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The American Labor Movement
by
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THE AMERICAN LABOR MOVEMENT

By

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THESE REMARKS AIM FIRST to set out the major elements in the union situation, second to highlight the factors making for change in that situation, and third to do some probing into what these factors are likely to mean for the union performance in the period ahead.

I begin with a simple listing of the salient characteristics of the union situation, to return shortly for more detail:

- 1) Unions are an accepted institution in American life, but it is limited acceptance.
- 2) Unions represent a minority of the total labor force, although a majority in several important sectors.
- 3) Power in the labor movement is widely dispersed.
- 4) Collective bargaining between unions and managements is widely dispersed.
- 5) The overriding purpose of American unions is collective bargaining with management over wages, hours, and working conditions. The meaning of wages in collective bargaining has, however, taken on new dimensions in recent years.
- 6) Industrial relations on the management side is evolving into a professional function.
- 7) The labor movement has become a major center of power in the political arena.
- 8) The American labor movement is not a radical movement in ideological terms, but it has nevertheless made some radical changes in the management of industry.
- 9) The labor movement is nagged by persisting internal problems of jurisdictional rivalry, civil rights for Negro workers in the unions, methods of organizing, and corruption. Communism is no longer a substantial problem.
- 10) The legal status of the union is of a kind of "public utility."
- 11) The public "image" of the union is mixed: favorable as to its general function of unionism, unfavorable (invariably) as to the specific exercises of its function that come into public view.

Unions are an accepted institution in American life in this sense: they have proved that they serve an essential function in industrial society. But it is a grudging acceptance at best. First, because the union stress on collective

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action collides with our pervasive middle-class values; second, because unions are more often than not made up of manual workers and manual workers do not normally rate high in the prevailing social scale.

But even limited acceptance represents change; there was a time in our history — not too far away as history goes — when not only were the unions out of the main social swing, their fundamental reason for existence was under wholesale attack.

Union Membership

Unions are a minority of the labor force as a whole. Within the labor force, however, union importance measured by membership ranges over a broad spectrum from very strong to very weak or non-existent.

There are about 18 million workers in U.S.-based unions of whom about 17 million are in the United States. The best estimate is that one out of every four workers in the U.S. labor force is a member of a union, and perhaps one out of three non-agricultural workers is a member of a union. Because the non-agricultural labor force includes people who are not likely candidates for union membership, 40-45% is a more sensible estimate of the proportion of union membership to its real potential. So much for the situation in general.

In specific, union membership as a percentage of the total number of workers runs the scale from transportation, metals and machinery manufacturing, building construction, and entertainment, where the largest proportion of workers are in unions. Far on the other side is white collar employment, notably in finance and insurance, and agriculture, where a very small proportion of the employees are in unions. In between are public employment and trade, where a moderate proportion are union members. In general, manual workers are more likely to be in unions than non-manual. Men are more likely to be in unions than women in comparable situations. And larger cities apparently offer a more favorable climate for union membership than do smaller cities.

The great upsurge in union membership came in the second half of the 1930's. During the years of World War II unions continued to grow substantially, but at a slower rate. In the post-war period union membership has leveled off — most noticeably in the late 1950's.

Union power is decentralized. The national unions (about 250 of these) share authority for collective bargaining with their subordinate intermediate bodies (about 2500 of these) and with their local unions (about 75,000 of these).

The federation — which means the AFL-CIO — has no significant collective bargaining authority. The AFL-CIO is for most purposes, in fact, not a union at all but an association of unions. The AFL-CIO is not a union because it does not engage in collective bargaining, nor does it strike, nor does it have individual members except

in unimportant ways that do not affect the force of this generalization.

Collective bargaining between unions and management is decentralized on two grounds. First because negotiations are consummated through more than 130,000 individual agreements, not counting negotiated health and pension agreements. To be sure, some agreements — as in steel and autos — are likely to be more influential than others. In contrast to the bargaining systems of mature industrial societies, say like the United Kingdom or the Scandinavian countries or western Europe, industrywide bargaining in any meaningful sense of the term is rare.

The bargaining system is also decentralized because the negotiation of the agreement — where there is a tendency toward centralization away from the local — is only the first stage of a continuous process. Equally as important, if not more important than the *negotiation* of the agreement, is the enforcement of the agreement.

The enforcement of the agreement is characteristically a local enterprise involving grievance procedures capped by impartial arbitration. The grievance procedure is administered jointly at the work site by the workers and their representatives and by local management.

The workers' side of the contract enforcement process is reinforced by such organizational devices as stewards, shop committees, business agents, and bargaining and grievance committees. Nobody knows for sure how many workers are involved directly in these functions, but it probably runs into hundreds of thousands. On the management side industrial relations departments of companies and associations of companies are manned by full-time staffs who are engaged in a daily routine of contract administration.

