Abstract

The deep importance of work for families and communities means that discussions of public values and debates over public policies to create publicly valuable outcomes must not overlook work, the workplace, and the employment relationship. This paper considers the range of public values on work and the options for creating work-related publicly valuable outcomes. Labor unions feature prominently in the analyses because they are the most visible non-market institution for creating publicly valuable outcomes relating to work. Ultimately, however, there is not a consensus on the desired public values about work, nor on the best ways for fulfilling them. Rather, these are deeply contested issues rooted in contrasting frames of reference on work and the employment relationship which makes the realization of publicly valuable outcomes very challenging.
Public values are the values of a society that provide “normative consensus about (a) the rights, benefits, and prerogatives to which citizens should (and should not) be entitled; (b) the obligations of citizens to society, the state, and one another; and (c) the principles on which governments and policies should be based” (Bozeman 2007: 13). The complexity of modern societies means that a modern society’s public values are broad ranging. Public values necessarily intersect with the full range of societal issues, and this article focuses on issues related to work. Moreover, the creation of publicly valuable outcomes consistent with a society’s public values can involve a diverse set of actors and institutions. In the domain of work, the creation of publicly valuable outcomes is shaped by economic markets, governmental policies, private and public sector organizations, diverse worker advocacy and community groups, protest movements, and others. Part of this article highlights the roles of labor unions because of their central role in trying to create publicly valuable outcomes in the work domain and because debates over labor unions reveal contrasting perspectives on the nature of public values as well as contested views as to how to best realize these values within the workplace and beyond. By deepening our understanding of these traditional roles, we can also better understand the needed roles of new institutions as unions are increasingly limited in their abilities to create publicly valuable work-related outcomes due to their longstanding decline in the private sector and more recent attacks on public sector unions in Wisconsin and elsewhere.

It is common to see work primarily as an economic activity that generates commodities, services, and income. From such a perspective, work is largely a private activity that occurs between consenting economic actors in a distinct sphere of life, and the favored work-related public values are those that reflect economic individualism. But this is an excessively narrow view of work (Boyte and Kari 1996; Budd 2011). Work can be a source of personal fulfillment
and psychological well-being that provides more than extrinsic, monetary rewards. Work is a way to intimately care for others, and to serve others through volunteering, civic service, military service, and other means. On an even deeper level, work can be a source of identity by helping individuals understand who they are and where they stand in the social structure. Work is also a source of freedom from the dictates of the natural world—a way to express creativity and build culture. Work “builds and sustains our basic public goods and resources” and is thus an essential element of citizenship (Boyte and Kari 1996: 16). And many believe that work is not simply a commodity traded in the marketplace, it is something done by human beings who therefore merit a set of workplace standards consistent with human dignity (Budd 2004; Gross 2010; Kaufman 2005).

Work is therefore a fully human activity—it is “how we earn a living, build a material world, develop (or lose) our self-esteem and social identity, interact with others least like ourselves, and experience society’s power imbalances” (Budd 2011: 179). And work is not a separate sphere of life unconnected from family and community (Glucksmann 1995) or from citizenship and civic life (Boyte and Kari 1996). As a result, the typical view of work as a purely private affair, and thus best governed by the private marketplace, is excessively narrow. Rather, work should be seen as a public activity that is the subject of public values, and non-market institutions that can create work-related publicly valuable outcomes should be considered. That much of the publicly valuable outcomes sought by a society are ultimately created through work, such as educating a child or restoring an environmentally-sensitive area, further reinforces the important connections between work, work-related institutions, and public values (Boyte and Kari 1996).

Returning to Bozeman’s (2007) definition of public values, then, within the domain of
work there are distinct views on (a) the rights, benefits, and prerogatives to which workers should and should not be entitled, (b) the obligations of workers, employers, and the state, and (c) the principles on which work-related public and organizational policies should be based. These views are typically implicit, but more importantly, they are contested. In other words, there is not a widely-shared normative consensus on work-related public values; rather, there are competing visions of what the normative consensus should be. As a direct consequence, the role of labor unions and other institutions in creating publicly valuable outcomes are also highly contested. Ultimately, these differing visions of work-related public values and work-related institutions are rooted in competing beliefs about the nature of work, the objectives of the employment relationship, and how the employment relationship works. To understand the debates and conflicts over work-related public values and to pursue increased consensus on how to create publicly valuable outcomes in this sphere, it is essential to make these foundational beliefs explicit.

**CONTRASTING PUBLIC VALUES ABOUT WORK**

An explicit consideration of the objectives of the employment relationship is a useful starting point for thinking about public values in the work domain because this helps focus attention on the question of what society should desire from this relationship while also providing a foundation for understanding alternative perspectives. Budd (2004) and Befort and Budd (2009) argued that there are three fundamental objectives of the employment relationship:

*Efficiency:* effective use of labor and other scarce resources in generating private-sector profits or public-sector service delivery.

