

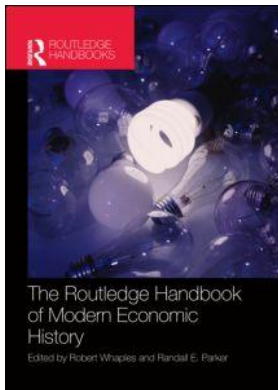
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LABOR UNIONS AND
ECONOMIC HISTORY*Gerald Friedman***Labor, industrialization, capitalism**

Labor unions and socialist political movements are as much children of the spread of democracy in the late nineteenth and twentieth centuries as of the industrial revolution of the eighteenth and nineteenth centuries. By changing production technologies and the social relations among consumers, producers, and employers, industrialization created a working class able to challenge the organization of production and society and with a direct interest in disputing the distribution of income between workers and their employers. First in England, then throughout the industrializing world, the creation of a wage-earning class was followed by the creation of labor unions. Sustained union growth, however, began only in the late nineteenth century. By the middle of the twentieth century, unions became powerful forces throughout the developed world enrolling a substantial part of the labor force; this growth was not an inevitable result of industrialization, however, because it depended both on the extension of civil liberties to the working class and on government support for working-class collective action, usually during wartime or other national crises. This chapter discusses the nature and development of labor unions, including the role of industrial change, labor disputes, and political action in union growth. It concludes with a discussion of the decline of union membership in the late twentieth century.

Discussions of the industrial revolution and the labor movement begin with the theories of Karl Marx and Friedrich Engels (Marx 1974). In the *Communist Manifesto*, first published in 1847, Marx and Engels predict that the new proletarians created by the industrial revolution would revolutionize society. Capitalism, Marx and Engels argue, involves the creation of a labor force that is doubly free: free of control over the means of production and free of any ties to those (the capitalists) who own those means other than the exchange of labor time for wages.

Driven by competitive pressures to minimize the cost of production by finding the cheapest labor possible, capitalists will seek out low-wage workers and technologies to replace workers with skills and training with narrowly specialized workers requiring little specialized skill. Indeed, to replace relatively expensive craft workers with all-around skills, capitalists have created a new class of specialized workers whose narrow training allows them to perform simple tasks in a system of divided labor. Concentrated in large production units in big cities, Marx and Engels predict that the new proletarians would seek to improve their condition *within* capitalism by agitating for higher wages. Beginning with wage demands, they would form labor unions to

manage their strikes. These unions would eventually fail and, Marx and Engels predict, their failures would teach proletarians that they can progress only through ever-wider solidarity and by building a *political* movement to overcome capitalism as a whole, creating a socialist society without commodity markets with distribution according to need.

The power of their analysis and their incisive writing led scholars of all politics to grapple with Marx and Engels's writings. For over a century after the *Manifesto*, socialists looked forward with anticipation, and their opponents with dread, to the unfolding of its predictions. But even the strongest socialist movements have failed to bring about a successful socialist revolution, and, today, socialist and labor movements are in retreat throughout the world. Whether relieved or disappointed with these failures, social scientists have had to reevaluate their approach to the labor movement. Instead of the precision of the Marxist model, recent scholars have seen the evolution of the labor movement as a contingent process. Within the economic and technological structures created by capitalist industrialization, the labor movement has been shaped by political factors and the outcomes of social conflicts. The rise of the labor movement has not been an inevitable product of the growth of capitalist industry; the labor movement is not necessarily destined to transform society.

This chapter reviews the growth of the labor movement in the course of industrialization from the perspective of this recent research. It begins with a discussion of relations between workers and their employers before the rise of capitalism. Next it discusses the industrial revolution and the way it changed labor relations. The rise of the labor movement is discussed in the next section; from the perspective of this research, the decline of the labor movement is evaluated in the final section.

