

# Alone or Together: State Pathways for Economic Stability Under Union Decline

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## Abstract

Labor union membership has declined unevenly across the American states, with many of the largest remaining unionized segments of the workforce being educators or state and municipal employees. Meanwhile, state governments have buckled with constrained budgets, often criticizing the public provision of benefits to these workers, as well as others, as being unsustainable. What influence does union decline have on patterns of redistribution in these states, and what pathways do people have to achieve economic stability? To answer these questions, I conceptualize states on two dimensions: redistribution stemming from public policy, and the presence of organized labor power. While many states are either relatively high in both or low in both, some are a mixture. I examine states that have more universal redistributive policy but lower levels of worker control (New Jersey, Connecticut), as well as states that are individualistic and market-oriented in their policy but maintain a substantial union presence (West Virginia, Indiana). These states, when pressed financially and as union membership declines, offer different economic options to residents. Where residents could achieve some degree of economic certainty either through redistribution or through their employer (in the form of pensions, healthcare, or leave for injury or illness), there is a real possibility that neither state governments nor private industry will meet those needs. Ultimately, labor decline limits the ability to pressure state governments as well as private actors, meaning that individuals have limited ability to achieve economic stability.

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# 1

Scholars of state politics have developed various ways to rank the preferences, politics, and policies of the states. Many of the measures, from legislative professionalism to the ideology of state policy, emphasize formal state level political institutions. While some have acknowledged the role of private sector actors in the provision of public services, particularly in healthcare (Morgan and Campbell 2011; Hacker 2002), the influence of non-governmental actors should be central to how we conceptualize democracy across states. Especially in a time of growing economic inequality (APSA 2004; Piketty and Saez 2003), state governments and private actors affect whether residents are economically stable. Understanding both groups is necessary to diagnose whether American democracy is **in crisis** or **in continuity**. As states are concerned with balancing their budgets, or meeting financial obligations, they may shift responsibilities to outside actors. Businesses, constrained with their own profit motives, push workers toward government. In this paper, I look at one type of non-governmental actor, organized labor, whose declining membership affects economic stability in conjunction with, but separately from, the retrenchment of redistributive policies within the states. How do state budget crises bear on the variety of redistributive benefits it offers, and how does union decline shape state strategies? Do states adopt universal or targeted administration of programs? What happens to *people* as states shift their priorities and are less constrained by labor groups?

Union membership is lower today than it has been in the last fifty years. Currently, just over 10% of workers are members of a union. Looking exclusively at the private sector, unionization rates are around 6% nationally (Hirsch and Macpherson 2003). However, the national rate obscures the larger picture of unionization. While rates of private sector unionization have been in decline since the 1970s, that decline is uneven across states. States tend to follow three trends: first, states never had significant union membership, second, decline moved in a stair-step with a sharp decline in the early 1980s and then proceeding at a new lower level, and third a steady continual decline. In the public sector, unionization rates remain relatively high (above 50%) today in some states, whereas others have very few union members (Dark 1999). Because of the variety in union density, states face various levels of constraint from labor actors. State and municipal employees may themselves be unionized. The political preferences of labor unions are more or less incorporated into state politics. Ultimately, labor decline matters differently for political

decision-making and for populations depending on the state.

States are also under economic constraint to maintain a politically suitable budget and meet financial commitments. Existing constraints reduce the pathways that states have to address their concerns. In places that have more union members, the provision of state pensions has been a topic of concern, with some indicating that benefits were unsustainable in the long term (Anzia and Moe 2015). Generally, studies have grouped states along an axis of the liberalism of citizens, representatives, or policy (Erikson, Wright and McIver 1993; Rigby and Wright 2013; Caughey and Warshaw 2015). Yu, Jennings Jr and Butler (2019) demonstrate how state ideology influences a trade-off of priorities in state budgets. While liberal places spend a larger proportion of their budgets on redistribution, conservative states focus developmental policies often directed toward a managerial class. States that have more liberal policy are more likely to redistribute to citizens and have lower levels of inequality (Kelly and Witko 2012; Hansen 2001), though the main driver of how states adopt liberal policies may correspond with the preferences of the wealthy (Rigby and Wright 2013). Under budget constraints, states must make choices about where to focus resources.

Levels of labor power and liberalism often are related. South Carolina has both a conservative state government, and low levels of union density, whereas New York or California has liberal public policies and a large concentration of union members. Yet states do not fit neatly into those two categories. Some states have unionization rates that are higher than their level of liberalism would suggest. West Virginia or Indiana were once both heavily unionized, but had otherwise conservative state governments. New Jersey and Connecticut exhibit the reverse pattern, liberal places with unionization rates much lower. I focus on the cross-diagonal cases: states where policy and labor power do not align. These cases are of particular interest in deciphering the types of strategies that states adopt when either budgets are tight or labor is less powerful than it once was. As unions continue to lose members in states, these cases can shed light on whether citizens can shift toward state governments as a source of support or must shift expectations.

