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# Cooperate, Hell: Unions Get What They Fight For

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# Cooperate, Hell: Unions Get What They Fight For

## **Abstract**

[Excerpt] Officialdom's call for labor and management to cooperate is a recurring theme in American industrial life. It all seems so reasonable: instead of knocking heads, let workers and bosses put their heads together -- and knock the competition for a loop.

The trouble is, it doesn't work. In steel, auto and other industries where management and labor agreed to joint participation plans, local unions are scrapping the arrangements and local union leaders who backed them are being turned out of office by angry rank-and-filers. What began as a new era of harmony is ending in disillusion. The novelty wears off, and unions still have to fight to defend their members' interests.

## **Keywords**

workers rights, labor movement, unionization, anti-unionism, union organizing

## **Comments**

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## **Cooperate, Hell: Unions Get What They Fight For**

**Washington Post, The (DC)** - Sunday, December 1, 1985

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Labor Secretary William Brock carried a bell, book and candle to the AFL-CIO convention in late October, seeking to exorcise the adversarial demons from the ranks of labor and management.

Cooperation between labor and management, incanted Brock, is the only way to restore international competitiveness to U.S. industry. Brock blasted retrograde employers who try to break unions instead of winning their cooperation.

Officialdom's call for labor and management to cooperate is a recurring theme in American industrial life. It all seems so reasonable: instead of knocking heads, let workers and bosses put their heads together -- and knock the competition for a loop.

The trouble is, it doesn't work. In steel, auto and other industries where management and labor agreed to joint participation plans, local unions are scrapping the arrangements and local union leaders who backed them are being turned out of office by angry rank-and-filers. What began as a new era of harmony is ending in disillusion. The novelty wears off, and unions still have to fight to defend their members' interests.

Back in 1928, Labor Secretary James J. Davis told the American Federation of Labor, "There are still a few industries which lag behind, but American industrial effort is pervaded with a better feeling than ever before between employer and worker. Labor in the future will insist on being a cooperator with and a partner of business, and its claim will be allowed . . . . Cooperation between management, men and money will bring a full and equal share of the benefits."

Davis cited employee stock ownership of the Philadelphia Rapid Transit Company and the "B&O Plan."

In the B&O plan, workers exchanged concessions for joint participation in management as proof of the new spirit of cooperation in what was enthusiastically called the "New Capitalism" of the 1920s.

In the past decade such steps as worker buyouts, employee stock ownership plans, union representation on corporate boards, joint productivity committees, quality circles and other "workplace democracy" schemes have likewise been seen as the wave of the future. Instead of militant "porkchop unionists," interested only in basic money issues,

squaring off against heavy-handed bosses, a newly engaged workforce and a newly enlightened management will join hands in a more humane, less alienating workplace, this theory goes.

Top off employee involvement with stock ownership -- giving them a material stake in the business -- and workers won't just be happier, they'll beat the Japanese and other foreign competitors at their own game, advocates say.

Secretary Brock pointed to the recently announced labor agreement between the United Auto Workers and General Motors for the company's Saturn division plant in Tennessee as the latest breakthrough in labor-management relations.

The pact's call for weekly salaries instead of hourly wages, small, self-managed "work teams" in place of large production units under the watchful eyes of foremen, and a union voice in corporate decision-making is seen by many as heralding a new era of cooperation between parties long at loggerheads. Importing such Japanese-style labor relations is essential if U.S. industry is to compete with Japan's manufacturing juggernaut, Brock concluded.

The Saturn facility is still years away from operation, so dwelling on its new labor contract now is just an exercise in speculation. Before waxing enthusiastic, the Secretary of Labor should keep in mind that similar experiments have taken place in many American workplaces in the past, and they have not worked out well.

But what about those showcase workers buyouts or labor-management-cooperation agreements that supposedly presage a new era of workplace democracy? In the 1970s, employee purchases of the Vermont Asbestos company and South Bend Lathe corporation brought immediate spurts in productivity and profits -- proof, it was thought, that the vulgar division of society into capitalists and workers can be overcome by worker ownership.

Similar auguries accompanied early '80s buyouts of Rath Packing company in Waterloo, Iowa, Hyatt Clark Industries in Hyatt, N.J. and Weirton Steel in Weirton, W.Va., as well as partial employee ownership plans at Eastern Airlines, Dan River Mills and other companies, and worker-participation-in-management efforts at Ford Motor Company, U.S. Steel and other troubled industries.