*Equity:* fairness in the distribution of economic rewards, the administration of employment policies, and the provision of employee security.
Voice: meaningful participation in workplace decision-making.

Efficiency is a standard of economic and organizational performance, equity is a standard of justice, and voice is a standard of employee self-determination. Different perspectives on these standards, however, result in different conceptualizations of public values about work.

The neoliberal market ideology emphasizes competitiveness, jobs, economic development, economic prosperity, low taxes, and deregulation. In this way, the effective use of scarce resources (efficiency) is elevated to the most important objective of the employment relationship in the private and public sectors. Moreover, equity and voice are conceptualized in market-based terms: voluntary transactions are equitable because they reflect free consent and are not coerced; voice occurs through workers’ individual choices about when to work and under what conditions. As noted above, the resulting work-related public values preferred by supporters of the neoliberal market ideology are those that reflect economic individualism, especially economic efficiency and freedoms to work, quit, hire, fire, and agree to terms and conditions of employment of one’s own choosing. By embracing the commodification of work, a neoliberal market ideology also favors and fosters public values in which the value of work is measured by the size of the paycheck it generates. These public values that reflect the primacy of markets and competition in achieving efficiency are not limited to private sector work, but instead are also applied to work in the public sector as evidenced by, for example, the new public management movement (Diefenbach 2009) and numerous initiatives to weaken public sector unions (Freeman and Han 2012).

These neoliberal market public values about work reflect a narrow view of work as a commodity and as a separate life activity that workers endure solely to earn income. But in addition to being an economic activity with material rewards undertaken by self-interested
agents, work is also a social activity with psychological rewards (Budd 2011). This richer perspective yields psychological conceptualizations of equity and voice that are tied to individuals’ desires for fairness, justice, and input into decision-making, especially in the form of distributive and procedural justice (Folger and Cropanzano 1998). Efficiency is also important in the perspective, and for reasons that will be described in the next section, efficiency, equity, and voice are seen as mutually-supportive and best achieved by policies designed by knowledgeable private and public sector human resource managers (Pynes 2009; Riccucci and Naff 2008). As such, public values on work from this human resource management perspective are similar to the neoliberal market public values because work is still largely seen as a private affair, albeit with some increased weight on fairness.

An even broader view of work is that in addition to being an economic activity with material rewards undertaken by self-interested agents and a social activity with psychological rewards, work is undertaken by human beings who are citizens in democratic communities (Boyte and Kari 1996; Budd 2011). From this perspective, worker-citizens are entitled to equity that encompasses decent working and living conditions that are determined by standards of human dignity, not supply and demand or human resource managers, and to meaningful voice that includes forms of workplace self-determination that go beyond the freedom to quit or make productivity- or service-improving suggestions. Work is not seen as a private affair, but as a public activity that shapes the economic and psychological well-being of individuals, the physical and emotional health of a community’s families, and the quality of a country’s democracy. This is an enduring perspective, as captured by this passage from before the Great Depression:

The welfare of wage earners in industrial communities is the concern of everybody. As citizens, as employers, as consumers, as workers, in one way or
another all are affected by the prosperity or adversity, the contentment or unrest, the efficiency or inefficiency, the wealth or the poverty of the wage earner….These truths are particularly applicable to a democracy which of its nature is forced to admit the equality of man, to affirm the equal right of access to the good things in life, and to take the measures necessary to the realization of these opportunities. The submergence of any section of the people either by the tyranny of the few or by the unexpected consequences of industrial development is abhorrent to the principles of democracy (Estey 1928: 1).

Adherents to this view typically see efficiency, equity, and voice as clashing with each other at least some of the time which means that equity and voice need to be objectives of the employment relationship in their own right. Some therefore call for a balancing of efficiency, equity, and voice (Budd 2004); from a more critical perspective, equity and voice are prioritized over efficiency (Ness and Azzellini 2011).

In either case, these emphases on human dignity and citizenship create a set of desired public values on work that are at odds with the individualism-oriented public values desired by supporters of the neoliberal market ideology, and are broader than those favored by the human resource management approach. These public values include economic fairness, nondiscrimination and equality, employment security, decent working conditions, social safety nets, voice, self-determination, workplace democracy, and full political equality for workers in the private and public sectors. Moreover, feminist scholars urge a rejection of the full commodification of labor in support of public values on work that fully value caring work and other forms of unpaid work (Ferber and Nelson 1993; Mies 1986).

**ALTERNATIVES FOR GOVERNING THE EMPLOYMENT RELATIONSHIP TO CREATE PUBLICLY VALUABLE OUTCOMES**

Public values on work are contested not only because of different conceptualizations of work, but also because of different schools of thought on the employment relationship. Moreover, these schools of thought underlie sharply contrasting perspectives on the best ways to create publicly valuable outcomes. This section starts by sketching four key models of the
employment relationship—the egoist, unitarist, pluralist, and critical employment relationship models (Budd and Bhave 2008, 2010). The implications for preferred mechanisms for governing the employment relationship to create publicly valuable outcomes are then discussed.

