has lost one in three manufacturing jobs: from 17.6 million jobs, we lost 6 million. These are jobs that traditionally provided good wages and good benefits. And many were unionized jobs, with wages and benefits determined through the collective bargaining process.

And another part of the economic squeeze is what's been happening with pensions. In 1980, 84 percent of workers in companies with more than 100 employees had traditional defined benefit pensions where, once you retired, you were guaranteed a monthly stipend for life. Now, in companies with more than a hundred workers, just one in three workers, 33 percent, gets a regular pension. For many of the rest, defined benefit plans have been replaced with 401k plans. Such plans encourage people to save and invest for themselves, but many people don't know the first thing about how to invest. I am among them. And many people empty out their 401k as soon as they get laid off from their job so that, by the time they retire, they have very little money left.

According to a report by the Congressional Research Service, the typical worker between the age of 55 and 64—the worker who is at the cusp of retirement—has just $54,000 in his or her 401k. So, imagine retiring at age 65 with another 20 years to live, and with $54,000 in your 401k and Social Security payments of $12,000 a year. In my book, I write about Harold Danley, who was an insurance auditor and trainer in Minnesota for about 20 or 30 years. He retired at age 65. At 67 he had quadruple bypass surgery. After that, he was certain that he was never going to return to work. Eighteen months after his surgery, he discovered that his Social

Security benefits and his retirement savings weren't enough for him and his wife to make ends meet. His wife suffers from arthritis and has sleep apnea, and their combined annual out-of-pocket health care costs are $14,000. This gentleman—Harold Danley—started looking around for something part-time. Walmart and Target were paying around $7 an hour, and most grocery stores were in the area of $8 and $9 an hour. But security companies were willing to hire him at $10.50, so he took that job. So today, Howard Danley, whom I interviewed at the age of 73, holds two part-time jobs to make ends meet, and he has no idea when he's going to retire.

In *The Big Squeeze,* I describe the golden age for American workers that existed from World War II until the late 1970s or early 1980s, an age that was based on the great American social contract, when great companies like General Motors and Ford and U.S. Steel worked hand in hand with, and sometimes clashed with, the United Auto Workers, the United Steelworkers, and the United Rubber Workers. Together, those companies and unions formed an amazing social contract that created the world's wealthiest and largest middle-class by providing very good jobs at very good wages, with very good benefits, and job security. My book also describes the huge deterioration of that social contract over the past two or three decades.

There are many reasons for the deterioration of the social contract. Certainly, one is globalization. We initially felt the impact of globalization in the 1960s and 1970s, with shoe and apparel imports. In the 1970s and 1980s, it became high value-added steel and autos and electronics. And over the past decade, we've seen a huge globalization of white-collar jobs, often in the form of companies offshoring engineering jobs, call center jobs, and other jobs to India. China has become an economic behemoth that's challenging us on many levels. Globalization has made it harder for domestic companies to be as generous to their workers.

Wall Street is putting greater pressure on companies to maximize their profits and share prices. This often translates into efforts to hold down labor costs. This has led, among other things, to downsizings where a thousand, two thousand, three thousand, or more workers get laid off. In the 1980s and the 1990s, company after company proudly announced that it was laying off ten or twenty thousand workers. Part of the reason has been overcapacity, and part has been globalization. But part of the reason is that many companies just aren't showing as much loyalty to their workers as they used to. Many executives seem to say, "Well, let's manufacture this in China, in Mexico or Bangladesh or some other country. It's just too expensive or too difficult to produce in the U.S."

My book came out in early 2008, when we were just starting to feel that the nation might be entering a recession. But what I wrote about in *The Big Squeeze* occurred before the recession began. And I'm sorry to say that ever since my book came out, things have gotten worse for American workers. Unemployment has doubled from 7.5 million to more than 15 million. The jobless rate has gone from 5 percent to 9.9 percent. For teenagers, the jobless rate is a humongous 26 percent. For African Americans, it's 16.5 percent. For construction workers, unemployment has risen from 8 percent to 27 percent. Things are tough out there.