Labor and society before the capitalist factory

Before modern labor unions, guilds united industrial workers, craftsmen, and their employees, setting minimum prices and quality, and regulating wages, employment, and output. Controlled by independent "masters" who employed journeymen and trained apprentices, guilds regulated industrial conditions and production to protect the comfort and status of the masters even while preserving a path to master status for apprentices and journeymen below them.

There were disputes between apprentices, journeymen, and masters within the guild system, but these conflicts differed fundamentally from modern capital-labor strife because they involved community action in defense of established privileges rather than worker solidarity to achieve progressive changes in conditions. Disgruntled guildsmen acted as members of communities in defense of traditional prerogatives rather than as wage workers with progressive grievances and demands for a general transformation of society. French journeymen, for example, would join their neighbors in *charivaris* to defend a traditional moral economy linking all members of the community in webs of reciprocal obligations and responsibilities (Tilly 1986). Highly routinized, even scripted, these were protests against violations of established rights rooted in community membership rather than demands for new rights or changes in conditions. Angry, for example, that a marriage was held without the customary wedding ball open to the community, or that a local merchant sold products made by outsiders, journeymen would gather with neighbors in a *charivari* outside the home of the miscreant. The *charivariseurs* would serenade the house, accompanying themselves on make-shift and improvised musical instruments while singing mocking, even obscene songs describing and condemning their putative miscreant's misdeeds. For small offenses, a gift of money or drinks would suffice to end the protest. More serious offenses required larger gifts, sometimes even including the departure of the guilty from the community.

Charivaris and other forms of community-based protest in defense of established moral claims were not restricted to wage earners, apprentices, or journeymen. Nor were they used to advance new claims or to demand an extension of popular control over production. Protesting high bread prices, for example, British women would occupy food markets and bakeries and sell the bread for what they held to be an appropriate and fair price; at the end of the protest, they would return the facility to its owner and hand over the proceeds from their sales. Rather than seizing the market to transform their situation, these women sought only to restore what they saw to be the community's traditional distribution of income and its established moral economy. Far from challenging the distribution of power, their protests reinforced established community ties by providing a means for workers to express their support for traditional values and the structures of the existing community (Thompson 1964; Wilentz 1984; Tilly 1986). By treating workers as members of communities, these struggles linked them with their non-wage-earning neighbors in defense of existing rights and responsibilities.

Conducted outside of the production process and without institutional support, *charivaris* united workers with homemakers, students, and others in defense of established claims. Focused on the development of the working class, Marxists have often discounted these earlier forms of protest along with their modern successors. By emphasizing grievances associated with capital-labor relations, they have discounted forms of oppression not linked to this relationship, including gender and racial oppression and discrimination against those with particular sexual or other orientations. Still, this older protest repertoire survives. By uniting members of different economic classes and social groups, community protests around moral issues and in defense of traditional values have been central in modern protest movements, including the Civil Rights movement of the 1950s and 1960s, and anti-war, feminist, and environmental actions, and the anti-abortion campaigns since then. Nor has this traditional repertoire excluded economic actions. Community action in defense of traditional values has been central to "living-wage" and anti-sweatshop campaigns, as well as union-organized campaigns such as the Justice-for-Janitors ones run by the Service Employees International Union since the 1990s.

Before the first factories, guild power was undermined by merchants and guild masters employing semi-skilled workers in their own homes in rural areas and small towns outside of the guild-dominated cities. While they were not capitalists because they did not directly control the means of production or supervise labor, these merchants had taken a giant step towards capitalism by freeing themselves of traditional community regulation, and freeing their workers of claims on the commodities they produced. It was a relatively short step then to the creation of factories where these workers were gathered together to work under supervision under one roof.

By the early 1800s, few in Britain, the United States, or France could anticipate moving up to becoming a master artisan or owning their own establishment. Instead, craftsmen began to seek a collective regulation of their individual employment. There may have been a surge in *charivari* and other popular protest in response to the declining opportunities for advancement within the guild system. Soon, sometimes inspired by the writings of Marx and Engels, many abandoned the defense of past positions to seek a collective regulation of employment and the extension of democratic rights to the workplace. In late eighteenth-century Britain, journeymen joined the growing republican movement; in the United States, they were "patriots" and "Sons of Liberty;" in France, they were radical *sans culottes* and supporters of the revolutionary *montaigne*.

