

# American Unions and Industrial Democracy: The "Business Unionism" Thesis Reexamined

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## Introduction

One of the most significant aspects of the political and social development in Western Europe in the 1970s was the spread of initiatives and reforms in the broad areas of industrial and economic democracy.<sup>1</sup> In most West European countries, worker participation programmes including quality of work-life reforms, works councils, joint labour-management committees, co-determination, and democratizing capital formation have nowadays become a commonplace (Ahmuty, 1979:1, 16–31).<sup>2</sup>

The industrial democracy process in Europe has come about partly or, in some cases, chiefly because of strong demands and pressures from influential working class parties – often Social Democratic ones – and labour confederations and their unions. This has been the case, for instance, in countries such as Austria, Denmark, Norway, Sweden, and West Germany (cf. Eidem & Skog, 1980; Garson, 1975; Lindencrona, 1978; Mills, 1978).

Although one should not exaggerate neither the novelty nor the effects of this development, it contrasts very clearly with the development in the United States of America. In the U.S. we have seen very little, if anything, in the late twentieth century comparable with the recent industrial democracy reforms in Europe. Industrial democracy, according to Ted Mills, former member of the National Commission on Productivity and Work, is not a term bandied about in American corporate executive suites or in American union halls these days. Thus, he writes, the clear fact remains: "the liberty and individualism we so cherish as a society still tends to stop at the plant gate or office door in most American enterprises, public or private. The influence, to say nothing of the rights, of employees at every level in the decision making powers of our institutions is somewhere between minimal and nonexistent" (Mills, 1978:21).

The attitudes of American management may come as no surprise to most people. But American labour, a variety of authors tell us, take much the same position. Unlike most European trade unions, Ted Mills continues, most American labour unions and the one labour confederation, the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), are not profoundly concerned with either worker or union influence in winning increased rights or participation in the decision making processes of work organizations (Mills, 1978:22).

Daniel Zwerdling (1980:167) describes what many see as a "painful paradox: most leaders of the American labor movement are not spearheading the effort to democratize work, but seemingly have resisted it." And two researchers at Cornell University, while discussing national unions experience with employee ownership of firms, found it safe to conclude that "employee ownership is seen [by the unions] as a beneficial change only as a last resort to save jobs" (Stern & O'Brien, 1977:9).

It is not difficult to find quotations from prominent American union leaders that substantiate these propositions. A few years back, for instance, Lane Kirkland, then Secretary-Treasurer, now President of the AFL-CIO, told a labour meeting of the concern of American workers in the blurring of lines and the intermeshing of duties and responsibilities between workers, employers, and governments. The American worker, he pointed out,

is, however, shrewd enough to recognize that a boss is a boss is a boss, whether state or private. And he is smart enough to know, in his bones, that salvation lies – not in the reshuffling of chairs in the board room or in the executive suite – but in the growing strength and bargaining power of his own autonomous organizations (Ellenberger, 1977:15).

This philosophy of *business unionism*, which holds that unions and union leaders should strictly confine themselves to the bread-and-butter issues of collective bargaining and avoid seeking a role in managerial affairs (Lipset et al., 1956:455–456), has long been a hallmark of American trade unionism. But is it still? What approaches, if any, have American unions and union leaders today with regard to industrial democracy reforms? Is the "business unionism" attitude still dominant, or is the pattern of opinions more complex and pluralistic? This we will try to analyse in the following.

When talking about attitudes and opinions in the American labour movement, however, one should be cautious not to make hasty judgements or to generalize too much. First of all, what is broadly called the "American labour movement" is far from monolithic. The trade union movement encompasses both progressive unions – or, maybe better, unions directed by progressive leaders – such as the American Federation of State, County and Municipal Employees (AFSCME), as well as more traditional, conservative unions such as the United Steelworkers of America.

Further, when talking about "labour's attitudes" it is also important to remember that leaders and members of the same union are often in sharp disagreement on many issues, and that their respective views have a tendency to change from time to time (Zwerdling, 1980:168). Therefore, we should not be content to take the traditional view on union attitudes towards industrial democracy at face value. This issue, just like any other problem, must be looked upon with fresh eyes and an open mind.

