

# The Fix We Are In

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## Abstract

I have been thinking about the history and future of the labor movement for fifty years. As an academic in philosophy I have focused my research on the intersections of the global labor movement with philosophy of history, philosophy of science, ethics, economics, and political theory. ‘The Fix We Are In’ is a summary of my current thinking. At present the grand strategies for emancipation, ascendant in the mid-twentieth century, have faltered. Headless capitalism runs amuck. The conditions of the working class deteriorate. There is no vision of a better world—no clear pathway toward a better future. The ‘popular revolt’ bubbling up around the globe is a product of this moment. My paper concludes with a difficulty regarding my own favored way forward. Responses from readers would be welcome at: [rhudelso@uwsuper.edu](mailto:rhudelso@uwsuper.edu).

## Keywords

History of capitalism, labor history, Communism, Socialism, Social Democracy, unemployment, poverty, migrations, populism

My father was born into a tenant farm family in the American Midwest in 1915. He remembered as a boy helping to herd pigs to a holding lot next to the closest railroad. He was barefoot. He and his father and the pigs were walking on Route 40, the national highway. In 1911 my father’s grandparents had scraped together enough money to buy a small farm about ten miles north of the tenant farm. In the late 1920s, with the old people no longer able to do all the physical labor, my father’s family joined his grandparents on the farm. I remember that farm from the early 1950s. My great-grandparents were dead, but my grandparents were still there and still managing the farm. It was what was called a ‘general farm,’ largely producing for the family’s own consumption. Electricity came to the farm in the 1930s, but there was still no indoor plumbing when I first knew it. Heat was provided by coal and wood burning stoves. Fieldwork was done with horses. My brother and I both remember picking corn by hand next to a horse-drawn wagon on one cold Thanksgiving Day.

In 1933, with his family strapped for cash, my father got a job working at the Chrysler, an auto parts plant in nearby New Castle, Indiana. The Chrysler then was working with layoffs and reduced hours. A farm boy with no rent to pay could survive. He ended up working at the Chrysler until he retired some forty years later. I worked there summers when I was going to college. I remember walking to work with Dad one Monday morning. I told him how I was counting the minutes until break and then lunch and then shift change and then the weekend. He said he had been doing the same every Monday for thirty years. Still,

despite the regular layoffs and tight family budget, we managed. Today, in the literature, these years are seen as a golden era of broad-based prosperity.<sup>1</sup>

I left factory life to go to college and went on to be a college professor of philosophy. I was fortunate. I loved teaching. I liked academic life and the opportunity to keep reading and learning. The focus of my own research work has been on the proper role of markets in economic life. This took me into economics, the labor movement, and ethics. My father lived to see the passing of two ways of life: the small farms of his youth and the factory life of his adult years. After he died in 2007, I thought a lot about how much the world had changed during his lifetime. I also thought about my grandchildren and the world they would inherit. What follows is based on my academic work, but firmly attached to my working-class roots.

### **This Moment**

Global capitalism has reached a turning point of sorts. Just what the future will bring is far from clear. In part, of course, that future depends on what we make of it. By 'we' here, I mean we, the global working class. We are, of course, a multi-textured working class. Among us are different histories, different standpoints, different understandings, and different ideas about what is to be done. In this paper I want to focus primarily on certain features common to the situation we, each of us, find ourselves in. Having done that, I will turn briefly to the part about what is to be done.

### **The Near End of Primitive Accumulation**

Over its roughly three hundred-year history, capitalism has extended itself outward across the surface of the earth. As it has done so it has subsumed pre-capitalist social systems, expropriating as much as possible of the land and resources available to those social systems and dispossessing the people who had heretofore lived by means of that land and those resources. Many of those people died. Others migrated. Most of those who survived, either in the same place or far away, became a part of the growing global working class. That process continues to this day, but it is near its end. The surface of the earth is finite.