Understanding cases where policy preferences and labor diverge expands our understanding of state politics in an unequal time. First, I emphasize the push and pull between government and the workplace. When workplaces opt to push leave policies, pensions, or healthcare to the states, the state bears responsibility for citizen well-being. People may

have the expectation of benefits, but fewer pathways for recourse. While public policy remains unchanged, policy stability hides the loss of protections in the workplace. This process gives employers more power to create their own policies (Hertel-Fernandez 2018), but limits the voice of people. If personal policy needs are met within workplaces, as they often are in unionized spaces (Rosenfeld 2014; Freeman and Medoff 1984), then inequality and working poverty are both lower (Brady, Baker and Finnigan 2013; Bucci 2018). Second, labor decline gives more leeway for states and workplaces to opt out of service provision, or to scale back. Without collectively bargained contracts, firm level benefits will vary across workers. Where Moldogaziev, Monogan and Witko (2017) find increasing redistribution from state governments as a consequence of inequality, I suggest this increase may be an imperfect restructuring of benefits from private to public sources. The types of benefits provided, universalistic or individualized will look differently depending on the state (McCarthy 2017). Third, budgetary constraint limits state choices. Institutional capacity and history with providing services matters for whether a state will adapt to changing business practices. Rather than provide benefits itself, a constrained state may contract out the provision of services (Morgan and Campbell 2011; Eubanks 2018), but not see redistributive functions as closely incorporated into what the state does.

My argument proceeds as follows: First, I clarify the components of this typography, demonstrating why both policy and labor power effect the policies under which residents live. Second, I discuss how constraints on limiting policy might be stronger in places where labor is still stronger. I also conceptualize why state actors may act differently depending on the financial needs and policy preferences of their state. For conservative states with strong, I look at West Virginia and Indiana. For liberal states with weaker labor membership, I look at New Jersey and Connecticut. Labor decline in states like West Virginia and Indiana has meant that residents have had to either redirect energy toward government or go without benefits. As labor continues to lose membership, it does so unevenly across states and across populations, meaning that the relationships between government, workplaces, and citizens that were once navigated through labor unions are now more likely to be individuals on their own.

## 2 Typology of the States

The balance between the ideology of public policy and the strength of workers gives two avenues for democratic advancement. Either individuals can achieve some degree of economic security through government or through their workplace. The ability to think of democratic engagement as *more* than simply an interaction with government is key to thinking about how individuals adapt with precarity. Achieving benefits through either avenue may be suitable for feeling stable, but losing benefits through either may shift perceptions. Looking at West Virginia, Indiana, New Jersey, and Connecticut help to isolate what it might mean for how individuals experience policy if both dimensions are not consistent.

In practice, when labor loses membership and state budgets are constrained, states may feel the need to increasingly blur boundaries between private and public actors. Outsourcing of social service provision means that needs cannot be remedied by the state itself, and instead is filtered through a less visible third party. Morgan and Campbell (2011) suggests this delegated welfare state has consequences for the quality of service delivered to citizens. Michener (2018) also looks at Medicaid showing that the administration of the program has significant consequences for the most vulnerable in society. Béland, Rocco and Waddan (2016) analyze the rollout of the Affordable Care discussing the action and inaction of state governments. In each instance, private organizations provide services to lessen income, health, or well-being gaps in society, they engage with states and serve roles that might have been filled through the state itself.

### Comparing Dimensions

The following typology moves beyond traditional conceptualizations of ideology within the states, and examines the states on two dimensions: public policy and labor power. I discuss how each concept is measured in the following section.

Along the traditional left right axis of public policy, states can either be more liberal and have a larger scope of welfare policy, or more conservative and the government is smaller and does less. While I present the categories in two boxes, the liberalism of state policy should be thought of as a continuum. To measure state policy liberalism, I use the Caughey and Warshaw (2015) liberalism score for state policy. By combining different dimensions of public policy, they arrive at a dynamic measure of liberalism that

is comparable over time.

Labor has two interlocking motives: the first is to provide economic benefits to membership, and the second is more focused globally to reduce gaps between managerial and working classes.<sup>1</sup> I use union membership in a state as a measure of the power of organized labor, consistent with the work of others (Kelly and Witko 2012; Bucci 2018). In states with more union members, workers, both those within and outside of unionized firms, should be better paid and have higher benefits (Freeman and Medoff 1984). As unions start to lose membership, the carryover effect toward non-unionized segments starts to decline. Rather than policies that are universal, instead the relationship of people to government or their place of work is more individualistic.

**Hypothesis 1.** *Declining labor power results in more individualistic, rather than universal, policy.*

Table 1: Typology of States

|                    |                                            | <b>State Ideology</b> |                            |
|--------------------|--------------------------------------------|-----------------------|----------------------------|
|                    |                                            | Liberal Policy        | <b>Conservative Policy</b> |
| <b>Labor Power</b> | Labor Strong                               | <b>Labor Strong</b>   | Conservative Policy        |
|                    | <b>Liberal Policy</b><br><b>Labor Weak</b> | Conservative Policy   | Labor Weak                 |

## Labor Power

Union strategy often emphasizes a focus on workplace organizing rather than more public forms of engagement. By challenging within firms, labor was able to exert power that it did not have in the federal or many state governments (Frymer 2008). By focusing attention on private benefits, unions amplified a private pathway to economic stability. Following World War II, labor unions advocated for “semi-private, elite discussions facilitated by political actors” (Gottschalk 2000, p.6). This style of labor-management relations continued from the fifties forward. On the one hand, this type of organizing led to unions running successful campaigns and ultimately increasing benefits for workers. In states

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<sup>1</sup>The composition of labor membership and the degree to which they push for benefits for others outside of the union varies by union (Ahlquist and Levi 2013). State unionization rates are available from 1964 forward through the Current Population Survey, and are gathered annually by Hirsch and Macpherson (2003). As unions have gotten smaller and more diverse, many are increasingly showing solidarity with other unions and other causes (Frymer 2008; Ahlquist and Levi 2013)

