

# Democratic Goods: Teamster Reform and Collective Bargaining Outcomes

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## I. *Introduction*

Ever since Lipset, Trow and Coleman's, *Union Democracy* (1956), the mechanics of democratic trade unionism have been a beguiling subject for labor academics. Much of the work, like Edelstein and Warner's *Comparative Union Democracy* (1979), focused on organizational theory. The classic theorists of modern institutions (Fisher and McConnell, 1954; Michels, 1962; May, 1965; Jenkin, 1968; Parry, 1969) typically contrasted models of oligarchical and republican structures. McConnell (1966) went so far as to theorize that interest organizations -- like unions -- were examples of "private governments" and likely to be undemocratic in character.

Whether unions were or were not democratic institutions was deemed an important post-war social science question because they were acting on society as political agents. No longer just about voluntary private relationships with cooperative free-market employers, unions were now figuring into the calculus of a country's policy-making machinery. Research was consequently driven by questions concerning the criteria for making democracy possible within a labor organization. While the cumulative body of scholarship offered a comprehensive analysis of both the formal and informal structures of union organization, it was essentially a *procedural* form of democracy that was under examination.

But democracy can be understood differently. Political theorists have also defined democracy as a *substantive* outcome, which more equitably distributes available resources and reduces injustices. This outcome-oriented perspective established a

different set of criteria for judging an institution's democratic temper. Instead of a strict focus on electoral procedures and the character of political parties, attention shifted to the results of membership debates and policy making.

The relationship between union democratic procedures and collective bargaining achievements is more often assumed than proven. To be sure, studies of union governance structures (Taft, 1954; Horowitz, 1962; Ulman, 1962; Rothbaum, 1962; Romer, 1962; Seidman, 1962; Kramer, 1962; Hemingway, 1978; Wallihan, 1985; Perusek, 1995; Masters, 1998) and behavioral regulation (Estey, 1964; Benson, 1964; Summers et al, 1986; Schwartz, 1987) have proliferated. So too have works on corruption (Velie, 1959; Taft, 1970; Hutchinson, 1970; President's Commission on Organized Crime, 1986; Freidman and Schwarz, 1989; Bowker, 1998) and rank-and-file commitment (Barling et al, 1992; Fiorito et al, 1988; Gallagher and Clark, 1989; Jarley et al, 1990; Clark et al, 1990; Newton and Shore, 1992). Even the formation of dissenting caucuses (Edgar, 1978; Nyden, 1984; Crowe, 1993) has been the subject of published material. What, however, is far less common is an empirical study of the relationship between internal democratic union political behavior and the defense of rank-and-file interests. Academic observers have theorized about such relationships (Fraser, 1998; Aronowitch, 1998), but few attempt to answer the critical question that underlies all queries into internal union politics; *what difference would (does) democracy make?*

Political theorist Robert Dahl stressed the importance of understanding democracy as a "unique process of making collective and binding decisions" (1989, p. 5). Democratic thinking further allows that membership involvement in the institution's decision-making process serves as a reasonable insurance that membership interests are

not being forsaken for elite ends. But in the world of industrial relations, does internal union democracy produce a good collective bargaining contract, and if so, how exactly is this accomplished?

My thesis is that when unions institute democratic decision-making procedures and practices they elicit valuable membership input, which subsequently increases the capacity of the institution to represent its members' interest. In order to test the meaningfulness of union democracy, I present a case study of a union that has undergone the transition from undemocratic, corrupt, elite-rule to rank-and-file responsiveness. Chicago area International Brotherhood of Teamsters (IBT), Local 705 was lauded by the *Wall Street Journal* as a model of reform (April 6, 1998). The local consists principally of package delivery workers, freight, cartage and, tanker drivers, and commercial movers. For most of the post-war years their dominant employers were large freight and cartage haulers, but since the early 1980s United Parcel Service (UPS) has employed a wide majority of 705 members.<sup>1</sup>

Through out the analysis a linkage will be drawn between Local 705's activities and policies and four operating rules of democratic theory. First, the way that the "people" (i.e., union members) communicate demands on the system (e.g., bargaining positions) and influence outcomes (e.g., labor agreements) is examined. Second, a distinction is drawn between participatory democracy (e.g., organizing model) and elite rule (e.g., service model). Third, the connection between decision-making processes (e.g., election for officers) and the pursuit of "justice" (e.g., protections against employer contractual violations) is demonstrated. Finally, the work demonstrates the role of the

body politic (e.g., union membership) in promoting “equality” (e.g., common working conditions, wages).

After a brief history of Local 705’s transition to democracy, section three identifies the various overt and mundane democratic practices instituted by the local. Section four then follows with a detailed exposition of how the local has prepared its membership for democratic unionism. In section five a close examination of the substantive results of democratic practice are presented. Finally, the relationship between rank-and-file involvement and the adoption of reform procedures is presented in order to assess the character of 705’s democratic character.

The forthcoming analysis extensively utilizes the local’s general executive board (GEB), monthly membership, steward and craft meeting minutes, bargaining agreements, grievance, arbitration, and labor board records, organizing files, as well as miscellaneous correspondence. In every case where records permit a comparison is made between the pre - and post-trustee period. In addition, throughout the article, interviews with local officers and staff who have worked under both the old regime and the new will be cited to supplement union records. Finally, I have drawn on my participant-observer impressions of union membership, craft and steward meetings to lend greater depth to the work’s conclusions.