The remainder of this paper will, firstly, give a short historical background to the issue of American unions and industrial democracy, and, secondly, try to outline four current approaches or alternatives to the "business unionism" thesis. I will also present some results from an exploratory survey of certain union leaders' attitudes vis-à-vis certain industrial democracy questions. The survey was conducted in 1979–1980 at Harvard University and included research directors and officers from 40 different national unions across the country.

#### **A Historical Background**

The history of American trade unions is often divided into two broad periods. The first one, which roughly covers the nineteenth century, was an experimental era during which many labour

organizations were looking for an alternative to the developing capitalist system of wage labour. Some of these labour unions were interested in the craft or "guild" form of organization, in which workmen largely organized their own labour within independent shops. Other unions – notably the Knights of Labor and the Industrial Workers of the World (IWW) – called on a more all-embracing vision of control of production by a united working class (Heckscher, 1981:188; Derber, 1970:37–39, 46–49, 115–118; Dulles, 1949:126–149, 208–223).

The second period of American trade union history begins with the founding of the American Federation of Labor (AFL) in 1886. The type of organization adopted by the AFL was one which primarily seemed to meet the needs of the skilled workers in the U. S. This also affected the policies which were adopted. The idea of self-management in industry, which had been very important in the earlier period, gradually lost impetus and vanished from labour's vocabulary. Instead came the powerful doctrine of "pure and simple 'business unionism'," formulated by the long-time AFL President Samuel Gompers. This doctrine accepted the apparently productive power of the capitalist enterprise. Organized labour's goal was not to resist this system, but to guarantee the rights of wage workers within it. The border-line between labour and management was accepted and unions began to define themselves as representatives of a particular interest within the firm (Faulkner & Starr, 1955:106, 114; Heckscher, 1981:188–189).

Thus, the AFL sought to avoid radical economic theories and even agitation for general reforms. When asked what labour really wanted, Samuel Gompers used to answer, labour wants "more, and more, here and now." This specifically meant higher wages, shorter work hours, better working conditions, more education, etc. In order to realize these objectives organized labour pushed for recognition of the union and a collective bargaining process. By the 1930s, virtually all of the major unions had joined the collective bargaining movement under the auspices of the AFL or its competing organizations (Faulkner & Starr, 1955:115; Zwerdling, 1980:169–170).

The social upheavals of the 1930s brought new life and organizational change into American labour. In 1935 the Committee for Industrial Organization (later Congress of Industrial Organizations, CIO) emerged, but this development, im-

portant though it was, did not fundamentally alter the "business unionism" doctrine laid down by Gompers. The goals of the new industrial unions, like those of the old craft unions, remained focused on wages and benefits and carefully avoided the language of self-management or the mentioning of worker ownership and control (Dulles, 1949:288-311; Heckscher, 1981:189).

As the major unions became stronger and more entrenched - the AFL and the CIO merged in 1955 - so did management's insistence that the unions avoided calls for the encroachment on "management prerogatives." During the 1950s and 1960s, numerous management-union contracts included "management rights clauses," which specified management's invincible right to control all the fundamental questions concerning the production process. The unions' fundamental role, then, has been to organize workers and then represent them in collective bargaining, for certain limited rights and tangible benefits (Zwerdling, 1980:170).<sup>3</sup>

Little seems to have changed in this respect lately, at least that is what much of the literature tells us. The prevalent view among union leaders seems to be that collective bargaining is industrial democracy (Ahmuty, 1979:3, 32). There is little current evidence, a labour economist wrote in 1974, indicating any great groundswell of opinion favouring a broad movement toward direct worker participation in the management of the enterprise. "There are very few, if any, union leaders who have publicly discussed the subject" (Henle, 1974:44).

#### **New Approaches in Industrial Relations**

During the 1970s, a number of events - including exacerbated economic problems, rising unemployment, and the so-called corporate flight to the Sunbelt or abroad - created big problems for organized labour in the U. S. Among these problems are the decline in union membership (the percentage of the civilian nonagricultural labour force that is unionized has dropped from 35.8 % in 1945 to 23.4 % in 1976), increasing hostility on the part of the employers vis-à-vis unions, and a loss of political clout at practically all levels of society (Bluestone & Harrison, 1980; Goldman & Van Houten, 1980; Lens, 1979; Nissen, 1981:24-26; Sandver & Heneman, 1981:109).

