

Class War in the Capital City

By Don McIntosh

There's a top-down class war under way, but unlike the 1930s, when thugs shot workers on strike picket lines, today's business organizations are using "hired gun" lobbyists in state capitols, to rewrite the laws — all of them — in their favor.

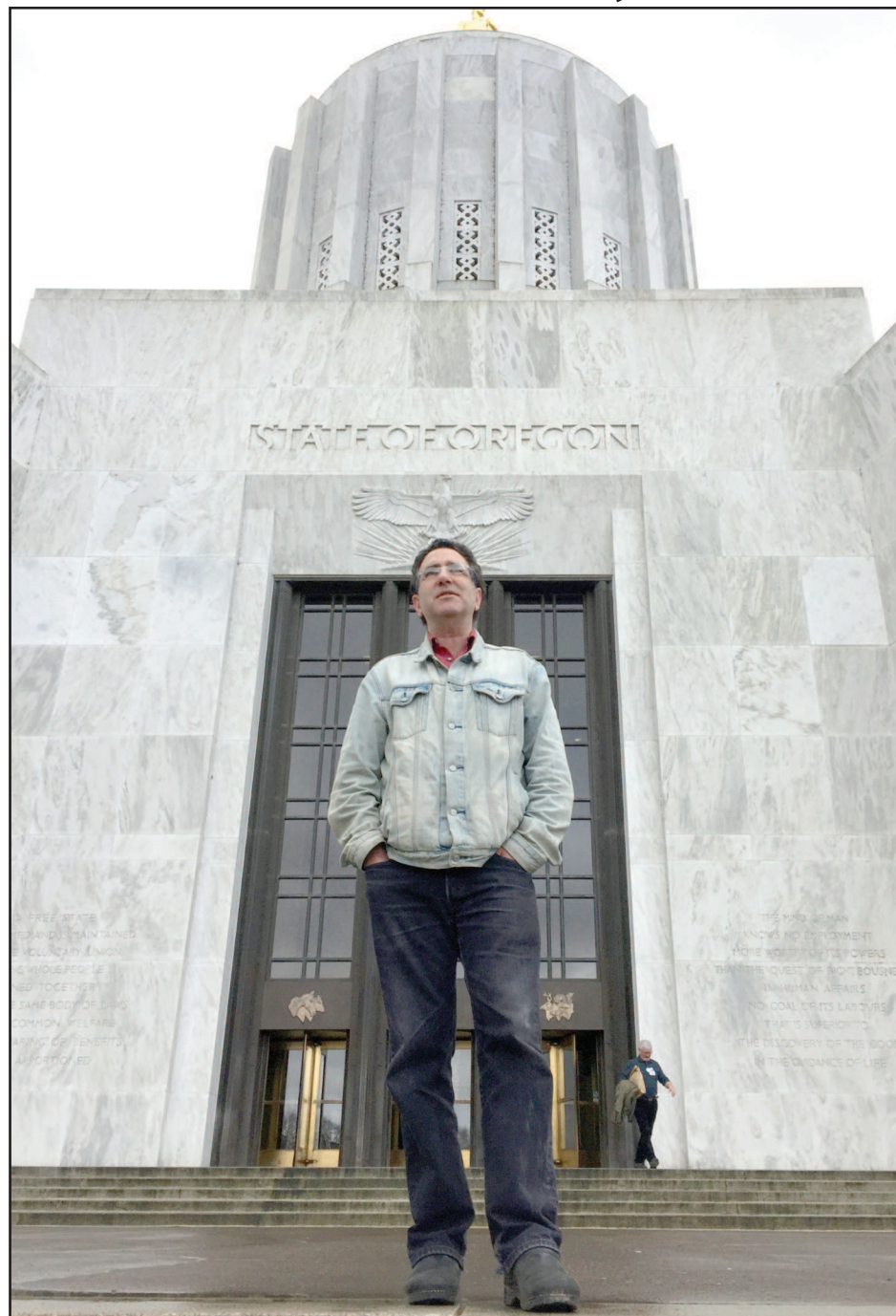
That's the basic argument made by political scientist Gordon Lafer in his new book *The One Percent Solution: How Corporations Are Remaking America One State at a Time*. Lafer, who teaches at the Labor Education and Research Center of the University of Oregon, spent five years compiling a 50-state, 30-issue database of corporate-backed legislation. He was also there on the front lines, testifying against business-backed anti-worker laws in Wisconsin, Michigan, Indiana, New Hampshire, and other states.

The idea for the research came to him in early 2011. Lafer had just returned to Oregon after a year in Washington, D.C., as senior adviser to the U.S. House Labor Committee. Now a drama was beginning in the Wisconsin Legislature: A surprise attack on public sector workers' right to collective bargaining drew 100,000 protesters to the state capitol. Attacks on worker rights and protections soon spread to dozens of states.

"It was like watching a million bombs go off in different places," Lafer says, "and each one was being treated like, 'oh, this terrible thing is being done by senator so-and-so in New Hampshire.'"

