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WORK IN AMERICA

WORK IN AMERICA

An Encyclopedia of History, Policy, and Society

VOLUME 1: A–M

Edited by
Carl E. Van Horn and Herbert A. Schaffner

Foreword by
Ray Marshall, former U.S. Secretary of Labor

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FOREWORD

This comprehensive work is guided at its core by an in-depth understanding of the essential nature of globalization reshaping virtually every facet of human activity in the United States and around the world. Competition and survival in the new global economy are driven by knowledge and innovation at all levels of the workforce. The student, the worker, the teacher, the scholar, and the entrepreneur: all need to understand how the rules of the global economy are being made—and will be made for years to come. Human potential and ability make the difference. In a book I wrote with Marc Tucker a few years back titled *Thinking for a Living: Education and the Wealth of Nations,* we emphasized that workers at the point of production must be able to think and decide for themselves, and we pointed to the need for national policies that would build ladders of training and skill development from high school through community college and other educational institutions. The lives of U. S. workers and employers, we found, are a constant search for new and relevant skills and insights that provide security and opportunity. Of course workers face personal, social, and institutional barriers to achieving the knowledge that will keep their skills razor-sharp. Governments, employers, worker groups, unions, schools, faith-based organizations, and other institutions all must recognize the "knowledge gaps" faced by workers and find ways within their institutional limits to help bridge those gaps.

Work in America: An Encyclopedia of History, Policy, and Society is a source of the trustworthy knowledge and research that all of us, especially students, require for educational and career achievement. It provides a thoughtful source for plumbing the new realities of our knowledge and innovation-driven global economy. The editors, along with dozens of nationally well-regarded scholars, analysts, and writers, have provided an intellectual blueprint to the realities of our competitive, innovation-driven economy and the implications and effects of these changes upon critical institutions. Every significant area of economic and work life and scholarship is addressed herein. Contributed entries of quality and depth address business and industry, union and labor relations, the importance of education and training, the nature of compensation and benefits, major demographic and social trends, economic principles, law and public policy, government organizations, arts and the media, home and family, and the major systems of thought that have shaped our knowledge of the economy, business management, and human capital. The editors address developing trends of great importance to the future U. S. economy and the individuals who shape policy, including entries on immigration, welfare and the working poor, discrimination and diversity, and the expansion of female participation in the workforce and work-family concerns. The entries were not assigned to advance the interests of narrow ideologies or perspectives but to incorporate the best research and sources from all major points of view. For those who seek further exploration, the lists of recommended further reading and research are treasure troves of the best analysis, writing, and scholarship in every aspect of employment, labor, and economic study. You need no other tool to begin a journey of discovery into the U.S. workforce and the scholars who study it.

It is of little surprise to me that the wise architects of this work are Dr. Carl E. Van Horn and Herb Schaffner of the John J. Heldrich Center for Workforce Development at Rutgers University. The Heldrich Center has become one of the leading academically based centers in the United States for the study and improvement of the U.S. workforce and economy. Its research and applied studies are followed and used by policymakers in state and federal governments as well as in the academy. Its national *Work Trends* surveys of the U.S. workforce have earned wide respect and attention and are invaluable to many researchers. The editors were able to draw upon the center's respected policy and research staff to contribute many significant entries to this work. It is clear from the scope and depth of the work that the Heldrich Center gave this enterprise its full commitment and resources. To everyone who cares to understand this economy and his or her place in it—to all of those who are thinking for a living—I recommend *Work in America* as a faithful and reliable companion.

Ray Marshall

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March 2003

PREFACE

The study of work and the workforce in the United States has broad appeal, for nearly all of us go to work, want to earn a good living, and value the role of careers in our lives. Unlike the social democracies of Europe, where social welfare programs provide a more secure fallback for the unemployed, and unlike developing nations, where many millions of people remain tied to the land and agriculture, the laws and policies of the United States encourage paid, skilled employment, often in large organizations. For most people in the United States, moving forward in a career requires that workers learn, acquire, and adopt new skills, rather than compile longevity or trade on family or institutional associations.