In any case, collective bargaining is the foundation for a constitutional system of worker's rights in industry. The agreement is the constitution, as it were, and the grievance procedure applies the constitution to the concrete problems of industrial employment.

A New Dimension in Wages

The primary function of American unions is collective bargaining. The union's primary goal in collective bargaining is shared authority with management over wages, hours, and working conditions.

Since the middle 1940's the meaning of wages, hours, and working conditions has taken on extra dimension. The extra dimension is that wages go beyond payment for labor per unit of time or effort at the work site. Wages are now seen by the union as serving needs of the worker away from the work site. And in this respect the wage — and particularly some of the wage supplements — must yield an amount which is related to the interests of the worker as a member of a family.

This new dimension of wages is most dramatically revealed in the spread of health, welfare, and pension pro-

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grams and supplementary unemployment benefits all through collective bargaining. The wage and its supplements thus cover in increasing degree the worker in leisure (through vacation pay), in enforced idleness (through extra unemployment benefits and sick pay), in illness — his own and his dependents — (through hospital, medical, surgical care), and in death (through life insurance).

These sorts of welfare functions are in most advanced industrial countries administered exclusively through state instrumentalities; in the United States welfare is an important objective of voluntary collective bargaining.

Industrial relations is a specialized professional function of management. The practitioners are increasingly a body of trained specialists using an established body of knowledge and strategy. More about this later.

The labor movement is a major force in the political arena at all levels of government, from the federal government to the smallest unit of local government. The main interest of the union in politics is in a favorable employment environment and the protection of the union as an institution.

The increasing interrelatedness of our economic society has forced almost all unions to enlarge their angle of political vision — even when they assert their immediate job interests — from the job to the industry, to the national economy, and to the world economy. This has arisen out of the practical necessities rather than out of preconceived ideology. On the same ground unions have found playing-off the political parties against each other more rewarding for workers' interests than the support of an independent labor party.

Unions support the Democratic Party more often than the Republican Party because the Democratic Party is more favorable to the union and worker interests than is the Republican Party.

No Radical Movement

The American labor movement is not a radical movement as the term radical is generally used. It is interested in job and union protection, as we have already observed, not in making the conventional Marxist type of revolution. The characteristic equipment of socialist activity in industrialized societies — labor parties, public ownership, anti-capitalist ideologies — is unimportant in the United States.

The American labor movement has, nevertheless, made a kind of unconventional revolution. The essence of this revolution is the introduction of a system of bilateral, constitutional government in industry through collective bargaining. This replaced employer unilateralism in the administration of employment.

Precisely because it is not committed to socialism the American union is not interested in penetration into the management function for its own sake. The general posture of the union in the plant is defensive. American unions explicitly reject forms of joint management-union participation in areas where it believes the union's effectiveness as a union would be impaired by such participation. And most unions, my impression is, reject government ownership because government is much more difficult to bargain with than is private enterprise.

The persisting internal problems of the labor movement

have been racketeering, jurisdictional rivalry, equal treatment for the Negro worker, and the development of a viable mechanism for organizing new members.

Several unions have been expelled for racketeering. Expulsion of the Teamsters Union from the AFL-CIO seems not to have dimmed the Teamsters' power. In the laundry and dry cleaning industry and in the bakery and confectionery industry the federation has put rival unions in the field who are successfully challenging the expelled unions.

The labor union is regarded in law as a kind of "public utility" because its activities are held to be affected with a substantial public interest and therefore subject to public regulation.

Before 1933 the labor union was regulated largely by judge-made law and the effect, on balance, was to hinder union growth. The Wagner act (1935) reversed the anti-union field in public policy by encouraging unionism. The Taft-Hartley act (1947) put restraints on the bargaining power of unions; in 1959 the Landrum-Griffin act regulated the internal affairs of unions. A new phase in the application of public policy to unions is now in process. The federal government under President Kennedy is seeking to influence the results of collective bargaining in the public interest.

Adverse Public Opinion

The unions in public opinion started out as underdogs in the 1930's. As they have become more powerful public attitudes are more concerned with union "bigness." The public judgment of the union is invariably made in a context of conflict like strikes, inflation, and racketeering. This is reflected in an adverse public opinion on specific union acts. But there is, nevertheless, acceptance of the union's general function in modern industry.