Here's what happened. The worker-owners of Vermont Asbestos eventually soured on employee ownership and sold their entire stake back to a private investor. South Bend Lathe fell back to traditional labor-management antagonisms, complete with lengthy strikes by workers against themselves. Rath Packing endured sharp strife between worker-managers and worker-workers before it shut down earlier this year while employees tried desperately to find a private buyer to take it off their hands.

At Hyatt-Clark, workers settled a new contract this year in tense negotiations marked by personal bitterness between union leaders and executives of the company whom the

union helped select. With guarantees from General Motors to purchase Hyatt bearings due to expire next year, the future of the plant is in doubt.

The Weirton Steel buyout performed well in the first year of operation -- if one allows for a 32 percent wage cut and the sacking of the pension plan, steps deemed necessary to accomplish the buyout after National Steel Company decided it did not want to re-invest in the business. But we predict that within five years the Weirton Steel plant will either be shut down or sold back to private investors.

At Eastern Airlines, where workers took an 18 percent pay cut in exchange for 25 percent common stock ownership and a say in running the business, old antagonisms have resurfaced after what many Eastern workers see as management attempts to renege on the pact.

At Dan River, employees voted to eliminate their pension plan to get 70 percent of the company's common stock for \$110 million, while 26 top managers leveraged the remaining 30 percent for a mere \$4.3 million. Millions of dollars in fees were paid out to lawyers, consultants and bankers to put this deal together.

Our economic system is based on management control of the workforce and the workplace. It is the nature of management to push workers for more production or service at less cost. Just as naturally, workers want to preserve a reasonable pace of work and improve their living standards. The push and pull of this inherent conflict transcend any form of ownership or degree of worker participation in management.

Any competent management knows that its workforce is a reservoir of good ideas and figures out ways to tap it. Some firms can carry on for years, even decades, with fairly untroubled labor relations. They recognize that better equipment, smooth materials flow (or paper flow -- the nature of the output does not matter), superior planning, an emphasis on the "carrot" and an ear to what employees are thinking -- in two words, smarter management -- will do more for productivity than a heavy-handed speedup or crackdown.

In the long run, workers and managers both are better served by a healthy tempered adversarial relationship, each conscious of and bargaining hard for their separate interests.

Labor's problems arise when the balance is upset, as it is today. In many cases management can extract cost-saving concessions, or even break a union altogether, by the exercise of superior strength. Union strike defeats at Greyhound, Phelps-Dodge, Continental Airlines, Bath Iron Works and other large companies in recent years, as well as concession-filled contracts imposed without strikes, reflect the growing power and arrogance of business in the 1980s.

Organizing setbacks at the hands of aggressive anti-union consultants, legal roadblocks by the Reagan administration's National Labor Relations Board, political weakness

reflected in the Mondale presidential defeat -- these are the problems that need solving. In this context, to raise the banner of employee involvement and worker ownership as solutions to labor's crisis is a diversion.

We are not advocating a rejectionist stance toward all forms of cooperation with management. Indeed, collective bargaining itself is a method, after a deal has been struck, of cooperation between labor and management. But labor-management cooperation cannot revive a labor movement sapped of its bargaining strength and organizing vigor. What unions need is a return to the basic principles that animated the early struggles of the American labor movement and the building of the CIO: class solidarity, industrial unionism, aggressive organizing, grass-roots coalitions, hard bargaining, tough striking, political independence and independence from management influence.

In contrast, the turn to employee ownership and participation in management represents a move toward company unionism in the American labor movement. Here the union becomes an arm of management, communicating and enforcing management policies in the single enterprise, rather than an arm of defense against management pressure. If unions are failing at that now, it speaks more to the need for reforms inside the labor movement than for the adoption of Japanese-style labor relations.

Still, the "new era" approach is attractive to a labor movement beset with difficulties. Media coverage of labor affairs is filled with terms like "bold initiatives" and "imaginative strategies" in connection with Saturn, Eastern, employee stock ownership plans and the like. Respectability and approval await union leaders who move their members in this direction. In contrast, a back-to-basics approach smacks of hidebound porkchop unionism.