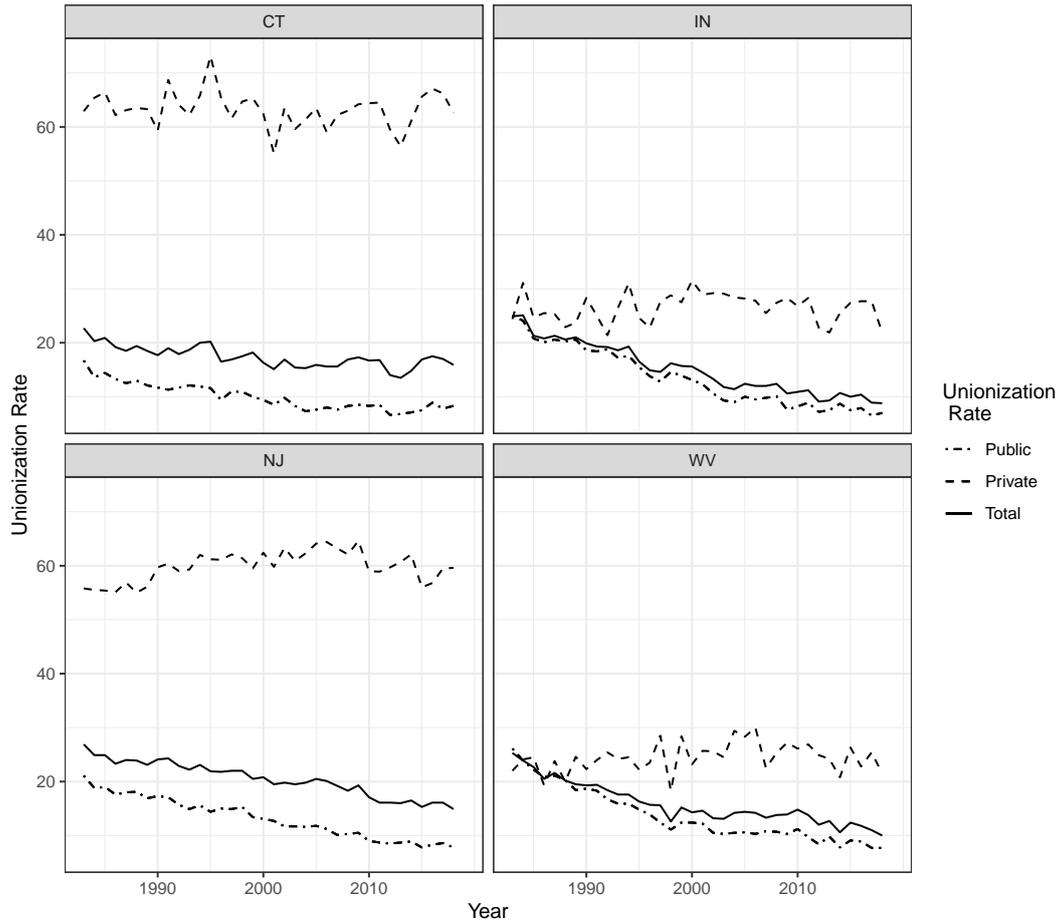
like West Virginia, this type of union to employer relationship worked particularly well. On the other hand, state governments remained separate from the negotiation process, and served as an arbiter of last resort, simply acting as an outside agent if business and labor could not reach an agreement. Labor's successes in the workplace means that the state itself did not need to provide some social services, and instead could leave it to the private contract.

**Hypothesis 2.** *Labor power increases action within the workplace*

Public sector employment and the unionization of public sector workers complicates how states deliver benefits. Where labor was successful in the public sector, the ties between the firm and the state were strengthened. The power of labor cemented a constraint for the state, for at least the duration of the contract. Walker (2014) points out that because public sector unions did not develop any strength until private sector unions were already in significant decline, this presented a bifurcation in how labor could pursue its courses going forward. Labor's goals to push for redistribution, at least for its workers if not all workers (Ahlquist and Levi 2013), means that its involvement with state governments and other industries is complicated by the venues in which it can exercise power as well as the way it has traditionally gained workplace benefits.

Though private sector unionization has declined rapidly, public sector unionization rates have not dropped as quickly (Dark 1999). Figure 1 shows how high public sector unionization rates are relative to other sectors. In both NJ and CT, public sector unionization rates are high relative to other states, but their total and private sector rates of unionization are low especially considering how liberal the state is. For IN and WV, what I'm calling conservative states with strong labor, public sector unionization is much lower. Total unionization was higher than CT and NJ, declining steeply from the 1970s until today.

Figure 1: Public Sector, Private Sector, and Total Unionization Rates 1983-2018



*Note:* Figure 1 plots the unionization rate in the public sector, private sector, and overall for each year 1983-2018. The solid line represents total state population who are members of a union. The highest line in each plot represents the public sector unionization rates.

## State Policy & State Constraint

States have preferences about how to best achieve economic stability for their population. They may emphasize economic development programs or redistributive policies (Yu, Jennings Jr and Butler 2019). In general, liberal states tend to emphasize policies that result in lower levels of economic inequality (Kelly and Witko 2012; Franko and Witko 2017). Especially when liberal governments are aware of inequality, and have the backing of organized labor, states take policy actions that can limit economic inequality and provide some stability for residents (Franko and Witko 2017). However, states can not only be places on a left-right policy dimension. Instead, the creation of policy is one aspect of a state that can enable stability.