## *II. From Ignorance to Democracy*

In a one paragraph letter to IBT, General President Ron Carey, the board appointed to oversee the enforcement of a 1989 federal consent order recommended that Local 705 be placed in trusteeship (Botz, 1993).<sup>2</sup> The Independent Review Board (IRB) had investigated the local and filed a seventeen page report which “evidences financial

wrongdoing, constitutional violations and a deteriorating condition that warrants the imposition of Trusteeship and the filing of charges against officers of Local 705.”<sup>3</sup> The report began a process that culminated less than a month later in Carey’s June 15, 1993 decision to impose an emergency trusteeship over the local and radically transformed a union history that stretched back exactly nine decades.

The IRB report determined that six members of the local GEB had “brought reproach upon the IBT, breached their fiduciary duties, embezzled and converted unions funds to the use of others, took unlawful loans ... and engaged in financial wrongdoing in violation of the IBT Constitution.” As if these findings were not damning enough, the report also noted that the Board’s Independent Administrator had ousted Daniel C. Ligurotis, the local’s secretary-treasurer from 1987 to 1992, for embezzling funds and sending the “message that union officers are entitled to use the members’ funds for their own pleasure.” The evidence presented and sustained against Ligurotis and the board members repeatedly confirmed their participation “in a pattern of conduct whereby corruption and unlawful activity ... were fostered and rewarded.”

To address the mounting accumulation of fiduciary improprieties, violations of union constitutional provisions and assorted illegal practices, Carey appointed Harold E. Burke as temporary trustee of Local 705. Approximately one year after the trusteeship was imposed, Carey made a decision to replace Burke as the person who would guide the local back to independence. On July 18, 1994, Gerald Zero was appointed “Trustee over the affairs of Teamsters Local Union 705.”<sup>4</sup> Zero was a twenty-five-year truck driving member of Local 705 and had served as Burke’s assistant. Within six months of his

appointment Zero requested from the IBT the authority to conduct an independently monitored officer election.

While the election would not be the local's first, it would be the most competitive, partisan and genuinely contested race in 705's history. According to available records dating back to 1962 the local's first nonincumbent campaign for secretary-treasurer and president was in 1976 (*Minutes of Membership Meetings, 1962-1997*). In the past, electing officers was little more than a tri-annual coronation full of all the pomp and circumstance of a royal event. When oppositional candidates did fight their way onto the ballot they were usually not as principal officers. But nearly two decades, one consent decree, and one trusteeship later, the members of 705 were treated to an election which featured an unprecedented number of candidates campaigning for every elected GEB office on four different slates.<sup>5</sup>

It was political theorist E. E. Schattschneider's prudent contribution to democratic theory that the importance placed on how many people acted politically was replaced by the quality of their electoral choices. In Schattschneider's calculus "above everything, the people are powerless if the political enterprise is not competitive" (1960, p. 137). With the onset of a genuine partisan campaign for union office Local 705 invigorated the *democratic choice* that rank-and-file members were now free to make.

When the electioneering dust had settled, Zero and John McCormick a thirty-year feeder driver at UPS led a sweep of "Reform Pride Movement" (RPM) slate candidates into office. With the election results verified, the local was officially "released from trusteeship" and what many 705 members never thought was possible had come to pass -- the installation of reform minded officers.<sup>6</sup>

It is this measured but dramatic movement towards ensuring majority rule that union democracy's substantive claims must be judged. Therefore, if a federal government enforced national consent order and local trusteeship were necessary to introduce a democratic form of governance and representation they were insufficient to creating what labor attorney Michael Holland calls the "kind of democracy that yields better trade unionism" (author interview, January 15, 1999).<sup>7</sup>

### III. *Microphones and Union Citizenship*

Democratic bodies from the Athenian city-state to New England towns have congregated their members in order to debate, decide and enact laws. Within the socially gathered contours of the political community, every citizen had the equal opportunity to participate directly in the affairs of the institution. Unless of course you were a Local 705 member.

To be sure the pre-reform leadership of Local 705 met its constitutional and legal duty to congregate the membership. But the very act of scheduling a meeting was an exercise in elite control and became the subject of a court case. Membership meetings had always been held at 7:00 p.m. on Thursday evenings. But throughout the 1970-1980 period UPS members offered numerous union petitions and motions requesting that the meeting date be moved to Sundays. The UPS employees contended that the date "constituted a systematic attempt to deprive [them] of their equal right to attend membership meetings and to vote" in violation of the Labor-Management Reporting and Disclosure Act (*Clarence Campbell, et al. vs. Local Union 705, No. 76-C-4240, May 8, 1978*).

While there were occasions when the officers formally addressed the requests, none of the appeals was ever granted (*Minutes of a Special GEB Meeting, September 21,*

1976). Under democratic rules of order advocating for a scheduling change should have been easy enough for the union to accommodate. However, Local 705's officers were not about to have their power limited by something as incidental as how they responded to membership requests. Members offered sworn court testimony that officers and business agents were "implacably opposed to their participation in union affairs" and asked that defendants be enjoined from "striking or beating the plaintiffs or threatening plaintiffs with physical harm" (*Campbell, et al. Supplement to Complaint, Count II, March 19, 1978*).