These problems have also, curiously, helped to change union attitudes towards experimenting with worker participation. The philosophy of "bu-

ness unionism" is not sufficient when it comes to solving the problem of plant shutdowns, for instance. Collective bargaining simply does not work when there is no one left to bargain with. In this situation, there are signs that quite a few unions now have found the old adversary role in collective bargaining inadequate for some of their purposes and problems. New solutions and approaches are being tried out, some of which we will focus on in the following pages.

#### **Quality of Work Life Reforms**

The first of these solutions, which runs counter to the doctrine of "business unionism," is the approach of so-called *quality of work life reforms*. These programmes include a number of forms of job redesign and job enrichment, from attempts to make work healthier, safer, and more pleasant, to the institutionalization of autonomous work groups within the plant. Today, there are an estimated 2,000 corporations in the U. S. which experiment with such programmes. In addition, there are at least 500 so-called Scanlon Plans - a particular American variation of worker participation with carefully defined mechanisms designed to encourage productivity improvements - and thousands of joint labour-management committees (Carnoy & Shearer, 1980:135-136; Frieden, 1980:20, 27; Gold, 1976; Heckscher, 1981:200-209; Zwerdling, 1980:3-5; Walton, 1979; Woodworth, 1981:42-45).

While quality of work life reforms have given workers some power and autonomy over their occupations, they must exercise them within a framework dictated by corporate management. The traditional power relationship in these companies remains essentially unchanged (Zwerdling, 1980:3-5). This may well have something to do with the fact that many of the "humanization of work" initiatives during the past decade have been developed at the initiative of management (Heckscher, 1981:13-84; Marglin, 1977). The unions which have faced the experiments have seen them mostly as management attempts to improve productivity or to bust the union, and have thus avoided involvement in them. Some unions, however - notably the United Automobile Workers (UAW), the Machinists, the Amalgamated Meatcutters, and the AFSCME - have occasionally been more positive and even in some cases taken initiatives to form joint union-management committees (Heckscher, 1981:200-208).

This co-operative approach in industrial rela-

tions is not an invention of the 1970s. At least since the 1920s, many American trade unions have tried to co-operate with management, especially in the pursuit of maximum productivity. This tendency clearly contradicts the usual sharp distinction between labour and management embedded in the philosophy of "business unionism." Yet little is known about how union leaders today look upon quality of work life reforms. A 1976 study by the Human Interaction Research Institute showed that participation in the programmes is almost always seen as positive by the union leaders involved. Workers also appear to be at least mildly pleased with the changes. But the scope of union interest in shop-floor quality of work life programmes remains quite limited (Cohen-Rosenthal, 1981:27-28; Heckscher, 1981:192-193, 206-209; Zwerdling, 1980:170-172).

#### Co-determination

A second solution, which is more novel in the American context, is the *co-determination* approach. By co-determination we refer to a specific form of participation, namely when worker representatives sit on the board of directors.<sup>4</sup> Traditionally, this approach has been viewed with great suspicion by American union leaders. Specifically, two arguments have been directed against the idea of co-determination, both of them concerning the detrimental effects such a system would have on the unions.

Putting workers or union officials on the boards, it has been said, will blur the distinction between employees and employers, the distinction which gives unions and union officials their identities. Robert Rodden, an official of the Machinists' Union, says: "We prefer collective bargaining, a strong grievance procedure, an adversary relationship in which management does its job, which is to manage, and we do our job, which is to represent the workers" (Zwerdling, 1980:172).

Fear of damaging the union also runs through the second argument against co-determination. If union representatives join the board of directors, so this argument goes, the union will get saddled with blame for management mistakes, while getting little reward for management successes. A leading advocate of this argument is Thomas Donahue, Secretary-Treasurer of the AFL-CIO. "We do not seek to be a partner in management," he said at a labour conference in 1976, "to be, most likely, the junior partner in success and the senior partner in failure" (Mills, 1978:22).

Lately, however, the rumblings of change are beginning to get heard. William Winpisinger, the outspoken President of the Machinists, is an example of this. In a 1976 statement on the subject, he vehemently rejected co-determination in any form, saluting instead the traditional formula of collective bargaining (Carnoy & Shearer, 1980:244-245). But already in 1979 he took a rather different position:

The scope of worker control must be extended to include a measure of worker control over corporate manpower, investment, and organization of production processes decisions. It is possible this control can be shared with the public-at-large through socialization of industry. . . . But in the meantime, it may take the form of codetermination agreements, board-of-director representation, or outright employee ownership. . . . (Winpisinger, 1979:10).

