

No Struggle, No Progress

Labor's Fight for Political and Economic Democracy

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Union-backed

vs

Non-union

democratic transitions

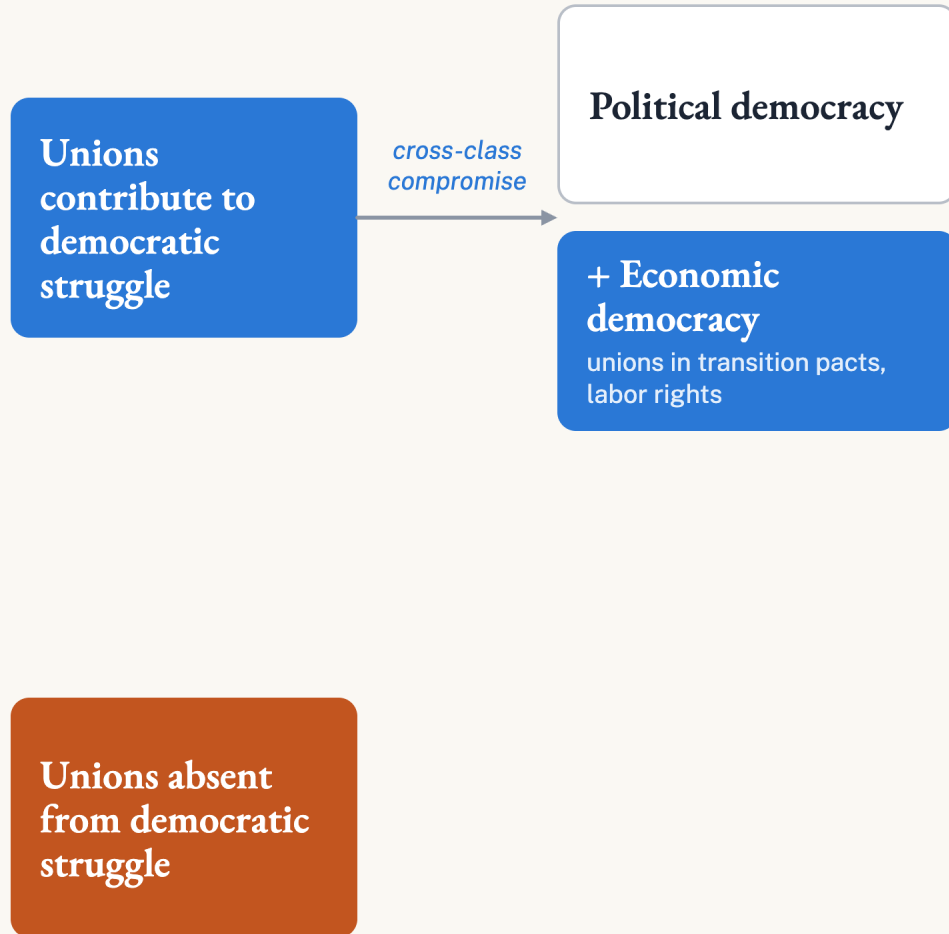
The argument: political and economic democracy

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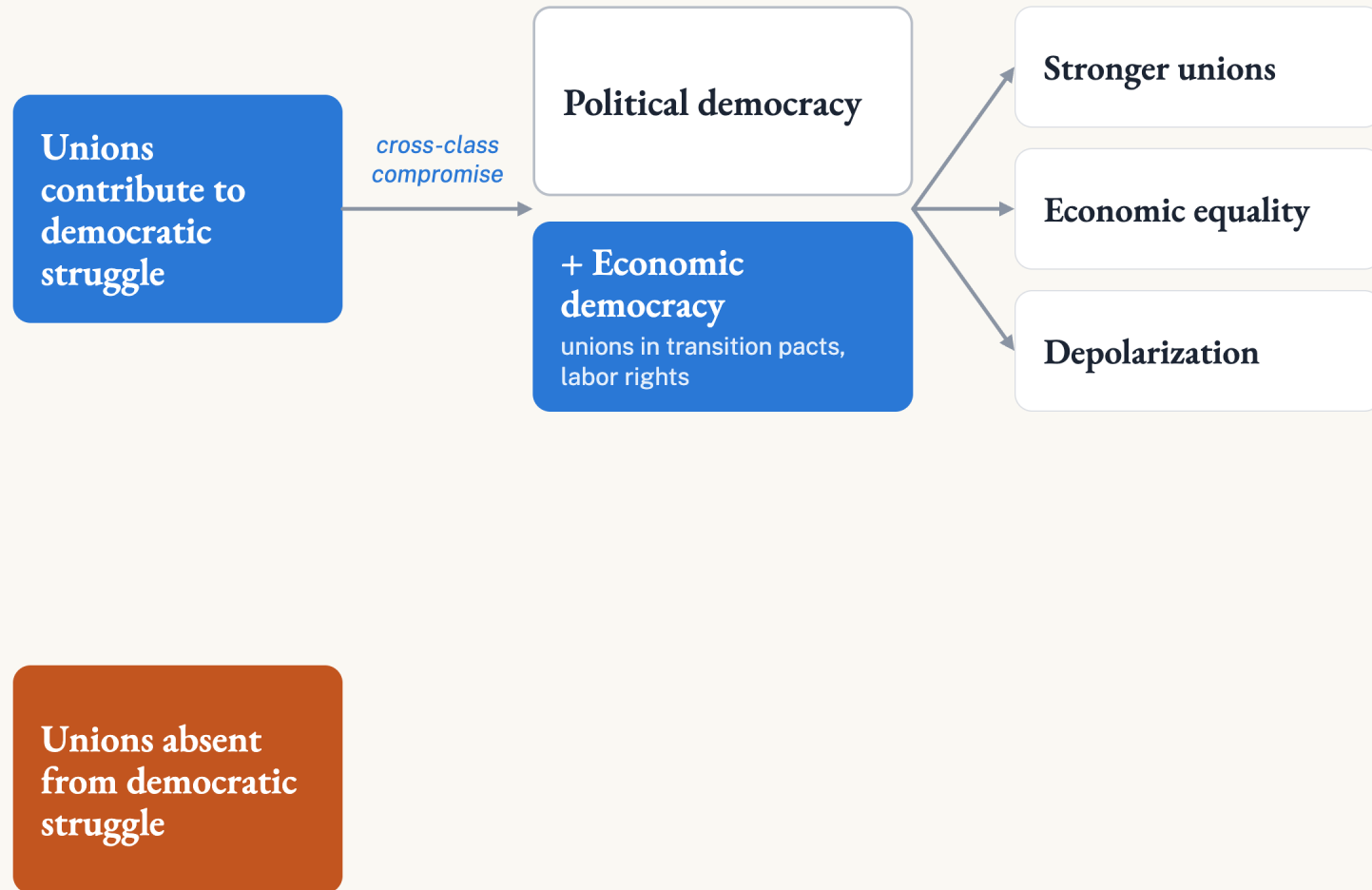
Unions
contribute to
democratic
struggle