Prior to the trusteeship, local union meetings were primarily used to orchestrate membership endorsements. There is little in the record to disavow an observer from the notion that meetings served as a mechanism to sanction the actions of the leadership. Despite monthly attendance figures that averaged 548 members, it was a rare moment when someone other than an officer, steward, or agent verbally expressed a thought from the floor of the assembly. From 1972 until the imposition of the trusteeship, 159 regular membership meetings were held (*Minutes of Membership Meetings, January 1972-May 1993*). The total number of recorded comments from the assembly addressed to the GEB was a deafening 49. Remarkably, in 74 percent of the meetings not a single voice was heard from the rank-and-file congregated body. Thus, one of the first acts of the new reform leadership was to survey the members about a preferred meeting date (*Minutes of GEB Meeting, April 25, 1995*). Based on the responses Local 705's monthly assembly would now take place on Sunday mornings. With the meeting date changed the leadership's shifted its attention to how the sessions were governed.

One particular practice stood out for immediate relief. Prior to the trusteeship, the process for addressing the membership required first asking permission from the secretary-treasurer to speak before the meeting began. Not only is such a requirement intimidating and easily thwarted, but it is inherently servile. In addition, the power of the meeting chairperson to influence debate was enhanced by the use of one microphone stationed at the foot of the chair. In order to address other members, a worker had to get to the meeting early, gain the chairs' attention, make a request to speak, and then hope that his or her request was deemed appropriate. If a member successfully navigated these procedures and was handed the microphone, it was best to censor one's comments. To speak in an unauthorized manner was to invite the ultimate act of tyranny: The chair shut off the microphone.

Proving that democratic revolutions often start from humble beginnings, the new reform leadership instituted a radical change. First, they did away with the pre-meeting audience with the chair. Then they opened up a channel for democratic expression by placing a second microphone on the floor of the assembly. Now, instead of having to ask permission to speak from individuals obviously invested in the nature of the commentary, rank and filers had only to step into the aisle and address their issues. Workers who had previously nothing to say before their brethren now often found two or more topics to talk, confer, debate, and sometimes shout about. In the post-trustee period an average of 10.13 ( $N=159$ ) workers have spoken out at membership meetings. In stark contrast to the pre-reform era, there were no meetings conducted without membership input and on most occasions worker comments elicited either debate or information from the leadership.<sup>8</sup>

Perhaps more important, worker voices were not only directed at the leadership but also heard by the membership. Contrary to the era of speech control, it was common for one worker to speak his or her mind without being bullied by dissenters. Under the previous regimes it was standard practice for “unpopular” workers to be “ruled out of order,” or to be “booed” into submission when trying to speak out (*Minutes of Membership Meetings*, October 20, 1977 and April 18, 1984). Recording-Secretary Bennie Jackson vividly remembers being “attacked in the [union] hall and beaten with metal chairs” for advocating that meeting dates be changed (author interview, October 20, 1998). Not surprisingly, meetings were usually adjourned in approximately forty-eight minutes.

Under the reform agenda of the RPM team officer reports and membership discussions were elevated to genuine information sharing and attention to union business. Five years after the trusteeship Holland was thrilled to point out that “people are actually addressing and discussing the union’s business” (author interview, January 15, 1999). Contemporary meetings typically run between sixty and ninety minutes.

#### IV. *Capacity to Rule*

Political theorist David Held noted that for democracy to be effective citizens needed the “actual capacity [the resources and skills] to pursue different courses of action” (1987, p. 183). If democracy was to produce effective trade union representation at Local 705, it would need to be more than procedures for voting and holding meetings. What democracy required was providing the staff and the members with the resources and skills necessary to actively participate in the union’s business. In other words, the local

had to prepare its “people” to rule. The post-trustee leadership has accomplished this objective in myriad forms.

Beginning in early 1994 the local initiated quarterly craft training courses. Jim Lyons was hired to conduct the sessions with the tanker driver division and was amazed at what he found when he began. “Stewards couldn’t do things, they had no idea of Weingarten [rights of a steward] and members would not file grievances because once they did they were punished by the company” (author interview, December 12, 1998).

In 1994 approximately 500 rank-and-file members attended Sunday morning craft classes. Over the next year and a half the classes were expanded into eight different divisions. Sessions now run twice a year per section and, importantly, are specifically designed for the rank and file (*1997 Craft Meeting Schedule*). Lyons was proud to point out that craft meetings “were not stewards training” and addressed a diverse array of topics (*Craft Meeting Agendas*, March 23, 1997-November 24, 1998).

In addition to the craft training, the capacity of the rank and filers to understand the political, economic, and industrial context of their union identity is further buttressed by separate divisional meetings that typically follow monthly membership sessions. Local-sponsored educational services also include partnering with university-based industrial relations programs. The local holds three, or four times a year, special seminars on a variety of labor - and industrial relations - related topics. For example, seminars on media representations of the labor movement, labor history, and politics have been offered at the local hall and are open to the entire membership. Such diverse and targeted educational training was unheard of in the pre-trustee era.

In order to provide a regular vehicle for informing members, a motion to start a local newspaper was proffered in 1993, and one year later *Teamsters Local 705 NEWS* became a reality. Later to be called the *705 UPDATE*, the premiere issue boldly declared that “This was your newsletter, so get involved, we want your input!” (January 1994). Mundane items like informing members about office hours and local phone numbers commingled with contract negotiation summaries and news about legislative issues. The paper is now mailed to every local member six times a year and regularly features communications from principal officers, updates on major bargaining achievements, stories on individual members, and announcements about educational and special meetings.