As editors, we entered into this project with enthusiasm about the study of work and the workforce as a cross-disciplinary subject. Work touches all aspects of life in U.S. society. The dignity of work is a cornerstone of social justice, respect for work and workers is essential in a just society, and work pursued freely is a democratizing force. Work is at the core of the emerging social and transnational conflicts in the twenty-first century such as globalization, the gap between rich and poor, sustainable development, and the roots of the spread of terrorism and militancy.

In the early 1990s, the Clinton administration created the Dunlop Commission to develop solutions to the challenges facing the changing workplace. The commission brought together the most significant collection of thinkers and leaders on workforce issues in many decades. In its final report in the mid-1990s, the Dunlop Commission noted that the workplace had become *the central formal institution* in U.S. society. Their declaration was prescient.

As of 2003, Americans spend more time in the workplace than citizens of most other industrialized nations. Majorities of working Americans put in overtime, and surprisingly large numbers work more than one job. The workplace is our most inclusive institution, as the vast majority of adult women now have earned income. Workplaces—particularly those of larger employers—reflect the racial and ethnic diversity of the population. In contrast with many European and Asian industrialized nations, most Americans access their safety net of health and retirement benefits through their employers, rather than federal programs. In the United States, the workplace is where many conflicts over rights and racial or sexual discrimination are brought to the courts. In addition, the workplace has become a center of learning, for job training and even formal education programs. As the Dunlop Commission noted:

Our main national asset is a skilled and hard-working workforce. In an ever-more global economy, the quality of the workplace affects not only the individual enterprise and its employees, but also national economic growth and productivity performance.

In the two volumes of this encyclopedia, we provide through more than 250 concise entries—a comprehensive portrait of work and the workforce in the United States. An editorial advisory board including a leading private sector human resource expert, a labor historian, and social scientist worked with us to design the full list of entries. At times, scholars contacted us with suggestions for additional topics, which we accepted.

We focus largely on developments since the Industrial Revolution through the emergence of the new information economy and its aftermath. These entries interpret and explain the roles of economics, public policy and the law, human and civil rights, culture in society, and the individual in acting upon, reflecting, and changing our evolving work life, workplace, and economy. The paramount role and influence of work as an economic force is reflected in the volumes, as is the significance of unpaid, underpaid, exploited, and dangerous work throughout U.S. economic history. More than eighty credentialed scholars and analysts, experts in these various disciplines, wrote the entries. *Work in America: An Encyclopedia of History, Policy, and Society* involves these topic areas:

- Definitions and ideas in labor economics, labor law, employment policy, and material culture, ranging from the Sherman Antitrust Act to the earned income tax credit and the Americans with Disabilities Act;
- Key historical events in the transformation and development of work; the evolution of employment sectors, occupations, and skills, with entries ranging from the Triangle Shirtwaist Fire to the dot-com revolution;
- The impacts of work on families and communities, with particular focus on how women, minority populations, immigrants, and children have experienced and affected work, including discrimination, slavery, and labor exploitation;
- Work and the needs of workers as they are embedded in political economics and political science;
- The essential national and international labor institutions that affect work, from the AFL-CIO to the World Trade Organization;
- The essential thinkers and critics of work including Studs Terkel, William Julius Wilson, and Peter Drucker; associated schools of thoughts, including socialism, capitalism, and democratic movements;
- The corporation and its influence over time on the public, political, and social forces shaping work;
- Prominent public policies and changes affecting the workforce such as affirmative action, immigration law, and occupational health and safety regulations;
- The rise of corporate management as a science from Taylor to Deming;
- Critical events, people, conflicts, and changes in the history of trade unionism and organized labor;
- The effects of globalization and information technology on work;
- Work and the family, and work and relationships.