### **The Wealth of Nations**

One of the central ideas in Adam Smith's argument for capitalism is that competitive markets give each producer an incentive to lower the costs of production. To do so gives that producer greater profit for the same output sold. But, of course, all producers have the same incentive to lower the costs of production. The societal outcome will be an uneven but general reduction in costs of production across the whole range of goods produced. This outcome makes it possible to produce greater total wealth out of available resources. Adam Smith took an optimistic view of this increase in the wealth of nations. It made

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<sup>1</sup> In *Farm and Factory: Workers in the Midwest 1880-1990* (1995), Daniel Nelson provides a rich account of the world of farm and factory. Nearly everyone in the town I grew up in had at least one set of relatives still on the farm. Many of the men and women who worked at the Chrysler still lived in the country and continued to farm.

possible a broadly based increase in prosperity. A larger pie makes it possible for everyone to have a larger slice.

Unfortunately, while capitalism has made this happy outcome possible, it has not made it actual. Why should the capitalists share the wealth? In fact each capitalist has a strong incentive not to share. Competition is fierce and unrelenting. Accumulation of capital becomes a necessity for survival. Grow or die. Keep the costs of production as low as possible. Keep wages down.

### **Redundant People**

The reserve army of the unemployed has accompanied capitalism from the beginning. Dispossessed from access to the land and resources that kept their ancestors alive, people roamed the earth in search of food and shelter. Many of them starved. Many were hanged. Many were deported. Technological innovations in agriculture, industry, transport, and commerce continuously add to the pool of unemployed and under-employed. Migrants crowd the roads and boats.<sup>2</sup>

### **The Long Labor Movement**

The labor movement accompanied capitalism from the beginning. Indigenous peoples resisted capitalism. They still do. The growing class of wage-laborers formed organizations of resistance. Workers formed unions. They demanded the right to vote. They formed political parties. They won elections. They won collective bargaining rights. In some nation-states political parties with roots in the labor movement—Labor Parties, Socialists, Social Democrats, and Communists--gained control of national governments. In other nations other political parties were persuaded or pressured to implement measures popular with working-class voters. These measures varied from country to country, but in general they aimed at providing a greater share of the wealth to working people, welfare state protections, pensions, health care, regulation of working conditions, rights of collective bargaining, and in some countries a voice at the table in matters of economic governance.

The quarter century following the Second World War showed the world the fruits of that long labor movement. In Western Europe, Socialist and Social Democratic parties, allied with organized labor, created nation-state versions of capitalism with a human face. Similar but somewhat more capitalist-friendly humane capitalisms were created in the UK, Australia, New Zealand, and even in the USA. In the Communist world built on the foundation of the Bolshevik Revolution, a radical alternative to capitalism presented itself as an incarnation of the rule of the working class. And, inspired by what had been accomplished in Russia and by Communist support for anti-colonial struggles, working-class friendly, anti-colonial governments came to power in China, India, Indonesia, Ghana, Egypt, Syria, Cuba, and elsewhere. By 1975, with the victory of the National Liberation Front in Vietnam and the Meidner plan gaining support in the Social Democratic world,

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<sup>2</sup> In *Common People: The History of an English Family* (2014), Alison Light documents the precarious economic security of her working-class family from the early 1800s on.

capitalism appeared to be in global retreat. It was then not unreasonable to hope for the long-awaited ascendancy of the working class.

### **The Resurgence of Capitalism**

If the decade of the 70s began with an ascendant global working class, it ended with the resurgence of capitalist domination. The elections of Margaret Thatcher in Great Britain (1979) and Ronald Reagan in the USA (1980) both reflected and to some extent led this change. By the end of the decade labor unions were on the defensive in both the UK and the USA. Finance capital gained the upper hand, directing a rapid deindustrialization that undermined working-class communities. At the Chrysler in New Castle, part of production was moved to Mexico. Automation further reduced jobs. Within a few years, in the early 1980s, employment at the plant was cut in half, from roughly 4,000 to roughly 2,000. After some further ministrations by the wizards of finance, the plant shut down completely.<sup>3</sup> The neo-liberal turn would dominate economic policy in the UK and USA for the next quarter century. It also had a large impact on some other parts of the world, both as a persuasive ideology and as a powerful force in control of institutions attempting to guide global economic development, institutions like the World Bank, the International Monetary Fund, and the United States Agency for International Development.