Unions absent
from democratic
struggle

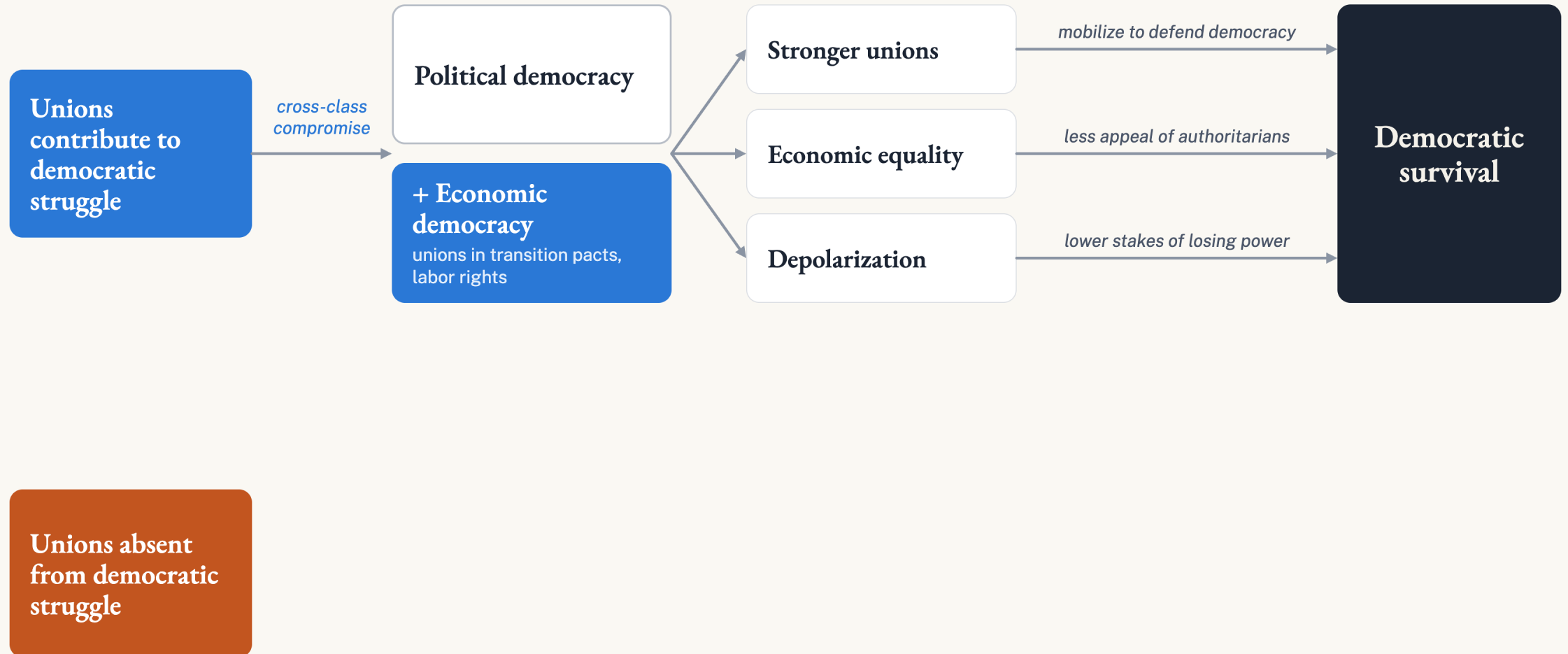
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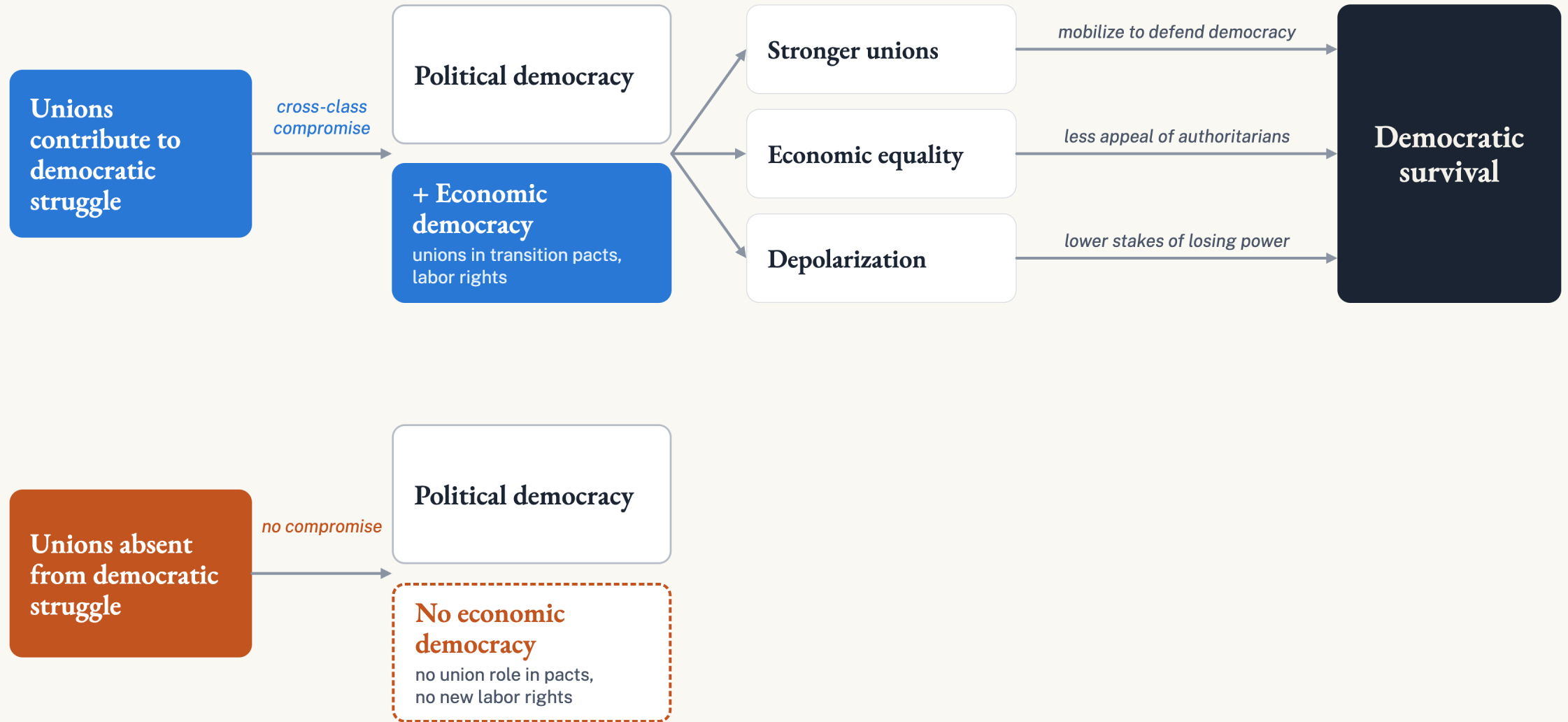
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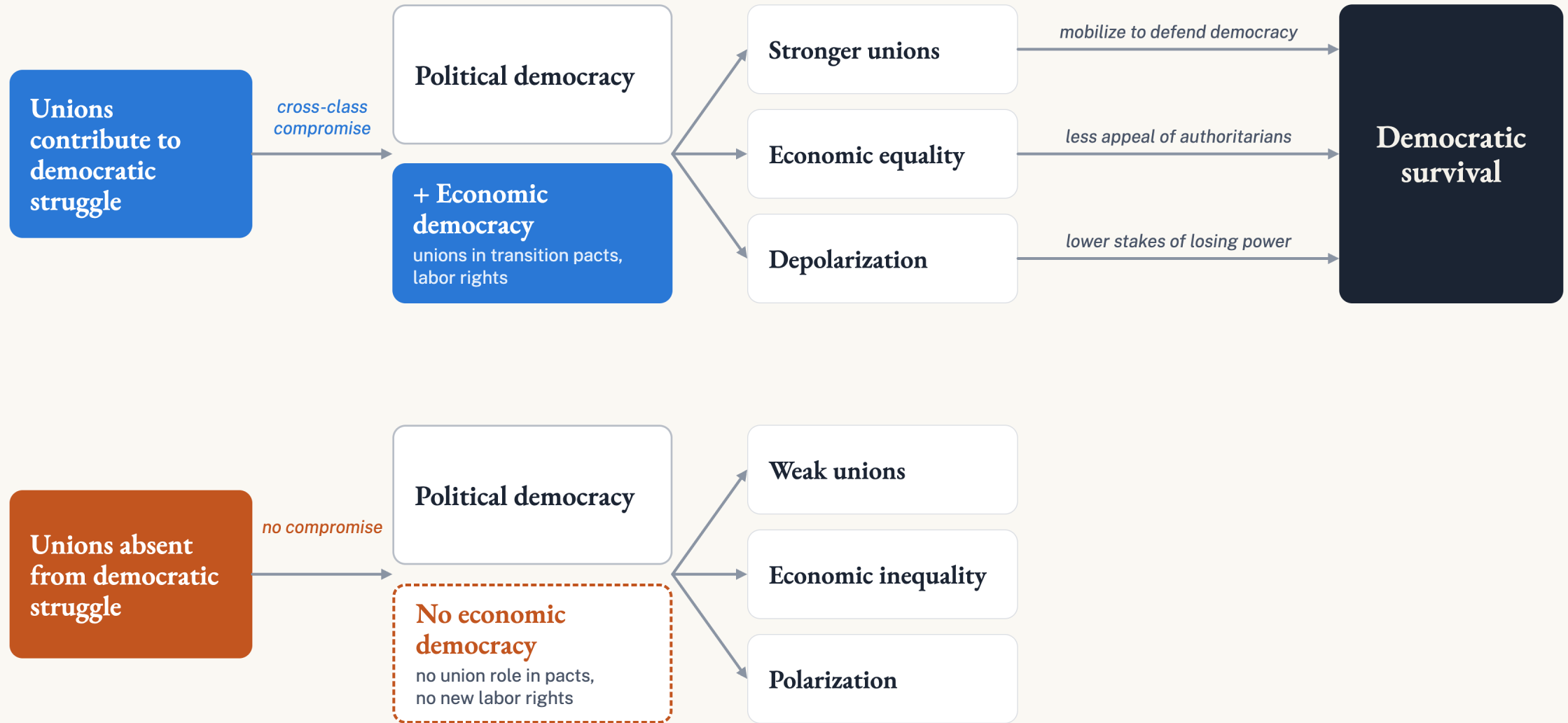
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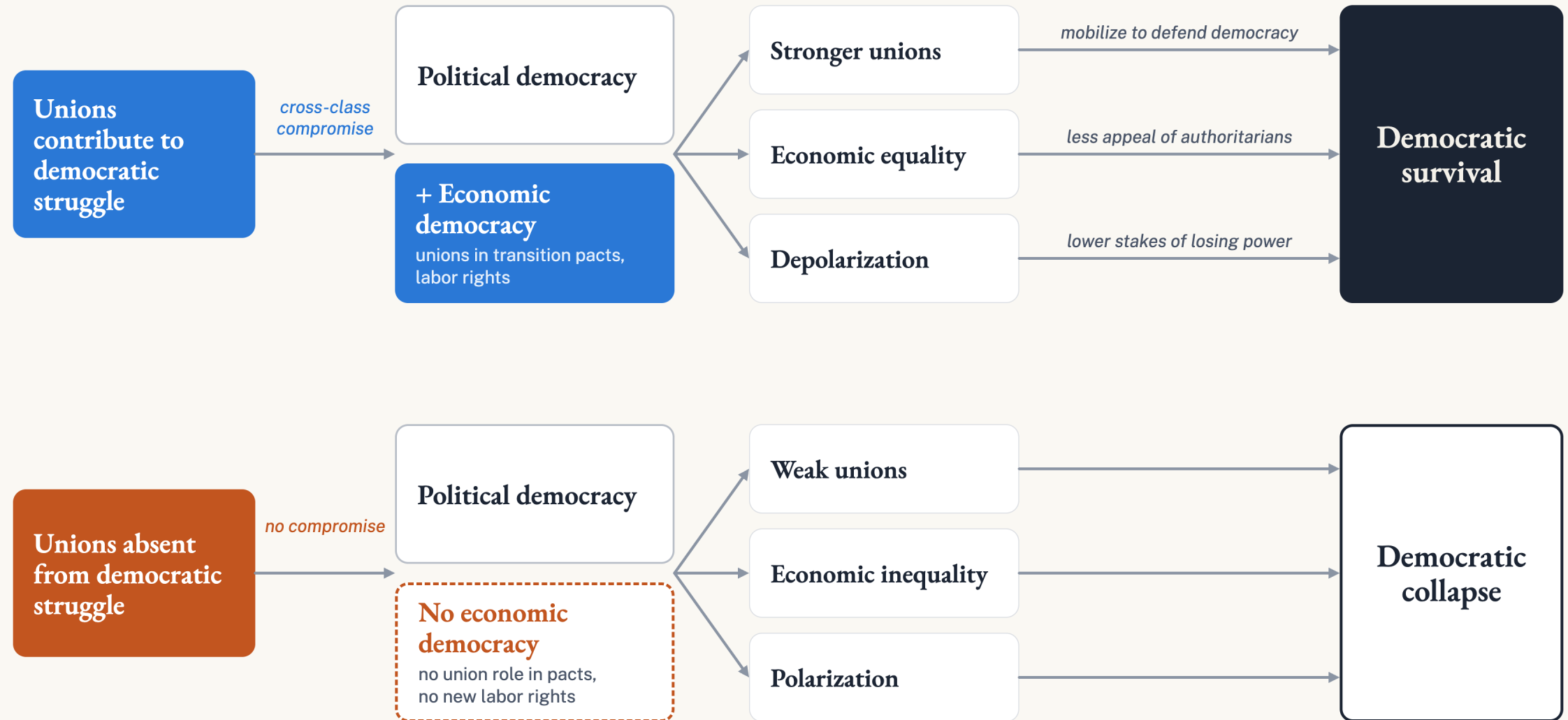
The argument: political and economic democracy



