

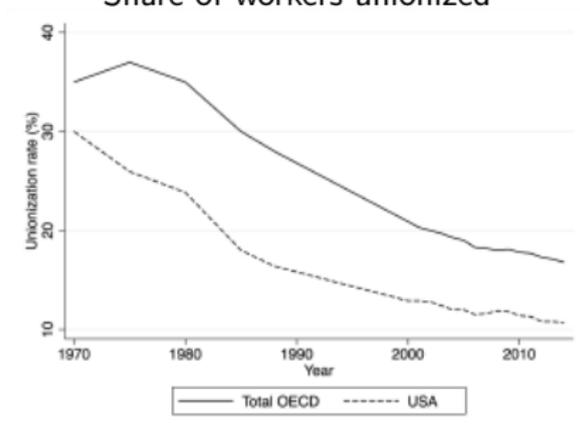
Unions and protectionist populism: The role of unions in the backlash against globalization

Carlos Felipe Balcázar
Yale University
MacMillan Center

October, 2023

The problem of union decline

Share of workers unionized

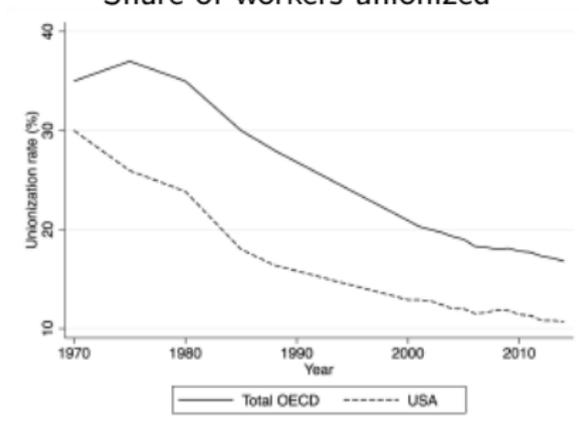


Still 100+ mill. workers

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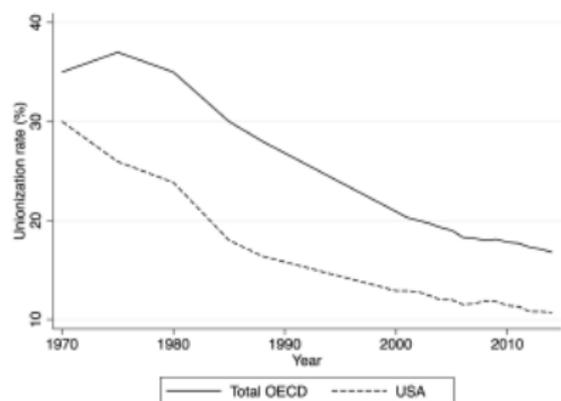


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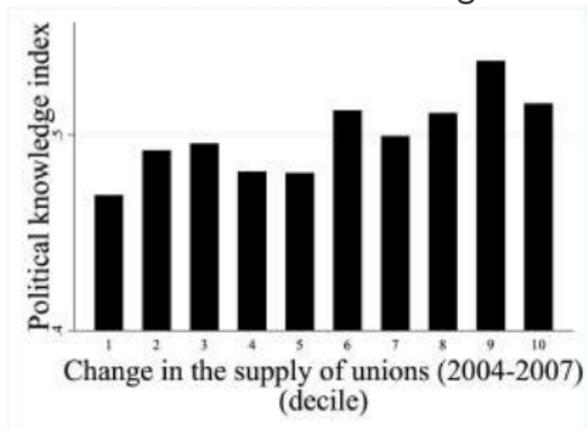


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- Provide costly information;
promote cosmopolitanism.
(Bennett, 2007; Rosenfeld, 2011)

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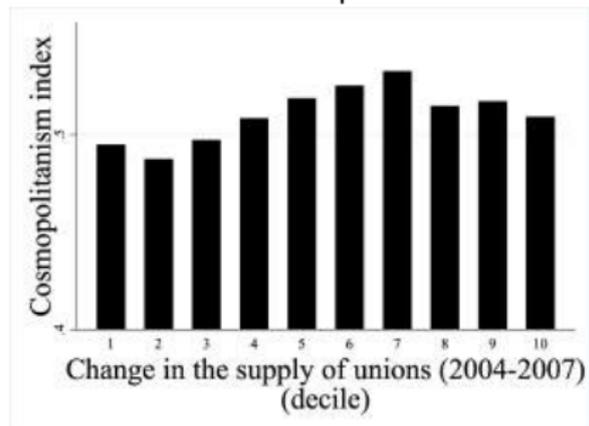
Unions increase knowledge



