

# Stanford SOCIAL INNOVATION<sup>Review</sup>

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***Realizing Democracy Supplement***  
**Workplace Power**  
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of power to make sure that some had access and others didn't. By the 1980s, American democracy was structured around a political alliance of free-market thinkers, big-business interests hostile to the New Deal settlement, social conservatives, antifeminists, and anticivil rights groups. Not everyone with these views signed on to everything that their political bedfellows believed, but this configuration of interests proved to be a powerful foundation for the conservative dominance of politics and public policy for the last half century.

The neoliberal ideological undercurrent has helped drive, legitimize, and validate a policy agenda that has not delivered the equitable growth it once promised. Instead, it has further concentrated economic wealth and power and further weakened democratic reforms. "Right to work" laws in the states have proliferated, as have a slew of judicial opinions that have severely undermined the ability of workers to organize. The antigovernment and antitax revolution of the Reagan era led to a persisting proliferation of "balanced budget" requirements at the state and local levels, and sporadic spasms of concern about the federal deficit. The result was less economic security and less voice for working people, and proposals to cut public provision of health care or other income supports were validated by the argument that people need to "stand on their own two feet." But such fiscal prudence is curiously absent in the face of conservative dismantling of the government's tax base.

We also see these presumptions in shaping liberal policy vision. Consider how even with unified control of the federal government, the Obama administration stopped short of the kind of economic stimulus that was needed to arrest the slide into the Great Recession of 2008. Or the predilection of many liberal reformers to prefer incremental improvements in the safety net through hidden transfers like tax credits rather than through more politically sustainable and inequality-reducing commitments to public provision and public options.

The result of these conservative policy ideas—and these self-limited liberal reforms—has been to facilitate the economic inequality and control that now shapes the vast majority of Americans' lives.

#### DE-RIGGING THE ECONOMY

By contrast, building a more inclusive economy and democracy requires policies that address three critical front lines:

- **Create a new policy agenda to shift economic power.** This new agenda must

dismantle the concentration of corporate power and its control over the economy itself. We should look at new antitrust efforts, from stronger enforcement to new standards of effective competition (taking into account harms to workers, suppliers, and market competition generally, rather than focusing on price alone).

- **Build up the countervailing power of government and civil society.** The decline of labor unions is a key reason why wages have stayed stagnant and the electoral returns have shifted in favor of conservatives. Furthermore, the dismantling of government regulatory regimes has further concentrated wealth and power in the corporate sector. The gutting of federal budgets and tax receipts has similarly fueled the hollowing out of the modern safety net. An inclusive economy requires robust government and robust worker organizing to push for and defend these policies in the political arena.
- **Craft institutional designs that democratize economic governance more broadly.** These must lie outside the episodic moments of elections and focus on the day-to-day of economic policymaking. To better distribute wealth and opportunity requires the workers and communities most affected to have a voice in the governance of these economic institutions. New forms of worker voice and more democratic forms of governing corporations, shifting firms from acting like quasi-authoritarian "private governments" to workplaces that treat stakeholders equitably, can help ensure an equitable flow of value.

The crises of democracy and inequality are deeply interrelated. Concentration of political power helps ensure that public policies continue to serve the interests of the wealthy and well-resourced. Meanwhile, concentration of economic power helps megacorporations and wealthy interests dominate, while also ensuring a concentration of political influence that blunts policies that could undermine this vicious cycle. Realizing democracy requires democratizing economic power across the areas of corporate power, public power, and inclusive economic governance.

But while the crisis of economic and political inequality is severe, we are also in a moment of remarkable innovation and mobilization in public policy and civil society. These developments, if pursued to reality, can help break the vicious cycle of self-reinforcing inequality and replace it with a more virtuous cycle of self-reinforcing democracy. ●

# Workplace Power

Linking worker movements to social ones can free democracy from corporate clutches.

BY ANDREA DEHLENDORF & MICHELLE MILLER

**H**ealthy, inclusive democracies and economies need working people to thrive. In the United States, 80 percent of working people currently live paycheck to paycheck. Full-time jobs with benefits are increasingly a relic of the past. Private equity firms currently own businesses employing close to six million people, and the largest US employers, like Walmart and Amazon, amass private power that rivals that of the state and destabilizes democracy. Corporate and financial sector giants use profits generated in part by those who work to enrich already-wealthy executives and shareholders instead of investing back to people who work. To rebalance our democracy and economy, a real system of economic checks and balances must exist to ensure that working people have power in their workplaces.