Four Competing Models of the Employment Relationship

The first model of the employment relationship, the egoist model, is derived from mainstream neoclassical economic thought and rests on a view of rational agents pursuing their individual self-interest in economic markets. Employees’ self-interest is assumed to be income and leisure while organizations seek to maximize profits or pursue analogous objectives in the public sector. Labor is viewed as a commodity, and only differs from other commodities in its tendency to avoid exerting full work effort (“shirking”). Workers are therefore seen as needing monitoring or motivation via economic incentives. Moreover, because labor markets are generally seen as perfectly competitive, they are embraced as the primary driver of the employment relationship. Under these assumptions, the egoist employment relationship is characterized by employees and organizations engaging in voluntary, mutually-beneficial economic transactions to buy and sell units of labor based on what the labor market will allow.

In contrast, the unitarist model of the employment relationship views employees as psychological rather than economic actors. This model is most closely associated with scholarship in industrial/organizational psychology, organizational behavior, and human resource management such that the egoist’s model of rational decision-making is de-emphasized in favor of behavioral elements such as fairness, social pressure, and cognitive limitations, and the egoist model’s material economic interests are de-emphasized in favor of psychological interests such as satisfaction and esteem. Moreover, economic markets are seen as imperfectly competitive so
profit-maximizing employers can choose their strategies for pursuing their organizational goals; public sector employers are similarly seen as facing constraints that are less than fully deterministic and therefore can choose specific strategies for achieving organizational goals. Specifically, in the unitarist employment relationship, the optimal organizational strategies are those that align the interests of organizations and employees because a key assumption is that organizations and employees share a unity of all of their interests; thus, the label “unitarist” employment relationship. For example, jobs that are designed to be fulfilling will be rewarding to the employees, and the private or public sector organization will also benefit because these employees will be productive.

An alternative perspective, the pluralist model, rejects the egoist model’s view of labor as a commodity traded in perfectly-competitive markets; rather, employees are viewed as human beings entitled to key standards and rights consistent with human dignity and citizenship. The pluralist model also rejects the unitarist view of largely shared organization-employee interests; rather, organizations and employees are seen as having a mixture of common and conflicting interests. In other words, the pluralist employment relationship rests on an assumption of a plurality of legitimate but sometimes-conflicting interests in the employment relationship. The classic example of conflicting interests is higher wages versus higher profits, with many other conflicts possible in the private and public sectors. This model is most closely associated with scholarship in mainstream U.S. industrial relations and institutionalist economics.

The fourth and final alternative model of the employment relationship reflects radical, heterodox, and feminist scholarship in sociology, economics, and industrial relations is therefore labeled the critical employment relationship. Like the unitarist and pluralist models, this model

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1 The egoist label is not intended as a pejorative term with negative connotations; rather, it is
sees labor as more than a commodity and also sees labor markets as imperfectly competitive. But where the critical perspective differs is in its emphasis on sharp conflicts of interests and unequal power dynamics between competing groups. Marxist and related perspectives focus on unequal power relations between workers and organizations, feminist perspectives focus on unequal power relations between men and women, and critical race perspectives focus on segregation and control along racial lines. In all of these critical perspectives, the employment relationship is seen as one piece of a larger socio-politico-economic system throughout which elites are able to perpetuate or reproduce their dominance, albeit with some accommodation of the interests of the weaker party in order to foster compliance and consent.

**Governing the Employment Relationship to Create Publicly Valuable Outcomes**

As just sketched, the employment relationship in the private and public sectors can be modeled as a mutually-advantageous transaction in a perfectly-competitive labor market, a long-term partnership of organizations and employees with common interests, a bargain between equally-legitimate stakeholders with some competing economic interests in imperfect markets, or an unequal power relation embedded in complex socio-politico-economic inequalities. This is important for understanding debates over creating publicly valuable outcomes in the work domain because the assumptions of each of the four perspectives yield different preferred institutional mechanisms for governing the employment relationship. Through the frame of reference of each model, this preferred mechanism is seen as the best way to promote the desired values and create valuable outcomes, but these preferred mechanisms have sharply-conflicting public policy implications (Befort and Budd 2009).

Employment-at-will—the right to hire and fire, or take a job and quit, at anytime for any
reason—is the preferred governance mechanism in the egoist model of the employment relationship (Epstein 1984). Supporters of the neoliberal market ideology and other adherents to the egoist model embrace market-based public values on work, and these are best served by allowing organizations and employees to enter into any explicit or implicit contract involving any mutually-agreeable terms and conditions of employment, including compensation, hours, duration of employment, job duties, and the like. In the interests of both organizational performance and individual freedom, organizations and employees should also be able to alter or terminate these arrangements when conditions or preferences change, or if a better deal comes along. Moreover, while this is the best way to promote market-based values, neoclassical economic theory also shows that under the ideal assumptions of this paradigm, abuses and exploitation should be prevented by perfect competition in the labor market. Consequently, institutional arrangements that foster competitive labor markets without outside interference are embraced as the best way to create publicly valuable outcomes in the work sphere (Friedman and Friedman 1980; Troy 1990). In short, a laissez-faire public policy approach to work is favored.