Expanding the capacity of the members to participate actively in their own governance requires a strategic attention to the development of capable and dedicated stewards and representatives. It is not coincidental that one of the first affirmative acts of the local trustee was to radically reform and expand the steward system. At the nadir of the pre-trusteeship period the role of the union steward had been perverted into what Jim Lyons called a “company conspiracy.” Lyons’ assessment is strongly supported by a mountain of worker complaints filed during the 1970-1980s about the lack of representation in the barns and on the shopfloor.

While no record is available to definitively know how many stewards the local used to employ, there is indirect data to offer an estimate. In responses to a set of court interrogatories (*Campbell vs. Local Union 705, 1978*) the defendants revealed that no more than 130 “Officers, etc” attended membership meetings from 1974 to 1978. In addition, membership meeting minutes indicated that from 1987 until 1993 no more than

89 stewards were ever in attendance. Now accounting for a seven-person executive board, four elected business agents and roughly twenty appointed agents, it seems unlikely that the local utilized more than 150 stewards.

Fortunately a comparison between the different regimes is possible because the local now keeps a written record of stewards. As of April 1, 1998 Local 705 deployed 342 union stewards. In other words, in a mere three years since the trusteeship, citizenship representation had more than doubled. The growth of on-site union appointees is even more impressive in light of the 1980s drop in membership. With a membership only slightly higher than the immediate pre-trustee days, Local 705 has decidedly decreased the ratio of stewards to rank and filers. Using a membership base of 18,000 the reform leadership has brought the ratio down from roughly 1:120 in the late-'80s to 1:53.

Greater representation in the barns has also been accompanied by a shift in authority. According to a quarter of a century union veteran James Harris the local “used to resolve everything through the BA [business agent]” (author interview, March 6, 1999). Harris, like other recently appointed 705 stewards unconditionally acknowledged how all encompassing was the power of the agents under the previous regime to handle worker complaints. This centralization of power in the hands of agents meant they had total discretion on how to respond to complaints. The end result of denying the steward or the rank-and-filer any sovereignty over the process was to retard the grass-roots capacities of the membership to participate in their own governance. It was a minimalist version of participation, that political philosopher Benjamin Barber has indignantly labeled as “zoo-keeping” (1984, p. 3).

Educating union leaders and members also takes place in a more mundane intimate fashion. Consistent with the requirements for competent citizenship representatives canvas their constituencies. Unlike the days of membership ignorance and elite control, appointed officials visit their assigned barns. More importantly, they engage the membership. An examination of 1998 *Daily Activity Reports* ( $N = 158$ ) documents a daylight shift representative's typical working day.

He or she usually arrives at the worksite between 5:30 and 6:15 a.m. The most common topics addressed with the membership are contract negotiations, grievances, benefit plans, rallies over full-time jobs, strike activity, and voting. Since every representative has more than three sites to visit these conversations are repeated, sometimes on a daily basis. In most cases, each representative is required to go on location at least twice a week. Conducting daily business with the members can take on average between 3.5 to 5 hours.

The extensive access points opened up to union decision-making and action has certainly enhanced the capacity of 705 rank-and-filers to participate in their own governance. Where members were once kept incompetent by a lack of information and analysis, they are now part of a process to upgrade their competencies. The reform leadership appears to have provided the means for each member to contribute to the local's policy setting agenda and has succeeded in including a pluralistic set of voices in determining what needs to be done. Not everyone is acting, but as the remaining section details, there are encouraging signs of participation.

## V. *Persons, Actions and Things*

For democracy to be worth the trouble workers have to be materially better off because the means produced valuable ends. In this sense trade union democracy entails more than participation in a deliberative process; it also includes in J.G.A. Pocock's term the "taking or maintaining of possessions" (1995, p. 35). The right and capacity to act on behalf of the things that are desired, wanted, and needed expresses the classical Roman and modern Western conception of citizenship. It is also what Michael Holland meant by a "kind of democracy that yields better trade unionism" and where the analysis now turns.

When the reform leadership took office they found an institution bereft of formal policies for administering the locals' business. To address the accountability problems that were at the center of various IRB charges the GEB instituted a number of policies and record-keeping procedures. By executive decision full-time stewards' stipends were set at \$100 per quarter, and during the trusteeship total staff salaries were cut by \$900,000. Even the secretary-treasurers' pay was reduced by 27 percent to \$87,500. The board also addressed abuse of in-kind benefits by commissioning a "Local 705 Auto Expenses Analysis." Based on the findings contained in the four-page report, the board agreed to eliminate the purchase and use of union vehicles for officers and representatives.

They also approved a motion that provided that no officer, representative, or employee would receive health or pension benefits from more than one union plan. In addition, benefits were not to exceed the top level received by "working members of 705" (*Minutes of GEB Meeting*, January 19, 1996). Importantly the board also added

language to the oath of office that included as one purpose of the union “to eliminate corruption and to remember that it is the membership that is [to be] served” (*Minutes of GEB Meeting*, March 15, 1996).

The past practice of discretionarily awarding generous pay raises was replaced with a policy limiting staff increments to 2.6 percent “based on a blended rate of increases under freight and UPS agreements” (*Minutes of GEB Meeting*, September 20, 1996). Addressing the past theft of union funds and to insure proper accounting, the GEB mandated that all officers and staff maintain and submit time records to determine the “proper allocation of labor expenses between local and various pension and health and welfare funds” (*Minutes of GEB Meeting*, November 14, 1997).

