Michels’ iron law of oligarchy and union revitalisation: A reconsideration based on recent research

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Abstract:
Recent literature on the decline and revitalisation of the labour movement has suggested that the future of unions lies in the adoption of radical approaches that aim to empower and mobilise union members. Robert Michels’ highly influential thesis of an “iron law of oligarchy”, which sees the development of a self interested bureaucracy as an inevitable outcome of organisation, suggest that it is unlikely that such changes would be successful, and even where change does occur it would be short lived. The paper presents an outline of Michels’ account of bureaucracy, and drawing upon recent research argues that in the context of social movements within and outside unions, the potential for democratic transformation is far greater than argued by Michels. Finally I argue that if insurgent movements are able to create the space for democratic participation and empowerment of member that strengthens unions, then it has significant implications for research on revitalisation within the labour movement.

Introduction
It is widely recognised that both the Australian and international labour movement are in crisis (Edwards 1986), this is reflected in the decline in union membership as a proportion of the workforce, and in the decline in union influence. The decline has been associated with a range of external factors which include:

- changes in the structure and composition of the labour market away from areas of union strength;
- the adoption of aggressive anti-union strategies by capital;
• the adoption by governments globally of neo-liberal social policies that have led to privatisation, de-regulation of labour markets and the adoption of legislative framework that help to undermine organising (Moody 1997).

While these changes have created a more hostile environment for unions to organise in, there has also been an increased focus on the extent the strategies and tactics adopted by unions are responsible for union decline (Cornfield & McCammon 2003).

The purported failure of unions to effectively change has been seen as reflective of institutionalisation within unions leading to the development of inflexible and conservative leaderships that acts to suppress democracy within unions and see the development of an active membership as a potential challenge to both their authority within the union, and ultimately their leadership positions within the union as well (Voss & Sherman 2001). The dominant account of the process of institutionalisation has been Robert Michels’ “Iron Law of Oligarchy” (Voss & Sherman), which predicts that unions will develop a bureaucracy that will act to defend its own interests, and that attempts to defeat a bureaucratic leadership can only result in the production of a new bureaucratic leadership (Michels 1962: 172). There has been a growth in the number of empirical studies of union bureaucracy and democracy, combined with actual attempts at revitalisation that suggest the tendency within unions towards bureaucracy and oligarchy is not as overwhelming or irresistible as suggested by Michels (Nydan 1985; Zeitlan & Stepan-Norris 1992). In this paper I will outline Michels’ theory and critically evaluate it in light of recent literature on union democracy and bureaucracy.

**Iron Law of Oligarchy**

Drawing on his study of the German Social Democratic Party over the period of the nineteenth and early twentieth centuries, Michels argued that progressive organisations, irrespective of their goals, would, as they grew, inevitably develop a bureaucracy that would come to dominate the organisation and that this bureaucracy would act as a conservatising influence on the policies of the organisation (Michels 1962). This conservatisation resulted from a dynamic interaction between a range of processes:

• the impossibility of mass participation in democracy;
• the tendency in modern societies towards rationalisation, encouraging the development of professional leadership;
• the inevitable transformation of the leadership’s attitude towards self-interested elite that will act to defend its own interests over that of the union as a whole;
• the hostility to a potential new leadership.

**Impossibility of mass participation in democracy**

During the initial life of a union, while it is relatively small, it is possible for fuller membership participation in the life of the union; however, as unions grow in size and their geographical spread increases, this becomes impossible (Michels 1962). This is due both to the difficulty of holding regular decision-making meetings in which the majority of members can participate, but also reflects the difficulty in involving members in effectively carrying out decisions (Michels: 65). Michels’ argues that in order to effectively make and carry out decisions, it is necessary for the union to develop a system of leadership above the mass of rank-and-file members. The individuals who emerge as leaders will tend to be members with better education and, through their experience of being in leadership positions, the gap between themselves and the general membership will expand over time (Michels: 114). Once a leadership begins to emerge, it will act to centralise power in its hands. This occurs as a consequence of the psychological tendency of leaders to view themselves as powerful and important along with a parallel veneration of the leadership by the membership (Michels: 93-97). The interactions between unions and other institutions in society, particularly the employer groups and the state bureaucracy, which themselves are highly centralised also encourages the centralisation of decision making in unions (Michels: 335).

**Rationalisation**

Reinforcing this process of differentiation between an emerging leadership and the membership is the fact that unions operate within the context of complex legal systems. In addition to the legal system, unions also hold agreements with employers. In order to effectively police agreements and protect the rights of their members unions need to develop a professional staff that understands these agreements and their legal context. These experts, whether they are elected officials or appointed staff, will inevitably,
through their knowledge and experience, be able to assert greater power and authority over the policy and actions of the unions than is warranted by the positions they occupy (Michels 1962: 107-114). Central to this power is the willingness and capacity of union leaderships to not only act in their own interests, but to defend these interests through the threat of withdrawal of expertise if the membership’s demands went outside the bounds that union officials and staff were willing to carry out.