The unitarist assumption of the unitarist employment relationship, in contrast, means that profitability and other organizational goals serve and are served by fulfilling work, fair treatment, and the satisfaction of employees’ other intrinsic desires. Adherents to this view of the employment relationship therefore embrace human resource management and its focus on creating policies that simultaneously benefit employees and their private and public sector employers (Pynes 2009; Riccucci and Naff 2008). Ideally, government regulations should be unnecessary, but if some employers are misinformed or misguided, then there can be a role for public policies to encourage cooperative rather than competitive relations between organizations and employees, and in the extreme, to prevent destructive competition that might come from
ignorant, short-sighted, deviant managers. But in the main, the assumptions of the unitarist approach mean that the preferred way to create publicly valuable outcomes is to let organizations freely design and implement their own human resource management practices in a free labor market context without other institutional and legal constraints.

In contrast, the creation of work-related publicly valuable outcomes in the model of the pluralist employment relationship requires institutional intervention. If the employment relationship is pluralist in nature, then human resource management policies are useful for promoting shared interests such as a corporation’s financial viability or a public sector organization’s service quality, but because of inherent conflicts of interests it is unwise to rely solely on organizational self-interest to look out for workers’ interests (Kaufman 1997). Moreover, because labor markets are not believed to be perfectly competitive, market imperfections are seen as giving employers greater bargaining power than individual employees. In the pluralist employment relationship, then, competitive markets do not serve as a brake on abusive employers. Rather, in order to promote the desired public values and create publicly valuable outcomes, the employment relationship should be governed by a combination of public policies that create explicit minimum labor standards and social safety nets while also promoting unionization or other institutions of employee voice that can balance efficiency, equity, and voice (Befort and Budd 2009).

Lastly, scholars, advocates, and others who subscribe to a critical frame of reference embrace different mechanisms for governing the employment relationship. Unlike in the egoist employment relationship, the labor market is seen as a socially-based instrument of power and control, not a neutral forum for matching self-interested workers with self-interested organizations (Hyman 1975). Human resource management practices are viewed as disguised
rhetoric that perpetuate corporate control rather than as methods for aligning organization-
employee interests (Thompson and McHugh 2002; Townley 1994). But unlike in the pluralist
view in which government regulation and workplace-focused labor unions can balance
efficiency, equity, and voice because organization-employee conflict is confined to the
employment relationship, government regulation from a critical perspective is insufficient to
advance workers’ interests. Creating the publicly valuable outcomes desired by the critical
school therefore requires militant labor unions that are willing to challenge capitalist-controlled
corporations and public sector organizations in the socio-political arena as well as in the
workplace, and other deep changes to neoliberal market capitalism (Fletcher and Gapasin 2008;
Moody 1997).

So public values and how to best create publicly valuable outcomes in the work domain
are contested issues because of different beliefs about work and how the employment
relationship works or should work. It is important to emphasize that these beliefs do not simply
yield alternative perspectives on creating publicly valuable outcomes, but yield conflicting
perspectives. The conflicts can be particularly sharp because the frames of reference presented
here are not only analytical models, they are also ideologies that privilege certain interests over
others. The egoist and unitarist models prioritize private sector profits and are therefore used to
justify weakening labor unions in the private and public sectors and for opposing the
strengthening of labor standards such as minimum wage increases. The pluralist and critical
models favor intervention and regulation and are therefore seen as redistributive ideologies that
privilege the interests of organized labor over business. Consequently, there are deep-seated
regional and class-based differences in public values that yield sharp divergences in support for
or opposition to labor unions and other work-related institutions. Intellectually, the four frames
of reference are analytical equals, but in practice the political and normative power of each of the corresponding ideologies waxes and wanes over time based on complex socio-politico-economic dynamics, and the conflicts between the perspectives are intensified by the accompanying battles over material resources, political power, and social standing.

LABOR UNIONS AND THE CREATION OF PUBLICLY VALUABLE OUTCOMES

There is perhaps no better demonstration of the sharply contrasting frames of reference in the work-related domain than the clashing perspectives on labor unions. From an egoist perspective, labor unions are essentially bad—they are viewed as labor market monopolies that reduce economic welfare by interfering with competitive labor markets for private and public sector workers, raising costs for consumers and taxpayers, and violating individual liberties to freely enter into economic relationships (Epstein 1983; Troy 1999). Work-related public policies such as mandated minimum wages are similarly critiqued as harmful impediments to the optimal functioning of competitive labor markets. From the unitarist frame of reference, labor unions (and government-mandated labor standards) are seen as unnecessary because private and public sector organizations are believed to have a self-interest to align their interests with their employees’ interests through effective human resource management practices. Unions are also seen as outside third parties that bring conflict to what should be a conflict-free, individually-oriented organization-employee partnership.