### **The Collapse of the Socialist Alternative**

The Bolshevik Revolution gave the specter of communism an in-the-flesh reality. For a significant part of the multi-ethnic global working class convinced of an approaching, liberating socialist future, the Bolshevik Revolution was a momentous and joyous event. The building of socialism in “backward” Russia became a model for anti-colonial movements in Asia, Africa, and Latin America. Leaders of many of the anti-colonialist struggles saw Soviet-style central planning as a way to develop economic foundations that would rapidly lift up the poor masses of the working class oppressed by capitalist colonialism. Prominent among these leaders were Mao Zedong, Jawaharlal Nehru, Gamal Abdel Nasser, Kwame Nkrumah, and Fidel Castro.

The collapse of the Soviet Union had multiple causes. The vanguard role of the Communist Party no doubt served the working class in creating a foundation for economic development that did lift up masses of working people. But, it also created a new ruling class, an elite that exercised power and enjoyed a privileged way of life. Economic development under a bureaucracy of Communist functionaries also opened the door for corruption and inefficiency. The political suppression of opposition voices and opposition forces further undermined the ruling elite.

Not all of the post-colonial attempts to employ aspects of the Soviet model were burdened with these faults. India, for example, remained firmly committed to a democratic path that tolerated oppositional voices and oppositional forces. But, each such attempt was burdened by problems inherent in the idea of a planned economy directed by the state. All such

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<sup>3</sup> In *The New Castle Communicator*, a publication of the Chrysler corporation (Sept. 2003), Beverly Matthews chronicles the rapid changes in the management of the plant before the shutdown.

attempts were burdened by inefficiencies, corruption, and the creation of a privileged elite. *The Economics of Feasible Socialism* (Nove 1983) gives a sympathetic yet powerful analysis of the deep roots of these difficulties in the attempt to institute and manage a planned economy. Before I read that book I considered myself a ‘socialist.’ After, I considered myself a ‘social democrat.’

By the mid 70s, it was becoming clear that state-planned development had stalled in the Soviet Union, China, the Middle East, Africa, and Latin America. Reform ideas circulated within the Communist world, many of them supporting greater reliance on markets and some recommending greater roles for privately owned enterprises. With the selection of Mikhail Gorbachev as General Secretary of the Communist Party of the USSR in 1985, this process of reform, already underway in much of Eastern Europe, accelerated and became more open to public discussion. The planned implementation of reforms within a commitment to socialism rapidly unraveled. A system of crony capitalism privileging many of the former Soviet elites gained hold, leaving much of the working class much worse off than before the change.

Similar changes followed throughout Eastern Europe. In China, ‘socialism with Chinese characteristics’ remains the official program of the ruling Communist Party, but a similar turn toward free markets and considerable private property has created an economic system marked by great inequalities of wealth and power. Within much of the former Communist world the changes of the last three decades have left a large part of its working class economically insecure and nostalgic for the Communist past. Many people have emigrated in search of employment only to find themselves living as part of a marginalized underclass. For much of the global working class, a possible better world was lost.

### **The Quarter Century Triumph of Neo-Liberalism**

The collapse of the Soviet Union and Communist governments in Eastern Europe came at the end of a decade marked by the rapid rise of neo-liberalism. The dramatic collapse of ‘existing socialism’ seemed to confirm the neo-liberal alternative. A triumphalist self-certainty buoyed neo-liberal prescriptions for ‘shock therapy’ in the former communist world and for free-market policy everywhere, as the surest path to global prosperity. The new direction in China and the rise of the ‘Asian Tigers’ added wind to neo-liberal sails. So too did ‘liberalization’ in Scandinavia and Western Europe in the 1980s and in India in the 1990s. In a famous essay Francis Fukuyama foresaw the ‘end of history’ in a universal future of ‘democratic’ free market systems (1989).

There were a few skeptics. Among them was John Gray, a conservative British thinker. In the 1984 presidential election campaign in the USA, a campaign ad for the reelection of President Ronald Reagan famously proclaimed that it was ‘morning again in America.’ Gray wrote a scathing criticism of neo-liberalism entitled *False Dawn* (1990). The book attacked the rosy faith in unregulated free markets underlying government policy in the UK and the USA. Gray pointed out that those policies were in fact rapidly destroying the broad-based prosperity built up by the reformed capitalism of the earlier twentieth century.