**Self-interested elite**

Union leaderships, as they developed into a separate body of paid functionaries, began to develop separate interests from the general membership of the union. As salaries of officials and staff were based on the long-term health of the organisation, rather than on specific outcomes of any given dispute, officials were more likely to give survival of the union, or at least the maintenance of its legal status, priority over winning bargaining outcomes. In addition, if staff and officials received substantially higher payment than members of the union could hope to earn through work, then officials were more likely to be detached from the lived experience of the members they were representing (Michels 1962: 278-279).

**Membership as a threat to the leadership**

While a low assessment of the capacity of the general membership to play a leading role in an organisation is central to the iron law of oligarchy, individual members are capable of becoming leaders. The capacity of members to become leaders encourages the existing members of a union’s leadership to view capable members of the union as a potential threat to their own position. They may attempt to undermine the position of such potential threats, or alternatively, when it is not possible to exclude the new threats totally, incorporate them into the existing leadership (Michels 1962: 173).

**Impact of the iron law of oligarchy on social theory**

Zeitlan and Stepan-Norris (1992) argue that Michels’ thesis had the effect of creating a view within social theory, reinforced by a number of examples of undemocratic unions about the impossibility of democracy in unions. In addition numbers of union leaders and theorists had argued that a lack of democracy leads to more effective bargaining
outcomes, creating a view of democracy as something that by necessity needed to be sidelined (Seidman et al. 1958: 258). Fantasia and Voss (2004: 38) suggest that in the US, whenever alternative more radical democratic models of unionism have failed, more conservative forces within the labour movement would use this failure to justify their own approach.

**Democracy as central to unions – a critical assessment of the iron law of oligarchy**

Despite this rejection of the possibility of democracy, the development of internal movements that seek to win greater democracy and membership participation, which emerged particularly in the US unions during the 1970s, encouraged a new wave of interest into the nature and potential of democracy in unions amongst researchers (Nyden 1985). This research focus has been reinforced by the crisis of union membership, with a range of experience and theory suggesting that union membership participation is central to rebuilding unions, which can be encouraged through the capacity of members to control and influence campaigns (Sharpe 2004). Additionally, the desire to develop more effective ways of building unions has encouraged a number of historical studies of unions during periods of rapid growth to help identify strategies and tactics that could be adopted by contemporary unions (Cooper & Patmore 2002). A significant problem in discussing union democracy is defining what a democratic union is (Stepan-Norris & Zeitlan 1996).

Union democracy has been defined in various ways, for example, in terms of:

- The existence of multiple parties;
- Formal democratic rights;
- Its responsiveness to members.

In addition to examining the nature of union democracy, more recent research has also sought to examine the context in which union democracy declined.

**Multiple Parties**

Lipset et al.(1956) argued that central to union democracy was the existence within a union of two parties that provide close contests in union elections. The existence of an ongoing two-party system creates the space for increased input, influence and contestation by the broader membership within a union (Zeitlan & Stepan-Norris 1992: 257-259). Lipset et al. (414-417) found that such a two-party system existed in the
International Typographical Union\(^1\); however, they argued that it was an exception due to 22 characteristics specific to that union. However there are a range of studies that suggest multi-party systems have existed within a broader range of unions, particularly US industrial unions during the 1930s and 1940s (Dollinger & Johnson Dollinger 2000; Stepan-Norris 1997; Zeitlan & Stepan-Norris). While these unions eventually developed highly centralised and controlled internal lives, this did not occur without a considerable struggle, the outcome of which was affected by a range of external factors that will be discussed below. The development of reform caucuses in a number of US unions during the 1970s and 1980s that met with varying levels of success also suggests a much broader capacity to struggle for democracy within unions than had previously been suggested (Fantasia & Voss 2004; Nyden 1985).

