



# Just Imagine What We'll Do if You Mess with our Families: political strikes & contract negotiations

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## Abstract

Why do some unions take political stands that are unlikely to change political outcomes yet are costly to members and the organization in terms of lost income and possible legal sanction? One possibility is that unions are attempting to demonstrate to employers their level of internal solidarity in an effort to extract better bargaining outcomes down the road without suffering a prolonged strike. We formalize this logic; key implications are (1) political strikes should be more likely near contract expirations; (2) negotiations should be shorter after a political strike; and (3) the likelihood of negotiations breaking down into an industrial dispute is lower after a political strike. We make a preliminary examination of these hypotheses using an original dataset on work stoppages by the International Longshore and Warehouse Union (ILWU) from 1948 until 2008. We find that early in the union's history political strikes were not consistent with the expectations from a signaling model but that later bargaining and political mobilization became more tightly related. We find no evidence that political strikes prevent industrial disputes or shorten bargaining. Political strikes are not easily reducible to simple instrumental motivations.

## 1. Motivation

- May 1 2008: ILWU shuts down all West Coast ports to protest the Iraq war.
- June 2008: ILWU and Pacific Maritime Association begin contract negotiations
- First contract negotiated by new ILWU president
- 2002 negotiations acrimonious, protracted, including Taft-Hartley injunction
- Puzzle: Why would union mount political protest when actions unlikely to change policy and the issue has little to do with members' economic interests?  
"It was a demonstration of union power directed at the Pacific Maritime Assn...The longshoremen would be wise not to try to push shippers too hard"—*Los Angeles Times* editorial

## 2. Political Strikes as Costly Signals

We construct a game theoretic model to formalize the "LA Times conjecture"

### 2.1 The model

- Two players: a union  $L$  and an employer,  $E$ .
- $L$  and  $E$  bargain over a surplus;  $x$  goes to the union and  $1 - x$  goes to the Employer
- Union can be one of two types,  $\tau \in \{\text{strong, weak}\}$ ;  $s > w > 0$
- Union knows its type but employer does not
- Strong unions win better outcomes under a strike
- Strikes are costly for both players ( $k$ )

#### 2.1.1 bargaining

- rd 0: Union type determined  
rd 0: Union decides whether to mount a political strike at cost  $m/\tau$   
rd 0: Employer observes  $m$  and updates beliefs  
rd 1: Union makes offer  $x_L$   
rd 1: Employer accepts or makes counter offer  $x_E$   
rd 2: Union accepts or goes on strike  
rd 2: under a strike the union gets  $\tau - k$  and Employer gets  $1 - \tau - k$

#### 2.1.2 equilibria

- Pooling on no signaling: industrial strikes occur with positive probability and bargaining takes longer
- Separating equilibria: Exist so long as strikes are sufficiently costly and/or players are impatient
  - All bargaining occurs in the first round and no industrial strikes

### 2.2 Implications

- Political strikes should occur close to contract expirations
- Bargaining should be expedited after a political strike and there should be less chance of bargaining breaking down into a strike or lockout

## 3. Empirics: ILWU work stoppages

### 3.1 Case selection

- We focus on the ILWU-PMA bargaining pair.
- Need more detail than typically available from standard data sources (BLS)
  - ILWU has long history of political militance on numerous issues
  - All West Coast ports bargain jointly under the same contract, avoiding timing issues

### 3.2 data

- Rely on the ILWU paper, *The Dispatcher*, for reports of work stoppages, 1946-2008
  - Likely measurement error but political stoppages reported in the *Dispatcher* the most likely to be consistent with signaling model.
- Data aggregated to the quarterly level

- Stoppages coded as "political", "solidaristic", "industrial", and "other symbolic"
- Covariates: Time until contract expiration; business cycle; unemployment rate; ILWU convention year; ILWU President; GOP president; GOP governors (CA, HI, OR, WA), war