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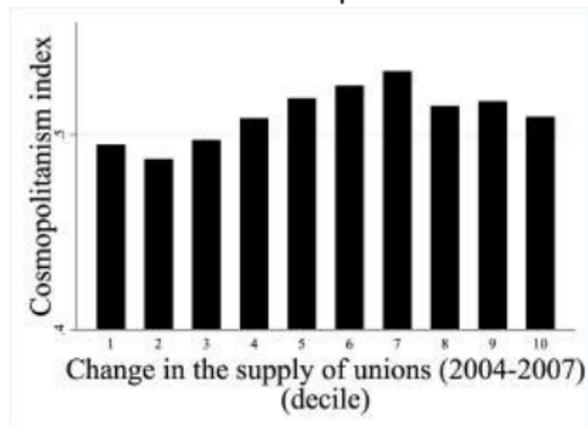
Promote cosmopolitanism



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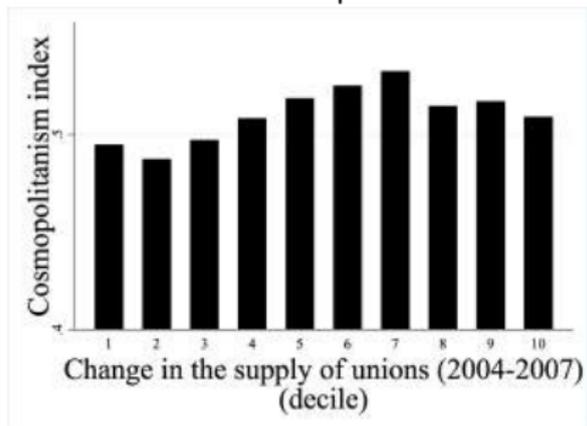
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Unions assist compensating losers from globalization:

- ↑ redistributive policies benefitting losers from int' competition.
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(Mosley & Singer, 2015; Balcazar, 2023; Becher & Stegmuller, 2023)
- ↓ bureaucratic hurdles to obtain government assistance.
(Kim 2020; Balcazar & Lee, *in progress*)

Do strong unions have a role in the backlash against globalization?

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- Yes! ↓ voting preferences reflecting economic nationalism.
- ↓ use of populist propaganda.
- ↑ cosmopolitanism (oth. regarding attitudes/equal opportunity).

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Theoretical framework

Populist protectionism (Balcazar, 2022):

- Protect losers from globalization via economic nationalism.
- Excludes “out-group:” liberal elites and ethnic minorities.
- Electoral success depends on strength of institutions (e.g., unions).
- **Unions reduce the likelihood of (far-)right protectionist extremism.**

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Argument

↑ **Trade**

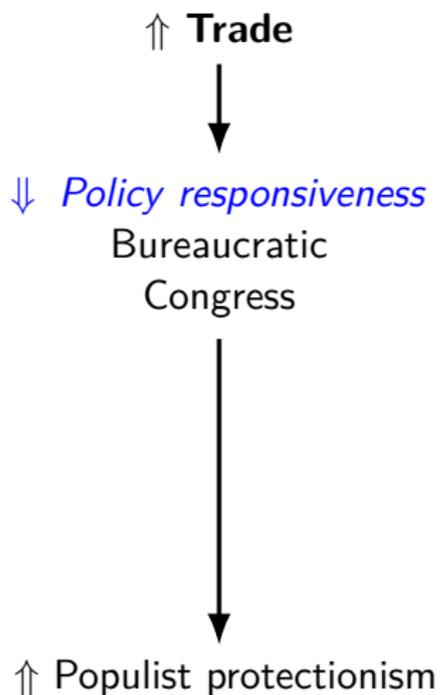


↑ **Populist protectionism**

An increase in import competition:

- 1 Increases support for economic nationalism.