One of my favorite economists is Brad Delong at the University of California, Berkeley. He recently wrote the following:

> The most astonishing and surprising thing I find about Washington D.C. today is the contrast in mood between D.C. today and what D.C. was thinking a generation ago, in 1983, the last time the unemployment rate was kissing 10 percent. Back then it was a genuine national emergency that unemployment was so high—real policies like massive monetary ease and the eruption of the Reagan deficits were put in place to reduce unemployment quickly, and everybody whose policies wouldn't have much of an effect on jobs was nevertheless claiming that their projects were the magic unemployment-reducing bullet.
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> Today…nobody much in D.C. seems to care. A decade of widening wealth inequality that has created a chattering class of reporters, pundits, and lobbyists who have no connection with mainstream America? The collapse of the union movement and thus of the political voice of America's sellers of labor power? I don't know what the cause is. But it does astonish me.

Another part of the economic squeeze might be called a time squeeze. In the typical middle-class household, the husband and wife together are working 13½ more full-time weeks than was the case a generation ago. The typical U.S. worker works 1800 hours a year, which is 135 hours, or 3½ full-time weeks, more than the typical British worker; 240 hours or 6 full-time weeks more than the typical French worker; and 370 hours, or 9¼ full-time weeks more than the typical German worker.

The United States is one of just four countries in the world that doesn't have paid maternity leave. The other countries that do not have paid maternity leave are Liberia, Swaziland, and Papua New Guinea. Look at the impressive company we're in.

A second major trend that my book focuses on is what I call the squeeze on dignity. Take, for example, a Walmart worker in Kansas City named Verette Richardson. She was a cashier, a lovely, smart woman. Verette told me that the managers of her Walmart in Kansas City were so chintzy about giving the cashiers five or ten minutes off to take bathroom breaks that she and some of the other cashiers literally soiled themselves from time to time.

In *The Big Squeeze,* I write about a surprising episode that took place at Radio Shack headquarters in Fort Worth a few years ago. Radio Shack laid off 400 people at headquarters, and believe it or not, they did it by e-mail. Imagine sitting at your desk and getting an e-mail that says, "The Workforce Reduction Notification is currently in progress. Unfortunately, your position is one that has been eliminated."

A few years ago Northwest Airlines laid off several hundred pilots, flight attendants, ground workers, and machinists–mechanics. The company evidently thought it was helping these workers when it published a booklet called "101 Ways to Save Money." Among the tips that Northwest Airlines gave its laid-off workers were "Borrow a dress for a big night out." "Shop at auctions or pawnshops for jewelry." And "Don't be shy about pulling something you like out of the trash."

I wrote about a 47-year-old woman named Myra Bronstein, a software engineer who worked for more than eight years for AT&T. She became worried that she would be laid off, so she landed a job with a software company just outside Seattle. The company makes software for cell phone companies. The management of that software company often told Myra and her coworkers that "As long as you work hard, as long as the company is doing well, you'll have a job." Myra was a testing engineer, and many days she'd work 12, 14, 16 hours a day. She told me that she once worked 12 days in a row, and another time worked 24 hours in a row in a rush to get out the latest software for a cell phone company. At the end of one 24-hour stint, she told her boss, "I have to leave for a long-scheduled doctor's appointment." And her boss yelled at her for not showing enough loyalty to the company.

Myra told me that after she was there for four years, she and 17 other software engineers were summoned to a meeting at which the director of human resources announced, "I'm sorry to tell you this. You're being laid off. You're being replaced by workers from India." Myra and the other engineers said, "This is crazy. You told us as long as we worked hard, as long as the company is doing well, we'd have our jobs. Yet, you are replacing us." And the human resources director said, "Sorry. That's the direction the company is going." To add insult to injury, management told Myra and the 17 other software engineers that if they wanted to receive any severance whatsoever, they had to agree to spend the next month training the workers from India who would be replacing them.