Through a pluralist lens, however, labor unions and mandated labor standards through work-related public policies are embraced as essential instruments for leveling the otherwise unequal playing field between organizations and employees and thereby provide working conditions that respect human dignity (Budd, Gomez, and Meltz 2004; Kaufman 1997). Moreover, by participating in the determination of terms and conditions of employment and the resolution of disputes, labor unions are seen as necessary vehicles of workplace democracy for
private and public sector workers (Budd 2004; Sinyai 2006). From the perspective of the critical employment relationship, militant labor unions are viewed as important for challenging worker exploitation under capitalism by mobilizing and raising the consciousness of the working class, by pushing for improved terms and conditions of employment, and by obtaining greater control over workplace decision-making. But ultimately, the pluralist reliance on collective bargaining to promote employees’ interests is viewed as inadequate because structural employee-employer inequalities are assumed to be embedded in the entire socio-politico-economic system. Critical scholars and activists therefore criticize conservative unions for insufficiently challenging organizational power and raising working class consciousness (Moody 1999).

While not enjoying universal support because of the reasons just described, labor unions can be a key institution for trying to create publicly valuable outcomes in the work sphere. It is therefore useful to consider the roles and accomplishments of labor unions in this regard, while recognizing that unions are increasingly limited in their abilities to create publicly valuable work-related outcomes due to low union density in the U.S. private sector and vulnerabilities in the U.S. public sector, including uneven statutory protection and sometimes intense political opposition by conservative politicians and their allies.

**Labor Unions and the Creation of Publicly Valuable Outcomes in the Workplace**

Within the workplace, the main roles of U.S. labor unions are to negotiate terms and conditions of employment via collective bargaining with the employer, and to represent workers when disputes arise, especially through formal grievance procedures. On average and in both the private and public sectors, collective bargaining in the United States results in a union wage premium of approximately 15 percent and a compressed wage structure with narrower differentials between lower- and higher-paid workers compared to similar nonunion workplaces
Unionized private and public sector workers are significantly more likely than comparable nonunion workers to receive health insurance, pensions, and other employee benefits, and to be covered by seniority rights, just cause discipline and discharge provisions, and a formal grievance procedure (Budd 2007; Freeman and Kleiner 1990; Lewin 1999). In these ways, supporters of labor unions see them as creating publicly valuable outcomes by fostering economic fairness, including the achievement of living wages, more balanced economic outcomes, and coverage for basic protections against health, retirement, unjust dismissal, and other forms of insecurity. Objective seniority rights and grievance procedures with robust due process protections are further seen as important elements of economic fairness that promote respect for dignity in the workplace.

But it is not just the outcomes of collective bargaining that are important; rather, the processes that accompany the presence of a labor union in the private or public workplace are also very important. In contrast to the unilateralism of the traditional employment relationship, determining terms and conditions of employment via collective bargaining means that workers have a voice in decisions that significantly affect them. Settling disputes through a grievance procedure means that workers participate in problem solving and have important due process protections. Safeguards against unjust dismissal support the ability to speak freely in the workplace. These institutional mechanisms of workplace voice are seen by supporters as creating publicly valuable outcomes not only by promoting human needs for self-determination in the workplace, but also by creating worker-citizens who are trained in the skills of participatory democracy needed for true political participation (Pateman 1970; Estlund 2003).

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2 There is also a large literature analyzing the workplace effects of labor unions and other employee voice institutions in many other countries. See, for example, Addison and Schnabel
Labor unions can also create publicly valuable outcomes by facilitating the use of benefits that workers are entitled to, such as workers’ compensation or unemployment insurance benefits (Budd 2007). Indeed, empirical research supports the existence of this union facilitation effect. Among hourly employees, Budd and Brey (2003) find that unionized individuals are significantly more likely than nonunion employees to have heard about the Family and Medical Leave Act. Hirsch, Macpherson, and DuMond (1997) document greater levels of workers’ compensation receipt among unionized workers compared to similar nonunion individuals, and ascribe this difference at least partially to union-provided information on workers’ compensation systems and to union-provided help in pursuing workers’ compensation claims. Similarly, compared to similar nonunion individuals, hourly unionized workers are more likely to receive unemployment insurance benefits (Budd and McCall 1997, 2004). Indeed, trends toward increased corporate self-regulation and self-monitoring have increased the need for worker representation, and in theory, labor unions uniquely fulfill all of the qualities necessary for preventing cosmetic compliance—inside information and flexibility combined with outside power and expertise (Estlund 2010).