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Data and design

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SAMPLE

**93 transitions,
1950–2025**

Bjørnskov–Rode democratic
transitions in countries the OMG
data cover

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TREATMENT

**39 union-backed
54 non-union**

Union-backed: an OMG labor
campaign for democracy before
the transition

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TREATMENT

**39 union-backed
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Union-backed: an OMG labor campaign for democracy ends in the ten years before the transition

ESTIMATOR

Staggered DiD (dCDH)

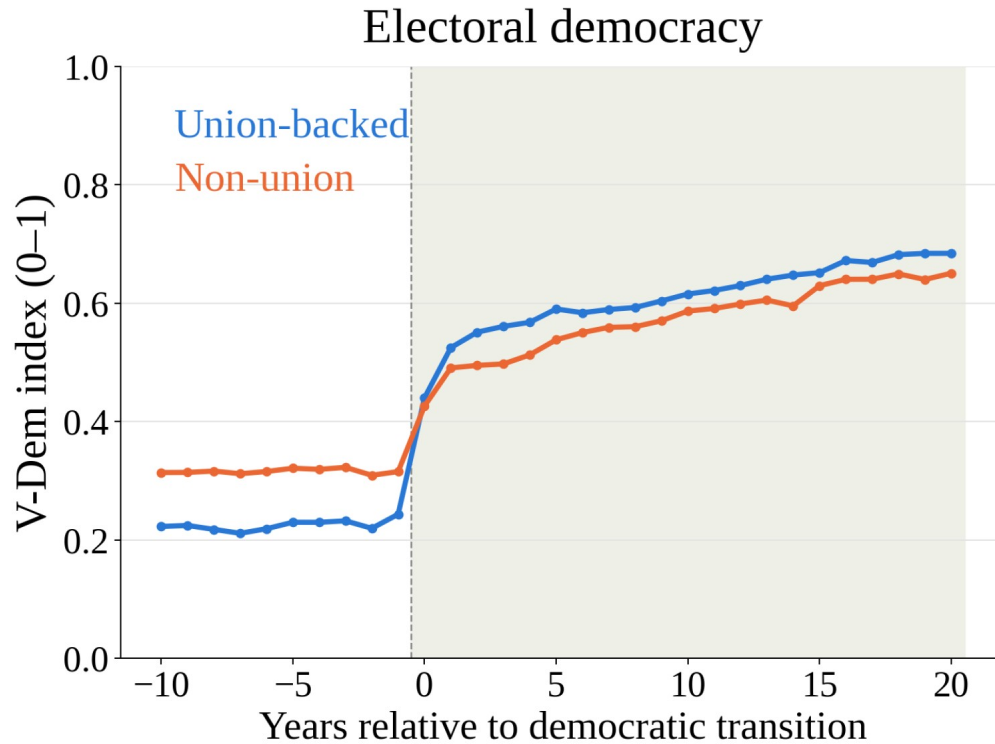
Control: not-yet-democratized country-years; bootstrapped SEs clustered by country

Each democratic transition type is estimated separately against autocracies.

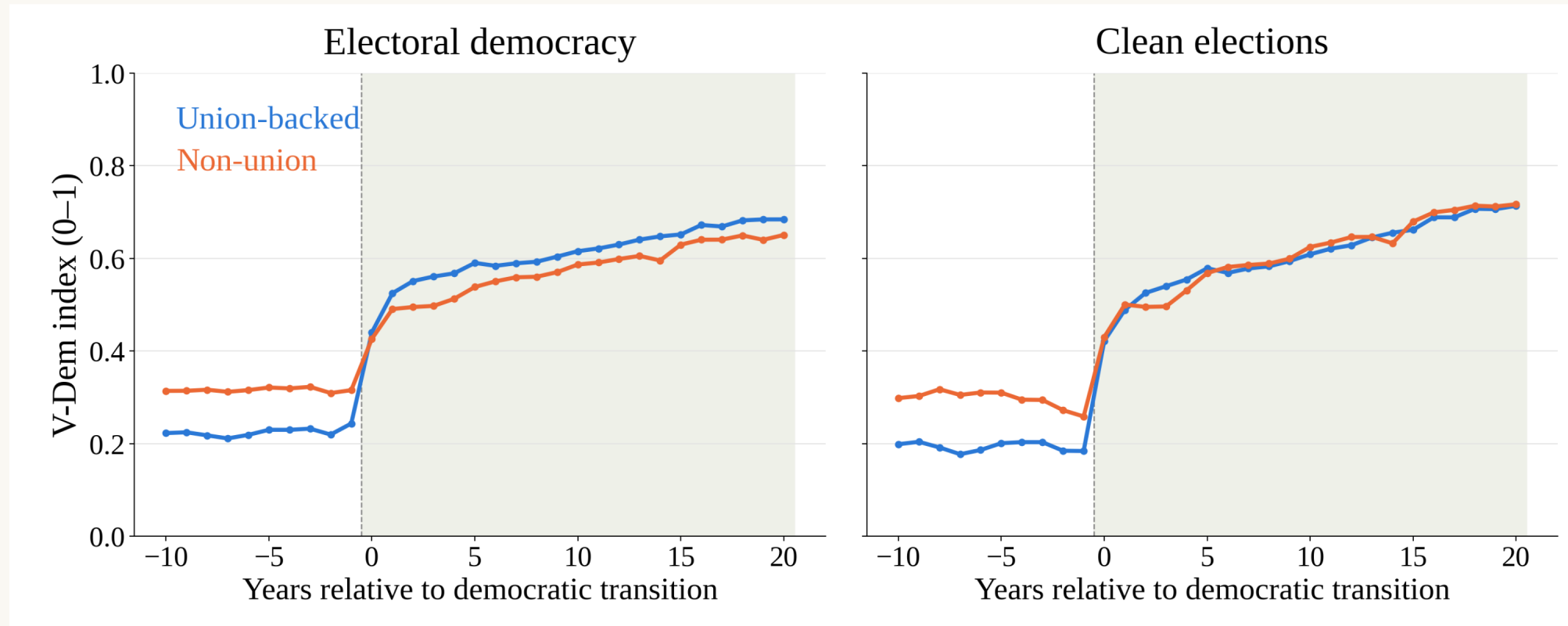
Union-backed democratic transitions are not random, but results are robust to many additional tests.