A third big trend I examine in my book is the way that far too many employers violate the law in how they treat their workers. I call it the squeeze of legal violations. Like many of you in the audience, I went to law school, and I naively thought that companies generally comply with the law in how they treat their workers. But, in my years of writing about labor and workplace matters for the *New York Times,* I have learned that that is not the case. In reality, many companies break the law in how they treat their workers.

One day in August 2001, I learned that a law firm was suing Walmart for making the employees at several of its New York State stores work off the clock. I was surprised that a great, fast-growing company like Walmart would be doing such a thing.

But Walmart was not alone. Over the years, I have collected many outrageous examples of companies breaking the law on safety, on overtime, on minimum wage. It became a sizable theme in my book. I write about a Dominican woman, Julia Ortiz, who worked for a retailer in Brooklyn. Three years ago, she was working 11 hours a day, six days a week, meaning a total of 66 hours a week, and for that she was earning just $210 a week. That's less than $3.30 an hour.

Another type of law breaking with which many of you are familiar involves some companies' strategies for fighting unionization efforts. I'll read a section of my book:

> From 7:00 a.m. to 3:00 p.m., Marie Sylvain had to take care of 14 nursing home patients, not the recommended maximum of 10. She had to feed each of them breakfast, ferry their trays to and from the kitchen, brush their teeth, change their linens, give many of them a bath or shower, dress many of them, and take them to the dining room for lunch. "They give you too many patients," said Marie, an immigrant from Haiti, who's in her early forties. "You can't relax. You can't talk to them. Sometimes three o'clock comes around and you have two patients left to do. Your lunchtime comes and you don't have time to take it."
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> One day, Marie's sister, Esther, told her that a union organizer wanted to talk to with her. And Marie couldn't wait. Marie was seething

about the pace of work and the pay. She earned so little that she and her two teenage daughters were on food stamps and Medicaid. "You can't take the health insurance, honey. It costs too much," Marie said. "I know if I got a union, maybe they'd help us to find a better wage. Maybe they don't give you too many patients," Marie said.

Soon Marie began urging her co-workers to sign cards calling for a union election. As soon as the managers got wind of Marie's efforts, they ordered the workers to attend meeting after meeting where they were warned that the union only wanted their dues money. At one meeting, managers staged mock negotiations in which the union officials literally were forced to wear dunce caps, and agreed to cut the workers' pay to the minimum wage. The managers warned that unions meant strikes and weeks without pay. Management gave out buttons saying "Vote No." Marie said, "They do so many things to make you scared. They always say the union can't do nothing for us. I tell them, 'If the union is so bad for the workers, why do you managers even fight it?'"

After lots of campaigning by management and union, the nursing home aides finally voted on whether to join the union. Before the votes were counted, Marie left for a vacation to visit her mother in Haiti. When she returned, she was stunned to learn that the employees had voted against unionizing 35 to 32. Marie was also surprised that her name had been removed from the work schedule, a move indicating that she might have been fired. She rushed over to talk to her supervisor. "I say, 'You have to give me my job,'" she said. "'I have my family to feed.'" But, the supervisor told Marie that she was being fired because she had gone on vacation without submitting the required vacation request form and without getting a manager to sign one. Marie swears that she filed the form and had a supervisor sign it. The union now sought to rally the workers, vowing to seek a new election on the grounds that the nursing home's managers had illegally poisoned the atmosphere through intimidation and lies. But upon learning of Marie's termination, the other workers grew too scared to speak out in favor of a union. The termination sucked all the wind out of the unionization drive.

The termination also took a heavy, personal toll. "They punish you so much," Marie said. "They make it hard for my whole family." It took four-and-a-half years for Marie Sylvain to get her job back. That was only after the union had spent tens of thousands of dollars on litigation that included hearings before an administrative law judge, an appeal to the full five-person NLRB in Washington and an appeal to the United States Circuit Court of Appeals in Washington. At each level, the judges agreed that Marie's nursing home was so eager to fire her for supporting the union that the nursing home fabricated the story that she had failed to file a vacation form. By the time the Court of Appeals ordered Marie's reinstatement, the unionization drive at her nursing home was a just a memory. It had long ago fizzled out."