This is quite an unusual terminology to stem from an American union leader. More important, in the spring of 1980, Douglas Fraser, President of the UAW, gained a seat on the Chrysler board of directors, which was the first for unions in the U. S. (Moberg, 1979:3). Fraser's new status, the union leader said after the arrangement was completed, gives the workers "a voice in the highest echelons" of the corporation (Sawyer, 1980).

But Fraser did not want to blow the thing out of proportions. According to himself and other UAW officials, his presence in the boardroom is only a modest step toward examples set by West Germany, Japan, and Sweden which will give the union advance knowledge of, and a chance to influence, any decisions affecting them, such as the closing of plants or potentially dangerous chemicals to be introduced into the workplace.

Some analysts tend to look upon the Chrysler deal as an isolated event. Others, however, see it as a step on a new path. Hy Kornbluh, of the University of Michigan's Institute of Labor and Industrial Relations, thinks that the significance of the Chrysler situation lies in its "testing out of some new directions and new possibilities." He views it as part of the whole debate over changing the structure of corporate boards in America. "It's not irreverent anymore to raise the question," he says (Sawyer, 1980).

Kornbluh's analysis has some merit, I believe, and is on the whole confirmed in the 1979-1980 Harvard survey, mentioned earlier in the Introduction.<sup>5</sup> The survey deals with questions

concerning, among other things, worker participation in management, and the issues of worker ownership and control. Because of the low response rate it is necessary to interpret the results with caution. The survey should be viewed as an *exploratory* step in examining union leaders' opinions on questions relating to industrial democracy. An important note is that several of the opinions expressed were *personal* ones, since many unions have no established policy on these issues. This makes it all the more important to avoid generalizations and focus, instead, on what specific union leaders think and feel about specific kinds of problems.

At least six countries in Western Europe now have some kind of co-determination legislation requiring worker representation on the boards. The laws usually require minority representation (33 %) or — as in the rather unique case of West Germany — parity representation (50 % owners, 50 % workers). We asked the union leaders in our survey how they look upon co-determination of the West European kind.

The answers were somewhat surprising. Of those who responded, 20 union officials viewed co-determination favourably, whereas 13 viewed it unfavourably and 4 were indifferent. This may not indicate any "great groundswell of opinion favoring a broad movement toward direct worker participation in the management of the enterprise," as one labour economist wrote in the mid-1970s (Henle, 1974:44). But the results indicate that the idea of co-determination, contrary to common belief, may be growing and gain momentum in some union circles.

We also tried to find out why union officials have a positive or negative view on co-determination. The most common argument in favour of co-determination was a rather general and simple one: that such a reform is only fair, since workers should have a say in company affairs; 12 officers picked this alternative. Next to that came the argument that co-determination would create better working conditions and greater job satisfaction (picked by 8 respondents). Only 5 of those in favour of co-determination thought, however, that such a system would strengthen the position of the workers and their unions.

Those who viewed co-determination unfavourably, thought it would weaken the position of the workers and their unions (10 respondents) and have a negative impact on collective bargaining (also 10 respondents). Several also feared that

co-determination would blur the distinction between employer and employees and make the union lose its identity (9 respondents).

We immediately recognize all of these arguments as traditional union arguments against worker participation in management. These arguments are clearly also valid today among union leaders opposed to co-operation with the employer in managerial decision making. Interesting here is that as many as 7 union officials rejected co-determination because it would simply create a kind of "workers' capitalism," since, in their opinion, management has the ultimate power to decide anyway.

In the comments some union leaders added several critical arguments against co-determination. A representative of the Molders' and Allied Workers' Union had "mixed feelings" about the whole thing. He pointed out that unionism is accepted as "a way of life" in most of Europe, whereas the situation in the U. S. is much more difficult for organized labour. Therefore, he was positive towards co-determination in basic industries where unionism is accepted, but negative towards it in much of American industry, where companies find it more advantageous to continue fighting unionization of their plants.

Fears about the union role were present in other comments too. A representative of the Aluminum Workers' Union opposed co-determination because it was a route to a "union-free environment" that some business organizations now support. Another official said that minority representation, which is common in Europe, would merely make worker representatives "scapegoats for unfavorable board decisions." He did not state, however, whether this drawback could be eliminated through parity representation or majority representation on the boards. Still another union official warned about "cooptation," and viewed co-determination as granting little real power to workers.