Argument



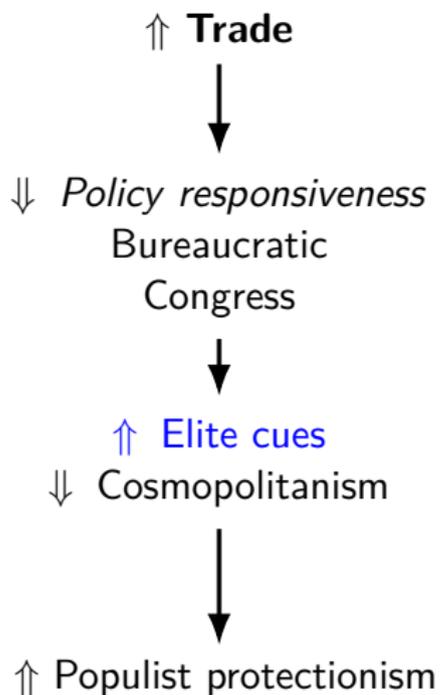
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Mechanisms:

- 2 Reduces policy responsiveness.

Argument



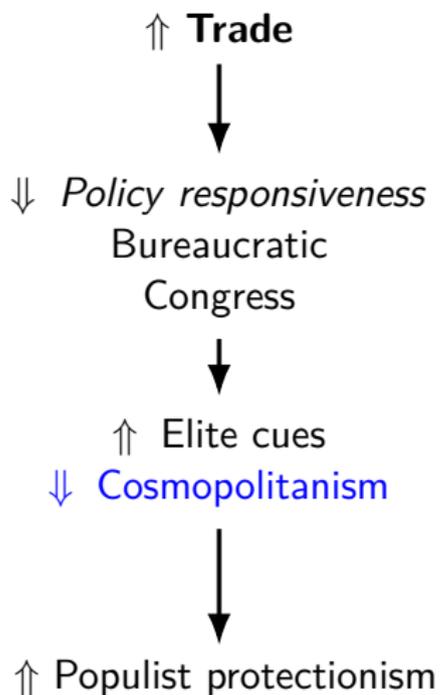
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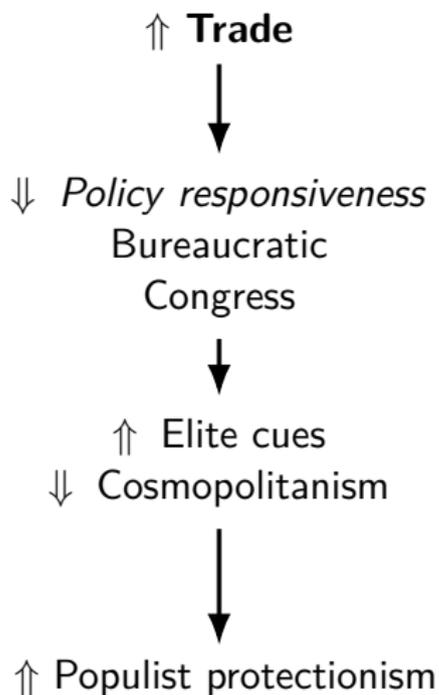
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Argument



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Stronger effects where unions are weaker.

Empirical context: United States

Organized labor

'Stumbling' economy forecast for '86
Signs point to increase in joblessness

AFL-CIO NEWS

Surge in imports sends trade deficit to new high

11-month gap of \$132 billion tops all of '84

Famine relief



Traveler notices needed

Shipping for future

- Historically, unions obtain and provide information to workers/voters.

Empirical context: United States

Organized labor

Convention Calendar

This is a list of conventions and conferences scheduled for 1992 by the AFL-CIO and international affiliates, state central bodies and national organizations. Changes and additions will be reported.