The first "strikes" and labor associations came in the late eighteenth century. Unlike earlier protest, the strike is particular to wage workers fighting to advance new interests because it involves the conscious withdrawal of labor power from a capitalist exchange; no more labor

unless wages are raised or other changes are granted. It was through strikes that workers came to develop new institutions specific to the wage earners, notably trade unions to organize and sustain strikes, and working-class socialist and labor parties to defend unions and the right to strike. Following Marx, scholars have looked to the semi-skilled workers of the new factories for these early strikes and unions. But the Marxist proletarians rarely struck and were poor prospects to inaugurate any new social movement. Often the most desperate and vulnerable workers took factory jobs (Pollard 1968). Poverty-stricken and without social or political resources or specialized skills, they were generally in a poor bargaining position. Rather than factory workers, the first strikes were organized by craft workers with the resources to remain outside of factories and who sought to develop a democratic alternative to the capitalist transformation of their trade. Carpenters, shoe makers, printers, tailors, and metal crafts workers organized some of the first strikes and the first labor unions. Further contradicting the expectations of a simplistic Marxian model, few of these strikes and unions were designed to promote worker solidarity. On the contrary, they were often intended to protect remaining craft privilege. Against the threat posed to their jobs and wages by semi-skilled wage workers in capitalist factories, they sought to reinforce established craft workers' control over the production process. Only after failing to secure their position as labor monopolists did craft workers seek to form a broad labor movement by spreading organization and solidarity to the new groups of semi-skilled factory workers.

The rise of labor unions

Some early nineteenth-century labor unions were formed on a broad basis uniting all wage workers without regard for craft or skill. Robert Owen's General National Consolidated Trades Union and the Workingmen's Parties formed in Philadelphia and other American cities in the 1830s were examples of these broad alliances (Thompson 1964; Wilentz 1984). None lasted long, however, because the new wage workers were slow to organize. Certainly, this was not for lack of grievances. Conditions in the early factories were often dismal. The work day was long, pay was low, and discipline was often abusive, especially for the young women who comprised a large share of the work force in textile and some other factories. But the *interest* factory workers had in forming unions was not enough to overcome the *collective action problems* that they faced (Olson 1965).

The lack of effective organization among the early wage workers is an example of why one cannot assume any simple connection between grievances and collective action. Quitting a bad job, exit, is a straightforward, simple act for an individual. But supporting collective action, like a strike or joining a labor union, requires that individuals commit themselves to produce *public goods* enjoyed by all regardless of their contribution. *Free riders* who contribute nothing to the group effort will receive the same benefits as do activists if the union succeeds; but, if it fails, the activists suffer while those who remained outside lose little or nothing. This makes *free riding* rational under virtually all circumstances.

Free riding is a problem for all collective action, including groups where there is no other barrier to effective action, such as religious communities, the Red Cross, and the Audubon Society. The one-sided nature of the Marxist model becomes clear when we consider that Marxists casually assume that unions will be formed even among relatively poor and weak workers facing the opposition of powerful employers and their political allies. Forming a union requires not only that some workers commit to a collective project, an irrational act for individuals, but it requires that enough individuals join against their better interest to overcome powerful opposition. Not only are workers crucial for unionization but so are employers and other opponents, and state officials.

The weaker side in the class conflict, labor, relies on the support of outsiders, especially state officials, to overcome the collective action problem and capitalist opposition (Friedman 1998; Hanagan 1980). Some unions may succeed because the workers want a union, or because employers do not oppose unionization very strongly, or because state officials are sympathetic. Some may succeed where workers are well positioned to overcome the collective-action problem because there are so few of them, because they know each other well so that they can police each other's contribution to the collective project, or because they are in a particularly strong bargaining position because the employer depends on their scarce skill. But focusing on workers and their grievances, Marxists almost act as if employers and state officials are indifferent to worker organization.