In May of 1998 the board turned its attention to a sensitive and long ignored problem. For many years a significant number of local members had been paying less than the required monthly minimum in dues. Set at twice the hourly earnings rate the dues collection should have been adjusted each time a pay increase was negotiated. However, the dues “were not adjusted on a regular basis throughout the years” and consequently, along with being in violation of the International Constitutional, Local 705’s treasury had been losing thousands of dollars for many years (*Minutes of GEB Meeting*, June 17, 1998).

The local’s annual losses between 1986-1993 ranged from \$300,000 to \$1.4 million (*Minutes of GEB Meeting*, April 28, 1998). The board has since undertaken the unpopular but responsible step of adjusting upward those dues payments, which have lagged wage increases. Upgrading record-keeping and becoming more accountable was tedious work but it was the kind of housecleaning necessary before the union could do

what it was mandated to do -- represent the membership. With policies in place to restrain self-aggrandizing behavior, democratic accountability began to pay heavy dividends. In no area has that been more apparent than in the record of grievance, arbitration and National Labor Relations Board (NLRB) awards.

#### GRIEVANCES-ARBITRATIONS

There is little disagreement among labor educators that rank and file identity with and approval of their unions is most often directly correlated with the way they experience the grievance system. Thus, a comparison of the grievance files from 1977-1992 to 1995-1998 should prove to be an authoritative account of democratic benefits. The forthcoming analysis was drawn from the record of IBT 705-UPS joint-board hearings (*Results of UPS Grievance Meetings, 1995-1998*). Joint-boards are made up of four or six evenly divided union and company individuals. The panels were authorized to hear all shopfloor disputes, which could not be settled at the first or second step in the grievance procedure. The local's relations with UPS were selected because from at least the late 1970s, the company has been the union's largest employer.

On the basis of sheer volume of grievances taken to joint panels, reform Local 705 has proven to be much more aggressive than its pre-trustee model. From 1977 to 1992 the local averaged 85 cases ( $N=1359$ ) per year. But since the election in 1995 annual board cases have more than doubled to 185 ( $N=924$ ). The difference in the yearly aggregate number of panel cases reflects the changing relationship among the rank and file, stewards, and staff. Prior to the trusteeship agents possessed an unchecked power to settle all grievances. A case could not advance to a joint-board unless an agent sent it there.

Secretary-Treasurer Peick received numerous letters from frustrated members pleading for his intervention with an unhelpful agent. Since the trusteeship worker complaints about ignored grievances seemed to have dried up. A search of internal correspondence between 1995 and 1998 did not identify a single appeal. Now this does not mean that every worker was satisfied with the outcomes of his or her representation. The record, however, does suggest that the triadic relationship among workers, stewards, and representatives is functioning to expand the defense of worker rights. Just how democracy is functioning to protect workers can be further realized by a deconstruction of the grievance record.

A comparison of the types of grievances and the resolution of each charge indicate that post-trustee Local 705 has been enforcing workplace democracy with an unparalleled vigor. Under the old leadership 22.7 percent of all grievances ended up with the worker being discharged. But during the reform period approximately half (11.2 percent) as many members have been dismissed. In addition, before reform, 200 members (14.7 percent) “resigned” instead of going to the panels. Forfeiting the right to a hearing is no longer so popular. From 1995 to 1998 only six members (0.64 percent) have decided to accept the company’s plea offers. During the same time period 168 identified workers have been financially compensated by the panels for company violations of the contract. Over the previous fifteen years only 232 members were awarded financial payments by the joint-boards.

When you add to the above the 286 cases that have been “settled and withdrawn” to the union’s “satisfaction” and an assortment of suspensions reduced to “written and verbal warnings” since 1995, we can classify an amazing 88 percent of panel verdicts as

positive for the union. Even including all those cases which were marked unidentifiable or part of a miscellaneous category, workers won only a meager 10 percent of all pre-trustee UPS panel grievances. It is apparent that UPS now pays much more often for its infractions than it did years ago.

Perhaps the best indication of the union's ability to extract a financial penalty from the employer is its arbitration record. First consider that Local 705 has shown a robust willingness to "deadlock" joint-panel cases. When a majority decision can not be crafted out of the panels' deliberations, the case is officially deadlocked. At this point the union has only two options. It can drop the case or take it to arbitration. Since 1994 there have been 160 UPS panel cases (40 per year) absent a majority verdict. While terminations are the most common type of unresolved issue, at least twenty different contract violations have also produced deadlock.

Under the old leadership panel decisions were rarely split. Including the joint boards that heard grievances under the cartage and motor carrier agreements from 1977 to 1992, there were only 62 total deadlocked cases (4.1 per year). Of these unresolved disputes a paltry ten went to arbitration. It would seem that at 0.6 arbitrations a year the locals' sizeable bill (\$400,000 annually) for retaining legal support was a hefty price to pay for so little action. According to then in-house counsel Tom Carpenter in 1993, the last year of Liguoris' reign, "only three grievances were arbitrated" (*705 UPDATE*, May 1997, p. 16). Democratic unionism however has created a far greater propensity to act within the fullest extent of the contract. An examination of only UPS cases reveals that between 1996 and 1998 the local went to arbitration 45 times. At an annual rate of 15

cases, the reform leadership has dramatically reversed the locals' capacity to use contractual powers to act on behalf of members' rights.