Union-backed & non-union transitions both deliver
political democracy

Union-backed & non-union transitions both deliver *political democracy*



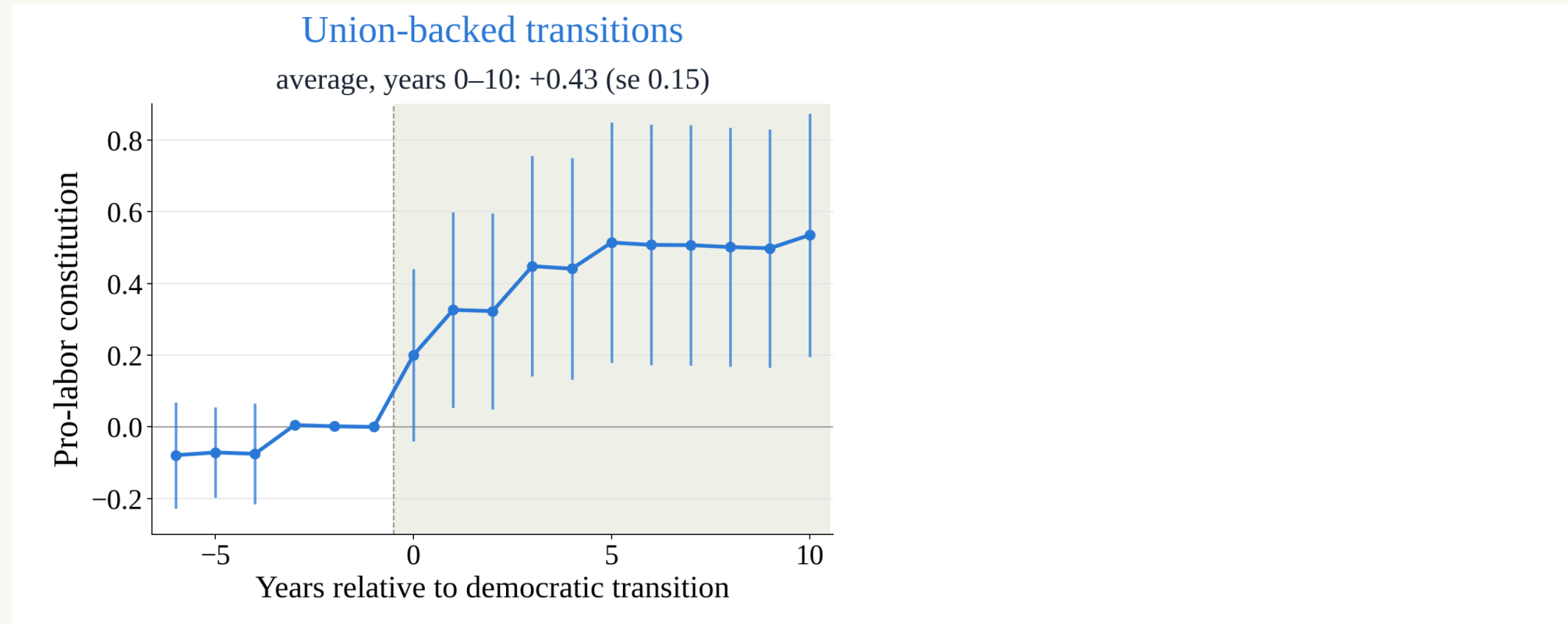
Union-backed & non-union transitions both deliver *political democracy*



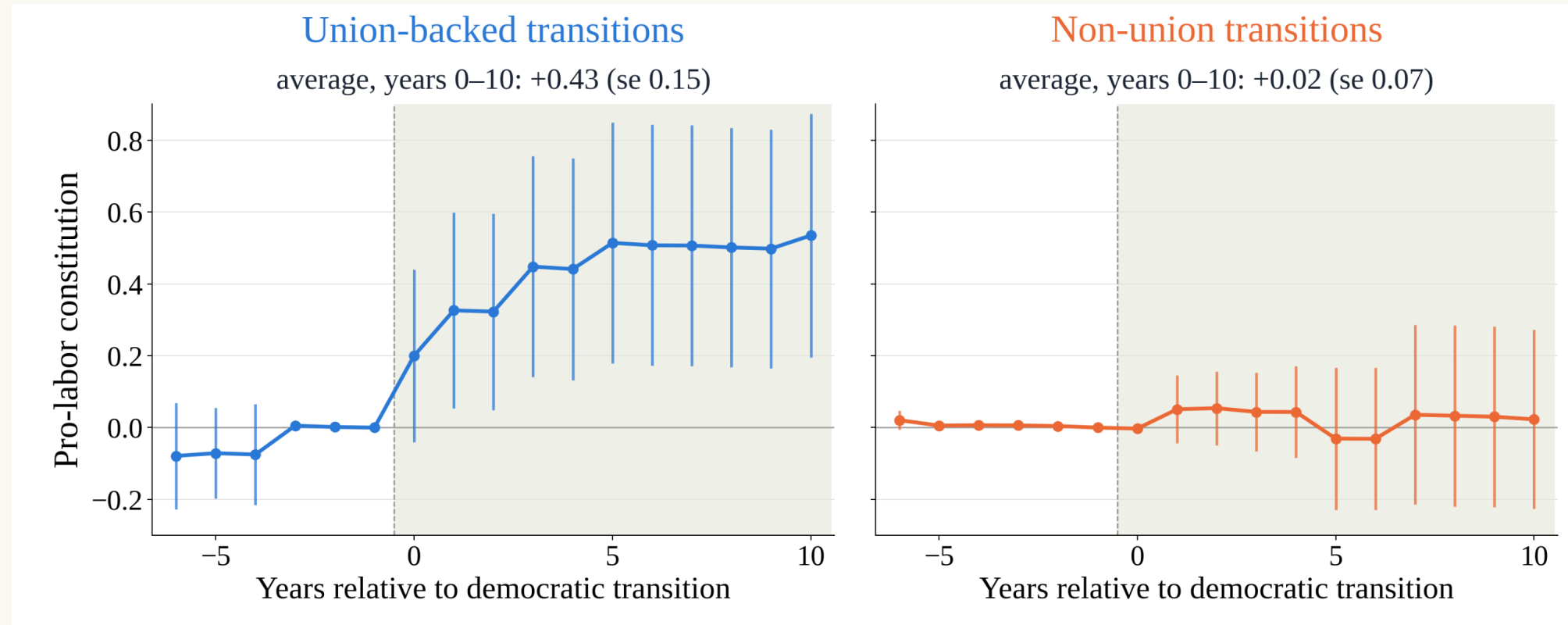
Both types of transitions lead to similar increases in electoral democracy and clean elections.

But only union-backed transitions deliver the labor rights
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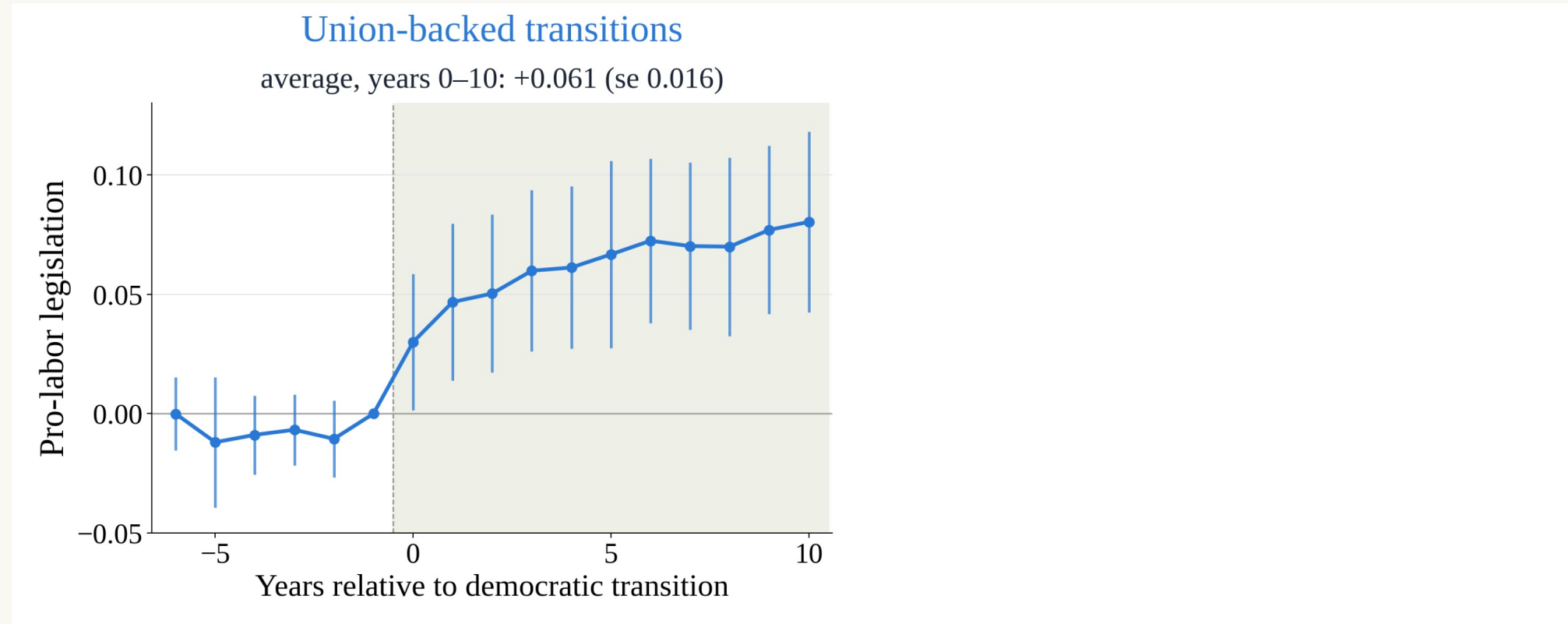
But only union-backed transitions deliver the labor rights needed for *economic democracy*