The slow development of labor protest in early factories reflected the difficulty workers in these industries had in overcoming free riding and resistant employers. To some degree, they shared these problems with craft and other workers who, at the time of the Industrial Revolution, were unfamiliar with the new repertoire of labor protest, strikes, unions, and socialist political organization, and hesitated to commit individual resources to it. Rather than hiring workers committed to improving conditions that they expected to work under for their lives, factories usually employed transient workers trained in a particular work process without lasting commitment to the job or even to the occupation. Preferring to see their factory work as a temporary status, their response to trouble was to exit, to seek other work, rather than to commit themselves to collective action to improve conditions.

Work in the early factories was recognized as particularly undesirable and the factories were largely filled with workers who lacked other alternatives, such as immigrants and ex-slaves, or workers who lacked personal autonomy, such as prisoners, children (including orphans), and young women. These new factory workers were from subservient groups who were hired because they were expected to accept work discipline without complaint. Collective protests by them not only challenged their employers but threatened other social hierarchies as well; their protests threatened established ethnic, familial, gender, or racial roles. Their protests were also inhibited because they often lacked political citizenship, the civil rights and political leverage needed to support their collective action. Instead, their challenges provoked state and community repression to reinforce the opposition of their employers.

Rather than recruiting from among the poorest-paid workers in factories or mines, the first unions were formed from among the best-paid workers, including craft workers in trades little influenced by modern factory methods: printers, construction workers, and workers in the most skilled metal trades and leather working (Friedman 1998; Hanagan 1980; Shorter 1974; Tilly 1986). Hoping to mobilize the power of a united working class to bring about a social revolution, socialists sought to transform these into inclusive unions uniting all wage workers in industries and regions on the basis of their common lack of productive property. Class-wide solidarity would spread the resources and bargaining leverage enjoyed by craft workers. It would also give inclusive unions greater political leverage due to a larger membership. But, well into the twentieth century, narrower unions dominated the labor movement. It was easier for small groups of skilled craftsmen to overcome the collective action problems both because they had bargaining leverage against their employers, and because their actions were not seen as challenges to other forms of social hierarchy and distinction.

By using a monopoly of knowledge to restrict access to their trade, the narrow craft unions of the early labor movement inflated their own wages at the expense not only of their employers, but of consumers and other workers as well. This craft strategy of organizing small groups of workers with control over exclusive skills offered nothing to factory laborers. As a tactic, it is not viable for large groups of workers with commonly available and easily taught

skills. And, as a union policy, it hurts the larger number of unskilled and semi-skilled workers who are excluded by craft unions from their skilled positions and suffer when the skilled withdraw from any broader collective action to preserve their bargaining power for their own group without sharing any concessions won.

Into the early twentieth century, most strikes were conducted by craft workers to advance the interests of their particular craft, and most unions were organized by craft workers along narrow lines that excluded ordinary factory workers (Friedman 1998; Montgomery 1979; Shorter 1974; Perrot 1974; Sirot 2002; Caire 1978; Moss 1976). Even most socialist activists were craft workers with little sympathy for the modern semi-skilled factory worker (Hanagan 1980; Thompson 1964; Weir 1996; Wilentz 1984). A century after the Industrial Revolution began, the labor movement reflected the industrial revolution only negatively: labor militancy was directed at *limiting* the impact of factory production on craft workers rather than at organizing the new factory workers to advance their interests within the new industries.

It was a century after the industrial revolution began before there were lasting unions of factory workers, and even these depended on the organizing work and support of craft workers. Both ideology and self-interest led these craftsmen to seek to broaden their solidarity to include factory workers. Some were motivated by a commitment to democracy and to socialism. Ideology led American craftsmen like the machinists Ira Steward and Terence Powderly to organize factory workers and common laborers into inclusive industrial and regional unions; similar feelings and a commitment to socialist solidarity drove the French cobbler Victor Griffuelhes, and British machinists John Burns and Tom Mann. Paradoxically, Marxism, a materialist doctrine, contributed to the rise of the labor movement when socialist values led skilled craftsmen to neglect their own narrow interests to form alliances with the unskilled.