Thus the picture here emerging is quite mixed and complex. On the one hand, we have found that quite a high number of respondents in our survey favour some kind of co-determination on the board of directors. On the other hand, there is still a feeling of distrust and uneasiness among certain union leaders, at least, versus the whole concept of worker participation in management. This is so for a number of reasons, including old familiar ones concerning the union role and the effects on collective bargaining as well as fears that

co-determination will merely mean co-optation and no real power or influence for the workers. This illustrates, most of all, the great diversity of opinions in the American trade union movement.

### Worker Ownership

The most important aspect of the Chrysler-UAW deal may not be Douglas Fraser's seat on the board of directors. This may pale to insignificance next to the fact that the company has given its employees, most of them UAW members, \$162.5 million worth of Chrysler stock – and the voting power that goes with it. The worker-owned stock amounts to about one-sixth of the company's stock. A sub-committee of the board has been set up by Fraser to deal with plant closings, with the mandate to consider worker ownership an option (Blasi et al., 1980:39; Sawyer, 1980).

Various forms of worker ownership are not entirely alien to the American economy. A 1977 report by the Institute for Social Research of the University of Michigan estimated that more than 1,000 firms in the U. S. have some form of direct worker ownership (excluding profit-sharing trusts). In addition, there are a considerable number of companies in which employees have minority stock interests through profit-sharing plans. However, worker ownership is still just a marginal phenomenon in the U. S. Of the approximately 1,000 companies just mentioned, workers have majority stock interest – 51 % or more – in only 90–100 companies. These companies, ranging in size from a few to several thousand employees, are distributed throughout the country and encompass a broad range of industries. 80 % were formed since 1971 and roughly 70 % were created in response to a corporate divestiture or plant shut-down (Blasi et al., 1980; Frieden, 1980:7–8; Woodworth, 1981:45–50).

One recent example of worker ownership is Rath Packing Company of Waterloo, Iowa. This company, which has over 2,000 employees, was saved from closure in 1979 through purchase by the United Food and Commercial Workers' Union. Rath is now a majority-owned plant, and the new corporation is experimenting with a rather unusual way of voting the shares: one worker one vote, regardless of how many shares a person has purchased (Sklar, 1982:62). Interest in similar solutions has also been shown by the mainstream union movement. The AFL-CIO Committee on Political Education (COPE), in their 1980 questionnaire to political candidates, asked for their

position on "programs to support troubled businesses, including incentives to promote employee ownership." A congressperson's support is now counted positively in their score (Blasi et al., 1980:39).

Worker ownership seems to appear in at least four different forms in the U. S.: (1) Enterprises where the corporation gives its stocks to the employees, free of charge, by depositing them in a so-called Employee Stock Ownership Trust. This kind of ownership, known as the ESPO-model (cf. Stern & Comstock, 1978), usually affords workers no direct control at all. (2) Enterprises owned by the workers who have bought common stock on the open market. This kind of ownership is highly vulnerable because individuals outside the company can also buy stocks. Often managers with high salaries get more stocks and votes than workers. (3) Enterprises known as producer co-operatives, such as the plywood factories in the Northwest of the U. S. In these "co-ops," each worker owns one share and casts one vote in corporate affairs. (4) Enterprises where rank and file workers own and control the entire corporation, usually called *workers' control*.<sup>6</sup>

In the Harvard survey we wanted to know if union leaders were anxious to see the U. S. trade union movement actively advocate any of the four mentioned ownership forms. What we found was that only 10 union officials expressed opposition to worker ownership in any form, while 17 expressed general support for at least one form of worker ownership, and an additional 7 said that it would be appropriate in some instances. This means that of the union leaders who expressed an opinion (2 explicitly declined), 50 % support generally some form of worker ownership, while 71 % support some form of worker ownership in at least some instances.