More generally, the unique combination of inside presence with external power can provide a welfare-enhancing counterweight to other participants in organizational governance beyond the traditional boundaries of the employment relationship. Consider three patterns of conflict that might occur between three key stakeholders: shareholders (or taxpayers in the public sector), managers, and employees. Shareholders/taxpayers and managers might align against employees over compensation and other employment issues (“class conflict”), shareholders/taxpayers and employees might align against under-performing managers...
(“accountability conflict”), and managers and employees might align against shareholders (taxpayers) over takeovers (privatization) or other restructuring issues (“insider-outsider conflict”) (Jackson, Höpner, and Kurdelbusch 2005). The classic pursuit of equity and voice via collective bargaining aims to bring a balance to the class conflict dimension, but a labor union or some other form of institutionalized power can also create publicly valuable outcomes by making employees an effective actor in balancing these other conflicts (Dau-Schmidt 2011). For example, without the willingness of employees to speak up about what is happening within the organization, it is more difficult for shareholders or taxpayers to police under-performing private and public sector managers, and it is more likely that managers might pursue short-term rather than long-term performance objectives to the detriment of employees and shareholders or taxpayers.

**Labor Unions and the Creation of Publicly Valuable Outcomes in Democratic Societies**

The potential for private and public sector labor unions to create publicly valuable outcomes within the workplace is very important, but it should be noted that many of the issues discussed above in the context of workplace can have important spillover effects into the broader socio-political realm. Collective bargaining not only narrows wage differentials within the workplace, it can also create greater levels of economic fairness across society by raising pay and obtaining health and retirement benefits for those in the lower part of the income distribution (Card, Lemieux, and Riddell 2007; Western and Rosenfeld 2011) and by ameliorating the harshest effects of globalization and technological change on workers and their families (Rosenfeld forthcoming). If sufficiently widespread, this can significantly help create publicly valuable outcomes because social inequality can be linked to a worsening of a wide range of

Waddoups (2011), and Pencavel (2007).
outcomes, including physical health and obesity, mental health and drug abuse, child well-being and educational performance, violence and imprisonment, trust and community life, and economic growth (Wilkinson and Pickett 2010; Aghion, Caroli, and García-Peñalosa 1999).

Collective bargaining and the other workplace voice processes that labor unions add to a workplace can also strengthen the participatory and deliberative skills and norms needed for a healthy political democracy (Pateman 1970; Estlund 2003). By engaging in conflict resolution in the workplace, taking advantage of union-provided training, and participating in the affairs of a local union, unionized workers can develop advocacy and leadership tools, become more politically aware, and develop a sense of agency (Wasser and Lamare forthcoming). Indeed, for some these effects can even translate into a greater likelihood of being elected to political office (Sojourner 2013). Labor unions can also be important organizations in civil society where individuals gather to socialize, discuss issues, pursue charitable goals, and form a sense of community (Levine 2001; Zullo forthcoming).

Beyond the boundaries of the workplace or a local union, a consideration of how labor unions can create publicly valuable outcomes should recognize that labor unions are not purely workplace institutions. Specifically, workers and unions from multiple workplaces frequently join together to pursue common interests, most frequently in the political and social arenas. In this way, the labor movement provides a voice for workers in the political arena (Dark 2001; Masters and Delaney 2007). Within the political arena, a labor movement can lobby politicians, publicize specific issues, organize demonstrations, mobilize union members and others to campaign and to vote (Lamare 2010; Rosenfeld 2010), directly affiliate with specific political parties, and collaborate with other civil society actors (James 2004). As with the workplace role of labor unions, evaluating the political and social roles of the labor movement is shaped by
one’s frame of reference. Through the egoist lens in which labor unions are labor market monopolies, the labor movement’s political activities are similarly viewed as the pernicious use of political power to benefit unionized workers at the expense of consumers, taxpayers, and others in society. At the other end of the spectrum, the critical frame of reference sees active socio-political participation by the labor movement as necessary for countering the dominant power of employers.

In the pluralist perspective, the workplace, civil society, and political arena are all viewed as pluralist entities in which numerous groups have common and conflicting interests. Viewed in this way, the labor movement represents workers in the political arena just as the Chamber of Commerce represents business and the AARP represents senior citizens. Just as labor unions are seen as balancing the economic power of employers in the workplace, then, the labor movement is viewed as balancing the political power of employers and their allies in the political arena. So from a pluralist perspective, there is an important connection between a vibrant, independent labor movement and a healthy, balanced democratic society (Lichtenstein 2002; Teitelbaum 2011). This connection should be recognized when considering the ways in which labor unions can create publicly valuable outcomes in contemporary democratic societies.3

**Excesses and Safeguards**

In summary, labor unions have the potential to be a significant work-related institution that creates publicly valuable outcomes around economic fairness and democratic values. When successful, this can improve not only the social and political functioning of a society, but its economic functioning as well. A common way in which labor unions are seen as potentially

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3 In non-democratic societies, labor unions and other worker-centered institutions can create publicly valuable outcomes by being an important champion of democratic freedoms and an
aiding economic efficiency is by improving the labor market’s reliance on exit to guide the employment bargain. In the textbook economic model, there is costless entry and exit into and out of economic relationships, and the invisible hand costlessly guides actors to the optimal set of efficient outcomes. But in the real world, there can be significant barriers to costless transactions, especially in the labor market. Under such conditions, the use of voice rather than exit can be more efficient in determining the best employment conditions for private and public sector workers.