It took even longer—six years—for Marie's friend, Ernst Duval, to be reinstated. Ernst was heading the unionization effort at the King David Nursing Home in Palm Beach. The nursing home fired him, accusing him of having tried to choke a nurse. The judge, after six years of litigation, ordered the nursing home to pay Duval just $1,757 in back wages, even though he was terminated six years earlier. That amount was so small, as many of you know, because you're allowed to deduct any subsequent earnings from the backpay that would have been owed. And Ernst Duval got a job working for Catholic Charities. Duval told me the nursing home was supposed to have been punished for his wrongful termination, but that there had really been no punishment. The nursing home probably saved tens, probably hundreds of thousands of dollars by stopping the unionization drive, because it would have meant higher wages and higher benefits. And the penalty for firing the person who headed the unionization drive was, as I said, just $1,757.

I want to turn for a few minutes to discuss what I believe is going to be the future of the labor movement and collective bargaining in the United States. The person who preceded me in the labor beat at the *New York Times* was Peter Kilborn. Peter told me that when he began covering the beat in 1989, the editors told him essentially not to write about labor unions, that they're boring, they're dying. He was told to instead focus on work-force trends, like sex discrimination, the newly passed Americans with Disabilities Act, and strategies that management was using to create more efficient workplaces.

I began this beat in 1995, during a small window when my editors were once again very interested in labor unions. John Sweeney had just been elected president of the AFL-CIO, on the promise that he would revive the labor movement. My editors said, "Wow, maybe we're seeing a real revival of labor after twenty, thirty years of decline." So, for a while, my editors were eager for me to write a lot of union-related stories. I did that for two or three years. But, increasingly, from the late 1990s, I have found myself writing stories mostly about nonunion workers: about how Walmart workers are treated, about how immigrant workers are treated, about overseas sweatshops, child labor in the United States, sex discrimination cases, and many other nonunion subjects.

Today, once again, many editors are not terribly interested in stories on unions or collective bargaining in the United States. Again, there's somewhat of a mindset that unions are pretty boring. Nonetheless, there's a story on today's front page of the *New York Times* business section about a strike by 1,200 Honda workers in China. If I had proposed such a story about a strike by 1,200 workers any place in the United States, my editors would likely say, "You know, it's not a big deal." But because the working conditions of Chinese workers is a very sexy issue, because the strike shows courageous workers speaking out and standing up to power in China, and because Honda is a hot company, editors at many newspapers have played up that strike.

The percentage of private-sector workers in the United States who are in labor unions has dropped to 7.2 percent from around 35 percent in the 1950s. One consequence of this is that there is less private-sector arbitration work for you. The labor movement has been pushing hard for passage of the Employee Free Choice Act (EFCA), which would have allowed unions to insist on card check rather than unionization elections, not just as a means to organize more workers, but also as a way to revive the labor movement. The EFCA would also have increased penalties on employers that break the law during unionization drives, and it would have also required first contract arbitration when an agreement is not reached within 120 days.

Union leaders I spoke to thought they could get the bill passed under President Barack Obama. But there were never the 60 votes in the Senate to overcome a filibuster. It took months and months to get Al Franken sworn in. But then Ted Kennedy became very sick, and Scott Brown, a Republican, won the vacant Senate seat in Massachusetts. Even a watered-down EFCA—one that jettisoned card check in favor of fast elections—could not be passed, because the Democrats had only 59 votes, and needed 60. In my view, that bill, in any form, is now a dead letter. It doesn't have much chance of passing.

I sometimes joke that the Employee Free Choice Act should have been called the Full Employment for Arbitrators Act, because the first-contract arbitration clause would have created huge amounts of business for arbitrators. I envision many businesses and the Chamber of Commerce having nightmares, worrying that nine out of the 17 at a McDonald's or Pizza Hut might form a union, with the parties then being unable to agree on a contract within 120 days. That might mean that both sides would have to pay thousands of dollars arbitrating a case about what the first contract should be for these 17 workers.