While social provision in the workplace bolsters the financial stability of workers, they may not be as secure as those from government. Industries base their benefits off of

contracts that are continually updated over time. This process may be ideal for state governments looking to cut program costs, and readjust costs if necessary. The policy process moves slower than the private sector, and the happenings of individual firms generates less collective attention from the general public. Because workplace benefits stem from the balance of power during the contracting process, they are shaped by whether labor is present. As labor declines in the states, this presence is less likely. Instead, private benefits may be considered voluntary on the part of owners, a gesture of good faith for the duration of the contract, or continued by custom, and the benefits are less certain for workers than those from government. The provision of social policy in private settings takes away some of the universality of the benefits.

**Hypothesis 3.** *State budget constraint increases the use of private actors.*

**Hypothesis 4.** *State budget constraint and labor decline reduce social welfare benefits.*

When states rely on private actors, it moves recourse for wrongdoing away from public accountability, like elections, and into private settings. This process moves risk onto individual citizens to maintain their benefits, rather than on society to provide them (Hacker 2004). In private settings, individual workers have a lowered ability to correct wrongdoing without substantial organizing or money.

States are unable to shirk responsibility in the same way that businesses can. When private organizations once provided benefits and no longer does, recipients can either turn to the state, private charities, or go without. States may not offer the same benefits, cannot opt out entirely and expect another actor to step in to help.

From the perspective of state governments, there is an incentive to shift public services toward private actors. The relationship between business, labor, citizens, and state governments is often uneasy as politicians feel obligated to maintain strong businesses (Vogel 1996) but also keep constituencies satisfied. Especially with lower levels of union membership, the closeness between businesses and government intensifies. Johnson (2009) found that even in the early 20th century businesses recognized it was in their strategic interest to divide tasks with government as they would rather “‘help shape the right kind of regulation’ than have ‘the wrong kind forced upon him.’” (p.96). State governments also provide benefits, in the forms of lower taxes or larger subsidies, in order to encourage businesses to maintain employment (Franko and Witko 2017; Mettler 2011; Hacker 2004). Outside business interest groups are able to use state governments in order to advance

this agenda (Hertel-Fernandez 2019), but incentives are present in addition to actions of others.

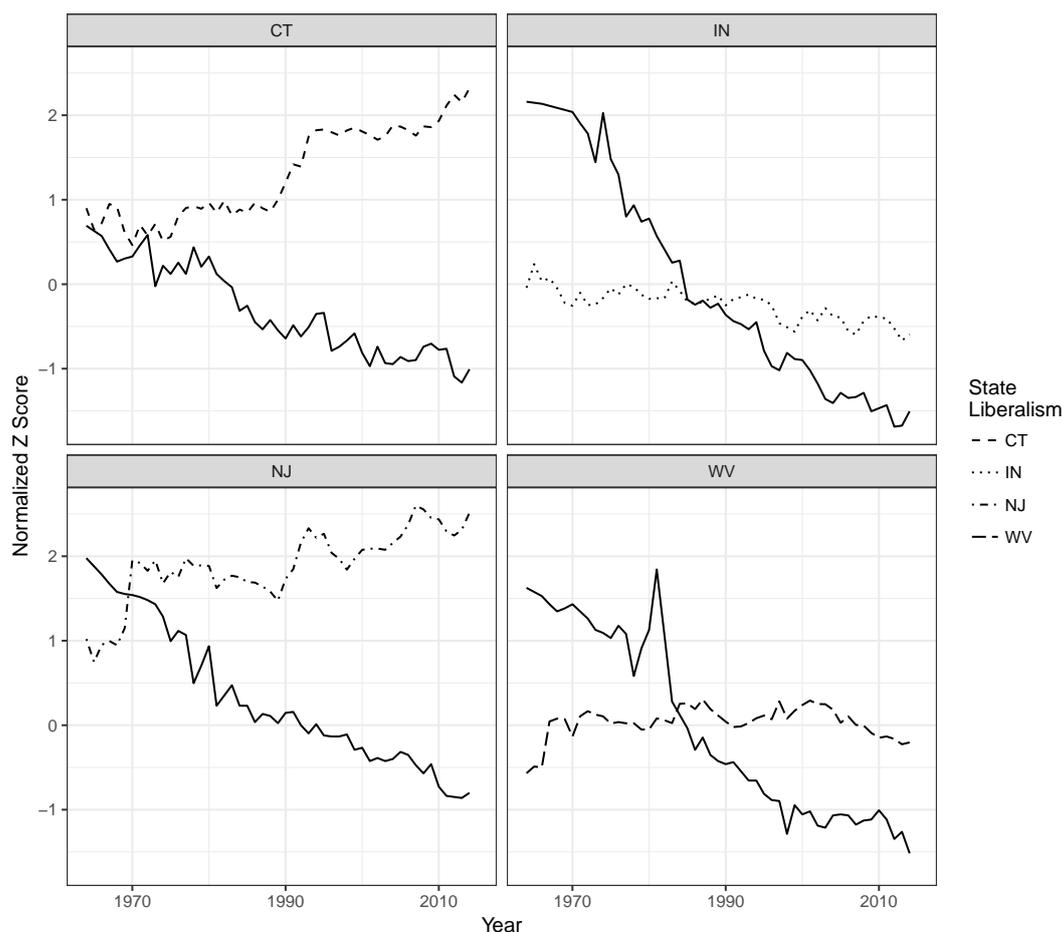
### 3 Cases

My approach mixes strategies for understanding the American welfare state. Howard (1999) describes the study of the American welfare state as bifurcated between those who study it nationally and those who look subnationally. Scholars who look at the national welfare state tend to compare the US to other advanced industrialized democracies, or focus on qualitative change over time. This work has a different focus than much of the policy literature in state politics which instead compares the states, usually quantitatively, to look at policy adoption, variation, change, or representation. Though the boundaries between these types of work are in decline, I make an explicit effort to look closely at a smaller number of states.