At the end of each entry, readers will find cross-references to related entries within the work and a list of references and related readings. We strongly urge readers to make use of the recommended books and reports referenced throughout the encyclopedia; these are consistently the best and most important research and journalism to be found on the topics.

Work in America places strong emphasis on the ways in which work and workers themselves are represented and interpreted in mass and elite culture and affected by the explosion in entertainment and information media outlets. Art and media reflect back to us various aspects of public controversies around economic winners and losers and our perceptions of what is “good work” (a police officer) and what is “bad work” (a security guard). Millions of Americans enter or seek jobs every day because they have identified with the image and iconography of that job portrayed on television. We include entries on work in the visual arts, work in cinema, and work in television, and humor and work. Media organizations including the *Wall Street Journal, BusinessWeek,* and *Fortune* are profiled. *Work in America* also provides helpful overviews of key reference areas, such as the range of U.S. occupations and comprehensive overviews of capitalism, democratic socialism, and communism.

Many entries in the encyclopedia endeavor to draw the connections between work as a necessary and economic reality and as an expression of individual meaning and culture for virtually every living adult. Work is a powerful field of inquiry because work touches virtually everyone’s life every day. All adults pass through the cycle of educating and training for work, holding a job, and performing in a job. Yet the economic conflict inherent in capitalism creates tensions among workers that manifest themselves in major social and class conflict.

The process of work encapsulates an array of vital human experiences that must be examined from economic, social, personal, and cultural perspectives. *Work in America* uses crisp and accessible language to draw a portrait of this diverse, changing, complex, and enormously relevant universe. We hope readers use these volumes to learn more about the world of work and their place in it.

Carl E. Van Horn
and Herbert A. Schaffner

U.S. LABOR AND INDUSTRIAL RELATIONS HISTORIOGRAPHY: A REVIEW ESSAY

This essay reviews the origins and development of the disciplines of U.S. labor history, beginning in the late nineteenth century, and industrial relations, which emerged in the early twentieth century, through the first few years of the twenty-first century. Schools of thought, important subfields, and several noteworthy scholarly debates will be discussed within the context of a detailed literature review of these two disciplinary fields. Although this historiographical essay chronicles more than a century of scholarship, one must realize that dramatic changes have occurred within the U.S. workforce during this time period. Although half of the U.S. population lived in cities and half lived in rural areas in 1890, many workers were still employed in agricultural jobs in spite of the nation's rapid industrialization after the Civil War. Throughout the first few decades of the twentieth century, manufacturing industry employment continued to expand, and the United States emerged as the foremost industrial power at the conclusion of World War II in 1945. However, in the 1950s, the rate of manufacturing employment began to decline with the concomitant rise of service sector jobs; white-collar jobs outnumbered blue-collar jobs for the first time in U.S. history. With the tremendous advances that occurred in communication technologies and the continued growth of service sector jobs in the latter part of the twentieth century, scholars have noted a transition from an industrial to a postindustrial economy. At the start of the twenty-first century, approximately four out of five jobs are located in service industries, and more and more occupations are connected to the increasingly pervasive electronic technology that has emerged in the everyday lives of the U.S. population.

Scholarly study of both U.S. labor history and industrial relations can be traced back to the labor scholarship of a number of institutional labor economists-historians from the University of Wisconsin, now known as the Wisconsin School, who wrote during the late nineteenth and early twentieth centuries. Richard T. Ely, John R. Commons, Selig Perlman, and other colleagues wrote numerous volumes devoted to the history of the U.S. labor movement and U.S. industrialization (Ely 1886; Commons et al. 1910–1911, 1918–1935; Perlman 1922, 1928). Although these works provided a tremendous amount of detail, these studies overwhelmingly focused on an examination of the development and implementation of policies in labor unions' national headquarters and provided an ideological defense for the business union orientation of the American Federation of Labor (AFL) unions and the federation's leader, Samuel Gompers, as well as other mainstream labor organizations, such as the railroad brotherhoods. Although the Wisconsin School reformist economists were not monolithic in their approach to labor scholarship, for the most part, they neglected to examine local developments in labor history and viewed the practice of labor radicalism, such as that evidenced by the Industrial Workers of the World (IWW) in the first two decades of the twentieth century, as a form of extreme pathology.