Experience led other craftsmen to promote industrial organization. Some had personal experience of factory work. This was the case, for example, with the American activist George McNeill. At the center of American labor struggles from the 1860s almost to the First World War, McNeill is known as a printer but he began his working life in 1847 as a 10-year-old at the Salisbury Corporation's Woolen Company textile mill in Amesbury, Massachusetts. The work day at the mill was 14 hours long, from 5:00 in the morning to 7:00 at night with three breaks allowed: 30 minutes for breakfast, 15 minutes for "luncheon privileges," and 45 minutes for dinner. In 1852, when McNeill was 15, the new manager, John Derby, decided this was too generous and eliminated the morning and afternoon breaks. When 100 employees defied his order to take their customary morning break on June 1, Derby fired them all. The following day, spinners, weavers, and workers in the carding room went out on strike. The strike failed, despite the support of the Amesbury town meeting, but it led McNeill to seek a trade (printing), and it launched his career as a labor activist. In 1863, he founded the Grand Eight-Hour League, with Ira Steward. By 1874, their efforts led the Massachusetts legislature to pass a law limiting children and women working in factory jobs to 10-hour days. McNeill himself moved on to organize for the Knights of Labor in the 1880s and the American Federation of Labor until his death in 1906. Throughout his life he retained the commitment he assumed in Amesbury to "plead for the little ones."

Other craft workers joined in inclusive unions when they were swept up in the excitement of what the American political scientist Aristide Zolberg has called "moments of madness." These are times when people are caught up in the excitement of the moment to join together without regard for individual interest to support a new collective project. Most union growth comes in such time, usually through major strike upheavals, where direct involvement in capital-labor disputes highlights class conflict, the need for organization, and the possibilities for collective action. Union membership growth has been associated with strike activity, especially

massive strike waves involving workers previously outside of the labor movement. Such moments are rare, but they have been crucial for the growth in unions and the labor movement; almost all union growth has come during these few years of massive upheaval when unions grow by enrolling many of the striking workers caught up in the excitement of the strike. Strikes discourage free riding with activities ranging from demonstrations and peaceful picket lines designed simply to demonstrate the strike's support to physical intimidation and violence. And, by establishing a realm of working-class control, strikes also facilitate direct action to punish free riding (Friedman 2007). Strikes foster class consciousness by highlighting the division between labor and capital. The use of police and of private force against strikers, including strikes by craft workers, can persuade even selfish skilled workers that they share common interests with other wage workers and that they need to join together politically to change government policy.

But even this focus on transformative popular action misses a larger effect of popular upheavals: by presenting employers and state officials with a direct popular threat to their authority, strikes and popular upheavals frighten employers and state managers into dealing with unions as an alternative to disorganized labor protest. Collective bargaining does not come naturally to employers used to managing their businesses autocratically. But, frightened by popular unrest, some turn to unions as a relatively benign alternative to unorganized popular upheaval. Strikes can lead state officials to favor collective bargaining. Lacking faith in their own repressive powers, or unready to abandon democratic values, employers and state officials sometimes try to contain upheaval by seeking out *interlocuteur valables*, labor leaders as partners who can deliver labor peace in exchange for tolerable concessions. If mass strikes and protest are seen as an "impetuous" wild revolt, then unions with bureaucracies and powerful leaders can be a means to restrain unrest and to substitute structured labor relations for strife and rank-and-file protest.