It has also acted effectively. During the 1996 to 1998 period the union deadlocked 117 cases. They successfully settled 20 percent of them and, at the time of this analysis, were in the process of filing for arbitration in another 24 percent of disputes. Most importantly the local had nine positive arbitration verdicts against seven losses and one split decision. By defining the settled grievances as a "win," and excluding those disputes still in process the local has earned a positive outcome in 42 percent of the deadlocked cases. It has actually won a majority (56 percent) of UPS cases in which arbitration rulings have been handed down (*Local 705 Arbitration Files*).

The local's aggressive defense of member rights has not ended with the exhaustion of internal dispute resolution mechanisms. Including all collective bargaining signatories, the local filed 103 NLRB charges between June of 1995 and November of 1998 (*Local 705 Weekly Status Report on NLRB Cases*). An accurate accounting of board charges filed by the locals' pre-trustee legal representatives was impossible to compile from available records. It is unlikely, however, given the previous comparisons of grievances and arbitrations, that the old regime was a stronger advocate of members' rights than their more recent counterparts.

By pressing contractual and legal violations the local has won since 1995 approximately \$2 million in arbitration and labor board awards. As the *705 UPDATE* proudly proclaimed, "[t]hat's more than all other Teamster locals in the state combined have won in 10 years" (September 1995, p. 1). This level of adversarial dispute resolution activity is a very muscular exercise of the democratic process.

## CONTRACTS

Democracy as a process prioritizes how decisions get made. Democracy as the construction and distribution of public goods and services prioritizes the actual decisions. And in the workplace no single form better reflects the nature of those decisions than the collective bargaining agreement. With the results of the 1995 supervised officers election verified, Local 705 took the first momentous step in transforming how it would bargain with employers. To no surprise *who* bargained proved critically important to *what* got bargained.

A review of files covering roughly 480 contracts from 1976 to 1993 documents that the local's negotiations were dominated by the business agents and the Chicago law firm of Carmell, Charone, Widmer and Mathews. Minutes for bargaining sessions rarely revealed the presence of any union representative other than an officer, agent, or attorney. While there were occasions when a steward was present, there was no documented evidence of a rank-and-filer's participation. The lack of membership input during the bargaining process was mirrored by the lack of input at the issue formulation stage. On only a small number of occasions did the leadership appear to solicit from the members any ideas as to what should constitute the union's bargaining agenda.

While the reform leadership of Local 705 still assumes principal responsibility for conducting bargaining the process of constructing a contract has been greatly opened up. According to Tom Nightwine, one of the locals' three present contract administrators, the labor agreements are now "collaborative works" (author interview, January 7, 1999). Nightwine came to Chicago after the trusteeship was imposed and his appearance meant

the departure of attorney-driven bargaining and the introduction of rank-and-file participation.

Before bargaining commences stewards are used to solicit ideas from the members. Meetings are customarily held two to three months prior to negotiations for all barns, and members are encouraged to provide a written list of prioritized contract proposals. For example, UPS members hold three separate proposal meetings for feeder drivers, package car drivers, and inside/part-time employees (*705 UPDATE*, October 1996). In addition, movers decided to utilize the industry craft structure to coordinate their bargaining strategies (*705 UPDATE*, January 1997). Ideas generated in this fashion were then shared with the union representatives and contract administrator. Once proposals were crafted, edited, and selected the stewards had the responsibility of educating the members in the barns on the local's position.

If steward and membership involvement had ceased at this point the change would have still been dramatic. But democracy demands more. It is the hands-on process of negotiating bargaining items clause by clause that informs the policy making power of the union. At reform Local 705 every bargaining committee includes steward or rank-and-file representatives. For example the negotiating team for the 1997 UPS contract consisted of 35 rank-and-filers and the 1998 Trucking Management Incorporated (TMI) negotiations included three stewards each from the three major employer signatories to the contract. But presence is not participation. What role do the members play once rough-and-tumble bargaining begins?

Nightwine admits that the ping pong-like process of exchanging contract proposals requires that bargaining at the table be done by a designated individual. He

notes, however, that while “democracy should not be confused with anarchy” the members do play a significant part in separating fact from fiction. The contribution of non-staff members to negotiations was confirmed by examining their bargaining notebooks for the 1997 UPS agreement. What the notes reveal is how closely connected the non-staffers were to the issues in play (*UPS-705 Negotiating Committee Rank-and-File Notes*, May-August 1997).

In addition to bargaining participation, since 1994 postal as well as walk-in referendum voting on all contracts has occurred within every division (*Local 705 Contract File*, 1994-1998). By always bringing the tentative contract to the members Local 705 has solidified what was at best a fluid, undependable past practice. For example, while evidence of referendum votes on cartage and freight agreements were available, from 1971 to 1985 fifty-seven contracts were approved apparently without a membership vote (*Local 705 Contract Files*, 1971-1985).

Local 705’s inclusionary approach to labor negotiations undoubtedly raised the level of pluralism within the process of winning agreements. But did that matter to the quality of the contracts? It would appear that by every imaginable standard contracts negotiated by the reform leadership were significantly superior to the ones they succeeded.<sup>9</sup> A review of some of the major improvements to pre-trustee contractual benefits and language demonstrates to Tom Nightwine that Local 705 is successfully “digging out of a deep whole” dug by their predecessors.