DATE	ORGANIZATION	PLACE	DATE	PLACE	DATE	PLACE
Feb. 15-17	Woodworkers	Clarkston, Ga.	Sept. 25-26	North Dakota	Aug. 15-17	Portland
March 4-10	Louisiana	Baton Rouge	Sept. 27-29	Oregon	Aug. 18-20	Rutland
April 5-8	Operating Engineers	Chicago	Sept. 27-29	Nebraska	Aug. 21-23	Bevo
May 11-15	Arizona	Phoenix	Oct. 5-6	Massachusetts	Aug. 24-26	Tepuk
May 12-14	Michigan	Detroit	Oct. 14-15	Rhode Island	Sept. 1-3	Portland
June 1-18	Flyer Glass Workers	Las Vegas	Oct. 18-20	Alabama	Sept. 1-3	Madison
June 7-9	Great Millers	Las Vegas	Oct. 18-22	Indiana	Sept. 1-3	Las Vegas
June 7-11	Clothing and Textile Workers	Las Vegas	Oct. 22-24	New Hampshire	Sept. 1-3	Madison
June 10	Actors and Artists	New York	Oct. 25-29	Transport Workers	Sept. 1-3	Las Vegas
June 14-16	Idaho	Tracy Falls	Nov. 3-5	Utah	Sept. 1-3	Rockport
June 21-22	Maine	Las Vegas	Nov. 5-8	Michigan Educational Society	Sept. 1-3	Chattanooga
June 24-26	Montana	Bozeman	Nov. 9-12	Indiana	Sept. 1-3	Indianapolis
June 27-30	Arkansas	Hot Springs	Nov. 17-19	Oklahoma	Sept. 1-3	Oklahoma City
July 15-17	Texas	Dallas				
July 18-22	Stage Technicians	New York				
July 18-22	Newspaper Guild	Boston				
July 25-30	Construction Workers	Las Vegas				
Aug. 26-30	Food and Commercial Workers	Toronto				
Aug. 2-6	Aluminate, Brick and Glass Workers	Las Vegas				
Aug. 15-18	Iowa	Wagnon				
Aug. 20-21	New Mexico	Las Cruces				
Aug. 20-23	Wyoming	Casper				
Sept. 6-11	Washington	Spokane				
Sept. 10-12	Vermont	Bennington				
Sept. 15-17	South Carolina	Myrtle Beach				
Sept. 19-23	Florida	Jacksonville				
Sept. 19-23	Maryland and D.C.	Lake House Vista				
Sept. 19-23	Attend Industrial Workers	Mississippi				
Sept. 19-24	Habitat Workers	Las Vegas				
Sept. 20-22	Minnesota	St. Paul				
Sept. 22-24	North Carolina	Greensboro				
Sept. 22-24	Connecticut	Meriden				

AFL-CIO Meetings

Feb. 13-16	AFL-CIO Executive Council	Bd Harbor, Fla.
Mar. 18-19	AFL-CIO/UCLEA Conference	Los Angeles
May 12-13	Secretary-Treasurer Conference	St. Louis
May 14-17	Union Laborers Show	St. Louis
June 10-12	APW National Education Conference	Atlanta
July 15-22	Community Services	Washington, D.C.
Aug. 2	AFL-CIO CORE Meeting	Chicago
Aug. 7-4	AFL-CIO Executive Council	San Francisco
Sept. 23-28	FAST	San Francisco
Sept. 30	Professional Employees	San Francisco
Sept. 30-Oct. 1	Public Employee Department	San Francisco
Oct. 1	Public Employee Department	San Francisco
Oct. 1-5	ILCA	San Francisco
Oct. 2	AFL-CIO Executive Council	San Francisco
Oct. 3	CORE Meeting	San Francisco
Oct. 4-7	AFL-CIO Convention	San Francisco
Nov. 5-7	CLIW Convention	San Francisco

- Historically, unions obtain and provide information to workers/voters.

Empirical context: United States

Organized labor

REPORT ON CONGRESS

1989
VOTING RECORD

Labour's 1989 report card on Congress tabulates the votes on major issues of concern to the AFL-CIO in the first session of the 101st Congress. In the tables on the pages that follow, Senate and House members have been rated R (right) and W (wrong) on the basis of positions they took on these issues:

House
LABOR VOICES

1 Eastern I — Passage of H.R. 1231, requiring the president to establish an emergency board to investigate and recommend a settlement in the labor dispute at Eastern Air Lines. Passed 252-167 on March 15. A similar bill later was vetoed by the president. AFL-CIO supported the bill.
Yes — Right No — Wrong

2 Eastern II — Bowen (D-Calif.) amendment to H.R. 3443 to bar a prospective owner of an airline from acquiring another airline if that owner

threshold to \$250,000, and thus exempt 50 percent of all military construction from Davis-Bacon coverage. Adopted 223-201 on July 27. The Stahlein amendment, as amended, subsequently was adopted. AFL-CIO supported the Murphy amendment.
Yes — Right No — Wrong