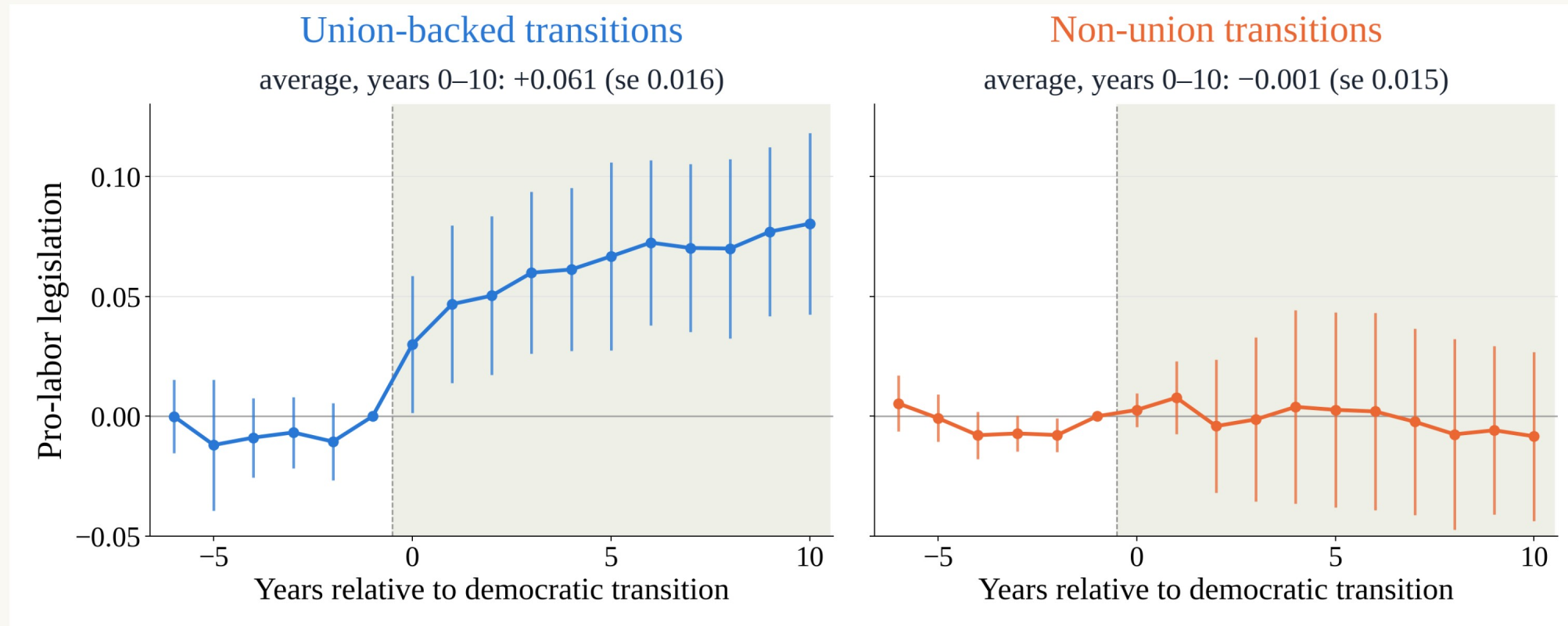
Union-backed transitions raise the probability of a pro-labor constitution by 43 points.

Pro-labor legislation

Pro-labor legislation



Pro-labor legislation



Union-backed transitions increase labor legislation by 0.061 points (~0.5 SD).

Three consequences

When a transition delivers **political democracy** and **economic democracy**, three things follow:

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Manufacturing labor share (UNIDO)

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Depolarization

The compromise lowers the stakes of political conflict

Political polarization (V-Dem)

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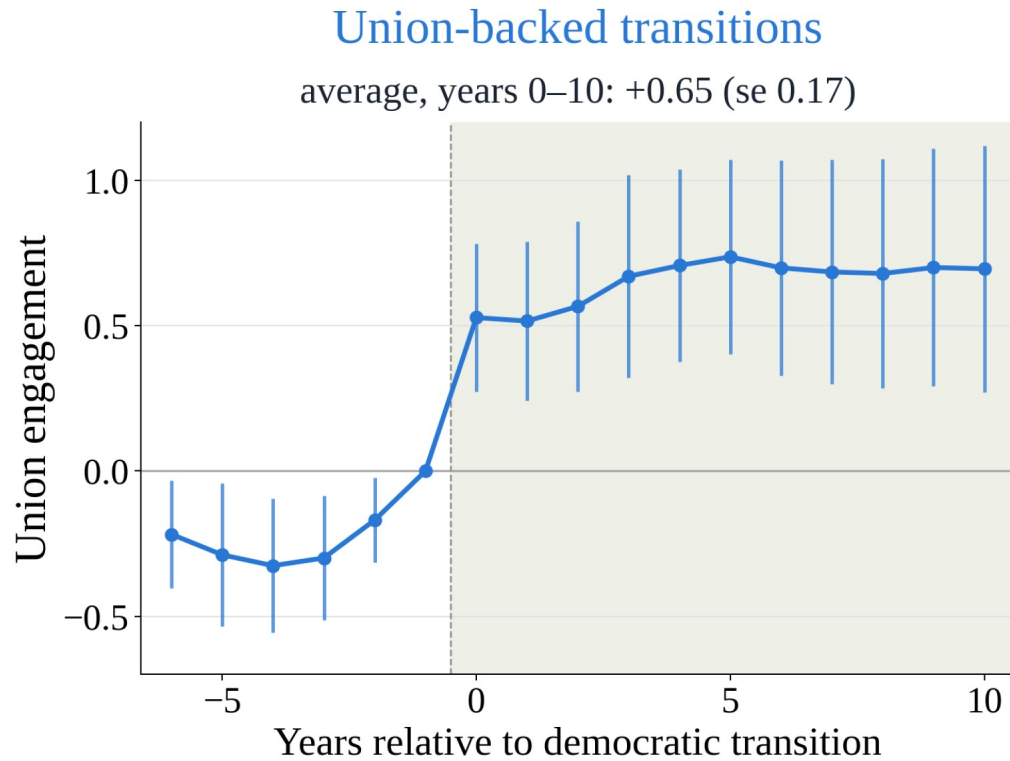
The compromise lowers the stakes of political conflict

Political polarization (V-Dem)