The great recession of 2007 and the years that followed awakened a broader awareness of the failure of neo-liberal policy on multiple levels. Its economic theory rests on unrealistic assumptions (Schlefer 2012) and long discredited theories (Quiggin 2010). Further, there is a powerful economic argument for the view that neo-liberalism will lead to ever-increasing levels of inequality, threatening broad-based prosperity, freedom, and democracy (Piketty 2014). A recent history of the American standard of living confirms just how bad things really are in the United States. From 1972-2013, real, inflation-adjusted income actually fell for 90% of American households. From 1983 to 2013, real wealth for 46% of American households remained virtually flat. For 33% of households, real wealth fell, from \$11,400 to \$9,300. Only for the top 21% of households did real wealth significantly rise. For them it virtually doubled (Gordon 2016, p. 609 and p. 620).

### **Our Future: Global Unemployment, Poverty, and Migrations?**

The global market is the central institution linking the peoples of the world. This is not to say the market determines our fate. Other forces are at work, including the consciousness of every human being. It is only to say that whatever agency each of us exercises takes place within a context significantly shaped and constrained by that global market. The land and resources of the earth have owners. Most of us have no such ownership. Market forces, whether competitive or oligopolistic, push owners of capital to accumulate. Market forces push owners to reduce costs of production, including employment of human labor. There is no law of economics saying that market forces will produce a world of full employment and broad-based prosperity. Nor does historical experience support that idea. It took greater democratic control of markets to produce the humane capitalism of the mid-twentieth century in parts of the world. Neo-liberalism encouraged greater reliance on market forces. It weakened democratic control. The neo-liberal era produced a world of increased wealth more narrowly shared.

It also leaves us in a world of massive unemployment and underemployment. A report issued in January 2017 by the United Nations' International Labor Organization projects increasing levels of global unemployment for 2017. In addition it projects vulnerable forms of employment ('contributing family workers or own account workers') as making up 42 percent of total global employment. Further, it projects a global 'working poverty' rate (\$3.10/day or less) of 28.1 percent. The report warns that 'global uncertainty and the lack of decent jobs are, among other factors, underpinning social unrest and migration in many parts of the world' (International Labor Organization, 2017). Insofar as employment insecurity, social unrest, and migration have accompanied free market capitalism throughout its history, it should come as no surprise that employment insecurity, social unrest, and migration would increase in the wake the of the neo-liberal turn.

The current plight of war refugees is enormous and morally compelling. In September 2016 the number of refugees stood at 65 million, the most ever recorded. (International Crisis Group, 2017). The wars that created these refugees have roots in post-Great War battles over control of Middle Eastern oil and in cold war proxy wars in Africa over oil and

minerals.<sup>4</sup> It should also be noted that current economic conditions fuel even greater migrations. ‘The refugee crisis is a distinct phenomenon, to be treated as such. But it is part of the larger dynamic of the mass movement of people. There are some 170 million migrants globally. According to the Board of Trustees International Crisis Group, ‘demographic trends, economic stress, state weakness, climate change and growing inequality suggest that this trend is unlikely to recede imminently’ (2016).

### **Populist Revolt**

Employment insecurity and fear of immigrants are clearly causal factors behind the global ‘populist’ surge of recent years. These factors are connected. People who are economically insecure fear that immigrants will take their jobs. They also fear that immigrants will impose social welfare costs on them. Such populist anti-immigrant sentiments are understandable, but in the face of existing global economic inequality, not even a wall on the USA-Mexico border is apt to succeed in stopping the flow of immigrants.

The long review of the history of capitalism offered above aims at establishing two central claims: that capitalism without democratic control produces substantial employment insecurity; and that employment insecurity causes migration. Now we add that employment insecurity and fear of immigrants are surely important aspects of the current populist revolt. The retreat from reformed capitalism, particularly in the UK and USA, has exacerbated tendencies inherent in unregulated capitalism and set loose a global race to the bottom. It is no accident that, within advanced economies, the populist revolt has been most pronounced in the UK and USA. In what follows I will be focused largely on the populist revolt in the USA.