Union leaders will be branded as unenlightened and irresponsible throwbacks to a dead past if they fight concessions and lead strikes; if their starting point for bargaining is their members' demands rather than the financial complaints of employers; and if they reject employee ownership and joint participation schemes. Given a choice between prestige as a labor statesman or a reputation as a labor porkchopper, how many image-conscious union leaders can resist the roses?

Critics will call our view the shopworn rhetoric of a played-out labor radicalism. Union must face up to changed realities, they say. The labor movement has failed to keep pace with new technologies, new economic conditions and new attitudes among workers. The 1930's style class struggle approach was fine for its day, but now it is just irrelevant posturing. Management is not out to bash labor any more; they must unite to beat the competition. Labor-management cooperation is the only way for unions to survive.

While Secretary Davis effused to the AFL in 1928 about a new era of harmony, employers were busy with what they called the "American Plan" to break strikes, blacklist union organizers and replace real unions with company unions. It was only

when industrial workers threw off AFL-style craft unionism and confronted employers in the hard-fought strikes and organizing campaigns of the 1930's that unions began to grow again.

In what could pass for received wisdom in current debate about labor's prospects, a pro-union labor economist wrote: "American trade unionism is slowly being limited by occupational changes and technological advances . . . . These changes appear likely to continue in the same direction . . . . I see no reason to believe that labor will so revolutionize itself as to become in the next decade a more potent social force than it has been in the past decade."

That was written in 1933, on the verge of a nationwide textile strike, the San Francisco and Minneapolis general strikes of 1934, the 1935 Toledo and Akron electrical and rubber workers' sitdown strikes of 1934, the 1935 Toledo and Akron electrical and rubber workers' sitdown strikes and the industrial organizing drives in steel, auto and other mass production bases.

Six million workers surged into the newly formed Congress of Industrial Organizations in those years. Stung by the success of CIO militancy, the AFL undertook its own industrial campaigns that organized nearly as many new members. American union membership more than tripled in the 1935-1945 decade, from less than 4 million in the AFL to more than 14 million in the two federations that later merged to form the AFL-CIO.

We are not taking refuge in an iron law of history. Sheer militance is no guarantee of success in bargaining or organizing. Indeed, there are times when retreat is in order. But labor's victories of recent years, few as they may have been, have been due more to aggressive struggle than to cooperation.

Yale University clerical workers won their 1982 organizing campaign and 1984 strike, for example, with a carefully built departmental steward structure, small group meetings, hand-to-hand distribution of and face-to-face discussion of union leaflets, broad picket-line and strike-committee involvement by the rank and file, a strong community support coalition and other time-tested labor techniques.

It was old-fashioned shut-'em-down strikes, not rubbing elbows with management, that pulled auto workers, steel workers and airline pilots through bargaining crises this year at Chrysler Corporation, Wheeling-Pittsburgh Steel company and United Air Lines. Where unions judge the employer would prefer a strike, many are using what they call "in-plant strategies." Staying at work beyond the contract expiration, the union implements work-to-rule practices, mini-stoppages, overtime bans and other measures to push management toward an acceptable contract.

The AFL-CIO Industrial Union Department's multi-union campaign against Litton Industries stressed rank-and-file action in rallies at plant sites and National Labor Relations Board offices, demonstrations at shareholder meetings, lobbying for a bill to

deny federal contracts to labor law violators and other steps that brought Litton to terms with the United Electrical Workers at a newly-organized microwave oven plant in Sioux Falls, S. D. last year. Similar "corporate campaigns" led to first union contracts in divisions of J.P. Stevens & Co., Equitable Life Insurance and other important organizing targets.

Where unions are winning NLRB elections -- as in a joint organizing campaign by the Service Employees and the Food & Commercial Workers in the Beverly Nursing Home chain -- it is by convincing workers that the union will resist management pressure, not by promoting quality of work life and participation in management. And in cases where unions are competing with each other for support from employee associations, the organizers that emphasize union vigilance are winning against those that push cooperation with management.

None of the workers in these successful union efforts is clamoring for employee ownership or joint productivity committees. They want a union that will stand up to management, not get in bed with it. Labor's challenge now is to make those few victories many.

This cannot happen, however, if unions succumb to the latest blandishments for employee ownership and labor-management cooperation. It is this trend toward company unionism that will make unions irrelevant, not an adversarial attitude. Only those unions with a fighting spirit and a winning record will organize the unorganized and rebuild union strength.