One thing that I think is clearly going to happen now is that the National Labor Relations Board, under Wilma Liebman, will take a considerably more prolabor view than the Board did under George Bush. But even so, I don't think the Board can do much more than help unions on the margins of their unionization efforts.

John Dunlop, the late, great Harvard professor and former labor secretary, was Chairman of the U.S. Commission on the Future of Worker/Management Relations from 1993 to 1995. The Commission found that during organizing drives, one in 18 union supporters was somehow victimized by the employer, meaning that he or she was fired, demoted, moved to a worse shift, or otherwise adversely affected. A Commission poll found that 75 percent of Americans believed it very or somewhat likely that workers would get fired if they tried to organize a union.

A study conducted by Kate Bronfenbrenner, Director of Labor Education Research at Cornell University's ILR School, found that 75 percent of the companies facing organizing drives hire anti-union consultants; 92 percent compel employees to attend meetings to receive anti-union information; and 70 percent require workers to attend one-on-one meetings. This kind of opposition by employers is a very big reason why we've seen a decline in the unionization rate and why I believe we're going to continue to see a decline in that rate and of the utilization of collective bargaining. Nowadays, with the unemployment rate so high and with the continuing stagnation of wages, you'd think people would be rushing to join unions. But we're really not seeing that.

This is not to say that there aren't some very smart employers who use generous human resource strategies to cut unionization off at the pass. They provide good wages, good benefits. Indeed, that may be one reason we're seeing fewer people rushing to join unions.

In my book, I quote a woman who worked for Microsoft. Her experience may partially explain why unionization is declining in the U.S., as these two paragraphs from my book describe:

> Entrepreneurialism and individuality have become America's animating notions as the concept of solidarity has largely been forgotten. As a result, many workers, especially young workers, see unions as irrelevant, even antithetical to the brilliant careers they seek for themselves. They'll pull themselves up on their own, or so they think. And they don't think unions can help. This was especially true during the high tech boom when career opportunities seemed limitless and companies showered benefits on their workers.

> Julie Bick, who worked developing CD-ROMS at Microsoft, told me, "It is a culture of the individual. It's entrepreneurial. Everyone writes their own six-month objective, and you have stock options, a great health club, great health benefits, maternity leave. The purpose of the union is to get better benefits. But, it's pretty hard to beat the benefits we were already getting. What would a union be bargaining for?"

So, one half of the equation for the failure of unions to stage a comeback is what employers have done, often including attacking unionization efforts, and the other half of the equation is that unions have lost their mojo, so to speak.

In the 1930s and 1940s, unions, to borrow Michael Lewis's phrase, were the new, new thing.[1] They were exciting. Smart, young college graduates rushed to become union organizers. People sang union songs like "Solidarity Forever" and "Which Side Are You On?" But now, unions aren't nearly as exciting or inspiring as they used to be, and do not attract the same enthusiastic highly educated youth. A lot of workers, even union members, no longer see unions as "us," as their own institutions. Rather, they increasingly view unions and union leaders as an "other." And while some unions do a good job of having workers identify with the organization and its pursuit of their interests, other unions have alienated union members and have caused them to feel that they're just paying their dues and not getting much back.

Currently, a union that is attempting to organize a bargaining might have to hark back to its accomplishments of the 1960s and 1970s. For instance, the UAW in seeking to unionize a company nowadays might say, "Look at all the great things we did for workers at GM in the 1950s and 1960s. Look what we did at Ford." To which people who oppose unions will respond, "But look what's happening at GM now. See what happens when you join a union. Look at all the plant closings and layoffs."

Clearly, things are really tough for American workers nowadays. And when times are bad, you would expect American workers to be demanding more of a voice in the job, pushing management to increase wages and job security. For many reasons, that isn't happening. Rather, seemingly inexorable trends suggest the continued decline of unions in the United States and of collective bargaining in the United States.

