

## Why labor is a foreign policy issue

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Why the world needs a Paris climate agreement for labor to help unions.



President Trump wears a hard hat as he addresses the National Electrical Contractors Convention on October 2, 2018, in Philadelphia. *Mark Makela/Getty Images*

President Trump has made it no secret that he's courting the labor vote. He [awkwardly hosted](#) steelworkers at his press conference earlier this year after announcing steel tariffs, and his trade representative [has worked closely](#) with labor stalwarts like Sen. Sherrod Brown of Ohio. He won the 2016 election with a [greater share of union members](#) voting red than anyone in at least a generation.

The latest overture to the working class came last month, when the administration [dropped its remake](#) of the North American Free Trade Agreement, or NAFTA, which is now called the United States-Mexico-Canada Agreement, or [USMCA](#). For the first time in a trade deal, a certain percentage of auto production will be required to be made by workers paid \$16 an hour in order to take advantage of duty-free benefits. Unlike the original NAFTA, labor rights provisions are now in the core of the agreement, and Mexico has agreed to undertake reforms on collective bargaining.

All of these changes seem geared toward the [administration's stated goal](#) of having the support of “a huge number of Democrats” when Congress votes on the deal next year.

But don't break out the party streamers just yet. As [Vox reported](#), enforceability of the labor rights rules remains a major question mark. The \$16-an-hour rules only apply to one industry, and auto importers [have already identified ways](#) to circumvent them. More fundamentally, these reforms seem almost retro in a period when progressive domestic labor policy is flourishing for the first time in decades — with ambitious [proposals](#) for more sectoral bargaining or mandating worker spots on corporate boards.

At a more fundamental level, Trump's trade moves put unions in a tricky bind. If they support him for meeting longstanding demands, they deliver a win to their political enemy. If they balk, then they allow Trump to claim that he — not unions — is the true voice of the working class. If there was any doubt that Trump was seeing this through a political lens, this [evaporated when he attacked](#) the head of the AFL-CIO (who had offered qualified support for the NAFTA remake)... on Labor Day weekend.

Labor needn't accept these no-win terms of the debate. Instead of asking for trade deals that hurt their workers marginally less, labor could ask for international agreements that directly help. Here's a model for how: a new international labor treaty modeled on the Paris climate deal that puts labor at the center.

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Before getting into the meat of this new international labor treaty, consider why the underlying goal of helping labor makes sense domestically. A growing body of research shows that a decline in union power leads to economic inequality, weakened democracy, and political instability. The benefits of a union to workers is obvious, with research consistently showing a [20 percent wage premium](#) for unionized employees over those that aren't organized.

But the benefits also accrue more broadly. Economists at the [International Monetary Fund](#) have concluded that a 10 percent drop in union density is associated with a 5 percent increase in the top 10 percent's income shares, in part because of the influence that organized labor can have on disciplining managers and executives from running off with an unfair share of corporate revenues. Sociologist Jake Rosenfeld of the University of Washington in St. Louis [estimates that the decline](#) in union density accounted for 30 percent of the overall growth in private sector wage inequality among men and approximately 20 percent of that for women.

These benefits don't stop at the water's edge. Around the world, the decline of unions has opened up a space for populist authoritarians to claim to be the true voice of workers. A 2016 [study of 16 European countries](#) found that unions — especially those with strong ties to social democratic parties — help keep workers from tilting to the right.

A [2018 article](#) looking at similar survey data for a subset of these countries hypothesized why: While right-wing populism thrives on “welfare chauvinism” (or social democracy only for native whites), unions preach a gospel of solidarity among all workers and offer a political networking space to debate and disarm the siren call of the right. In the US case, [historian Timothy Minchin emphasizes](#) how anti-racist education by industrial unions in the Midwest helped white workers overcome anxiety over voting for a black candidate named Barack Hussein Obama.

This rise in the far right doesn’t just destabilize the home front; it also destabilizes internationally. In the United Kingdom, pressure from the UK Independence Party led the Tories to hold the Brexit referendum, which [attracted numerous working-class voters](#) and is now fraying the European project. In Italy, the former regionalist Northern League [successfully catapulted](#) into government after switching its rhetoric from attacking Rome to attacking Brussels. As deputy prime minister, League leader Matteo Salvini has [taken to undermining](#) common European positions on migration. While stronger unions alone couldn’t solve all these ills, the economic gains and sense of class solidarity could help lessen the appeal of the right in the first place.

How a Paris deal for labor would work

A new Worker Power Agreement would function similarly to the Paris climate deal: Nations would commit to target increases in the union density rate in the same way they target inflation rates or carbon emissions. For a country like the United States with an abysmal unionization record of 11 percent, the targets would be ambitious — say, an increase in union density of 5 percent every five years. Iceland, with around 90 percent union density, is already near a ceiling, so its commitments would involve maintaining what’s working and offering technical assistance to other countries. Every five years, countries and nongovernmental groups would take stock of progress and any mitigating factors that might be blocking it — all in a transparent setting for the world to see.

Under this agreement, nations would commit to a specific “end,” say, boosting the number of workers in a union, but the “means” of getting there — the exact mix of laws and practices — would be nationally determined. Unlike the Paris pact, this new treaty would have greater incentives to collaborate and penalties for failing to do so. If a government or firm was frustrating the national target, labor unions could launch arbitration claims against them, much as [foreign investors can do over violations](#) of investment rights in trade deals today. To preserve a balance between objectively verifiable commitments and respect for sovereignty, sanctions could only be applied against violators if multiple countries agreed.

All of this international enforcement apparatus is necessarily linked to domestic policy change. There’s a [range of ways](#) countries have increased their unionization rate in the past that could be updated for the modern era. For instance, in 2009 the [Obama administration came into office promising](#) to make procurement by federal agencies more friendly to labor. But by 2017, many of these executive orders were still tied up in lawsuits brought by business interests. The script needs to be

flipped: Incorporation benefits and subsidies should be made contingent on companies being better actors with their workforce.

Europe also has practices worthy of following. Austria and Luxembourg, for instance, have nationwide “labor chambers” where every worker is compulsorily a member, can run for office in the chamber, and pays dues through their taxes. The body represents the interests of workers, giving out legal and consumer advice to its members and commenting on national legislature proposals.

While importing this exact model to other countries could prove challenging, a similar role could be played by existing labor organizations. For instance, organizations like the AFL-CIO already “score” legislation by whether it helps or hurts workers. Instead of having to find what they think on some labor webpage, Congress could put labor’s score on the text of the legislation itself.

Finally, countries can make union membership the default rather than the exception. In some nations, union membership could be compulsory, much like membership in Austria’s labor chamber. In the US — with our constitutional skepticism of forced affiliation — the mechanism could take an opt-out form, so that when workers are hired, they would have to affirm that they do *not* want protection of their rights.

A Paris deal for labor would have another advantage: It would set clear progressive markers for evaluating policy proposals that are less susceptible to being weaseled out of, and that, if met, would lead to discernible improvement in people’s lives.

Effective policymaking is best thought of as a [feedback loop](#): Good policies create constituencies that will support them. If, having supported a policy change, voters see no benefit, this can create cynicism about the political process and ultimately disengagement. Any policy passed is thus more susceptible to reversal.

In the Worker Power Agreement, policy is political — in a good way. By emphasizing institutions, empowering workers, and sidelining opposing interests (whether in C-suites or supreme courts), this new treaty can help globalization be not only less resisted but actively supported. What could be better for peace and tranquility?

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