One word of caution must be added here, however. The figures given may make it appear that unions are more positive about worker ownership than they really are. Those respondents who said it would be appropriate in some instances may still be generally negative about worker ownership; this is difficult to know for sure. Furthermore, those who were classified as expressing general support varied according to whether they thought it should have a place in the labour movement, and also according to whether it should definitely be pursued or should simply be experimented with for now. The least that can be said from these results, therefore, is that 71 % of the union lea-

ders who expressed an opinion are at least open to the idea of worker ownership and are willing to experiment.<sup>7</sup>

Why do some union leaders dislike worker ownership? The most commonly cited reasons against ownership in our survey were the potentially negative impact on collective bargaining, and scepticism about the feasibility of worker ownership of firms. The arguments mentioned most frequently in favour of worker ownership were the opportunities of increased worker and union influence and greater co-operation with management. Of the 17 union leaders who expressed support for some form of worker ownership not one mentioned it as an alternative to plant closings.<sup>8</sup> Though they might still accept it as a plant-closing alternative, this result indicates that there is something more which union leaders – at least those represented in our survey – look for in worker ownership.

#### Pension Funds

A fourth approach that may hold some potential for future change is *union control of pension funds*. On Labour Day 1978 Jeremy Rifkin and Randy Barber published a book entitled *The North Will Rise Again. Pensions, Politics and Power in the 1980s*, which caused a stir in the investment community and aroused considerable interest in labour circles. In the book, the authors stated that different kinds of pension funds (federal, private, state, and local pension funds) now stand at over \$500 billion and are growing by 10 % a year. Pension funds are now the largest source of investment capital for the American economic system and at present own 20 to 25 % of the equity in American corporations and hold 40 % of the bonds (Rifkin & Barber, 1978:10, 84).

Pension funds legally represent the deferred wages of millions of American workers, but they are not controlled directly by those who are their beneficiaries. Instead, they are administered through trusts set up by management or investment counsellors. Rifkin & Barber argued that America's industrial and public employee unions can and should use the financial clout of the enormous employee pension funds as a political weapon to halt plant shutdowns and transform American capitalism. This suggestion has been criticized as being "overly optimistic" (Carnoy & Shearer, 1980:95). In addition, there are legal limits as to how much can be invested in a single firm under the 1975 Employee Retirement and Income Secu-

rity Act (ERISA). This fact, along with the problems of administration by experts instead of workers, militates against the use of these funds in the achievement of workers' control (Rifkin & Barber, 1978:83, 125–131, 215–226; Woodworth, 1981:46).

Legal complexities aside, the important thing is that the late 1970s and the early 1980s have seen a lively discussion within the trade union movement concerning pension funds and the question how this massive amount of capital is used and how organized labour might influence the funds. In 1980 the AFL-CIO took an official position in favour of greater union control over pension funds to create jobs, promote socially acceptable investments and help to shape the U. S. economy (Albrecht & Deutsch, 1982:31). It is highly probable that this discussion will continue in the coming years.

#### Conclusion

We began this paper with a specific observation: American unions, we stated, have not shown in the past any great interest in gaining more workers' or union influence in the decision making processes of companies. This contrasts rather sharply with the attitudes of organized labour in Western Europe, where an explosion of worker participation reforms took place in several countries during the 1970s.

Does this mean, then, that the old thesis of "business unionism" is still dominant within the U. S. trade union movement? Our analysis suggests that it is, although to a lesser extent than before. Many American union leaders obviously still believe that an adverse relationship with management is the best way of promoting union strength and union growth, particularly in a time of managerial aggression.

However, at the same time there is evidence which clearly shows that quite a few union officials now are thoughtful about these matters and that there is a significant number who would like to experiment, at least, with various kinds of worker participation programmes. We detected four approaches to new forms of union influence in business – quality of work life reforms, worker ownership, co-determination, and union control of pension funds. No doubt one can find other approaches too, but these seem to be the most significant ones in the beginning of the 1980s.

Though the four approaches vary considerably in their content, the thread tying them together is

that they all, to some degree, involve a rejection of existing management structures and an attempt by the union to gain greater influence over company decision making. Hence they also present a challenge to the traditional union role. How will the unions deal with this challenge? Will they continue much like before, or will they follow the path of any of the new approaches outlined in this paper?

Without getting into a discussion of the promises or pitfalls of any specific approach<sup>9</sup> and without discussing the delicate relationship between union leaders and members, it seems reasonable to expect that union interest in new approaches beyond pure collective bargaining will increase in the 1980s. It is a striking fact that calls for reforms in the United States today seem to come primarily at a time of considerable economic problems (Albrecht & Deutsch, 1982:33). In an era of "runaway plants and throwaway communities" like the present, labour unions are probably less and less likely to limit their demands to wage and benefit issues and abstain from making demands to encroach on traditional managerial prerogatives in the firm (Frieden, 1980:47).