In response to catastrophic levels of inequality, economic instability, and imbalance of power, working people are taking direct, collective action. They are challenging their employers to raise pay, increase stability, and address structural racial and gender inequality in the workplace. These decentralized movements increasingly espouse critiques of concentrated power and use workplace organizing to contest it. They link immediate kitchen table economic issues to how corporate and financial sectors are governed and operate, extending to their broader social, economic, and environmental impacts. These emerging movements are winning concrete gains by challenging the corporate and financial sectors' power that is causing inequality.

These campaigns are led from the bottom up with support from emergent labor and community groups building new organization models as well as traditional unions. They are aided by social and digital media platforms that have cre-

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ated a context where millions of working people can share their experiences, build a shared consciousness of their experiences at work, and create distributed online and on-the-ground actions. Some of these movements are organic; others receive focused organizational support from groups like United for Respect (UFR) and Coworker, Jobs with Justice, Bargaining for the Common Good, and traditional unions.

Using social networks and internal communications networks within corporations themselves, people are claiming virtual space to link dynamically with on-the-ground power building and collective action directly aimed at corporate decision makers. Organizing outside of the traditional union infrastructure has opened up new approaches for institutionalizing the power of working people. As these efforts begin to take shape, there has also been the strengthening of organizational infrastructure to support organizing led by working people. Broad public support for people taking workplace action is growing.

At Coworker and UFR, we have experienced an unprecedented increase in requests for support and training on how to campaign, talk to coworkers, and understand workplace rights and labor laws.

#### IMPACT IN A NEW MOMENT

Coworker is a digital-first organization that supports worker-led organizing using a campaign platform, social technology tools, and media strategy in combination with direct leadership support. We support organizing where there's otherwise no infrastructure or entry point to the labor movement. We have nurtured the growth of digital collectives of people working at places like Starbucks, Uber, REI, and Publix, assisting people working in the mostly low-wage service sector.

Over the last couple of years, we have heard from tech workers across the industry who are concerned about the human rights impacts of the technology they are building. They are concerned about the potential for tech to enable surveillance, harassment, and detainment of marginalized populations. At Google, employees have organized around a host of issues, including diversity and equity policies, opposing the use of artificial intelligence for drone surveillance, and equal treatment of contract workers. This employee-led organizing has demonstrated possibility to people working across the tech sector, setting off a wave of organizing in other companies and significantly altering the way stories about them are reported. The tech press has become more critical, more probing of the power of



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these companies. In companies like Google, which exercise social, political, and economic power that rivals that of the state, employees are one of the few checks on the continued expansion of that power. This work is part of a wave of pro-democracy organizing that demands shared governance over institutions with outsized power and influence.

UFR is a national organization that merges online and on-the-ground organizing strategies to reach, connect, and activate the 16 million people who work in the retail sector. Retail clerks, stockers, and others are facing some of the most devastating economic pain and instability in the United States as the industry consolidates, Walmart and Amazon grow and destabilize and dehumanize the workplace, and smaller retailers are driven out of business as a consequence of extractive investment and competition with a monopoly. UFR has a

base of hundreds of thousands and a reach of millions of people working in low-wage jobs.

UFR's Toys "R" Us campaign demonstrates how we execute fast, deep engagement in the service sector workforce and politicize issues of jobs and the economy among women and working-class voters. Last year, 33,000 people were forced out of their jobs after private equity firms bankrupted the company. In a few short months, UFR leaders and organizers reached more than 10,000 Toys "R" Us workers online, conducted over 2,000 one-on-one organizing conversations, carried out 400 actions, and developed 150 leaders. Toys "R" Us workers actively engaged nationwide, from taking direct action in their stores to giving public testimony at pension fund meetings, in the fight to win severance pay from the private equity owners. Their activism led to a historic settlement with the private equity firms for a \$20 million hardship fund.

In the aftermath, UFR leaders worked closely with Senator Elizabeth Warren and other key elected leaders and partners, including Americans for Financial Reform, to introduce the Stop Wall Street Looting Act of 2019 to create guardrails for the industry. With the trail of private equity-driven retail bankruptcies that followed Toys “R” Us, from Shopko to Gymboree to Sears, it was clear that there needed to be federal regulation that curbed the industry’s worst practices and investment strategies. The Stop Wall Street Looting Act has provisions to mitigate these dangerous investment strategies and ensure that portfolio companies, consumers, workers, and investors are protected. This historic bill levels the playing field for those who have felt abused by private equity, whether it is retail workers facing job loss, public pension funds struggling to get greater fee disclosures, or those challenging private equity’s profiteering from immigrant detention facilities. The voice of working people who had been directly impacted has been critically important to the development of regulation that we hope will grow and evolve a more equitable business model that does not profit at the expense of people or the planet.