Another early-twentieth-century center of labor scholarship that adopted an institutional approach was known as the Johns Hopkins School. Inspired by Sidney and Beatrice Webb's (1897) detailed studies of union work rules, by-laws, wage rates, and judicial procedures in England, these labor researchers focused their efforts on examining union-exclusive practices, apprenticeship programs, standard rates, and responses to technological changes in the workplace (Hollander and Barnett 1912; Ashworth 1915; Hoxie 1917; Barnett 1926).

Some scholarship in the early twentieth century clearly rejected the Wisconsin School's view of labor radicalism as pathology. Although much early historiography of radical labor can be characterized as heavily polemical, early scholars focused on workers as historical agents in the construction of labor history as opposed to an elite focus on the ideology and practice of union leaders. The best of this early scholarship is represented by Bimba's (1927) Marxist approach. In an early sympathetic, but not explicitly political, study of the IWW, Parker (1920) argued that the success of the radical union was based on the camaraderie and status that the IWW provided for marginal workers who were psychologically and socially alienated, probably because they had been largely ignored by the AFL and its affiliated unions.

The Wisconsin School also was instrumental in the birth of industrial relations as a field of academic study and professional practice in 1920. Although the Wisconsin School scholars were interested in virtually all aspects of the employment relationship, their focus on teaching and research primarily in labor history and collective bargaining and their belief that trade unions were necessary for solving the "labor problem" (labor management conflict and inequity) led to the emergence of the subfield of personnel management within industrial relations. In the early 1920s, scholars in this new branch, who were largely opposed in both practice and principle to labor unions and collective bargaining, focused on the managerial side of the employment relationship in the areas of recruitment, selection, compensation, training, and motivation of employees (Tead and Metcalf 1920; Tead 1921; Scott and Clothier 1923).

Another school of thought, the human relations movement, the subfield of industrial sociology, emerged from the industrial experiments conducted at the Hawthorne (Illinois) plant of the Western Electric Company from 1924 to 1932. The Harvard University scholars involved in analyzing the Hawthorne studies' data concluded that employees' work performances are significantly influenced by their emotional states and attitudes toward work, the plant's work environment, their coworkers, and their supervisors (Mayo 1933; Roethlisberger and Dickson 1939; Mayo 1945). Reaching its zenith in the decade after World War II, the human relations movement gradually declined in importance until the new field of organizational behavior absorbed it in the early 1960s.

In spite of a handful of studies challenging the Wisconsin School's view of labor history, constituting the study of trade union leader behavior and the practice of collective bargaining, the Wisconsin School remained the dominant school of thought in U.S. labor scholarship for more than half a century. Although Perlman's star student, Philip Taft, would come to criticize the master for developing a theory concerning the job consciousness of U.S. workers and the U.S. labor movement that had not been empirically verified and that "really does not help us to understand the behavior of workers or employers," (Taft 1976, 256) in his own lengthy career, the prolific Taft (1957, 1959, 1964) never ventured beyond the focusing on leaders and trade unions as institutions in his works on the history of the AFL and its industrial union-oriented rival, the Congress of Industrial Organizations (CIO).

It was not until after World War II that labor history began to move away from the Wisconsin School's narrow institutional framework with the "democratization" of the field. At this time, labor history became an acceptable subject of study, with more people entering the profession from explicitly immigrant and working-class backgrounds (Brody 1979, 112). Around the same time, Marxist Philip Foner published the first volume in his ten-volume history of the U.S. labor movement (Foner 1947–1994). Although Foner did not adopt an explicit theory of the historical agency of the working class or of the trade union as an instrument of relations with capital, he wrote partisan history in defense of working-class interests. Foner assumed the existence of class conflict, which leads to class consciousness and innumerable instances of working-class militancy. Of course, significant works in the tradition of the Wisconsin School were generated in the 1950s and the 1960s (Ulman 1955; Perlman 1958, 1961, 1962; Galenson 1960; Ozanne 1967), although it would soon be supplanted by other historiographical orientations.