In what has become a landmark framework, Freeman and Medoff (1984) demonstrated that the voice face of labor unions can have significant economic benefits when quitting is costly for employees and organizations. In short, unions can help employees voice concerns over their terms and conditions of employment instead of quitting, and managers can more efficiently respond by adjusting the terms and conditions of employment for existing employees rather than trying to figure this out by the costly trial and error of hiring new employees. Recently, Meardi (2012) has broadened the conceptual scope of exit beyond this focus on employee quitting. First, exit from organizations should not only include quitting and turnover, but should also include what Meardi labels “internal exit” (e.g., organizational misbehavior, informal resistance, and low levels of commitment, engagement, and loyalty). Second, there is exit from local area—in other words, migration. Third, there is exit from the political arena in the form of voter apathy, low levels of voter turnout, and other manifestations of a disconnected citizenry. The improved economic fairness, workplace voice, and political voice that labor unions can create can reduce not only costly forms of organizational exit, but also costly geographical exit and political exit as an independent monitor of government power (Collier and Mahoney 1997; Kraus 2007) while also promoting economic development by institutionalizing worker unrest (Teitelbaum 2011).
well. This broadened framework is therefore a useful way to recognize the diverse, multi-level ways in which labor unions can create publicly valuable outcomes.

But human institutions are rarely infallible, and while labor unions might be able to create publicly valuable outcomes, there are also concerns and reasons for needing safeguards. As has been described earlier in this article, some of these concerns are rooted in differing beliefs about the employment relationship which favor alternative mechanisms for creating publicly valuable outcomes. Other concerns are derived from the evidence on what unions do and from the potential for abuse of power. Within the workplace, the evidence does not uniformly support a claim that labor unions enhance productivity; rather, some studies find that unions increase productivity, and others find the opposite (Hirsch 2007). Because labor unions negotiate higher wages and more generous benefits, labor unions reduce profits because even when productivity increases, the increase is not sufficient to offset the increased labor costs (Hirsch 2007; Doucouliagos and LaRoche 2009). And while labor unions do not appear to drive firms out of business (Freeman and Kleiner 1999), there is, on average, a reduction in employment (Hirsch 2007). So there may be some economic costs to labor unions which may temper their contributions to publicly valuable outcomes. And these costs raise some concerns with unions being too powerful in the workplace.

Recent debates over the power of teachers’ unions underscore concerns over organized labor’s political power, too. Of particular worry to some is that unions require workers to pay dues and then use those funds to support political candidates and other causes that the workers might not support, even though such practices are already prohibited (see below).  

4 In non-right-to-work states, workers in unionized workplaces do not have to join the union but are required to pay a fee roughly corresponding to the cost of providing collective bargaining
are fears that labor can be undemocratic and unresponsive to the wishes of the membership, and even corrupt as in the case of Jimmy Hoffa’s Teamsters Union and other rare examples (Jacobs 2006; Russell 2001).

As with other business and civil society organizations, then, the legal system regulates labor unions to combat these potential excesses and abuses. U.S. labor law in the private sector, and where present in the public sector, does not mandate unionization; rather, its objective is to protect employee choice over whether or not to unionize, and such decisions are determined through majority support.\(^5\) It is illegal for unions to place undue pressure on workers when they are making this decision, and it is also possible for workers to change or remove the union in their workplace when a majority of workers desire this. Companies, and where covered by state laws, public sector organizations, only need to bargain with unions who have demonstrated majority support, and their only legal requirement is to bargain in good faith; an agreement is not required. Private sector unions can only strike over wages and other terms and conditions of employment, and during a strike an employer is free to continue its operations with replacement workers. In states that do not prohibit all public sector strikes, strikes by essential employees such as police officers are illegal, and there are also provisions for Presidential intervention in strikes that pose a national emergency. All of these legal standards are intended to prevent unions from being overly powerful.

To promote union democracy and prevent corruption, U.S. labor law specifies a bill of rights for union members that guarantees all union members equal rights of participation in benefits to the workers; in right-to-work states, workers are free to refrain from membership and the payment of any dues or fees.

\(^5\) Nearly half of the states fail to grant, or in extreme cases prohibit, collective bargaining rights to some or most state and local government employees. But these public sector workers are still allowed to unionize because this right is protected by the freedom of assembly.
internal union affairs, including voting and expressing views, and also mandates democratic standards for the election of union officers. Labor law also establishes a fiduciary responsibility of union leaders, and to promote transparency, unions are required to annually disclose their financial records. Corrupt union leaders can also be prosecuted under the Racketeer Influenced and Corrupt Organizations (RICO) Act.