The impression of the union which is now current is big unionism whose wage demands are the main causes of inflation. The liberal intellectual whose support in the 1930's was an important factor in the union upsurge is, with few exceptions, now carrying on a running criticism of the uses of union power. A sympathetic national administration finds it necessary to dampen union demands for wage increases and hours reduction. In general, collective bargaining as usual is now found wanting in a troubled international and domestic scene. Almost nobody has a good word to say in public for the unions except the union leaders and union members.

FACTORS MAKING FOR CHANGE

We are now witnessing profound transformations in the industrial relations environment, and especially in the union sector of that environment. The critical — and parenthetically it should be stressed, interrelated — elements in that transformation are:

- 1) The incidence of recessions.
- 2) The effects of technology and "automation."
- 3) The "white collarization" of the work force.
- 4) The extent of female participation in the labor force.
- 5) The direction and content of public policy in industrial relations.

- 6) The "public image" of the labor movement.
- 7) The quality of union leadership.
- 8) The professionalization of management.

Union membership has leveled off because we have not had a complete employment recovery from the recession of late 1957. The sluggishness of employment has been most stubborn in the area of new union power and influence thrust up by the upsurge of the 1930's, namely the heavy mass production industries.

The 1957 recession was in fact the third and most severe of the post-war recessions, and in conventional cycle counting it was followed by a 1960-61 recession. Economists are now debating whether we are witnessing the onset of a fifth recession. Recessions, even if they are not depressions, are not the stuff out of which unions' members increase. The recurring recession has, in my opinion, been the single most important element in the leveling off of union membership.

The Effect of Automation

The recessions have weakened the capacity of the economy to adjust to the disemployment effects of technological improvements. An economic mix made up of recession, technological displacement, and automation as a specific case of technology has produced a train of consequences unfavorable to union growth. The effect has been to reduce the demand for manpower in the union-prone industries and to increase the demand for manpower (where this has happened) in the industries that are less prone to unionism. Or to put it in shorthand terms, to reduce blue collar employment and to increase white collar employment.

This complex of forces on which many have put an automation tag has also had additional effects:

- It has encouraged *new* plant construction away from concentrated areas of manpower and therefore away from the traditional centers of union influence.
- It has generated self-governing, surplus plant capacity to underscore the hazard of longer strikes.
- It has upset established job relationships, thus forcing a collision between defensive job security consciousness on the union side and aggressive management rights consciousness on the employer side.

The net effect of automation when combined with recession, in the short run at least, is therefore to weaken the union at the bargaining table. At the same time it makes government intervention attractive to the unions in areas where collective bargaining is unavailing. Witness the union emphasis on *public* policies for hours reduction, full employment, and retraining.

White Collar Workers

The white collar character of the work force is heightened both by automation and by the shifts in consumer demand of the "affluent society." The white collar category and its fastest growing component — technical and professional — have been less responsive to unions. But the "industrialization" of white collar and professional employment — that is white collar and professional em-

ployees functioning in mass production work situations — may create a more favorable climate for unionization.

Another source of increase in white collar employment, namely public employment, is proving to be more hospitable to unionization. Here there is substantial evidence that collective bargaining and, therefore, unionism is increasingly taking hold.

The most potent influence leading to unionization is the adoption of collective bargaining in public employment. Several current events stand out on this point: the union victory among more than 40,000 New York City teachers, the Kennedy program for collective bargaining in the federal public service, and the upsurge of collective bargaining in the state and local public service.

The extent of participation in the work force by women will undoubtedly continue to increase. Women workers, despite some notable exceptions, are not the material out of which strong unions are typically built. The working woman is home-centered. The job does not occupy the central position in her life that it does in the case of the male wage earner. She is more likely to be a marginal or secondary wage earner. Even where women predominate they allow the men to run their unions.

The industrial relations function in modern industry has become professionalized. Industrial relations functions have become a refined system of established policies, concepts, strategies, and tactics applied by a corps of trained practitioners including engineers, lawyers, personnel men, and social scientists of all varieties. Modern industrial relations has produced a new industry — the "human relations" industry, and has even given birth to an ism, "Boulwarism."

Union Substitutes

As long as profitability permits, the strategy of management industrial relations has focused on consciously providing union-substitutes. The union-substitutes institutionalize employee rights and grievance procedures in a manner that lacks only the union participation to make these arrangements identical — on paper at least — to a collective bargaining relationship.

The management community is determined not to make the mistakes in the sixties and in the fifties that it made in the thirties. In this way it hopes to keep the unions out. And where it can't keep the unions out it will keep the unions weak.

The professionalization of the management function has had side effects, too. The industrial relations "pro" is a man who views the union without the glandular and ideological reaction of the owner-manager when *he* reacts to the union invasion of his "prerogatives." The professional takes an economic view rather than an ideological view of the union. As a consequence I think outright union-busting of the 1920's is not part of the general management strategy. Even if union-busting is ideologically satisfying it is economically irrational.