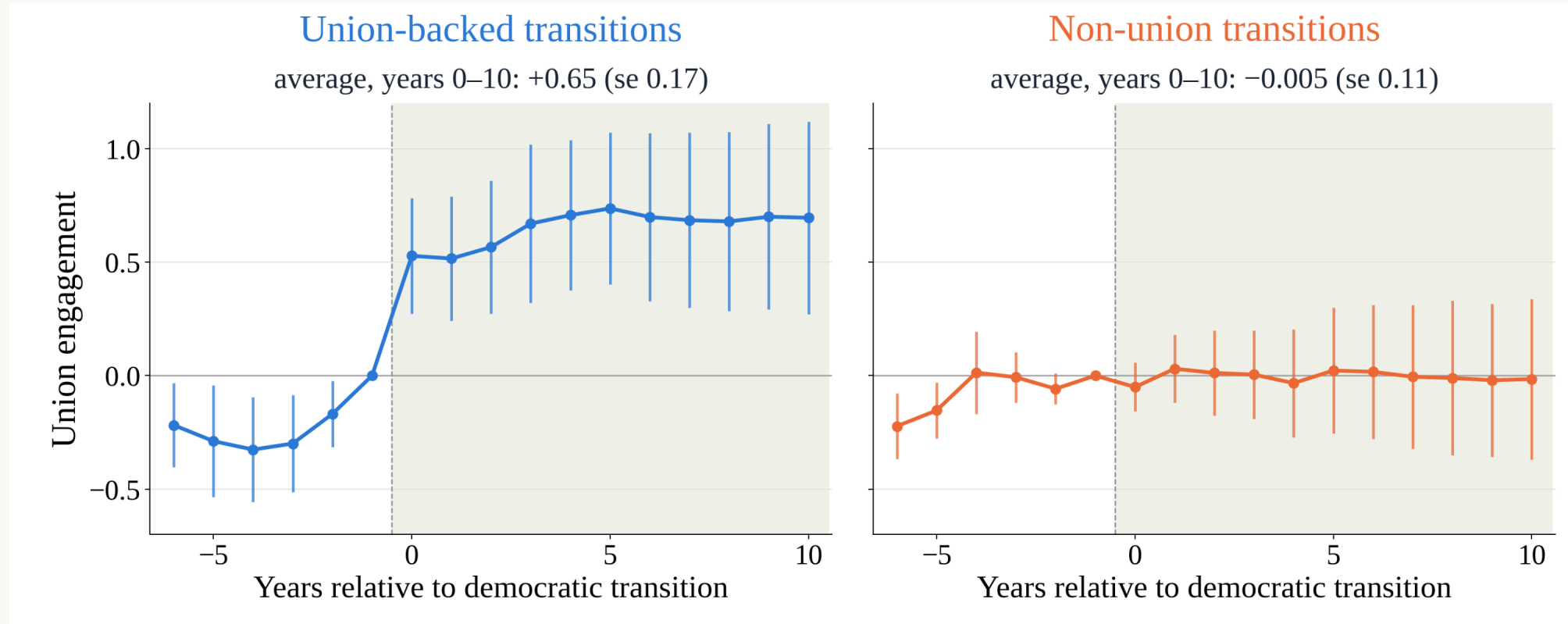
Together: democratic survival

Consequence 1: Stronger unions

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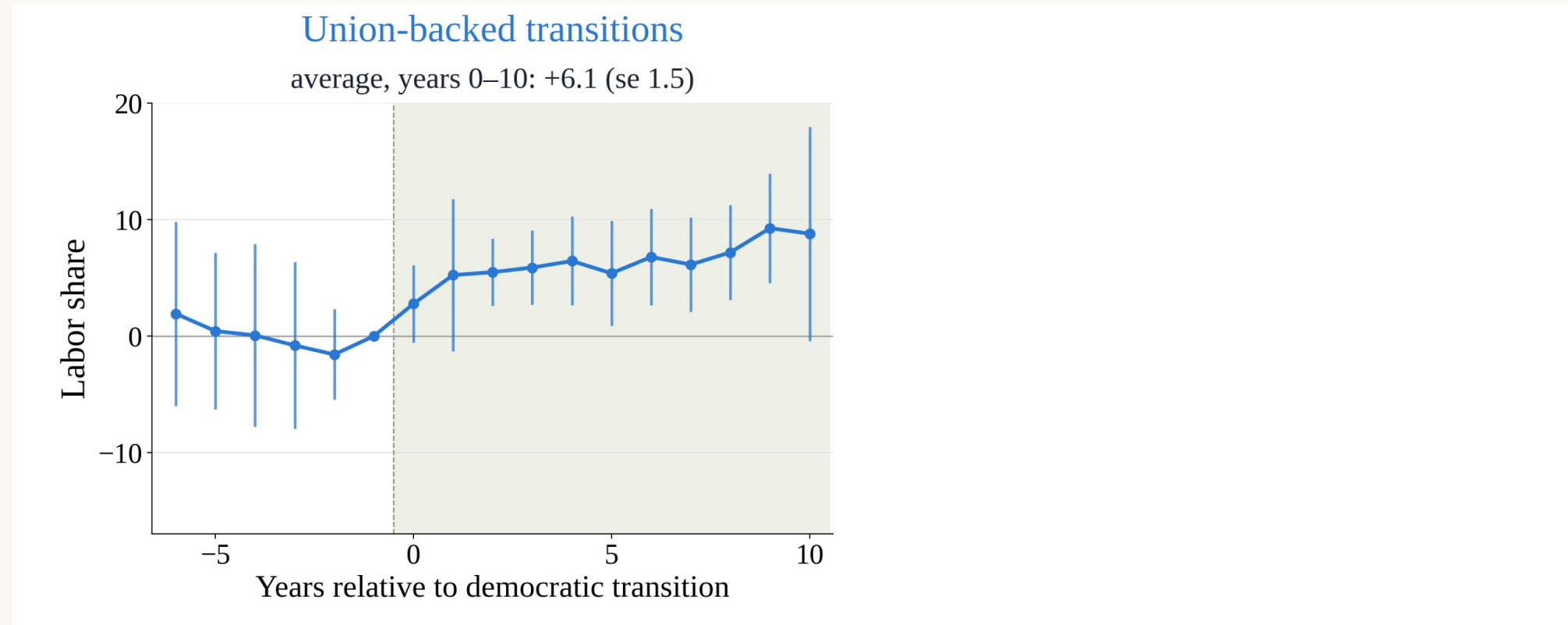
Consequence 1: Stronger unions



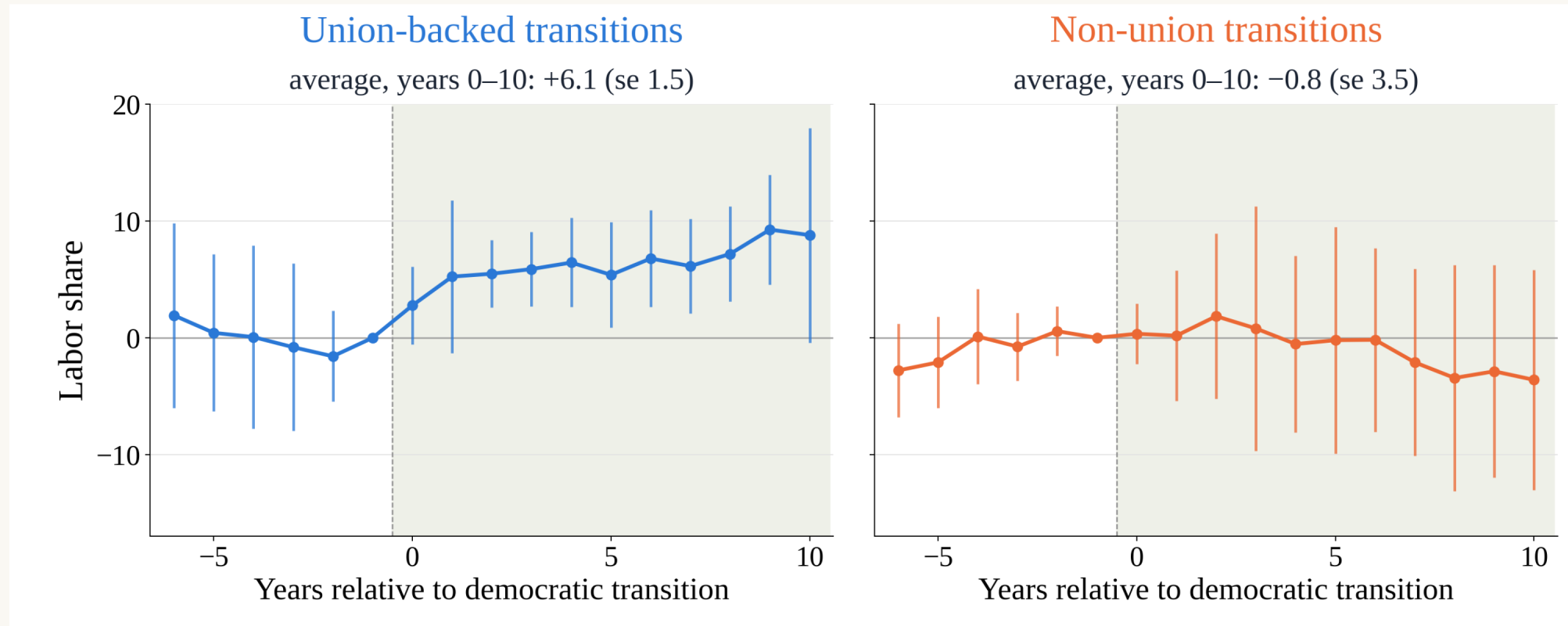
Union engagement jumps at the transition and holds for a decade; no change after non-union transitions.