Here was the great discovery of late nineteenth-century social liberals, a way to assuage labor unrest by building on a materialist interpretation of the labor movement. Rather than reject all forms of popular and labor militancy, the new liberalism would appease and redirect this militancy, channeling it away from democratic challenges towards materialist issues that can be negotiated routinely between management and labor unions committed to restraining labor unrest. "Peaceable relations," a British Royal Commission pronounced in 1894, "are, upon the whole, the result of strong and firmly established trade unionism" (Great Britain 1892: 44; Howell 2005). Unions achieve this pacific result by restraining labor unrest in exchange for persuading management to correct inequities, by negotiating concessions on wages, hours, and working conditions, and by channeling worker demands away from the most contentious issues involving control over the production process. Employers and state officials reveal their true feelings when they agree to negotiate and sign contracts with unions representing their workers only because they are convinced that unions can use contracts to restrain popular unrest. Liberal capitalists and state reformers wanted unions that would regulate worker protest and channel it away from "unreasonable" demands for worker control towards wages and other issues amenable to compromise within the structures of capitalist authority (Friedman 2007).

Here was organized labor's Faustian bargain. Usually the product of popular upheaval, formal organizations have been established and have become powers in the land because they promise to put the genie back into the bottle, to end the very strife that brought workers together into unions. Again and again, periods of upheaval, moments of madness, were resolved by the establishment of formal labor movement institutions committed to the restoration of social peace through reform and the channeling of social unrest into paths that do not threaten employers' authority. Hardly had the French, in 1936, for example, discovered the power and possibility in the sit-down strike than their political and union leadership sought to restore

tranquility in alliance with French capitalists and state officials. Communist Party leaders proclaimed that it was not revolution or militancy but “order that will assure success.” Communists and the socialists in the new government of Léon Blum (elected as head of the Popular Front uniting Radicals, Socialists, and Communists) sought to restore calm and to channel the new energies into “possible” demands compatible with capitalist property and authority. In the subsequent *Matignon* Accords (named for the home of the French prime minister), unions exchanged a return to work and an end to the occupation of workplaces for collective bargaining, wage increases, and reduced hours of work (Kergoat 1986; Prost 1964; Tartakowsky 1986).

Grievous as the concessions at *Matignon* were to French employers, they were the grounds for a class compromise that left unchallenged the capitalist right to command workers’ labor. (Many French employers never accepted *Matignon* and would proclaim “better Hitler than Blum” well into the Vichy years.) *Matignon* was the proving ground for the new French labor movement whose membership exploded during the strikes of 1936–7 because, after *Matignon*, labor leaders had to resolve the popular upsurges that had brought them power. Ignoring any nuance, the French Communist paper *L’Humanité* declared simply: “Victory is Obtained!” The improvement of salaries and of working conditions was presented as the full satisfaction of the strikers’ demands. The workers were still under the authority of capitalists who retained the power to exclude them from their workplaces; but the new, responsible labor movement leaders told workers to settle for higher wages, benefits, and a shorter workweek. “Everything isn’t possible,” Maurice Thorez, leader of the French Communist Party, told a meeting of Parisian Communists on June 11, 1936. Strikers, he insisted, must abandon utopian notions of seizing power. They must “know how to agree to compromises in order not . . . to make the fear and panic campaigns of reaction any easier.” Above all, Thorez proclaimed in words echoed by labor leaders before and since: “one must know how to end a strike.”

By demonstrating the failure of narrower strike strategies and craft organization, strike experiences led some craft workers to broaden their sense of solidarity, to spread solidarity beyond craft unions to involve common laborers and factory workers. The spontaneous involvement of these workers in strikes can stir sympathy from other workers. More powerful, however, can be the self-interest that craft workers find in broader solidarity when they watch their employers replace them with laborers and others previously excluded from their unions. Experience taught some the value of solidarity when craft unionists learned that to win strikes they needed the support of fellow workers, including workers in other crafts and even common factory workers. Advocates of broad unions and working-class solidarity argued that technological changes had reduced the value of specialized skill so that small groups of craft workers could no longer stop production on their own. In this view, which goes back to Marx’s predictions about capitalism’s trend towards homogenized labor, skilled workers cannot conduct effective strikes without the support of others. “Craft autonomy,” the American labor leader Eugene V. Debs said, “denies industrial evolution. A modern industrial plant has a hundred trades and parts of trades represented . . . To have these workers parceled out to a hundred unions is to divide and not to organize them” (Debs and YA Pamphlet Collection 1915: 20). Victor Griffuelhes, leader of the French *Confédération générale du travail*, agreed. He told the *Confédération*’s 1900 convention that machinery has rendered craft unions archaic. “We must,” he argued, “find new means of struggle that respond well to this transformation. I estimate that only the creation of industry federations can give us the means to struggle” (*Confédération générale du travail* 1900: 153).