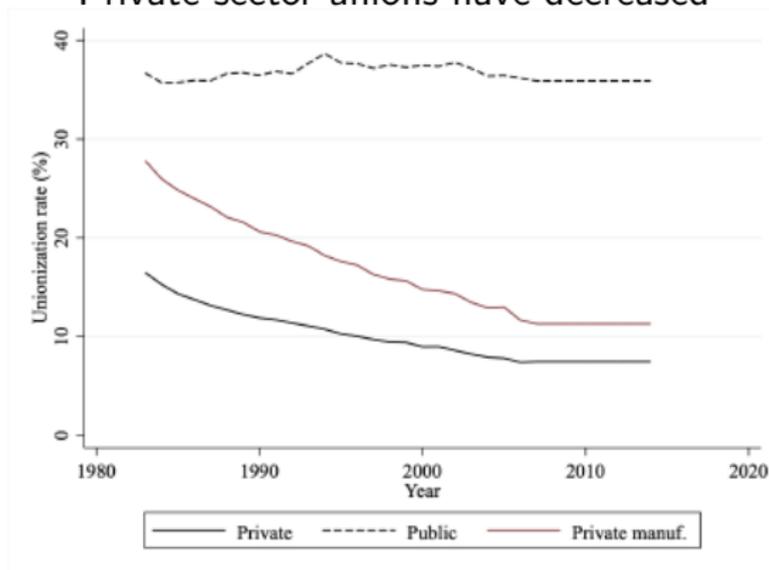
7 Hatch Act Reform — Sikorski (D-Minn.) motion to suspend the rules and pass H.R. 30, legislation to restore to federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the nation and to protect them from improper political solicitations. Motion agreed to 269-90 on April 17. A two-thirds majority of those present and voting (258 in this case) is required for passage under suspension of the rules. AFL-CIO supported the bill.
Yes — Right No — Wrong

8 Trade — Bruce (D-Ill.) substitute for S.J. Res. 103, the resolution to bar transfer to Japanese firms of certain

- Historically, unions obtain and provide information to workers/voters.

Empirical context: United States

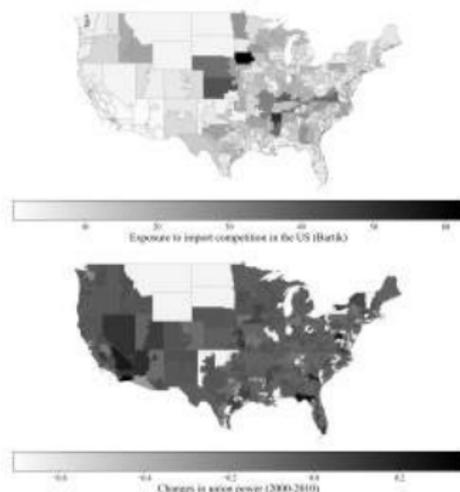
Private sector unions have decreased



- Historically, unions obtain and provide information to workers/voters.
- Weaker but still relevant!

Empirical context: United States

Widespread changes in no. union members



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Empirical context: United States

Politicians still pay attention



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Empirical strategy

First-differences (2002-14/2004-16) for congressional districts:

$$\Delta \text{outcome}_c = \beta_1 \Delta \text{Cshock}_c + \beta_2 \Delta \text{Cshock} \times \Delta \text{Upower}_c + \Delta \text{covariates}_c + \Delta \varepsilon_c$$

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- 2 IV: China shock (shift-share).

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- 5 **Controls:** import competition, off-shoring, task routinization, socio-demographic and industry changes, pre-treatment union power, Right-to-Work laws.

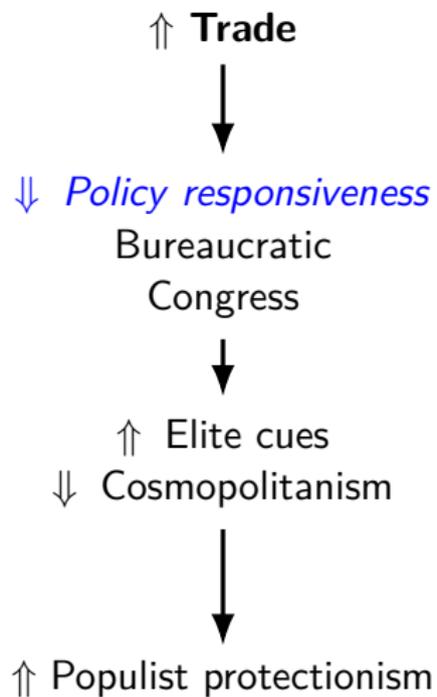
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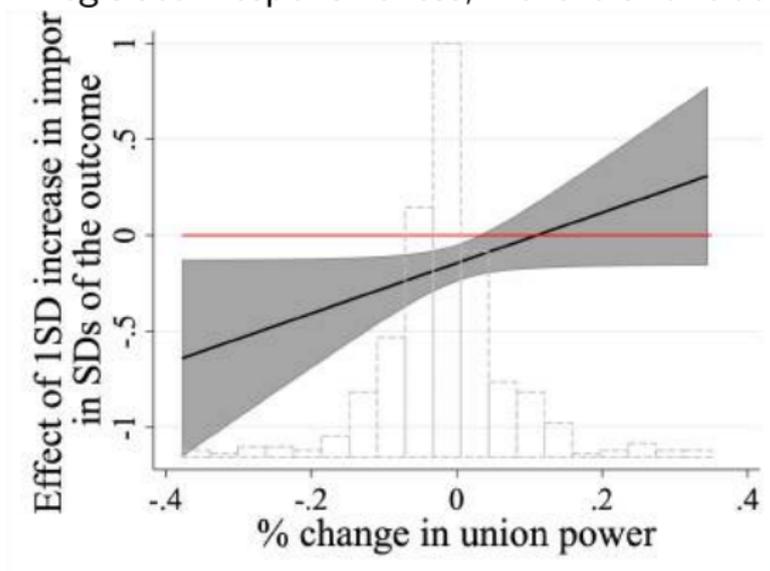
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$\beta_1 + \beta_2 \times \Delta \text{Upower}_c$: **Effect of import competition**