Consequence 2: Economic equality

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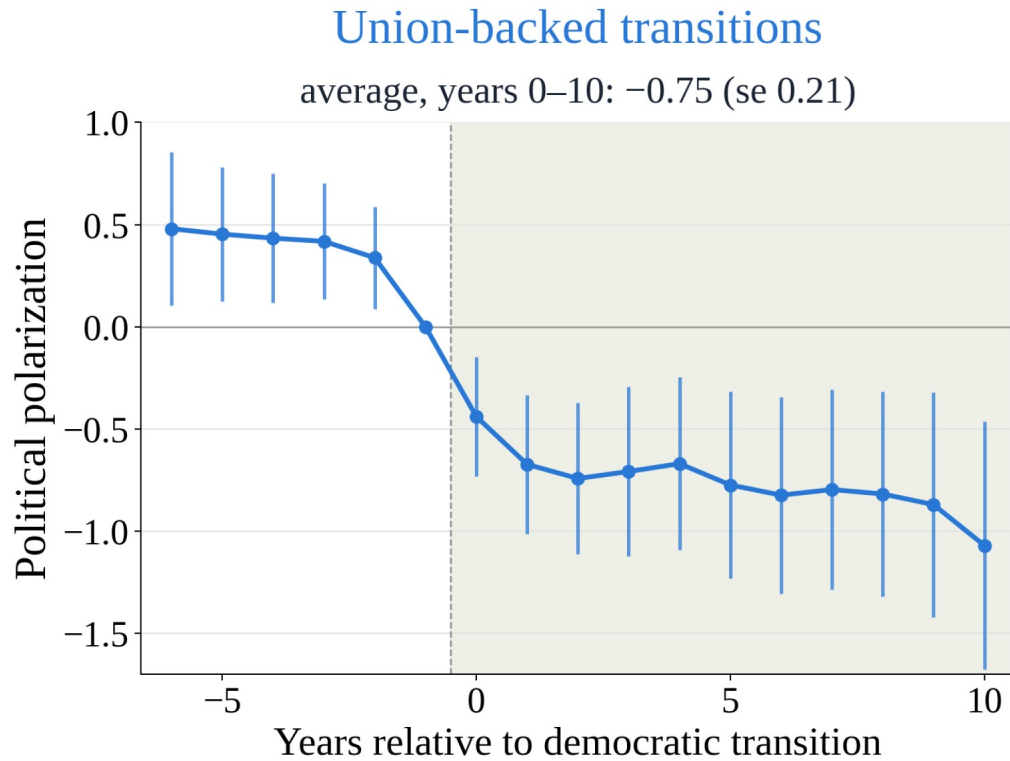
Consequence 2: Economic equality



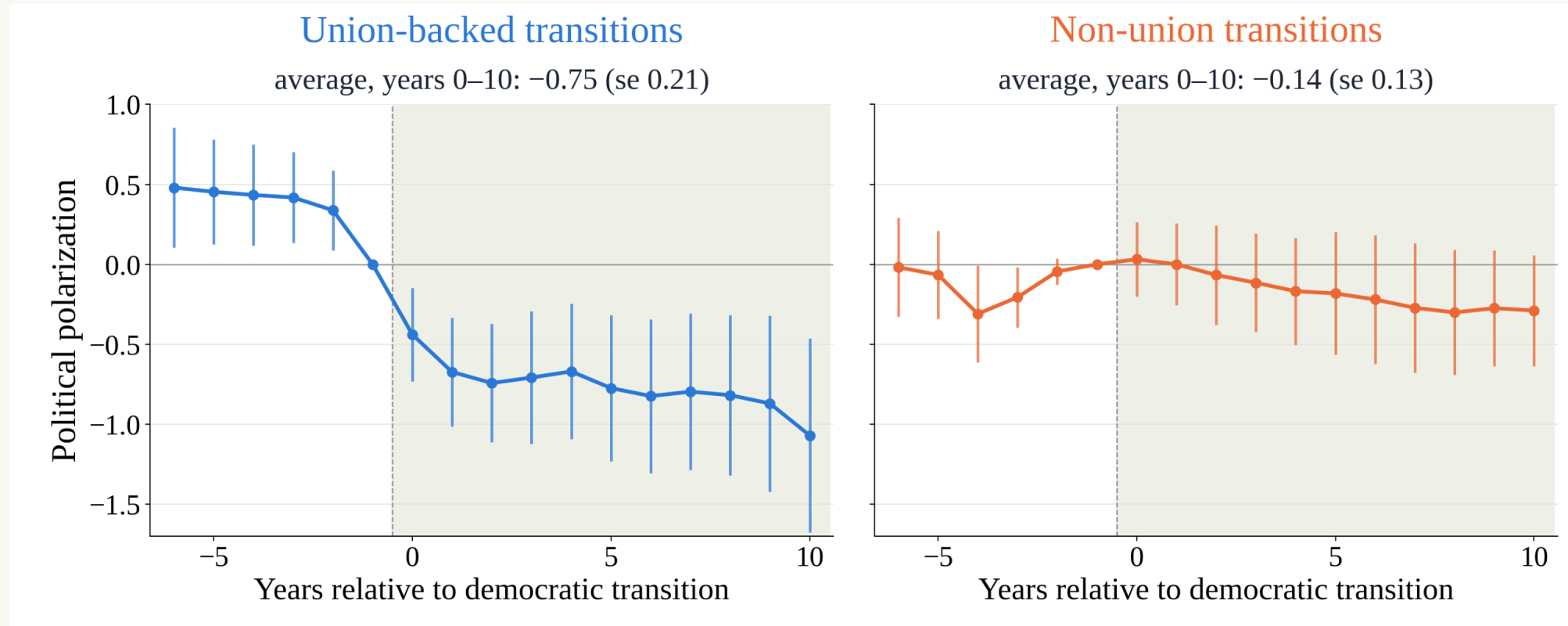
+6.1 points, about the size of the 1980–2000 manufacturing labor-share decline.

Consequence 3: Depolarization

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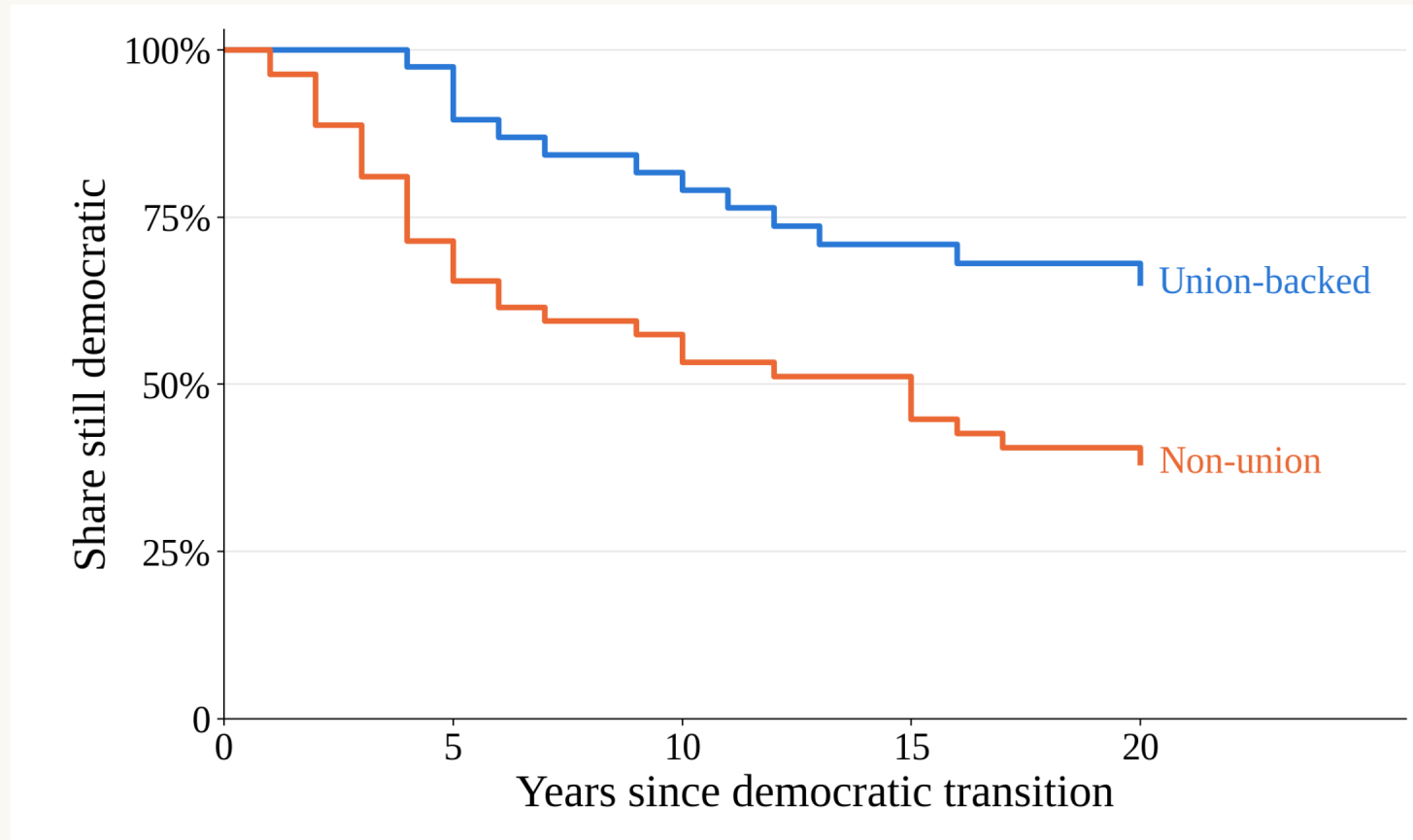
Consequence 3: Depolarization