Figure 2 presents the unionization rates and state policy liberalism for four states that exemplify the off diagonal. Unionization rates have been normalized so that they can be compared on the same scale as state liberalism. Across the four states, unionization rates have declined over time, consistent with other states. However, the slope of decline is not the same in each state. Connecticut and New Jersey, both states where unionization should be higher, have a shallow decline in unionization. In Indiana and West Virginia, states where unionization should be lower given its conservatism, the drop in union membership is far steeper. The dashed lines in each figure are the state's policy liberalism in a given year. Connecticut and New Jersey are both more liberal than Indiana and West Virginia. It also appears that Connecticut and New Jersey are growing more liberal over time even as unionization declines. Indiana and West Virginia remain consistent in their liberalism and, if they move at all, grow slightly more conservative over time. The growing apart of these lines means that either one dimension of the welfare state needs to do more to distribute benefits to citizens or citizens will receive less from their workplace and from government.

Values that are normalized are more easily comparable, but it helps to conceptualize the range of values for the liberalism of state policy and unionization rates. Showing where the cases fall along the full range justifies that they are a fit representation of the mismatched dimensions of the welfare state. Figures 3 and 4 plot values of policy

Figure 2: State Liberalism and Unionization Rate 1964-2014



*Note:* Figure 2 plots the normalized total unionization rate for each year 1964-2014 alongside the liberalism of the state. The solid line represents the percentage of working age adults that are members of a union. The dashed line represents the liberalism of state policy (Caughey and Warshaw 2015) with higher values being more liberal.

liberalism and unionization for each of the fifty states. For each variable, values are shown at four cut points, each about 20 years apart.

Taken together, Figures 3 and 4 show that many states align along both pathways of redistribution. States like South Carolina never developed strong unions, and they also avoid passing liberal public policy. This pattern is consistent for South Carolina over time, with it being one of the most conservative states in 1960 and 2014. Massachusetts and New York exhibit the reverse pattern, where both states have more dense union membership and also are more liberal. In all years presented these states are among the most liberal and unionized. However, the off diagonal cases present a different pattern than those states that remain fairly constant over time.

State policy liberalism is shown in Figure 3. Negative values on this scale are states that are conservative. New Jersey is among the most liberal states in each time point.

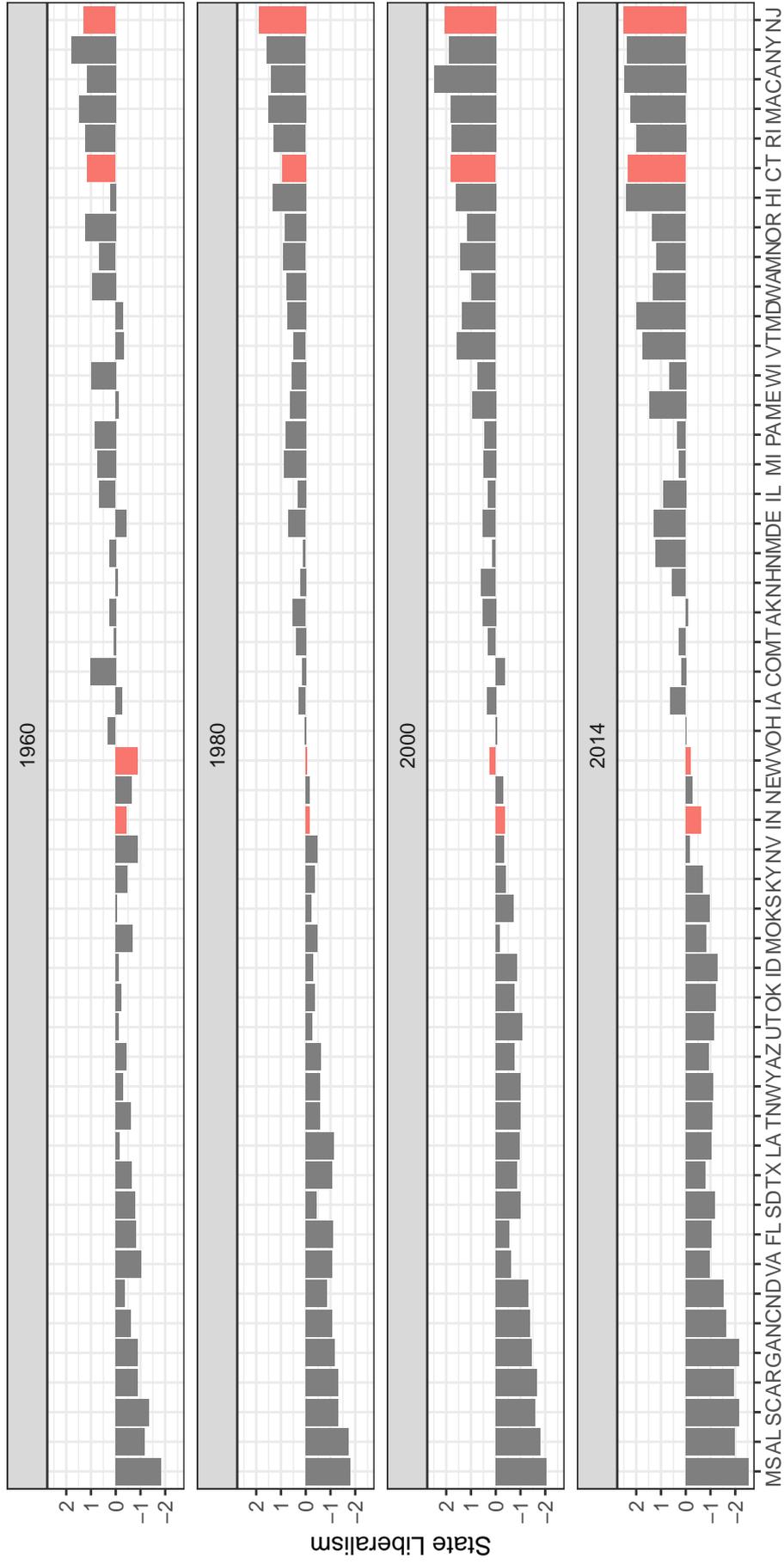
In 2014, the last year depicted, it was the most liberal state, ranking about the same as New York and California. In 1960, New Jersey was still among the most liberal places, but was comparatively lower, placing near Rhode Island and Oregon. Connecticut was the fifth most liberal state in 2014. Between 1980 and 2000 Connecticut also grows in liberalism, from a state that was toward the center of the pack to one of the most liberal states. Because this measure of liberalism is meant to be compared over time, this result could indicate that Connecticut was passing policy that looked different than the types of policy passed previously. Potentially, changes in Connecticut could indicate a broader turn toward post-material concerns (Gelman et al. 2008). Both Indiana and West Virginia are around the 0 mark throughout the period, meaning that these states are neither very liberal nor very conservative. Either state has periods where it could be conceptualized as having somewhat conservative state policy. West Virginia begins the period much more conservative than it was in 1980 or in 2000. By 2014, West Virginia has grown somewhat more conservative in its public policy. Indiana follows a similar pattern to West Virginia, maintaining its position of conservatism over time, but varying slightly.