Before going further, several points are in order. First, discussions of the current populist revolt, at least in the USA, often mention ‘anxieties,’ ‘feelings of being left out,’ ‘fears,’ ‘alienation,’ and other socio-psychological conditions found within the contemporary working class. These psychological conditions are real. But, they are not baseless. The working class has been left out. The wealth of nations has grown. Working-class wealth has not. A larger and larger part of the working class is, in fact, economically insecure. The underlying realities need to be addressed.

Second, education is not the answer. It is true that there are shortages of trained workers in some fields. That is one of the causes of immigration. However, research on future jobs consistently shows that the greatest demand for jobs will be in sectors that do not require advanced education.<sup>5</sup> The economy of the future will require people to clean hotel rooms, bathe the elderly, and work in retail stores. Currently far too many of these and many other jobs do not provide a living wage. There seems to be no reason in economic theory or economic history to think that market forces or economic growth will suffice to guarantee a living wage. Isn’t this a simple matter of justice? Is it just to pay someone performing

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<sup>4</sup> Scott Anderson’s *Lawrence in Arabia* (2014) provides a prescient view of the roots of the current wars in the Middle East, in post-war betrayals of Arab allies by English and American colonial and commercial interests.

<sup>5</sup> In the USA, for example: [https://www.bls.gov/emp/ep\\_table\\_104.htm](https://www.bls.gov/emp/ep_table_104.htm) (accessed 13 March 2017).

socially necessary labor less than a living wage? To be angry about doing such work for an inadequate wage is both a sign of moral sense and a healthy human response.

Third, something needs to be said about an alternative view of what is causing popular revolt. J. D. Vance's *Hillbilly Elegy* is a recent book that has received much notice in the USA. The book is subtitled, *A Memoir of a Family and Culture in Crisis*. Vance grew up in Middletown, a factory town in Ohio. His family has roots in Breathitt County, in the Appalachian hills of southeastern Kentucky. Members of Vance's family have struggled with poverty, alcohol, drugs, unstable marriages, domestic violence, and borderline criminal behavior. While acknowledging that his family faced challenges in Middletown caused by the decline of manufacturing in the USA, Vance argues that his family's Scotch-Irish hillbilly culture also plays a role in its inability to respond to challenges in a constructive way.

### **A Critique of the Cultural Argument**

It is not the purpose of this paper to argue that economics explains everything. It might be that economics and culture are each explanatorily relevant. That said, there remain some problems with the scope and relevance of the particular cultural factor claimed here by Vance.

For one thing, in *Hillbilly Elegy* the reader discovers a number of individuals in Vance's extended family who somehow escaped the influence of hillbilly culture, apparently without much struggle or trauma. What this suggests is that culture, like scripture, is open to interpretations. Culture is rich. Individuals draw from it in different ways. It also allows for considerable freedom. Individuals can escape. It is much more difficult to escape from the economic insecurity surrounding working-class life in a capitalist world.

Moreover, amid those praising *Hillbilly Elegy* are a number of observers who have found in the book a much-sought explanation for the revolt of America's entire white working class. On the dust jacket of Vance's book, Reihan Salam, executive editor of the conservative *National Review*, says, 'To understand the rage and disaffection of America's working-class whites, look to Greater Appalachia.' Would this include the rage and disaffection of the working-class whites on Minnesota's Iron Range made up of South Slavs, Italians, Scandinavians and Finns? Are they from 'Greater Appalachia?' Peter Thiel, venture capitalist and libertarian proponent of free market capitalism, goes even further in his dust jacket comment on the book: 'Elites tend to see our social crisis in terms of 'stagnation' or 'inequality.' J.D. Vance writes powerfully about the real people that are kept out of sight by academic abstractions.' Would these 'real people' include African Americans? Latinos? Native Americans? Does Thiel take them to be part of Appalachian culture? More than a few of them are also given to rage and disaffection. More than a few of them also exhibit the behaviors Vance's cultural factor is meant to explain. And, does Thiel mean to deny that real wages for working-class folks have remained stagnant and their employment security declined? Does he mean to say that this is of no importance?