In contrast to the thirties and the late forties, when managements were invariably in the posture of reacting to union demands, many managements are now taking the initiative in introducing themes in collective bargaining on their own motion; and it is the unions that are now in

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the position of reacting rather than setting the terms of the discussion.

A popular criticism of union leadership is that union leaders have lost the dynamism and the crusading spirit which brought them to the heights that they now occupy. Union leaders themselves are likely to say a good deal about the apathy of union membership "who have never had it so good" and therefore have no commitment to the union.

THE PERIOD AHEAD

What, then, are the *real* issues confronting unionism for the period ahead? Let it be said at this point that the issue of regenerating the union dynamism of the thirties is a false issue. The great upsurge of the thirties came from a labor movement that was emerging from a slough of despond, from a labor movement that was small in numbers, weak and poor. It was the spokesman for the downtrodden, and the organizer was a great American hero. Circumstances have changed drastically. The labor movement is not weak, or at least most of it isn't weak. The spirit of commitment which stirred the movement in the 1930's can be reinduced only synthetically and therefore falsely, because the movement of the thirties is not the movement of the sixties.

It must also be recognized that unionism in the United States is a limited-purpose instrument — powerful enough in its own field but increasingly subject to forces beyond its autonomous control, the most important of which are recession and depression and economic growth. An optimistic economy is a first condition of union dynamics. This will not insure union progress, but without it union progress is impossible. Precisely because the labor movement recognizes the limitations of collective bargaining it is engaged in an unprecedented legislative and political effort to enhance the impact of public policy on economic growth.

In respect to the union impact of technological change, the short-run prospects are not hopeful. The strategic advantages are on management's side, including the utilization of the union-substitute strategy. The offsetting advantage for the union side could be the inability of management to support the cost of its union-substitute strategy. In these circumstances a combination of white collar overstaffing and the industrializing of white collar tasks — both very real — could result in a stirring of white collar unionism.

The most promising field for union expansion is public employment. Here the extension of collective bargaining backed up by the labor movement's political proficiency rather than by the strike sanction holds out the single most promising path of union growth.

New Issues

The quality of union leadership will not be controlling in shaping union destinies, but the union performance can be strengthened if the leadership reacts sensitively to the issues which the new union situation has thrust forward; namely union responsibility, organizing, and *union* professionalism. I would state these issues thus:

1) Union leaders must offer serious responses to the demand for "responsible" collective bargaining. Or to

put it another way, the labor movement must confront the alleged failure of collective bargaining to yield results compatible with (a) an economy in trouble and (b) enterprises undergoing major technological change. This involves subsidiary questions:

a) Can a union maintain its essential character as a representative institution if the leadership imposes a self-denying ordinance on its demands in the interests of presumed price stability?

b) Can a union leadership accept employment cost-cutting before crisis and stay in power?

c) What meaning does (a) and (b) have for the idea of a free labor movement?

d) Are unions and management in key bargaining situations no longer able to reach agreement on their own without third party intervention?

2) To what extent does the new organizing situation, particularly in respect to professionals, call for a reevaluation of traditional approaches as to (a) "outside" organizers, (b) union organizing outside of the AFL-CIO fold on the ground that union organization *and* affiliation may not be digestible in one gulp, and (c) individual differences in the collective agreement applied to promotion and layoff, for example?

3) Can union leadership continue to administer the union largely on the basis of union folk-wisdom, except perhaps as professionals are now used for the more obvious professional tasks like law, accounting, and health? Does objective research have anything to contribute in reaching creative policy conclusions in organizing, industry economics, internal union administration, and collective bargaining?

An affirmative answer to any or all of these questions would constitute a reversal of many union ways that have built strong unions, enhanced the workers' standards, and contributed to orderly progress in our society at large. So that in raising these questions I am not necessarily answering affirmatively here.

But even more than answers, it is reflection on these issues that is necessary. I think the time is passing when the unions can function in this complicated world solely from a sense of outrage against ill-treatment. The growing integration of the enterprise and the national and international economics require operating concepts to match from the union.

To Summarize

To summarize then — the shape of union things to come in the immediate period ahead will be formed by:

1) The business cycle complex including technology.
2) The proficiency of the union performance in legislation and politics.

3) The success or failure of the management strategy in providing union-substitutes in the expanding white collar and professional force.

4) The ability to capitalize on the collective bargaining wave in public and quasi-public employment.

5) The capacity of the political leadership of the union to think constructively and seriously about the meaning of the changing industrial relations environment and the meaning of the changing world for union goals and methods.

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