In the political arena, U.S. labor law prohibits unions from making donations directly to candidates for federal office, and campaign finance laws prohibit the use of dues money to support union-sponsored political action committees (PACs) (Masters, Gibney, and Zagenczyk 2009). Instead, union members’ contributions to a union-sponsored PAC must be voluntary. The Supreme Court’s *Citizens United* (2010) decision, however, protects other political expenditures financed by union dues (or by corporations), such as “electioneering communications” that do not explicitly say to vote for or against a specific candidate. Nevertheless, unionized workers who object to the spending of union funds on political activities are free to resign from the union and therefore not pay dues, or in non-right-to-work states, to at least only pay the fraction of regular dues that are germane to collective bargaining.

**CONCLUSION**

In any consideration of public values, public policies to create publicly valuable outcomes, and related issues, work is too important to be overlooked. This article therefore considers the range of public values on work. Some see work as a commodified, economic transaction best left solely in invisible hands of the labor market or in the visible hands of corporate and public sector managers. But this is an excessively narrow view of work and its importance. A more appropriate view embraces work as a fully human activity necessary for a community’s reproductive as well as productive activities that has deep importance for our individual and collective material and psychological health as well as for the quality of
democracy and other social relations (Boyte and Kari 1996; Budd 2011). Consequently, work must be seen as a public activity, and institutions such as labor unions are important and necessary for creating work-related publicly valuable outcomes.

In some cases, labor unions can add economic value, but their key contributions are toward economic fairness, not efficiency, as well as toward democratic values in the workplace and in society—that is, equity and voice more than efficiency. In these ways, the key values of organized labor and other worker advocates align with other perspectives that embrace definitions of public values that go beyond economic conceptions (Benington 2011; Bozeman 2007). Following Benington’s (2011: 45) definitions, labor unions can contribute to social and cultural value (“adding value to the public realm by contributing to social capital, social cohesion, social relationships, social meaning and cultural identity, individual and community wellbeing”) and political value (“adding value to the public realm by stimulating and supporting democratic dialogue and active public participation and citizen engagement”). And to tie this into broader philosophical traditions, it is the ideals of inherent human dignity rooted in secular, humanist, and spiritual belief systems, not the ideals of economic efficiency, that provide the moral foundation for preventing the complete commodification of workers in a materialist, utilitarian world (Budd 2004; Peccoud 2004).

However, the creation of publicly valuable outcomes is a complex, multi-layered process with many intersecting actors. While labor unions have a strong track record of success in promoting equity and voice when conditions are right, their ability to achieve equity and voice is highly contingent on the choices made by union leaders and other actors within particular socio-politico-economic contexts. Unfortunately, the current environment severely limits the U.S. labor movement’s ability to create publicly valuable outcomes (Rosenfeld forthcoming). In the private
sector, globalization as well as corporate financialization strategies to make profits through financial transactions rather investing in their workforces have eroded labor’s bargaining power while legislative campaigns organized by the American Legislative Exchange Council and other conservative groups have further weakened unions through the passage of right-to-work laws and other policies. While there are pockets of vibrancy, private sector union density has dropped to less than 10 percent. Public sector union density has been more stable at around 37 percent, but public sector unions lack bargaining rights in many jurisdictions and have also been put on the defensive in recent years, especially by Republican governors rescinding or aggressively limiting bargaining rights for state employees in Indiana, Missouri, Wisconsin, and elsewhere.

It is therefore not a surprise that labor’s share of national income has been falling, not only in the United States but on a worldwide basis (International Labor Organization 2013). So how to create publicly valuable outcomes in the key sphere of work? A host of public policies could promote a better balance between efficiency, equity, and voice (Befort and Budd 2009). Organized labor could experience an upsurge (Clawson 2003). Worker centers and other new, typically community-focused, institutions of worker voice—what has been called “alt-labor” (Eidelson 2013)—can seek gains for nonunion workers through education, protest, lobbying, lawsuits, and other means, especially in situations where formal union recognition is very difficult to achieve.

But these and other methods for creating work-related publicly valuable outcomes are unlikely to be sustained on a wide-scale until there is a stronger consensus on public values that recognize the deep private and public importance of work. As we have seen, however, these public values are highly contested. Analytically, contrasting perspectives on work-related public values are rooted in different assumptions about how the employment relationship works and in
different values on the purpose of work. So making these assumptions explicit in order to gain a
deeper understanding of the alternative perspectives is valuable for improving the quality of the
discourse around work-related public values. In practice, however, there is more at stake than
improved discourse. Each of the alternative perspectives prioritizes certain interests over others
so debates over public values in the work sphere are inseparable from conflicts over economic,
political, and normative power and the resulting material outcomes. Consequently, there are
many voices seeking the moral legitimacy and social support to define public values on work in
sharply divergent terms, and the resulting implications for shaping markets, laws, and institutions
means that the clashes between different value systems are intense. But the public importance of
work for individuals, their families, and our societies is too important to let these challenges
deter the quest for publicly valuable outcomes consistent with our public values, whether through
the reinvention of traditional labor unions or the development of new organizations and
institutions.
REFERENCES


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