Vance himself limits the scope of his ‘culture in crisis’ to people with roots in Scotch-Irish Appalachia (Vance 2016, pp. 2-9). He does not talk about the much larger American working class that includes whites of diverse ethnicities, African-Americans, Latinos, Native Americans, Asians and others. Still, does Vance’s cultural hypothesis help much with respect to the Scotch-Irish Appalachians? Vance sees his hillbilly culture as one that ‘increasingly encourages social decay instead of counteracting it’ (p. 7). He goes on to say, “There is a lack of agency here—a feeling that you have little control over your life and a willingness to blame everyone but yourself” (p. 7). Further, he says, “This is distinct from the larger economic landscape of modern America” (p. 7).

But, are the destructive behaviors Vance is trying to explain specific to working-class whites with ties to Appalachia? The behaviors Vance has in mind are common throughout much of working-class America of the present, throughout much of present-day working-class Britain, and in much of the present day working class in other parts of the world. We might also drop the word ‘present.’ Many of the behaviors Vance seeks to explain were common in the working-class world described by Charles Dickens. And, at an even more general level, these same behaviors may be typical of subordinate and under-respected people everywhere.<sup>6</sup> It is not at all clear that Appalachian culture is either causally necessary or causally sufficient for the behaviors Vance seeks to explain.

Finally, it should be noted, the culture surrounding Scotch-Irish Appalachia has not always been like the culture surrounding Vance’s family. Before the Civil War it was a place of self-sufficient small farms with relatively strong support for the abolition of slavery. It was the late nineteenth-century industrial development of Appalachia that destroyed much of the farmland, turned many of the people into economically insecure millhands and miners, transformed the region into a showplace pocket of poverty, and prompted the mass migration north (Eller 1982).

### **How Could They Vote for Trump?**

The surprising victory of Donald Trump in the recent presidential election has brought a lot of attention to the white working class in the USA. It has also brought a lot of insults: ‘racist,’ ‘xenophobic’ and ‘ignorant’ are just a few of the most common. The critics have a point. Racism, xenophobia, and ignorance are abundantly spread within the white working class. But, then, in fairness it should be note that racism, xenophobia, and ignorance can also be found in abundance in affluent suburbs, country clubs, and corporate boardrooms. A lot of those folks voted for Trump too. And, finally, as often noted, the same white working class that voted for Trump in 2016 tilted for Obama in 2008. So, why the change?

The change has been a long time in the making. In the early 1970s the Democrats had control of the White House and both houses of Congress. Seeing an opportunity to regain ground, organized labor pushed for a return of labor law to rules friendlier to labor. However, even with control of Congress and the White House, the Democrats failed to pass a labor law reform bill (Gross 1995, pp. 236-239). With inflation rising, real wages

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<sup>6</sup> Consider, for example, Franz Fanon’s description of colonized people in *Wretched of the Earth* (1963).

falling, labor density declining, and unions powerless to resist, the country entered the 1980 presidential campaign. The Republicans promised change. The Democrats offered nothing to address mounting economic insecurity in the working class (white, black, and otherwise). A significant number of working-class whites became Reagan supporters. In the presidential campaign of 2008, with the Republicans promising more of the same policies that brought the great recession of 2007 and Obama promising ‘change,’ the white-working class swung back to the Democrats. In 2012, with no change in sight, white working-class voters split their support or stayed home. In 2016 the Republicans promised change, and the Democrats had nothing major to offer. Once again, the white working class voted for the party of ‘change.’

I do not by any means intend to condone racism, xenophobia, spousal abuse, drug use, or criminal violence. I just think we need to think seriously about the situation we are in. We appear to be at a long-coming historical outcome. Capital accumulation governs. We can be easily replaced. Tomorrow we may be redundant.

### **What Now?**

Here in the USA the populist revolt has put a lot of hope in President Donald Trump. The change Trump promised isn’t going to happen. The change Trump is most likely to deliver will be a blend of corporate-subsidized crony capitalism and neo-liberalism, neither of which will benefit a significant portion of the working class. Trump’s celebrated rescue of Carrier air-conditioning workers in Indiana turns out to be a subsidy paid to Carrier Corporation by Indiana taxpayers. It will save some jobs for at least a few years, but leave most working-class Hoosiers (residents of Indiana) net losers. If Congressional Republicans bypass Trump, free-market neo-liberalism will prevail a little longer and the condition of the global working-class will continue to deteriorate.