Lafer set out to study the wave of anti-worker laws, and found distinct patterns among the hundreds of bills backed by business lobbies:

- **Corporate lobbies want to shrink public services.** In state after state, corporate lobbies would push for cuts to business taxes; these would be followed by cuts to budgets for schools and services. In 2011, 12 states actually gave out new tax cuts even while they were enacting dramatic cuts in public services. The Great Recession was a doozie, but didn't have to result in state budget cuts. In 2011, Lafer points out, deficits in all 50 states could have been erased entirely through two simple policy changes: undoing the Bush tax cuts for the top 2 percent of income earners, and taxing capital gains at the same rate as ordinary income. Both were within the power of states to enact, and both enjoyed popular support, yet no state ever seriously explored that road to fiscal balance, because of the power of corporate lobbies.
- **Corporate lobbies want to recreate public education in their own image.** Business groups are supporting laws to eliminate teacher certification, impose high-stakes testing, replace in-person with digital instruction, and privatize public education via vouchers or through privately-run for-profit and non-profit charter schools.
- **Corporate lobbies want to cut worker protections and compensation.** Since 2010, business groups have helped pass laws that cut public employee compensation in at least 30 states, particularly pension compensation. Other business-backed laws rolled back child labor protections, made it tougher for workers to get unemployment and workers comp benefits, and barred local governments



CAPITOL IN THE 21ST CENTURY State capitols, like the one in Salem, above, are where corporations are most focused today on remaking America according to their vision, argues University of Oregon political scientist Gordon Lafer.

from passing minimum wage, sick leave, or wage theft ordinances. Nineteen states outlawed or restricted the use of project labor agreements, while nine states scaled back or repealed prevailing wage laws.

- **Corporate lobbies want to destroy unions.** Backed by business lobbies, new laws in multiple states limit public employee collective bargaining, make it harder for unions to collect worker dues or political contributions, eliminate requirements to pay the prevailing wage on public construction projects, and prohibit public entities from signing project labor agreements.

In almost no case were these laws crafted in response to public debate. Most often the politicians pushing them hadn't campaigned saying they'd do those things. In fact, most of the legislation was deeply unpopular, and in many cases, legislators brazenly disregarded democratic norms in order to pass them, rushing bills through in just days or weeks, with little or no hearing, sometimes restricting protesters from accessing the state capitol. Nor did the laws

come about because hundreds of lawmakers came up with the same dozens of ideas on their own, Lafer's research makes clear. They weren't responding to local conditions or local public opinion.

Rather, state politics is becoming nationalized. Instead of laboratories for democratic experimentation, state capitols are becoming factories, stamping out laws developed at the national level.

Central to that project is the American Legislative Exchange Council (ALEC), an annual convention and clearinghouse of model legislation, sponsored by some of America's biggest corporations. ALEC claims to be responsible for passing 200 bills a year in state legislatures. Leaked model legislation shows that ALEC's ultimate goal is the elimination of minimum wage laws, unemployment insurance, food stamps, welfare — even license requirements for electricians and plumbers. ALEC is the most important organization in the movement, but it's not the only one. National and local

chambers of commerce, the National Federation of Independent Business, and Koch-brothers-funded groups like Americans for Prosperity are all key players deploying enormous resources at the state level. The groups differ on some strategies and policies, but for the most part, they act in concert.

To make sense of their agenda, Lafer couldn't rely on the business groups' official arguments, which as he details in the book, can be wildly contradictory. [ALEC, for instance, argues to state legislatures that workplace ergonomic rules should be set at the federal level, and at the federal level, argues that it should be left to the states.] Nor did Lafer feel he could take the groups' professed "free market" ideology at face value: Even political actors as supposedly ideological as the Koch brothers have shown a willingness to drop their free market principles when it serves their financial interests — slurping up federal oil and gas subsidies, for example, or coming out in favor of the bank bailout.

Instead, Lafer had to infer the groups' motives by studying the bills they support. When he brought all its components together, the business groups' ultimate goal became clearer: to "restrict, weaken, or abolish laws governing wages, benefits or working conditions; to preempt, defund or dismantle every legal or organizational mechanism through which workers may challenge employer prerogatives; and to block, wherever possible, citizens' ability to exercise democratic control over corporate behavior." It's a dark vision, but it makes sense of the dizzying variety of corporate-backed legislation Lafer was documenting:

Why shrink government? Because regulation interferes with profit, and public services make the public less dependent on private employers.

Why reduce public employee compensation? Because that pushes wages down in the overall labor market.

Why eliminate the prevailing wage in public construction? Because it raises the economic expectations of non-union workers.

Why devote so much effort to weakening unions, when they represent just 7 percent of private sector workers? Because as, Lafer writes, the labor movement is the "primary political counterweight to the corporate agenda on a long list of issues that are not per se labor-related."

What happened in Wisconsin was the prototype. Now, the same forces are close to being in complete charge of all three branches of the federal government. If Trump's Supreme Court nominee Neil Gorsuch is confirmed, the court is likely to bar all public sector union dues requirements within two years. That could be followed by national "right-to-work" legislation in Trump's second term, and soon after, repeal of federal prevailing wage and other labor laws.

To defeat this agenda, workers will need to unify and organize. Lafer's book couldn't be more timely.