To understand unionization rates, I present the total percentage of unionized workers in each state in Figure 4. One trend is that unionization rates were much higher in 1964, the beginning of the period, than in 2014, its end. At the very left of the scale tend to be states that never developed strong unions. Places like South Carolina and Florida were among the earliest adopters of Right to Work legislation. Of the four cases of interest, Connecticut has the lowest unionization rates. While New Jersey has a slightly higher unionized population, it is not at the very top of the scale and competitive with New York or California. West Virginia and Indiana are in the top quarter of state unionization rates, despite being in the bottom half of liberalism.

## **Understanding State Industrial Histories**

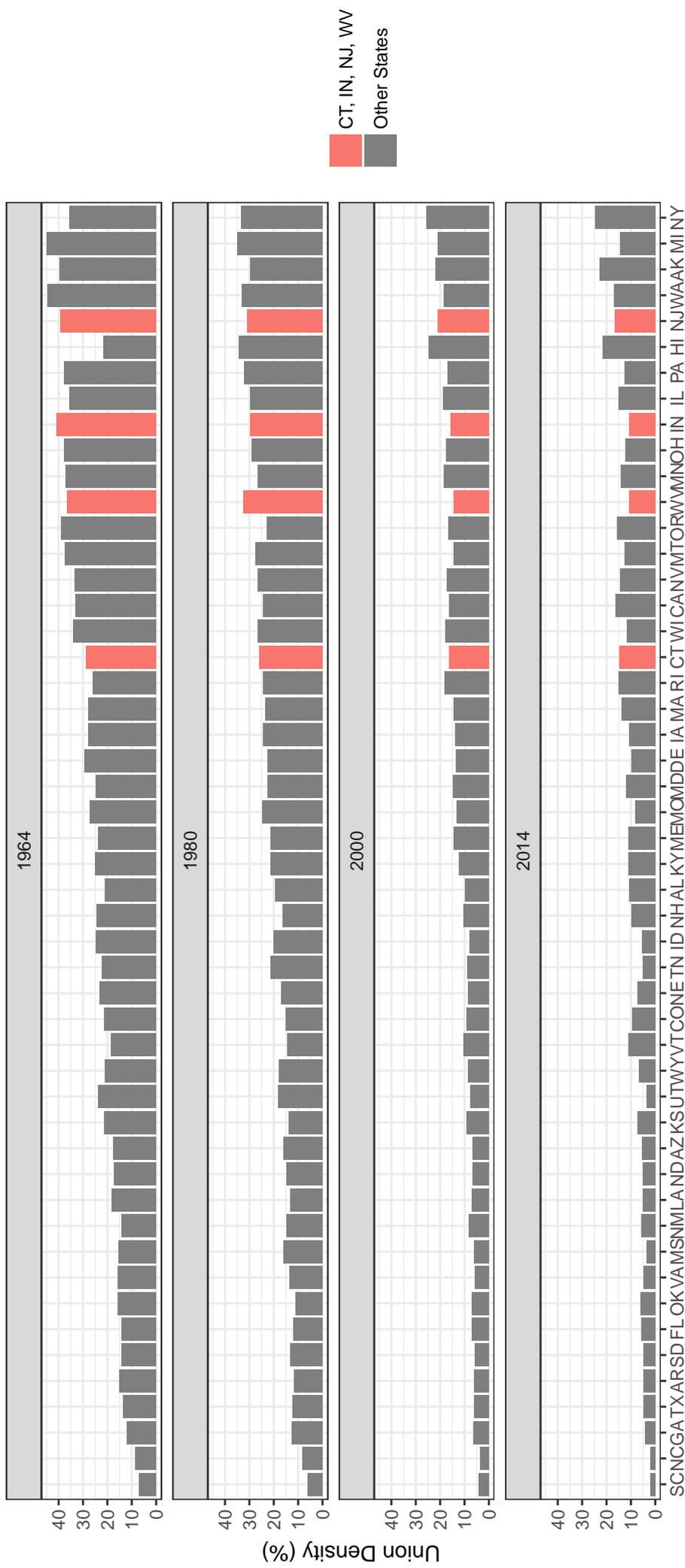
For each off-diagonal category, I compare three dimensions: dominant industries, union engagement in politics, and the goals of political parties in the state. The conclusions drawn from this analysis are preliminary and require further archival information to be sure that conclusions apply across the state and are not idiosyncratic to one point in time or one city within a state.