Decline in policy responsiveness

Δ legislator responsiveness, welfare and labor



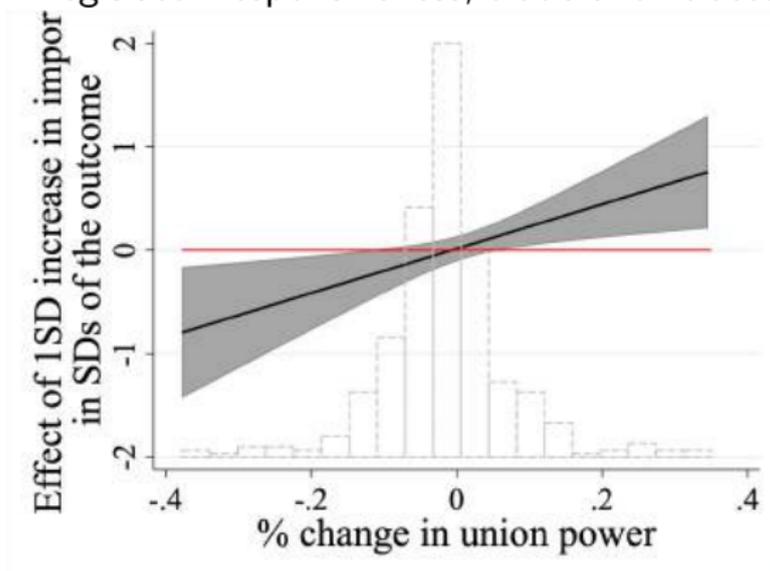
Note: 95% confidence intervals; SE clustered at the State level.

1SD in outcome: 4 bills; 1SD in import competition: 8PP.

- Weak unions: ↑ import competition ⇒ ↓ policy responsiveness.

Decline in policy responsiveness

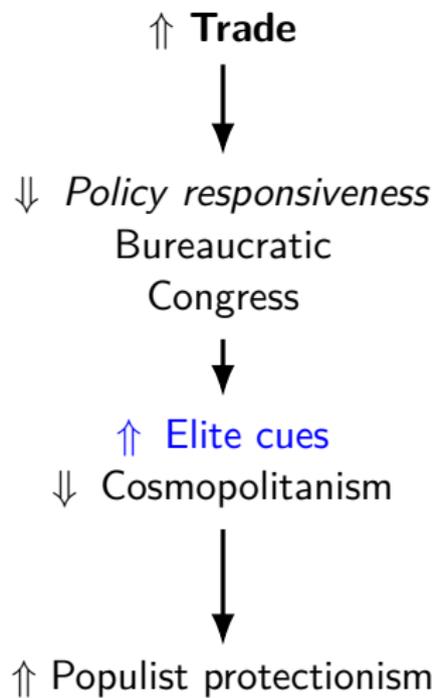
Δ legislator responsiveness, trade and related