#### A BRAVE NEW WORLD

What ties all this and similar campaigns together is people using their collective voice to impact working conditions and corporate decision making on issues of existential importance, rewriting the rules so that they work for all of us. Teachers went on strike for increased pay, reduced class sizes, and expanded student programs. Tech programmers at Amazon used their voice as shareholders to push on sustainability practices. Wayfair tech workers demonstrated to protest their employer’s role in supplying furniture to immigrant detention centers. Nurses have long campaigned for quality patient care for those they serve and universal health care. Bank tellers and loan officers called for changes to compensation so that pay is not tied to extractive sales quotas, as well as a role in regulation. From teachers to bank tellers to programmers, working people are wielding their voices and power to challenge core decisions on how government and corporations—which could not function without their labor—are run.

These new movements will strengthen existing organizations and inspire new ones. They also create a moment for introspection and reflection to move forward: How can labor and movement organizations respond to this spike in interest and willingness? Can we translate that popularity into lasting power? How can working people rewrite

the rules of how we build and hold power where we work, win economic stability, and fundamentally transform the ways we govern corporations? How do we embrace the tremendous reach and energy of social media and digital tools and build infrastructure that institutionalizes them into lasting bases of power?

We can win only by unifying campaigns for power and democracy in the workplace to social movements. To create multiracial, participatory, and equitable institutions owned by working people, we need to question the fundamental principles and design of our current democratic and economic systems. ●

## Reversing Income Inequality

The Los Angeles teachers’ strike is a master class in using unions to build bases and secure progressive wins.

BY JANE MCALEVEY

**W**hen Margaret Thatcher famously said, “And, you know, there’s no such thing as society. There are individual men and women and there are families,” she wasn’t making an observation. She was declaring a strategy to unmake a once-powerful working class. For several decades, at least since Thatcher and Ronald Reagan delivered severe blows to unions in their respective countries, it has been open season on workers. Academics and policymakers argue about how to preserve or restore a decent quality of life for workers—all for naught.

These endless debates about how to reverse income inequality and restore and strengthen democracy are a constant distraction from a more urgent need: workers who can organize together to form fighting organizations capable of effective mass collective action. Two of the most democratizing movements in US history—the union movement of the 1930s and 1940s, and the civil rights movement of the 1950s and 1960s—

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both relied heavily on confronting a seemingly unshakable power structure with direct-action organizing. Both movements understood that challenging power required power-building strategies. The only strategic advantage that the non-elite have over billionaires and the political elite is population size. To win elections or policy or political support, those large numbers must create sustainable, demonstrable supermajorities capable of persuading corporations and the political elite to come to the negotiating table.

The best evidence that unions continue to be not only relevant but urgent is the explosion of labor strikes over the past 18 months. These include the multicity, multistate strike by low-wage immigrant workers against Marriott, the largest hotel corporation in the world; the uprising by 31,000 Stop & Shop workers in New England; and the enormous strikes in the education sector, like the one in Los Angeles. The victories have been uneven, but each strike either has stopped egregious corporate behavior or has led to progressive breakthroughs not seen in decades.

When it comes to the Los Angeles teachers’ strike, the policy wins are more enforceable than legislation because workers have secured the right to redress if employers try to evade implementation. More important, the teachers, students, and parents together built organizations capable of implementing their achievements. According to Alex Caputo-Pearl, an award-winning high school teacher of 22 years and president of United Teachers Los Angeles (UTLA), “We knew they’d never agree to our demands, including Green Spaces, creating an Immigrants Defense Fund [US Immigration and Customs Enforcement had been increasingly targeting schools], a big expansion of school nurses and guidance counselors, or our top demand to reduce the number of kids per class, unless and until we were out on strike with parents standing united behind the demands.”

Caputo-Pearl knew this because the students, the parents, and their teachers were pitted against a recently appointed school board superintendent who was a hedge fund billionaire with zero experience in the education field. Less than 60 days after his appointment in May 2018, Austin Beutner published a report titled “Hard Choices,” which declared that teachers were overpaid and overcompensated, and called for a 47 percent reduction in their benefits, which he declared to be “too generous.” This is in Los Angeles, where full-time workers live in their cars and buy gym memberships to shower. With per pupil spending in California ranked 47th in the nation, Beutner declared that teachers—who