While Lipset et al. (1956) saw the existence of multiple parties in themselves as beneficial to the internal democracy of a union, more recent research has suggested that interaction between the existence of factions and democracy is more complex. Stepan-Norris (1997) argues that there are additional factors to consider in assessing whether the existence of factions will promote democracy. This includes whether the factions recognise the right of other organised groupings to exist within the union. Zeitlan and Stepan-Norris (1992: 261) suggest that internal groupings that developed as dissident groups tended to acknowledge the right of other groups to exist and acted to enshrine rights in unions. This was not the case with all groups: for example, the Association of Catholic Trade Unionists was established in the US during the 1930s with the explicit intention of breaking the influence of the Communist Party and other radical forces in the trade unions (Zeitlan & Stepan-Norris; Stepan-Noris). Despite these differing approaches, Stepan-Norris (478) still suggests that even when one grouping does not recognise the right of its opponents to exist within the union, factionalism can still play a beneficial role in internal democracy: when they “are based on ideological differences, the content of their ideas is crucial to maintaining workers interest and participation”. When the policies that are articulated represent real choices for workers in a course of action for members, rather than simply a choice between different divisions of internal positions, this beneficial role is further boosted.
Formal Democracy

Stepan-Norris and Zeitlan (1996) argue that the level of formal democracy in a union’s constitution is an essential determinant of union democracy. Formal democracy refers to the extent to which union constitutions and rule books contain protections over the formal civil, individual and social rights of members within unions. Zeitlan and Stepan-Norris (1992), in a study of the emergence of industrial unions in North America during the 1930s, argue that the level of formal rights was higher in unions where insurgent workers had played a central role in forming the unions, while unions were more likely to place power in the officials if their formation was driven from the top down. In those unions that had a strong history of membership mobilisation and democratic rights, there were ongoing struggles following their formation over attempts to concentrate power in the hands of the international leadership of the unions (Fantasia & Voss 2004).

Responsiveness to membership

Valentine (1978), in a study comparing bargaining outcomes in unions that were defined in terms of democracy and autocracy, found that more autocratic unions tended to have better bargaining outcomes. While this finding indicates some support for those who had argued that democracy should be sacrificed to achieve effective bargaining outcomes, Valentine argued that it was necessary to adopt an approach to democracy that focused on the extent to which unions meet the interests of the working class by being responsive to members. However, identifying the interests of the working class is problematic on a range of levels. First it raises the question of whether it is the specific interests of the workers organised by the union, or the class more broadly at a regional, national or international level (Fletcher 2005). However the working class is defined, the identification of working-class interests is a highly contentious matter as the working class is a highly heterogeneous category at any level of analysis, and there exists within it a range of forces vying for influence, reflecting the fact that central to conflict between classes is the conflict within classes to determine interests and objectives (Cottrell 1984). Central to union leaderships being responsive to members is the extent to which they form institutional links between the membership and unions. While the capacity to develop linkages is dependent on aspects of the social environment, Nyden (1985) in a
study of union reform efforts argues that it is a process influenced by organisations themselves. Newly elected union leaderships were more likely to remain loyal to their constituency if they exhibited a number of characteristics:

- organisational structures that link leaders to grass-roots constituents;
- formalized close ties between elected leaders and the section of members who support it;
- and political power derived from rank-and-file support is stronger than and more effective than alternative sources of political support (Nyden: 1199).

**External factors in the decline of union democracy**

While there are numerous examples where union democracy was successfully eroded, Fantasia and Voss (2004) argue this was not inevitable. Focusing on US unions in the post war period, they argue there were a number of external factors that undermined resistance and aided the victory of internal autocracy. These include the passing of the Taft-Hartley Act in 1947. This act required unions and their leaderships to make loyalty pledges that they were not members of proscribed radical organisations, particularly the Communist Party. The act made it easier for other actors to both remove Communist Party members from union leaderships as it facilitated the break-up and splintering of communist-led caucuses, as non-communists in the caucuses saw maintenance of an alliance with communists as detrimental to their own careers in the union (Dollinger & Johnson Dollinger 2001: 107). Those unions that refused to swear the pledge saw rival unions chartered in their jurisdictions and their membership numbers rapidly eroded (Fantasia & Voss: 54). The emergence of the long post-war boom allowed US capital to offer union leaderships a negotiated outcome that secured prosperity for the existing unionised workforce, a compromise which lasted until the early 1970s. An increased capacity for union leaderships to secure contracts without needing to rely on industrial action aided the process of either sidelining or incorporating a range of formerly militant union leaderships into a more conservative framework (Fantasia & Voss: 55-56).

**Conclusion**

Democracy and participation are seen as the central route through which unions can be rebuilt. While social theory influenced by Michels’ “iron law of oligarchy” has argued
that the possibility of successfully creating such internal union democracy is highly unlikely, and thus that the outlook for a revitalisation of the labour movement is poor, this paper suggests that tendencies toward autocracy in unions are not as irresistible or as overwhelming as suggested by Michels. That an insurgent membership has been a characteristic associated with unions that experienced sustained periods of internal democracy and membership participation, poses three questions:

- Under what circumstances can social movements develop?
- Are such social movements possible in the current context?
- Can the actions of actors within the labour movement influence the potential development of social movements?

Footnotes

1. North American unions are referred to as international unions when they have member in both the US and Canada.

References