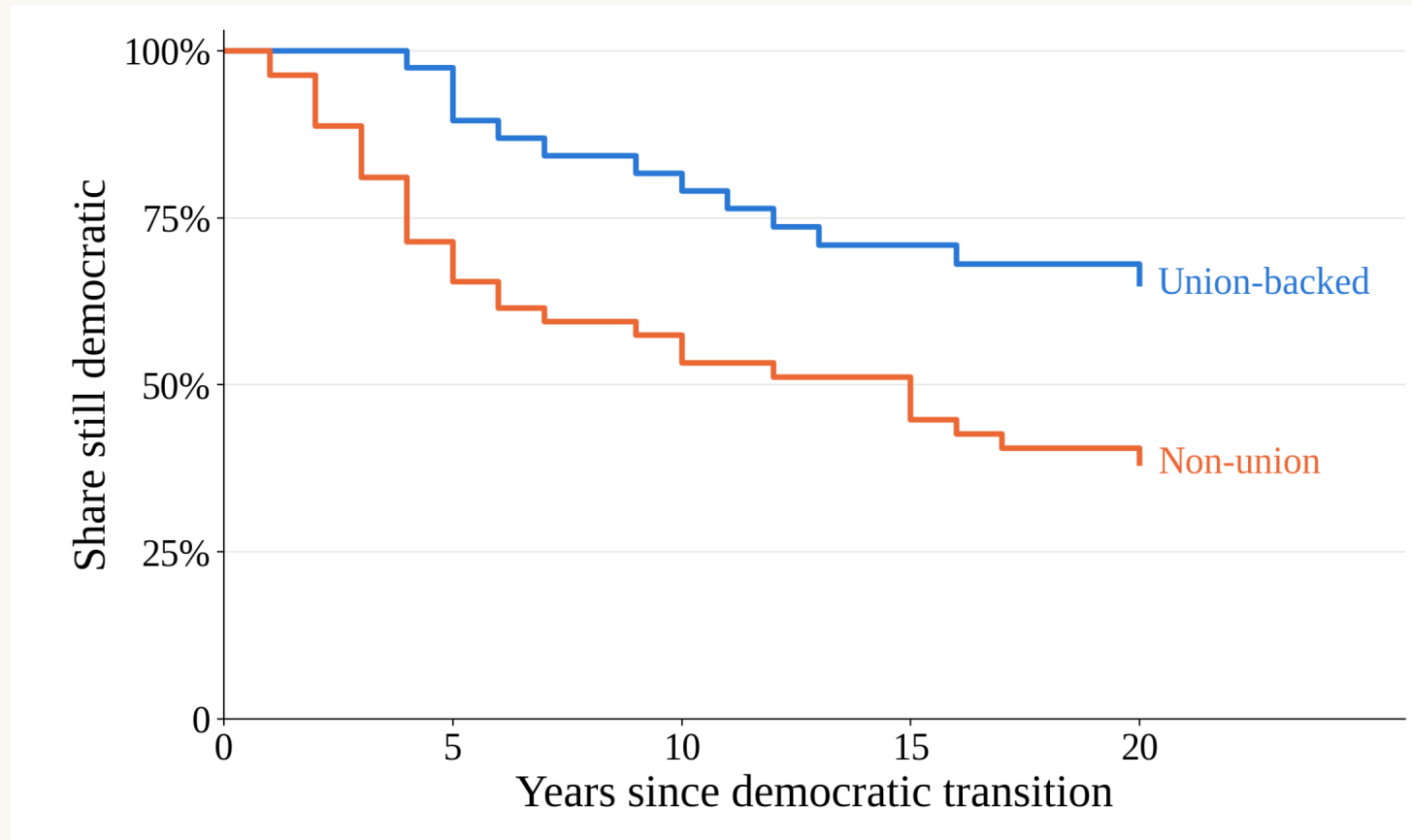
Polarization starts falling in the liberalization year and keeps falling after union-backed transitions.

The outcome: democratic survival

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The outcome: democratic survival



0.46

Hazard ratio, Cox, clustered by country
($p = .006$)

With baseline political and economic
controls: odds ratio 0.46 ($p = .008$)

**Still democratic at 20 years:
65% vs 38%**

Democracy survives when the transition to political democracy also embraces economic democracy.

The majority of democratic transitions, unfortunately, fail to deliver the labor rights needed for economic democracy and are therefore born containing the seeds of their own destruction.

Union-backed transitions are not random

How they differ

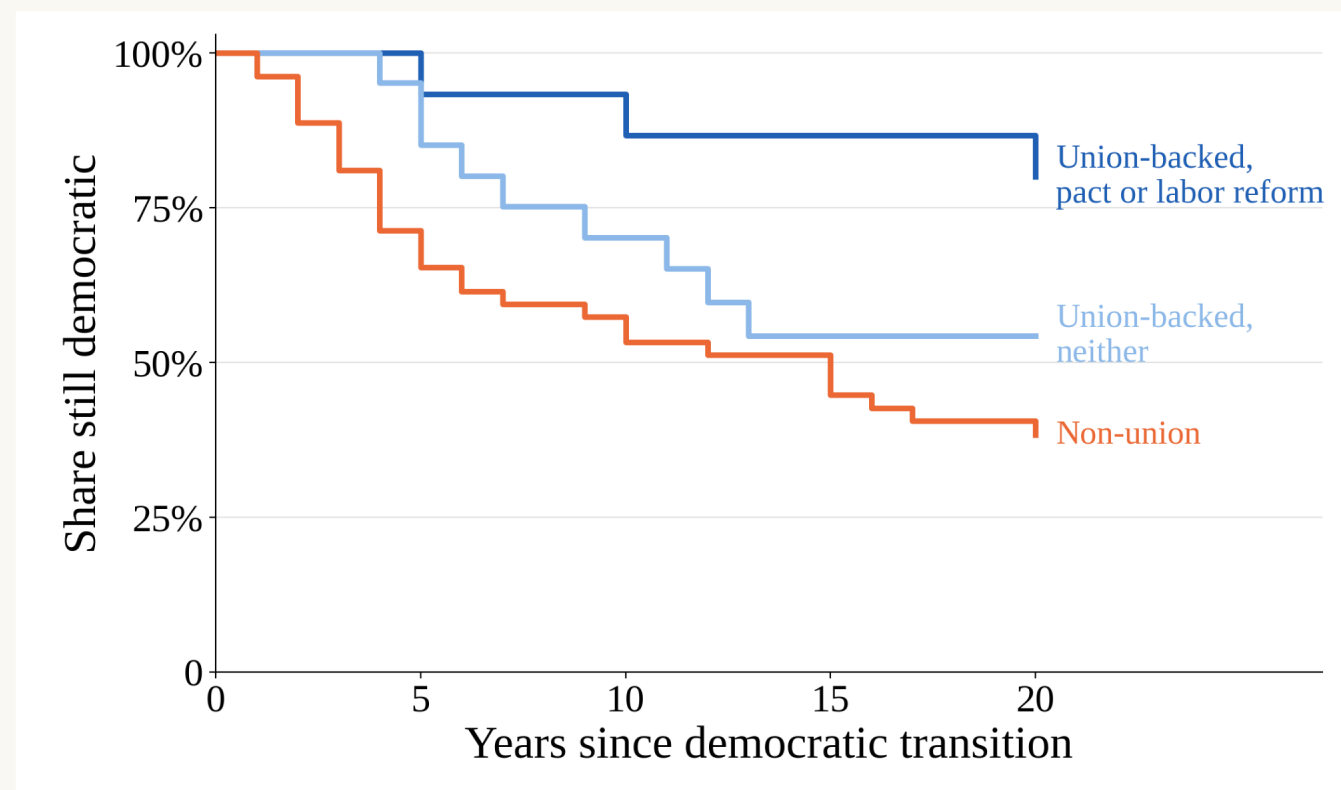
- Industrialization
- Urbanization
- Civil society
- Economic openness

Why that does not drive the results

- 1 **Difference-in-differences:** country fixed effects absorb stable differences; placebos test for diverging pre-trends
- 2 **Controls:** industrialization, urbanization, trade, civil society, regional democracy, prior democracy, labor power, partisanship
- 3 **Synthetic DiD,** controls matched on industrialization:
 - Labor rights: +0.62
 - Union engagement: +1.00
 - Polarization: -1.25
- 4 **Sensitivity:** Alternative measures, Oster bounds, treatment placebos; survival holds with baseline controls

BACKUP

Survival by whether the bargain was won



At 20 years: 80% (15 transitions), 54% (21), 38% (54)

Pact or reform vs neither: Cox HR 0.36, $p = .04$

With baseline income: odds ratio 0.36, $p = .08$; pact-or-reform cases are about 2.5× richer at the transition

Pact: unions in transition negotiations (Iakovlev 2023). Reform: pro-labor constitution or CBR gain ≥ 0.08 within three years.

Is it the compromise? Effects scale with what we observe

	POLARIZATION	UNION ENGAGEMENT	LABOR SHARE (PP)
Pact or major labor reform unions in transition negotiations, pro-labor constitution, or CBR gain ≥ 0.08	-1.07 se 0.30 · 15 countries	+0.88 se 0.29 · 15 countries	+6.5 se 2.0 · 7 countries
Neither, as measured 4 observed flat · 3 small gains · 1 rights won before t · 13 unobserved	-0.38 se 0.25 · 16 countries	+0.30 se 0.18 · 16 countries	+3.6 se 1.8 · 5 countries
Non-union transition no compromise	-0.14 se 0.13 · 36 countries	-0.01 se 0.11 · 36 countries	-0.8 se 3.5 · 17 countries

did_multiplt, average effect over years 0–10 (labor share, neither: years 0–7). Reform measured with a high threshold; many “neither” cases are unobserved, which pulls the groups together.