### 3.3 analysis

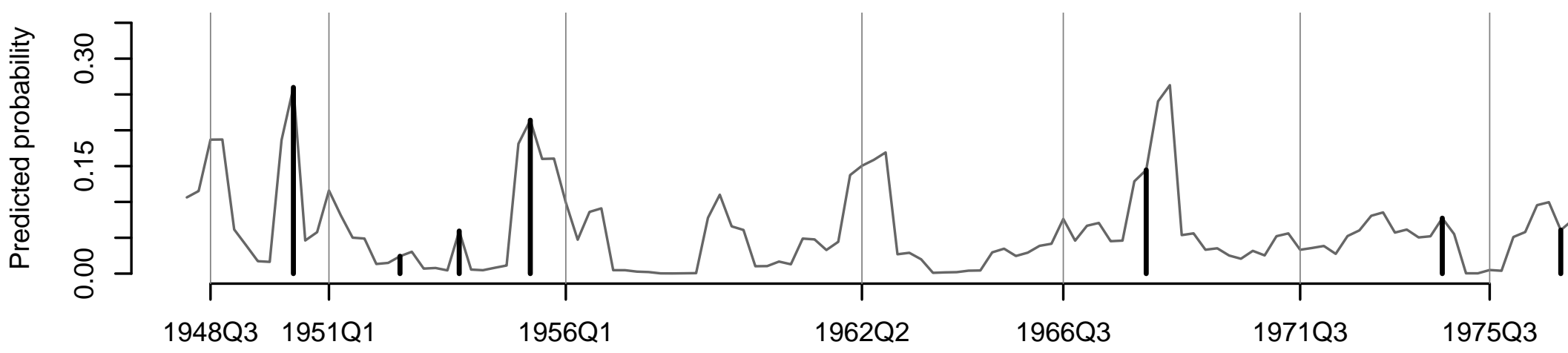
Logit models of political strikes

	model 1	model 2	model 3	model 4	model 5	model 6
time to contract exp.	-0.09 (0.06)		-0.03 (0.07)		<b>-0.24</b> (0.12)	
contract year		<b>1.24</b> (0.57)		-0.01 (1.00)		<b>2.17</b> (0.87)
unemployment	-0.40 (0.24)	-0.37 (0.24)	-0.44 (0.52)	-0.38 (0.51)	-1.11 (0.69)	-1.22 (0.76)
%Δ industry VA	0.07 (0.07)	0.06 (0.08)	0.16 (0.12)	0.17 (0.12)	-0.05 (0.17)	-0.07 (0.17)
ILWU convention year	0.69 (0.57)	0.75 (0.57)	0.55 (0.85)	0.48 (0.85)	1.16 (0.80)	1.08 (0.82)
first contract	-15.94 (1710.22)	-16.22 (1712.81)			-16.73 (1638.96)	-16.56 (1641.38)
GOP governors	0.10 (0.45)	0.10 (0.44)	1.50 (1.01)	1.44 (0.97)	0.29 (0.80)	0.39 (0.85)
GOP president	-0.23 (0.66)	-0.27 (0.67)	-1.61 (1.16)	-1.56 (1.13)	-0.59 (1.16)	-0.60 (1.22)
war	-1.02 (0.79)	-1.05 (0.78)	-3.00 (1.76)	-2.89 (1.72)	0.15 (1.47)	0.02 (1.49)
period	All	All	Bridges	Bridges	Post-Bridges	Post-Bridges
N	244	244	118	118	126	126
BIC	268.11	266.26	164.27	164.46	186.69	184.07

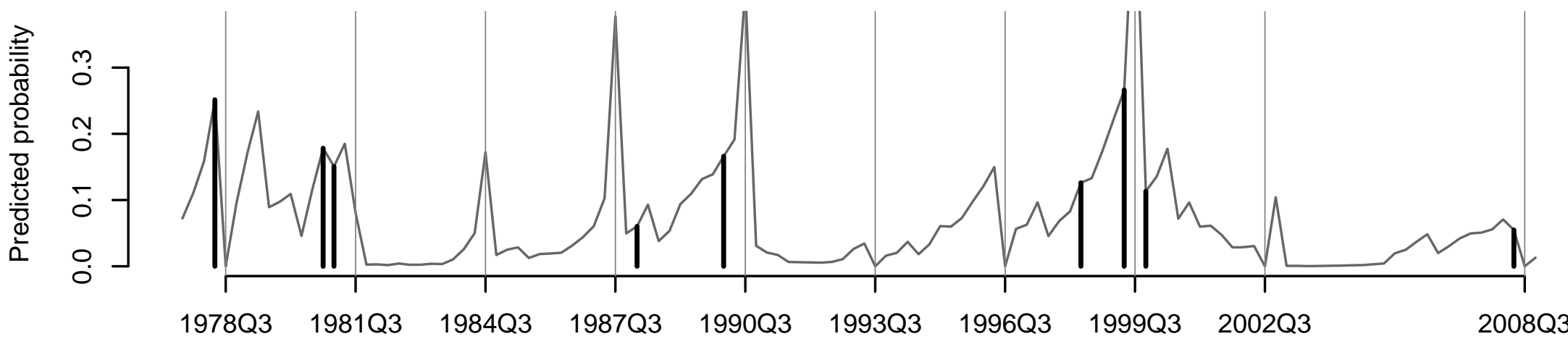
Estimates in bold achieve  $p < 0.05$ . Italicized estimates achieve  $0.05 < p \leq 0.10$ .

The negotiating calendar has little bearing on political strikes while Harry Bridges was ILWU president but in later years the two are closely related.

Contract expiration and political strikes, Bridges era



Contract expiration and political strikes, Post-Bridges era



Logit models of industrial strikes

	model 7	model 8	model 9
Lag political strike	-0.26 (0.58)	-16.84 (1695.52)	0.80 (0.70)
contract yr	-0.03 (0.41)	0.50 (0.65)	-0.91 (0.64)
first contract	0.32 (1.20)		0.66 (1.31)
unemployment	<b>0.27</b> (0.12)	<b>0.65</b> (0.28)	0.02 (0.30)
%Δ industry VA	0.00 (0.04)	<b>0.13</b> (0.06)	<b>-0.16</b> (0.08)
GOP governors	-0.08 (0.23)	-0.12 (0.39)	0.45 (0.48)
GOP president	-0.10 (0.43)	0.51 (0.70)	-0.64 (0.68)
period	All	Bridges	Post-Bridges
N	244	118	126
BIC	355.50	186.18	230.09

Estimates in bold achieve  $p < 0.05$ . Italicized estimates achieve  $0.05 < p \leq 0.10$ .

## 4. Conclusions

- Mixed empirical results for signaling model in the ILWU case
  - In the early period when Harry Bridges was ILWU president political strikes unrelated to the bargaining calendar.
  - After Bridges union political actions more tightly related to contract negotiations
  - No evidence of political strikes affecting the likelihood of industrial strikes
- Political strikes may have instrumental value but it appears that union leader's political commitments have a role to play