By the 1880s, craft workers throughout the advanced capitalist world had begun to abandon exclusive organizations for broader unions that included common laborers and semi-skilled factory workers. Craft workers brought to these new alliances the experience, resources, and

bargaining leverage that allowed unions to be formed among semi-skilled counterparts; and the involvement of these additional workers in union struggles enhanced the unions' political claims while reducing the employers' ability to operate during strikes and other labor disputes. Socialists and other political radicals were especially active in promoting industrial organization and union amalgamation. Accepting Griffuelhes's arguments, revolutionary syndicalists, socialists, and anarchists led the French *Confédération générale du travail* to vote in 1900 to no longer accept craft unions as new affiliates and to promote the amalgamation of existing craft locals into industrial unions; perhaps as a consequence, French unions were especially effective in enrolling the semi-skilled workers in large factories. The spread of industrial and general unions in Germany and Britain was also associated with the enrollment of these workers. Effective industrial organization came later in the United States, in the 1930s with the passage of the Wagner Act and the rise of the Congress of Industrial Organization (CIO), many of whose leaders were socialists and communists. Unions belonging to the CIO organized some of the large factories of America's industrial heartland, including the steel industry (with the United Steelworkers of America), the automobile industry (the United Auto Workers), electronics manufacturing (United Electrical Workers), and, for a little while, textiles (with the United Textile Workers of America).

Basing their arguments on Marxian precepts, Griffuelhes, Debs, and other advocates of industrial unions emphasized the role of technological change in requiring new forms of union organization. Exaggerating the role of technological change and economic circumstances, they missed the greater impact of politics and state support in promoting unionization. Even with the support of craft workers, it is extraordinarily difficult to overcome the collective action problem in large establishments and continued employer opposition would make union organization nearly impossible. Instead, union success has almost always depended on the support of sympathetic outsiders, especially state officials led by sympathy or by electoral interest to favor unions. American industrial unions succeeded when supported by state officials, first during the First World War with the National War Labor Board, and then again during the New Deal and the early days of the National Labor Relations Board and the Second World War War Labor Board. The United Auto Workers was accepted by General Motors in 1937, not because a small minority of workers at a factory in Flint sat in and occupied the facility, but because the state's Democratic governor, Frank Murphy, refused to send the national guard in to clear the factory. Socialists and revolutionary syndicalists organized industrial unions in large French factories because they were able to manipulate France's fractured political system to gain the support of the dominant left Republicans against employers often allied with the right-wing and the monarchist opposition. British workers depended on the support of the Board of Trade to organize industrial unions. Without such state support, industrial organization would have been no more successful than it was in the United States in the 1920s, or since 1970.

The decline of the labor movement

The turmoil of the Second World War and the subsequent Cold War era led governments in Europe, America, and Australia and New Zealand to support unions as a means to rally support for national goals, and to prevent the economic disruptions of strikes and unrest (Lichtenstein 2003; McCartin 1997). In the United States, for example, in exchange for a no-strike pledge from unions, the Roosevelt Administration's War Labor Board pressed employers to recognize unions and granted unions "maintenance of membership" where new workers were automatically enrolled in the union and dues were deducted from pay. The support of the War Labor Board helped American unions to grow by over 50 per cent during the war years and the share of workers belonging to unions peaked at the end of the war (Friedman 2007).