### **Better Alternatives?**

Soviet-model planned alternatives to markets, even in possible democratic form, would face the same theoretical and practical difficulties with central planning as were encountered in the Soviet Bloc, China and India, where such policies were tried. Such alternatives have the added disadvantage of being politically inconceivable within the foreseeable future.

Only slightly less politically inconceivable is a return to the model that prevailed in the USA during the era of strong labor unions and broad-based prosperity. Besides near political inconceivability, the USA model is unattractive because it channels labor solidarity into narrow self-interested bargaining units instead of into broad support for the working class as a whole. This leaves American unions susceptible to legitimate charges that they are special interest groups.

The most attractive pathway into the future is the social-democratic model found in Scandinavia and some western European countries. In this model, labor solidarity is institutionalized into centralized bargaining that sets standards protecting all or nearly all

of the working class. This makes for more broad-based prosperity and for stronger support for unions.<sup>7</sup> It is this “Swedish way” that Bernie Sanders openly supported in the recent Democratic Party presidential primary. What he was proposing found surprising support and might even have won a majority of working-class voters had he prevailed in the primary. Still, even if such a pathway into the future were eventually to prevail in the USA and all other countries as well, major difficulties remain.

The social democratic models found in Scandinavia and elsewhere all involve institutional structures that work within the context of independent nation-states. Representatives of organized labor meet with representatives of organized business and representatives of government. They negotiate an agreement that attempts to protect the interests of all parties so far as possible and also attempts to provide support for interests sacrificed for the greater good. This involves considerable long-range planning based on assessment of the strengths and weaknesses of the national economy.<sup>8</sup>

An important theoretical and practical problem involves how such models might be extended beyond the level of the nation-state. There was some talk about doing this among leading European Social Democrats in the early 1960s, but for complex reasons European Social Democrats backed away from that. The result was the economic structure of the Eurozone we know today. This involves a system where the international agencies that do exercise some power are only tenuously and disputatively under any sort of democratic control. They are widely viewed within working-class communities with suspicion, as agents of organized capital, foreign governments, or global elites. Further, setting such mistrust aside, the recent difficulties of balancing the interests of Germany and Greece within the existing institutional framework of the EU illustrate how very difficult expanding any social democratic model to a global level would be (Reuss 2016).

We seem to be in a real fix here. Realistic solutions will require building global institutions capable of protecting working-class interests. However, understandably skeptical of remote elites, large sectors of the global working class are caught up in a populist revolt against such international institutions.

But what are the alternatives? Boom here and bust there? Mass migrations from there to here? Xenophobia and war? Paul Wellstone, Minnesota’s beloved Senator, used to say, ‘We all do better when we all do better.’ This is a little short on details, but nonetheless profoundly true.

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<sup>7</sup> In *The Rise and Decline of Nations* (1982), Mancur Olson presents an economic analysis showing why ‘encompassing’ labor unions are preferable to ‘narrow’ labor unions. Conservatives like to cite this book as a criticism of British and American unions, but fail to notice the radical implications of Olson’s analysis supporting larger, stronger, and more centralized labor unions like those in Scandinavia.

<sup>8</sup> *Working Under Different Rules* (ed. Richard B. Freeman 1994) provides a collection of essays on the institutionalized labor movement in different countries. See also: Martin Schröder, *Integrating Varieties of Capitalism and Welfare State Research* (2013). Schröder’s analysis strongly suggests that centralized and encompassing labor negotiations coupled with centralized and encompassing welfare support work better to promote working-class interests.

## Author Bio

Richard Hudelson grew up in an auto parts town in what is now the rust belt of the US Midwest. His father and grandfather were blue-collar factory workers. He escaped the factories to go to college, took three years to do off-campus organizing against the war in Viet Nam, and finished a PhD in philosophy at the University of Michigan. He taught for nineteen years at the University of Minnesota Duluth and another fourteen years at the University of Wisconsin Superior. In addition to articles and reviews, he is the author of five books. The focus of his research work was on the history of socialist thought. His most recent publications have been in labor history. He is currently working on a soon to be published reflective memoir.

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