Prior to the trusteeship in the cartage, freight, and package delivery units there were at least seventeen permanent wage tiers, paying \$10 or less per hour. An estimated 170 multi-tier contracts existed. However, in all but ten or twelve post-trusteeship

contracts multiple-wage tiers have been eliminated and the minimum scale has now been raised to \$12. Before reform the local's contracts were a patchwork of different company payments into the health and welfare and pension funds. Some companies were paying as low as \$42 per week, while others were contributing more than twice as much. Now, contributions to the plans are universally set by contractual terms.

In the days of unratified contracts there were companies which operated as a union carrier but had not signed a contract for many years. Since the 1995 election no 705 signatory company is functioning without either a signed agreement or without being actively engaged in bargaining or a work stoppage. When attorneys and agents exclusively negotiated contracts, many had repeatedly denied workers' raises. However, when those contracts were renegotiated after 1994 union members received their first wage improvements in over half of decade. In other situations workers had gotten pay increases but under old contracts they were denied health and welfare payments. Now contracts stipulate that benefit plan contributions are to be made for every 705 member.

There was also a time when part-time employees were not covered by any Local 705 agreements. Some old agreements further limited unit coverage by "red-circling" a flat number or percentage of employees. Any worker outside the red circle would be denied union coverage, regardless of the job he or she performed. Union representative Richard de Vries noted how "member only" provisions in moving industry contracts prior to the trusteeship sharply reduced the number of unionized movers in the Chicago area from 4,500 to 150 (author interview, December 14, 1998).<sup>10</sup> Today, however such artificial restraints on union growth have been erased and it is now the task done and not

how many hours the company schedules you to work that defines bargaining unit coverage.

Democracy demands that there must be limits on what the employer can do, and the boundaries of acceptable behavior must be fixed. Since 1995 Local 705 has thickened the borders between legitimate and illegitimate uses of management prerogatives. In doing so they have served the interests of industrial democracy.

## ORGANIZING

While holding his index finger within a millimeter from his thumb, Local 705 Organizer, Paul DiGrazia mused that when he assumed his duties after the trusteeship the “organizing file was this thin” (author interview, December 3, 1998). According to local organizer Gregory Foster, when the reform leadership examined the organizing files they discovered that from 1989 to 1993 “there was only one-three man barn organizing campaign conducted” (author interview, December 7, 1998).

When the reform leadership was elected they found that membership had badly fallen off from its peak period in the early 1970s. Thorough out the 1980s the effects of national deregulation laws and the growth of “gypsy-drivers” had devastated the unionized trucking industry. Under trenching labor-market transformation organizing new members was a tall deed. But how the local responded provides an additional insight into the ways that an absence of democratic ideals handicapped the cause of industrial union membership.

In the two decades or so prior to the trusteeship it appears that the local conducted little external organizing. A mention in the late 1980s of a “new unit” occasionally shows up in the membership and GEB meeting minutes but they are decidedly remote. While

organizing reports are rarely given, in January of 1987 the local does report a membership increase of 600 people over the last quarter. However, no update reappears until 1989 when the local announced that two organizing drives (*Minutes of Membership Meetings*, February 16 and May 18, 1989) were underway.

Contrary to the past, the reform leadership took a more proactive approach to organizing. One year after the local had emerged out of trusteeship 2,500 new members had been awarded a union card and dues collections were up by \$650,000 (*Minutes of GEB Meeting*, January 17, 1997). In early 1998 the local reported that it had won 13 out of 17 NLRB certification elections. Later in the year, however, a large drive of over 400 hundred workers was narrowly defeated (*Minutes of Membership Meetings*, February 15 and April 19, 1998).

Membership gains have also occurred by extending union coverage to company employees who had been previously locked-out of the bargaining unit. For instance, when the reform slate took office, the moving company of Boyer-Rosene declared only nineteen union workers on their roster. But three years later the union employee list now includes 93 dues payers (*705 UPDATE*, July 1988, p. 4). During this same period, additions at six other moving firms has raised the membership total by 33 percent (*705 UPDATE*, January 1997, p. 11).

The reasons for the modest, yet discernable, shift in local organizing activity and success seem to be similar to other post-trustee transformations. First the present full-time organizers have been properly trained. Classes at the Meany Center and the AFL-CIO Organizing Institute have helped to prepare the local staff to conduct recruitment drives by something other than the seats of their pants. In addition the local has held

workshops for rank-and-filers interested in doing volunteer organizing. Membership support for growing the local coalesced into the “Volunteer Organizing Committee (V.O.C.).”

The creation of V.O.C. marked another radical break with a bad tradition. For the first time in the local’s history, organizers would not only be paid staff members. Led by trained volunteers instead of staffers, Local 705 won campaigns in 1997 at Dobbs International and at Jet Star. With each success the use of volunteer organizers has grown incrementally and in some cases, like the tank drivers, separate divisions have been formed and provided with intensive training (*705 UPDATE*, January 1998, p. 10).

Unlike their historical brethren reform Local 705 appears to have embraced an expansive idea of industrial citizenship and has moved to become more inclusive with the working community around them. Inclusiveness has, for instance, meant mobilizing the membership around political action. In 1997 the local signed up more than 3,500 members to the International’s political action committee. The additional contributors to the union’s “Democratic, Republican, Independent Voter Education” fund brought the local’s number to nearly 5,000 and made 705 “the country’s #1 [IBT] local in DRIVE contributions” (*705 UPDATE*, May 1997, p. 3).