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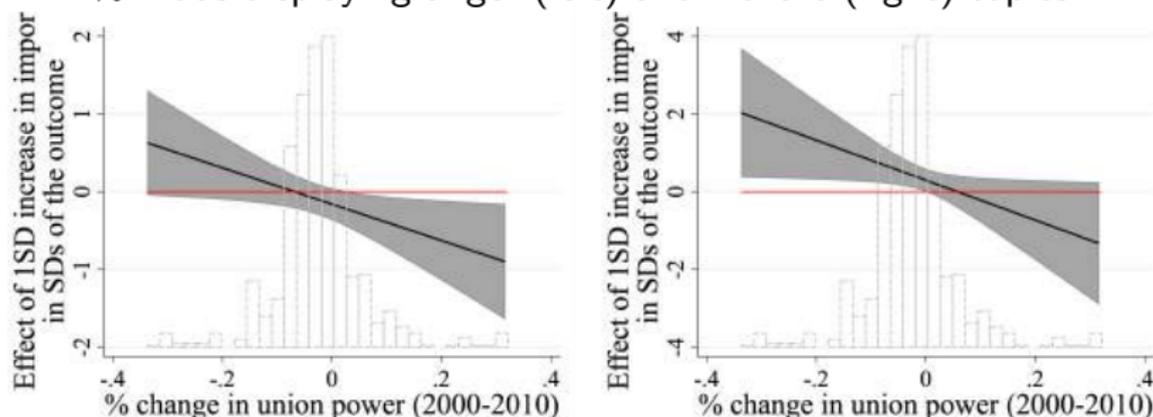
1SD in outcome: 2 bills; 1SD in import competition: 8PP.

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“Populist”-style campaign ads

% Δ ads displaying anger (left) and welfare (right) topics



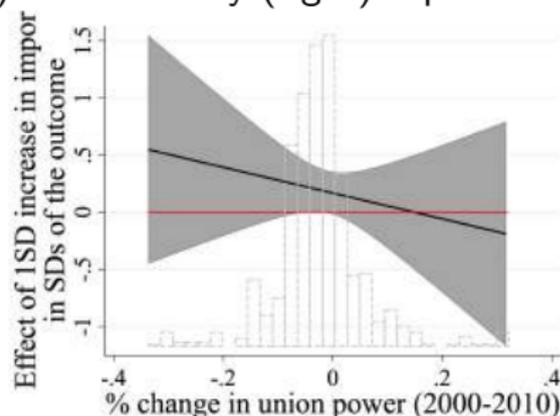
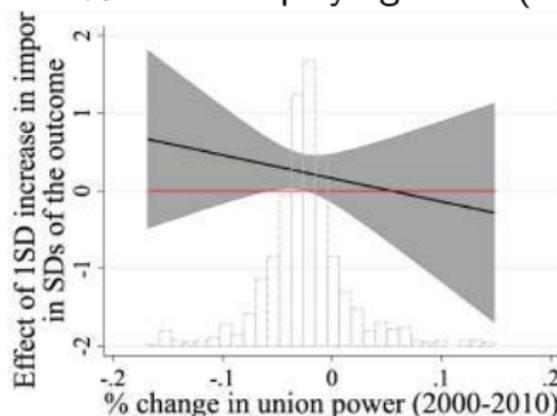
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“Populist”-style campaign ads

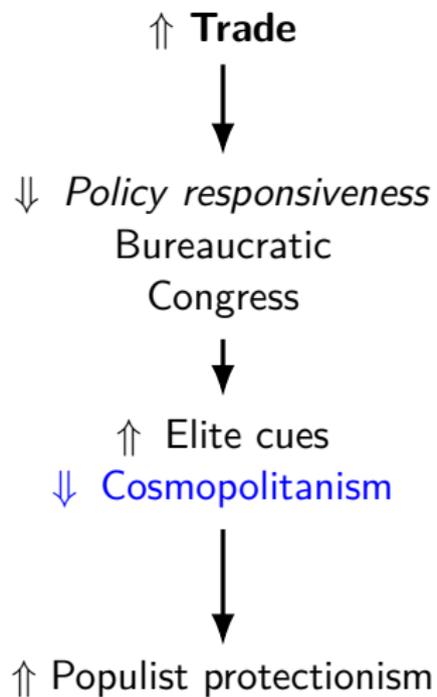
% Δ ads displaying trade (left) and ethnicity (right) topics



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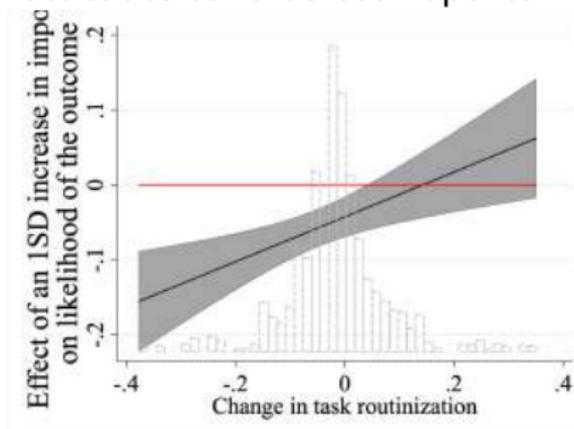
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Erosion of attitudes toward cosmopolitanism