Figure 3: State Policy Liberalism, 1960-2014



Note: This figure presents the liberalism of state policy once every twenty years. States that are explored in depth are colored.

Figure 4: Total Unionization Rates, 1960-2014



Note: This figure presents the percentage of a state that are members of a union in a given year at four times across the period. States explored in depth are colored.

## Highly Unionized Conservative States:

### West Virginia & Indiana

#### Industry & Union Behavior

In the early part of the 20th century, industrial work in West Virginia could be deadly. Through strikes and other collective actions, unions in West Virginia forced mine owners to increase the safety of their mines and the compensation of mine workers. These benefits were monitored by governments, but functioned primarily through the work of private sector unions- United Mineworkers (UMW) specifically. Unions formed, in part, to regulate mine safety and to control how long the mine operated. During 1914, series of strikes took place to protest mine safety and to further unionize mine work (Barksdale et al. 2011). These strikes helped labor to gain a strong position relative to businesses in the state.

Working in mines comes with numerous short and long term health risks. Though legislation existed to require the state and federal government supervise the safety of the mines, health and safety benefits were often acquired by a union from a mine directly. Governments were known to neglect the supervision of mines. Fry (2014) shows that though there was a 1952 act enabling greater supervisory powers, the government rarely used them, and if they did, often failed to follow up on safety violations. This failure contributed to the deaths of 78 miners in 1968.

Some of the legacies of union action transferred into public sector union organizing, however it did not succeed to the same degree that it did in the private sector. The time between labor success in the private sector, and the advent of public sector unions meant that unions as institutions had already been established. Patterns of behavior had formed. Public sector unions developed later than those in the private sector (Walker 2014). Many public sector unions in the 1960s were weak and somewhat conservative, today's public sector unions are striking for higher wages and benefits even though these strikes are illegal at the state level.<sup>2</sup> When workplaces do not provide adequate benefits, and the state does not respond, union members in West Virginia have tended to pressure workplaces to redistribute.

Labor strength, in otherwise conservative places, often meant that the private sector was unionized. As those fields became less common, were replaced by other jobs, or

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<sup>2</sup><http://www.labornotes.org/2018/03/west-virginia-option>

employees died off, the strength of unions was not carried through in the public sector. The relationship between states and labor was that they may interact with each other, but they were distinct. Because public sector unions did not develop the same degree of membership and same capacity to gain political clout, these states took a more conservative policy toll as labor became more successful in the public sector. Still, these states are distinct from places that never had a strong union presence. The memory of labor as a politically viable actor, in both the public and private sector, means that at least for now citizens and politicians recognize labor as influential.

## **Political Parties**

Generally, unions fall firmly within the Democratic Party's set of core constituencies. When unions work with a major political party, it tends to be the Democrats (Dark 1999). This association does not mean that the Democratic Party is equally as supportive of wants of labor unions, and this includes in passing redistributive policy for the state. In states like Indiana and West Virginia, historians suggest that association was fragile (White 2005). The Democratic Party wanted labor's votes, but was unwilling to pass any of the major policy goals of the group.

In Indiana part of the separation between labor unions and Democrats was concern over who was labor's core membership. Democratic politicians in Evansville, Indiana worried that Communists had invaded the local labor unions (White 2005). Race, and how unions wanted or avoided racial inclusivity (Frymer 2008) was an ongoing concern. Passing the type of policies favored by labor required active support from politicians that the group simply did not have in the early to mid 20th century. Instead, regulating the safety of the workplace and providing for workers seemed to be the winning strategy of unions of the time.

In West Virginia, state politicians only seemed to respond to redistributive concerns when the state was receiving negative national attention Fry (2014). In January of 1969, a group of health care advocates campaigned, and ultimately received, additional workers' compensation for miners that had developed black lung. The provision of these health benefits took the coordination of unions, health advocates, politicians, and miners themselves. Overall, while there was some success in redistributive policies, politicians were often slow to adopt additional benefits.

## **Constraint**

These states, particularly their Democratic parties, wanted labor to contribute resources but were concerned with a deep association between private actors and the state government. This type of engagement meant that politicians were willing to contract out when the incentives were correct, but the association was not close. Labor had power and influence, but it had power as an outside force.