If, however, such a development takes place, it is my belief that it will be due chiefly not to ideological rethinking on the part of union leaders but due to pressing economic and social difficulties. In other words, if union leaders continue to show interest in new approaches in industrial relations, this interest will most probably involve concrete solutions to deal with practical problems rather than theoretical programmes seeking to give unions and/or workers control over whole companies or industries.

Previous studies have shown that employees – in worker-owned companies and outside – are more inclined to accept union influence over concrete shop-floor issues than over more complex issues at the board level (Gold, 1976:10; Woodworth, 1981:51). The Harvard survey showed that some union leaders have the same attitude. Things like sales and commercialization policies, budgeting, investment decisions, and financing of investments were much more readily left for management to decide than issues dealing with work rules and work conditions in the plant (Krusse & Åsard, 1981:11).

However, worker ownership and worker participation will remain a small phenomenon in the U. S., affecting a couple of thousand companies at most, unless a political movement develops on

their behalf (cf. Frieden, 1980:72). With the Reagan administration currently in the White House, this seems highly improbable. Unions have tried in the past to align themselves with progressive, liberal, and minority groups to develop clout in the national political arena. Lately, some union leaders – notably Douglas Fraser and William Winpisinger – have shown interest in promoting the political strategy again. But this move, write two informed observers who may well be right (Ferguson & Rogers, 1979:464), "is inspired by an idea whose time has passed."

#### Notes

I would like to express my warm thanks to Dr. Hermann J. Wüscher, Uppsala, for his generous help in settling my English language queries.

- 1 Industrial democracy is seen here as the equal rights of persons working in enterprises and organizations to influence decisions affecting their work situation. The decisions encompass low-level changes in the work group and on the shop floor as well as high-level changes involving, for instance, personnel policies, investment decisions, mergers, establishing or closing down plants, etc. Economic democracy, on the other hand, is a policy which aims at a just distribution of employment, income, and wealth among the population as a whole (cf. *Economic and Industrial Democracy. An International Journal*, No. 1, 1980:iii-iv).
- 2 The term worker participation is sometimes used synonymous with industrial democracy.
- 3 For those interested in the development within more specific areas like membership, labour force characteristics, trade union structure, strikes, the political role of organized labour, wages, labour legislation, etc., see Galenson & Smith (1978).
- 4 Worker representation in this context can be either minority, parity, or majority (Espinosa & Zimbalist, 1978:5. See also King & van de Vall, 1978:9-11; Stephens, 1980:1-13; von Beyme, 1980:293-301).
- 5 The idea of a survey originated from me, while I was a research associate at Harvard University in 1979. I also did the first draft and later formulated the final questions. Two other persons were involved: Professor Joseph R. Blasi, Harvard University, and his research assistant Doug Kruse.

To get the greatest possible participation, four questionnaire mailings were made to research directors and officers (mostly Presidents) in practically all (130) national unions in different parts of the country. The names and addresses were obtained from the 1978 supplement to the Bureau of Labor Statistics', *Directory of National Unions and Employee Associations*. The four mailings occurred on



August 22 and October 4, 1979, and February 19 and April 20, 1980.

From the original 130 questionnaires sent out, we received 40 returned questionnaires, 3 "regrets" that our study was not relevant to their industry, 8 returned questionnaires with no forwarding address, 2 unions had merged with other unions, and 77 unions were not heard from. If we deduct the 13 unions that either sent "regrets," had merged, or returned questionnaires with no forwarding address, the initial inquiry is reduced to 117 unions. Since 40 usable replies were received, this means that the response rate was a mere 34 %.

A summary of the survey – including a tabulation of the responses to each question and a summary of the comments – is given in Kruse & Åsard (1981).

- 6 These forms of ownership are summarized in Zwerdling (1980:5–6). On the concept of workers' control, see also Hunnius et al. (1973:ix).
- 7 A similar study by Robert Stern and Rae Ann O'Brien in 1977 showed a more negative attitude among union leaders towards worker ownership (1977:3–4).
- 8 Compare the results in Stern & O'Brien (1977:3–4).
- 9 This is done, partly, in Heckscher (1981:226–259).

## References

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