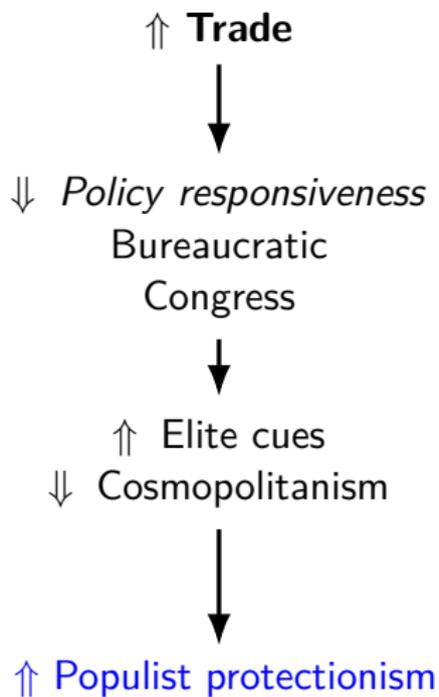
Δ attitudes towards cosmopolitanism



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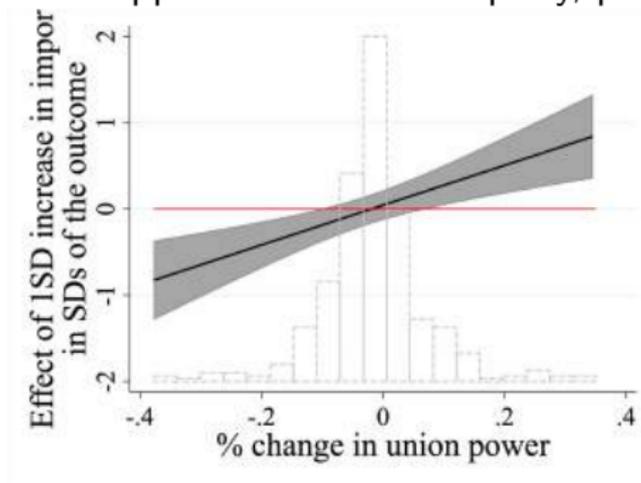
1SD in import competition: 8PP.

- Weak unions: ↑ import competition ⇒ ↓ support abortion rights, gay marriage, and immigration.



Stronger support for the republican party

Δ likelihood support for democrats party, presidential



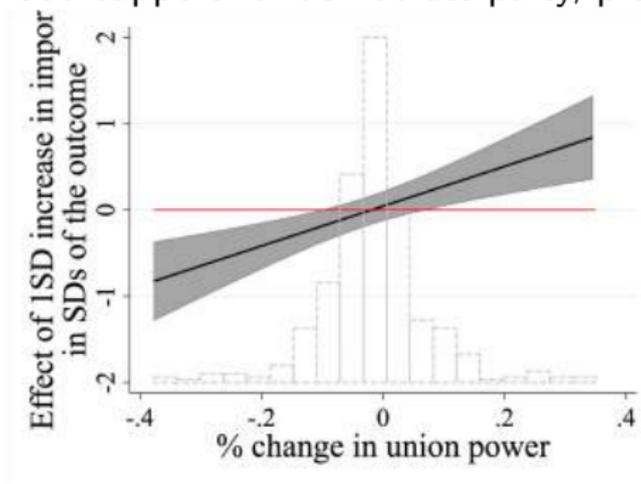
Note: 90% and 95% confidence intervals.

1SD in import competition: 8PP.

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Conclusions

Where unions are weak, increased import competition:

- Lower policy responsiveness.

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- Higher allocation of effort by populists.

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Where unions are weak, increased import competition:

- Lower policy responsiveness.
- Higher allocation of effort by populists.
- Lower levels of cosmopolitanism.

Conclusions

Where unions are weak, increased import competition:

- Lower policy responsiveness.
- Higher allocation of effort by populists.
- Lower levels of cosmopolitanism.
- **Increased vote-support for economic nationalism.**

Thank you!

✉ carlos.balcazar@yale.edu

☁ [@cfbalcazar.bsky.social](https://bsky.app/profile/cfbalcazar.bsky.social)