## **Less Unionized Liberal States:**

### **New Jersey & Connecticut**

#### **Industry & Union Behavior**

Private sector unionization was relatively weak in states like New Jersey and Connecticut. However, pathways to have labor influence state governments were often available. Trade unions in New Jersey were divided based on the class and status of their occupations, with higher skilled workers behaving differently than those with lower skills. The division within organized labor, however, was not a necessity and developed out of social group change in the late 19th century. By examining archival records of the Knights of Labor in New Jersey, Voss (1993) demonstrates that when the Knights of Labor were active trade unions across class backgrounds tended to advocate together for similar types of policy. With the disbanding of the Knights of Labor, this affinity between labor unions subsided, and instead, unions behaved in more conservative and member-focused ways. The division that came after the Knights of Labor meant that organizing for benefits consistently became more difficult. Organizing on the part of businesses in these states were also more successful than in Indiana and West Virginia, meaning that labor used other pathways that were more receptive to delivering benefits.

#### **Political Parties**

New Jersey and Connecticut were more receptive to redistributive policies and often incorporated the wants of unions into public policy in the early part of the 20th century. Having a political voice that advocated for redistribution meant that there was not as much necessity to have redistribution in the workplace. The success of early strikes<sup>3</sup>, and

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<sup>3</sup>Strikes were very common in CT and NJ.

the response from the state government, led individuals in many cities to hold different expectations of the type of policies that states should provide to its citizens. During the Great Depression, this expectation led Connecticut cities to push for higher levels of government intervention (Bucki 2001). Bridgeport, Connecticut, for example, selected a member of the Socialist Party (SP), Jasper McLevy, to be its mayor from 1933-1957 (Bucki 2001). Because politicians were receptive to delivering benefits, citizens channeled their concerns via governmental pathways.

## **Constraint**

In New Jersey and Connecticut, many of the wants of organized labor were taken up and embraced by state governments. This pattern continued as the public sector started to unionize. For this reason, New Jersey and Connecticut have a larger proportion of their public sector workers in unions. Under budgetary constraint, the push to reduce financial burden on state governments is also a reaction against the size of the state government itself.

## **4 Conclusions and Implications**

Scholars of the American welfare state acknowledge that it is much more than a simple relation between public policy and citizens. Yet our theories of the influence of business in politics, or our understanding of non-governmental groups influencing policy are still developing. Any concept of democracy at the state level should consider some version of actors outside of the government. Labor is one of the only types of organization that is primarily focused on the economic well-being of the population. It is one of the few types of organizations with a goal to condense income distributions and maintain economic stability for lower income people.

In this paper, I build on our understanding of ideology to examine patterns among states. Labor power represents one pathway to provide benefits to citizens. However, when labor is strong it may be less embedded within state governments. Institutionalized power, rather than power which is reckoned with, matters for the ability of labor unions to shift how and to whom benefits are provided. Unions, working for their members, were successful in the private sector of some states early. States preferred private industry providing benefits because it lessened responsibility and blame. Businesses provided these

benefits in exchange for subsidies and goodwill. For many workers, particularly those in WV and IN, the system was not perfect but worked. It removed democratic accountability found in other governmental provision, but ultimately increased the economic security of residents. In states where state government was more open to labor, they also unionized their public sector employees. This means that state government's actors and union represented employees were the same people. By examining cases where states were conservative but had a strong labor presence or liberal with a weaker labor presence, I address some of the contours of a state's welfare state. Declining labor presence means that in states like WV or IN, the welfare state itself needs to adapt, and many politicians are unable or unwilling to make that happen.

Business interests have increased power when they provide state benefits. When private groups, rather than the government, administers policy it comes with decreased scrutiny. Benefits can be reassessed as new workers get jobs. State governments need to maintain employment means that they allow businesses more leeway in benefits that go above minimum wage and workplace legislation. Labor unions were one way in which benefits continued. The decline of organized labor in the states, first in the private sector and now in the public, means that business interests grow even stronger. Especially because many states are strained and contracting out services, the role businesses play is less checked by outside actors.

States are going through periods of financial crisis, with increasing demands on their resources, and concern that they cannot deliver on all promised benefits (Franko and Witko 2017; Moldogaziev, Monogan and Witko 2017). Pensions and benefits for public employees have come under fire in many states as an obligation that the state could not meet, some arguing that meant that unionized employees, and their unions by advocating for them, had an unfair political advantage over other citizens (Anzia and Moe 2015). Citizens are making demands on the state for redistribution. This process could indicate that benefits that were once provided through businesses are no longer in practice. Because states had relied on private industry to provide these benefits, it does not have the capacity or the will to provide additional social policy themselves. The process reinforces itself as overwhelmed state governments contract out more benefits rather than hire their own employees.

Citizens, then, are left with three choices as unionization continues to decline. First,

they could simply do without any benefits, though this option places individuals at increased financial risk and hardship. Second, citizens could make demands on state bureaucracies, that will likely be less generous than the benefits that were previously gained through employment. Finally, workers could organize in order to regain workplace benefits and alter how industries provide for its employees. The recent teacher strikes indicate that in the face of difficult workplace conditions, many workers are going on strike.<sup>4</sup> Essentially, our understanding of democracy needs to understand that citizens are being caught up into policy changes from government, but also within their work. In order to engage within the political system, outside actors can move citizens into or away from political engagement. State decisions, made under conditions where unions are less present and states are budget-stressed, can have long lasting influence on how people experience government, for good or for bad.

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<sup>4</sup><https://www.nbcnews.com/news/us-news/west-virginia-teachers-strike-other-states-low-pay-could-also-n855606>

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