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Comments on Markley Roberts' Paper

Markley Roberts has given us a frank "outlook" for the American trade union movement from his unique "inside" vantage point as economist for the AFL-CIO. His review is candid. It details the absolute and relative decline in the number of workers who are members of unions; it is optimistic in its notation of the inroads made by unions in organizing certain groups of professional workers; and it is worrisome in its analysis of the uncertain prospects caused by rapid technological change, enhanced international competition; and the resurgence of organized resistance by employers to unionism.

The points are well developed in the paper and require no need for further elaboration. Hence, I will concentrate on two topics that are not mentioned but which I feel are also often worrisome omens for the future of American trade unions. For the sake of comprehensiveness, I feel both of these points deserve to be included in an assessment such as this.

The first of these issues is immigration. The U.S. is in the midst of another period of mass immigration. When all forms are included -- legal immigration, illegal immigration, refugees, asylees, and non-immigrant workers, the U.S. population is receiving an annual infusion of over one million persons a year. Most of these immigrants are directly entering the labor force and many more -- spouses and older children -- soon join them. If they were randomly scattered throughout, there would be no reason for particular concern. But they are not. At least half of these immigrants settle in two states -- California and New York and another

25 percent settle in four other states -- Texas, Florida, New Jersey, and Illinois. Moreover, these immigrants overwhelmingly settle in urban rather than suburban or rural America. Geographically speaking, these urban labor markets in these six states comprise a disproportionate share of the organized workers of the nation. It is very likely that these largely uncontrolled immigrant flows are a challenge to the growth of unionism (especially illegal immigrants who are often preferred by employers). Historically, union membership has seriously waned during periods of mass immigration. I am not saying that there is direct causation but there is certainly a strong correlation between the growth (or decline) of unionism and the increase (or decrease) in the number of immigrants. The periods of greatest growth of unionism in the United States -- during the World War I era (roughly 1915-1919); the depression decade of the 1930s; the World War II period and the immediate post-war era (roughly 1940-1953) were all years when immigration essentially ceased. The revival of mass immigration since the mid-1960s (when the Immigration Act of 1965 was enacted) has also marked the beginning of the absolute decline in union membership. Both trends have continued since the mid-1960s up until the present. Indeed, it now seems clear that the major issue of the 1990s in many industries is going to be the role of non-immigrant workers in the United States. Rather than train citizen workers or improve wages and working conditions to make certain jobs more attractive to citizens, many employers are beginning to lobby for the right to have foreign workers "temporarily" admitted to fill jobs at both the higher skilled levels (e.g., biotechnology research, the computer industry and in higher education) <u>and</u> the lower end (e.g., agriculture, recreation, restaurants, hotels,

health care industries). The nation's unguided and highly politicized immigration policy has yet to be held accountable for its sizeable economic consequences. Until it is, there are reasons to be concerned about its impacts on the contemporary labor movement.

The second issue that probably deserved some comment is the issue of inflation. Like unemployment rates, the nation's recent inflation rates appear to be low here in the late 1980s (around 4.5 to 5 percent a year). But both "appear low" only in the context of being lower than they were in the early 1980s. Historically speaking, however, both rates are exceptionally high when viewed over the long run (especially for a period of alleged "economic prosperity"). The one area where I feel the leadership of the American labor movement can be faulted in its attitudes in the 1960s and 1970s (when the decline in membership accelerated) was its hostility toward the notion of an incomes policy. Instead of pressing for responsible wage settlements and price constraints that were both related to productivity, organized labor tended to oppose efforts to restrict both wage and price movements by formal government policy. Here, in the 1980s, the road was paved for the Reagan administration to impose what is probably the most severe and arbitrary form of wage and price policy: free trade. This challenge of free trade has never been confronted before by either U.S. employers or U.S. unions. The nation's economy was built behind the walls of protective tariffs. The abandonment of these protections -- while heralded by theoretical economists -- has launched labor-management relations into an entirely new arena. New ways of resolving labor-management disputes are going to be required. I am very fearful that all of the enlightened efforts over the past 50 years to adopt humane social

welfare policies and to build a legal framework for worker representation systems to be established are now threatened. The contemporary thrust to become more "competitive" is in reality code word for "cost-cutting."

When examined from the perspective of human welfare both in this nation and elsewhere, what is desperately needed is less competition -- not more. The market pressures for cost restraints will be even greater should inflation again kick into high gear. Striking a balance between efficiency pressures dictated by enhanced international competition and the maintenance of humane societal institutions that will permit secure jobs and assure adequate living standards will be no easy feat. The goal of free trade has yet to have its labor market consequences fully examined. How this balance is to be struck will have a major influence on the future of the status of the American labor movement in particular and the economic welfare all workers in general.

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