This was the pattern throughout the world where unions grew rapidly because state support helped them to overcome collective action problems and employer resistance. During the Second World War, union membership doubled in Canada, and grew by over 60 per cent in Australia, the United Kingdom, and elsewhere. These membership gains persisted long after the war, and in most countries were magnified by continued state support for non-communist unions during the Cold War and by the support of organized labor's socialist and other allies. Political support contributed to a new wave of organization in the 1960s and 1970s among public sector workers including public school teachers, the uniformed services (police and fire), and workers in state-owned enterprises (Galenson 1994; Troy 1994). Some scholars have argued that, in some countries, union strength contributed to an extraordinary period of prosperity in the postwar decades, a period characterized by French economists as the "glorious thirty," when rapid economic growth and low rates of unemployment came with rapidly rising wages (Boyer 1986, 1993).

Postwar prosperity rested on cooperation between labor and capital to raise productivity while distributing the gains relatively amicably between wages and profits (Gordon 1982; Kerr 1964; Lichtenstein 2002). Notwithstanding examples of labor-management cooperation, there were fierce labor-management conflicts through the 1950s and 1960s, especially in Anglophone and Latin countries (Cowie 1999). But it was only in the late 1960s and 1970s that cooperation collapsed. Productivity growth plummeted in the 1970s in industries where there was a surge in wild-cat strikes, including mining and some of the auto industry in the U.S. and UK. The problem was always that labor peace was based on workers accepting management authority in exchange for higher wages; and it was the rank-and-file who ended this period of labor cooperation by rejecting this arrangement and joining in a massive wave of unauthorized strikes. In places, this tide of popular militancy brought new militant leaders to power; elsewhere, it prevented established union leaders from trading labor peace for higher wages (Cowie 2010; Friedman 2007).

For a time, governments pressed employers to accommodate labor discontent in the old way by granting still higher wages. In France, for example, the conservative government of Charles de Gaulle ended the national general strike of May–June 1968 *Matignon*-style with large wage concessions in the so-called "Grenelle Accords." In Britain, the newly elected Labour government of Harold Wilson ended a national coal strike with even larger wage increases in 1974. Rising wages preserved capitalist authority but at the price of inflation and falling profits; and authority was preserved only temporarily because rank-and-file militants returned with more demands for higher wages and concessions on managerial authority.

The dilemma of growing rank-and-file militancy was resolved only after 1979 with a change in state policy towards labor. Employers and state officials abandoned the old strategy of cooperation and labor peace for market deregulation and restrictive macroeconomic policies that restrained unrest with threats of unemployment. Beginning in Britain in 1979 with the election of a conservative government led by Margaret Thatcher and the installation of Paul Volcker as head of the United States Federal Reserve, governments attacked labor unrest and wage inflation without relying on the support of unions. Instead of seeking labor peace and wage restraint through cooperation with union leaders, Thatcher and Volcker, and their successors including President Ronald Reagan in the United States, restrained inflation with a cold bath of high unemployment.

The state turn against organized labor has led to a dramatic fall in union membership throughout the advanced capitalist world. German union membership has fallen by over a fourth since 1991; in Britain, the share of workers belonging to unions has fallen by over half since 1979; Australian unions have lost over half their membership since 1975; and Dutch unions have lost

a third of their membership since 1977. Union collapse has been greatest in manufacturing and other industries particularly vulnerable to international trade and product market competition. This has led to a gap among unions with isolated bastions of union membership surviving among public sector and other service workers.

Union decline has been associated with economic changes and an end to the era of the “glorious thirty.” Inflation has fallen but unemployment rates have been higher in many countries and national income has shifted away from wage workers towards managers, their employers, and the owners of capital. Union decline has been associated with other social changes. The labor movement has pressed to redistribute power and respect in society, and unions have provided much of the political muscle for coalitions in support of civil liberties and extending democratic rights. One may wonder how well such campaigns will fare in a world with a much weaker labor movement.

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