The local has also established strong working ties with a variety of social groups dedicated to the cause of working people. Chicago area chapters of Job With Justice, the Interfaith Committee for Worker Rights, and Operation PUSH have all partnered with Local 705 in pursuing a social justice agenda. In addition 705 now actively supports the struggles of other union members. Contrary to the old regime’s hostile attitude toward non-Teamster unions, exemplified by their historical opposition to the American

Federation of State, County and Municipal Employees, the reform leadership has been represented at every statewide major workplace dispute. In summary, after a stagnating period of local control the union has dared to once again offer itself as a productive mechanism for improving the livelihood of working-class nonmembers. In the light of democratic reform it is hard to imagine a better message.

#### *V. Conclusion*

Assessing the character of a union's democratic practices is a bit like seeing the glass half full or half empty. While change has been dramatic at Local 705 the exact placement of the union on a democratic continuum is imprecise. On one hand stewards actively communicate with members and representatives. On the other hand, they are appointed, and there is no stewards' council. To be sure, attorneys no longer negotiate contracts, but despite rank-and-file involvement hired administrators if admittedly life-long union reformers do. Union officer elections are now competitive, but they are principally the products of a reform-Hoffa dichotomy. The leadership has constructed educational and informational apparatuses to empower the membership but it appears that representatives and stewards are the primary beneficiaries. In summary, for all of Local 705's transformations it seems that political theorist Joseph Schumpeter's claim still retains credibility: "Democracy does not mean and cannot mean that the people actually rule in any obvious sense," he explained, but "that the people have the opportunity of accepting or refusing the men who are to rule them" (1976, pp. 284-5).

How then to situate Local 705? According to local representative and national Teamsters for a Democratic Union co-chair Dan Hamilton, it is among "approximately twenty IBT reform locals" (author interview, January 7, 1999). In so designating the

union Hamilton takes great care to point out how distinct one reform local is from another. He stresses that a democratic union should “equip the stewards and members to do the work of the union.” For Hamilton, union bureaucracy is not objectively a detriment to democracy. Elected and appointed staff can serve rank-and-file control as long as it “maintains the steward system.” The ultimate test is whether the union structure enables the members and their stewards to “become autonomous” and to then “place demands” on the institution. Achieving this end according to Hamilton requires a synthesis between rank-and-file mobilization and the democratic process.

Hamilton’s insights offer students of union governance a two-dimensional matrix for understanding the character of a particular union democracy. In *figure I* reform and mobilization are measured as separate variables on dual axes. Union locals can then be designated as “high,” “medium” “low” on each item. The ideal union of course would be highly reformed and highly mobilized. But as Hamilton notes “that would require a wide range of mobilization at the fullest discretion of the rank-and-file.”

**Figure I**

|               | <i>Mobilization</i> |        |     |
|---------------|---------------------|--------|-----|
| <i>Reform</i> | High                | Medium | Low |
| High          |                     |        |     |
| Medium        |                     |        |     |
| Low           |                     |        |     |

In impressive fashion, Teamster Local 705 has implemented much of the machinery necessary for effective rank-and-file representation. In addition it has demonstrated a willingness and a sophistication to organize the membership to act collectively on behalf of worker’s interests. In short, members are well serviced and responsive to the leadership-identified need to mobilize for action. While an integrated conception of reform and mobilization suggests that a fuller rank-and-file participation be

pursued, it is clear that democracy is being served at Local 705. More importantly, democracy has been good for union members. “When you dig beneath the political rhetoric,” Gerald Zero claims “the facts speak for themselves – reform has made Local 705 and the IBT a better, stronger union” (*705 UPDATE*, June 1998, p. 1).

## NOTES

- 1 The membership breaks down in the following approximate way: UPS - 11,500, Cartage - 1,200, Air Freight – 1,000, Freight - 1,000, Tankers - 600, Liquor Division – 300, Movers – 200, Municipalities – 150 and Grocery Houses - 100.
- 2 *United States v. International Brotherhood of Teamsters, No. 88 Civ. 4486 (DNE), Southern District of New York, 14 March 1989.*
- 3 Letter and report to Ron Carey dated May 25, 1993.
- 4 Letter and certificate of appointment from Carey to Zero, July 18, 1994.
- 5 The four slates were as follows: “Reform Pride Movement,” “Real Teamsters,” “Leroy Ellis,” and “705 Membership Slate.” The slates competed for executive board seats consisting of four officers, three trustees and four business agents.
- 6 Letter from Carey to Zero, April 13, 1995.
- 7 Holland is a Chicago based labor attorney who has represented Local 705 since the trusteeship, and was also the Election Officer for the first IBT referendum election in 1991.
- 8 Total is from meetings held between January 1997 and December 1998. Meetings were not held from April to December 1995 and records from January to December 1996 were unavailable.
- 9 Local 705 has always negotiated completely separate agreements with UPS, freight and cartage employers. This practice has allowed them to historically win contractual gains that exceeded the benefits negotiated under national agreements.
- 10 *Movers’ Association of Greater Chicago, Individual Employers in the Moving Industry, 1987 and 1990 Agreements.*