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[1]Michael Lewis is an American contemporary nonfiction author and financial journalist.

The lone exception is in the public sector. For the first time in American history, there are more union members in the public sector than in the private sector. Once private sector unionization goes below 5 percent, it won't be very relevant. We've seen many lawyers move from being labor lawyers to being employment lawyers, and similarly we've seen people move from doing labor–management arbitration exclusively to doing employment arbitration as well. For me, it's all a part of how this fascinating story is going to play out.

I'd be happy to answer your questions.

Unidentified Speaker: When somebody you are interviewing tells you something that is patently untrue, do you respond by pointing out that it is untrue? Isn't that part of your job?

Greenhouse: It's a tough call. You or I might think someone is lying. But maybe we're wrong. I remember writing about the Teamsters election where Ron Carey, the "good," or supposedly good, was running against Jim Hoffa, the "bad," or supposedly bad. Carey's people said repeatedly, "Hoffa's mobbed up just like his dad." And I believed the Carey people, at least somewhat. But I was wrong to believe the Carey people because they were also quite dishonest. That shows that we as journalists have to be very careful about whom we believe.

Editors will admonish, "As smart as we like to think we are, we don't always know who's telling you the truth." That's one reason our editors constantly tell us to write a balanced story and to make sure we give both sides their say. When I write a story about Walmart or Toys R Us or other companies breaking the law and how they treat their workers, people in the Labor Department might say, "We have them dead to rights. We have records, affidavits and declarations." And then, the company will say, "We only follow the law." Of course I quote the company, I am obligated to report what they say, but I think readers are generally smart enough to read between the lines about what the truth is. Just to be clear, we as journalists can't omit what someone is saying because we think they are not telling the truth. We have to present every side of the story.

Unidentified Panelist: To carry your analogy of arbitration and of labor reporting a step further, and follow up on the previous question, we make credibility determinations based on the consistency of testimony within itself, and its comportment with verifiable facts, with common sense. Can't you do the same?

Greenhouse: A good analogy of the constraints I face would perhaps involve a criminal defendant who, the evidence convincingly shows, has murdered someone. The defense lawyer says, "My client's not guilty." We as journalists have to quote the defense lawyer, even though we know the defense lawyer is lying.

It becomes more complicated in labor stories, where what the objective truth is is often far more nuanced. Sometimes a company might say, "Our profits are down 12 percent. We're about to lose money." And the union says, "Bull. You have two sets of books and you're only showing us one set of books." Maybe the company is lying, but it's very hard to know. So you report what both sides are saying, and let the reader decide where the truth resides. It's an imperfect way of doing things, but the best way of doing things. We may need to quote someone asserting what we believe to be a lie, but then we should marshal facts and statistics that reveal the lie to the smart reader.

Unidentified Speaker: What would be the effect of re-instituting the Fairness Doctrine?

Greenhouse: Ask Rush Limbaugh and Glenn Beck about that. I think there'd be a revolution by the right in the country. They would really go bananas. Would it lead to a more civil discourse? Yes. Might it mean that Glenn Beck gets laid off? Yes. But, I don't see it happening. Clearly, discourse was much more civil during the era of the Fairness Doctrine.

Unidentified Speaker: I once heard a speaker from the AFL-CIO suggest that collective bargaining should be a civil right. But is it your view that the American populace has voted for the kind of economic and labor trends that are now extant? In other words, if there is no legislation to strengthen the NLRB, will those trends continue unabated because that is the will of the people?

Greenhouse: On that last point, I'll let you decide. When the National Labor Relations Act was enacted in 1935, the preamble stated, "It is the official policy of the United States to support collective bargaining. Collective bargaining helps reduce inequality, helps lift income, helps fight depression-recession." That is the official 75-year-old policy of the United States.

Since 1935, a lot of Americans have rejected unions. I think a lot of economists will argue that it is in a worker's economic interest to vote for a union. At the same time, I've interviewed a lot of manufacturing workers in the United States and they're scared of voting to unionize because unlike, for example, hospital workers, whose hospital is not going to move to China, manufacturing plants are mobile, and they may see their jobs shipped overseas. And when you vote for a union, this is what can happen to help you.

In my book, I describe what I think was the smartest and most successful unionization drive of the past decade: the organization of 5,300 janitors in Houston, comprising virtually all the office building janitors in that city. Nearly all were immigrants, hardly any spoke English. They all worked part-time, and all worked for contractors. I focused on a worker who had worked at the same office building for ten years. After ten years, she was earning the same amount she had when she began: $5.25 an hour. As a result of the unionization victory and the ensuing contract, her hourly wage increased from $5.25 to $8.00. That's not a huge amount in terms of absolute dollars, but it's an increase of almost 60 percent. Moreover, her hours went up from 20 a week to 30 a week. So, in effect, her pay doubled, plus she got health benefits. Examples like that just might persuade some lower wage workers that unions can really help.

Unidentified Speaker: I detect a lot of untapped anger among white-collar workers in private corporations, whose health care costs have been rising while their wages have been stagnating, and who view their job security as nonexistent.

Greenhouse: Back when I was in college, I read several books about how hugely bureaucratic and inefficient big corporations and big unions had become. Corporations have, in general, done a good job of adapting to the 21st century, while many unions have remained rather slothful and bureaucratic organizations and haven't gone nearly far enough to adapt. When I interviewed Randel Johnson, the senior vice president for labor matters at the U.S. Chamber of Commerce, he said something insightful. "One of the reasons unions are having such a problem is that their message today is the same as their message in the 1930s. 'The boss is bad, and we're going to improve your wages.'" Many middle-class workers who are making $60,000 to $80,000 a year but are worried about losing their job don't see unions as the answer. And I know a lot of white-collar workers who believe that if they stick their necks out and join a union, they might not be employed for very long.

When Richard Trumka became president of the AFL-CIO a few months ago, I arranged for him to attend a publisher's luncheon at the *New York Times*, where he met with the publisher and ten other editors, reporters, and editorial writers. One editor asked

Trumka how unions were going to attract white-collar workers, especially when there was so much more turnover among white-collar workers, with many holding eight or ten jobs during their careers. Trumka's response was the exact same thing I've heard other union leaders say over the past 15 years: "We have to figure out a way to provide workers with portable benefits. We have to figure out a way to provide them with educational programs they need." Union leaders have been saying the same thing for 15 years, but have not come up with the programs to attract white-collar workers. Sometimes I want to ask union leaders, "Where's the innovativeness and ingenuity? And where's the beef?"

David L. Gregory: What are the chances of the government withdrawing collective bargaining from the public sector?

Greenhouse: Well, Mitch Daniels certainly did that as governor of Indiana. I think that in states and cities where the Republicans win, we might see more instances in which governments withdraw bargaining rights for public-sector workers. And, with deficits of tens of billions of dollars in California, New York, and New Jersey, and enormous deficits in various cities, we will likely see a taxpayer backlash against public-sector unions over the next five or ten years. I don't think Democrats are going to call for ending bargaining rights for public-sector workers. But I think they're going to take a much tougher approach.

Gregory: Will the increased presence of women in the workforce produce a different discourse? And, over time, will a change in gender of the leadership of organized labor make a positive and real difference?

Greenhouse: The majority of union members are now women, and women are increasingly taking leadership roles in the union movement. Randi Weingarten is head of the American Federation of Teachers, and Mary Kay Henry is the new head of the Service Employees International Union (SEIU). Will that make a difference for labor? The SEIU has been very successful at organizing nurses, and unions may be able to apply the knowledge they have gained in such organizing drives to unionizing other bargaining units that are comprised primarily of female workers. But, I think that there are large swaths of industries employing female workers—banks, insurance companies, restaurants, and retailers—that will be difficult for unions to organize. In my view, only when unions figure out how to organize those generally hostile terrains will labor be able to reverse its decline and in that way create more business for all you wonderful arbitrators.