The flourishing of U.S. labor history as a field of historical inquiry coincided with the publication of a new journal, *Labor History* (1960), devoted specifically to academic research in the field. In the 1960s, through the works of David Brody (1960, 1965), Irving Bernstein (1960, 1970), Herbert Gutman (1959ab, 1960, 1961, 1962, 1963, 1964, 1965ab, 1966), and Melvyn Dubofsky (1968), work in labor history took a broader perspective by also focusing on the history of the U.S. worker as opposed to only trade unions per se. In addition, the publications of two British historians, E. P. Thompson (1963) and Eric Hobsbawm (1964), motivated U.S. labor historians to continue to focus on writing history from the perspective of working people. Herbert Gutman, the grand master of this historiographical perspective in the United States, by the time of his death in 1985, contributed numerous articles and three path-breaking books in this tradition (Gutman 1975, 1976a, 1976b).

During the 1960s, when labor history was beginning to examine the experience of all U.S. workers as opposed to just trade unions or trade union officials per se, important federal government legislation was passed, which provided protection for the historically more marginalized workers in the labor force. The Equal Pay Act (1963) prohibited employers from paying female workers less than their male counterparts when they performed substantially the same job duties at work. Title VII of the Civil Rights Act (1964) prevented employers from discrimination in hiring and promotion based on the five protected classes of race, color, religion, sex, and national origin. Finally, the Age Discrimination in Employment Act (1967) prohibited employers from terminating older employees (those who were over 40 years old) merely on the basis of their age.

Consistent with this approach of the worker as a historical agent in labor history, the new labor history, beginning in the 1970s, examined the importance of worker experience on the shop floor (Montgomery 1976, 1979, 1987; Stone 1974). A second branch of shop-floor history that emerged during this decade, epitomized by Harry Braverman's (1974) classic monograph, focused on management's role in shaping the labor process and the behavior of the U.S. worker through the adoption of the principles of scientific management. Braverman's book inspired a host of studies (Zimbalist 1979) and not only reinvigorated, but theoretically enriched, the related field of industrial sociology by making the shop floor and the labor process a central focus in examining U.S. workers and their relationship to management (Burawoy, 1979, 1985). Such work extended the path-breaking industrial sociological work of Donald Roy (1952, 1953, 1954, 1958).

On the eve of the new labor history's emergence, radical movements within U.S. labor history began to receive more credence than they had in the recent past. Melvyn Dubofsky's (1969) definitive history of the IWW along with several other books dealing with this specific trade union organization appeared at this time (Foner 1965; Renshaw 1967; Tyler 1967; Conlin 1970). Beginning in the 1970s, there would be a similar scholarly renaissance with respect to other radical movements within U.S. labor history.

Because of the important role that the U. S. Communist Party (CP), the largest and most significant radical political party, played in the twentieth-century U.S. labor movement, there have been studies covering CP's activities within the unions. Early works, such as Saposs (1926) and Schneider (1928), discuss the CP's attempts to influence union activities and policies during the early 1920s. Although Saposs's (1926) early work was critical, but not unsympathetic to the CP, his book written more than three decades later was not friendly toward the party (Saposs 1959). Kampelman's (1957) study is similarly hostile toward the CP's activities within the CIO.

Studies on communism and trade unions, adopting a variety of orientations, accelerated in the 1970s and the 1980s. For example, Keeran (1979, 1980) wrote two largely sympathetic and uncritical studies of the party's involvement in the United Auto Workers (UAW). Klehr's (1984) book includes extensive discussion of the party's role in the U.S. trade unions during the 1930s and argues that the CP's policies were ultimately determined in Moscow. A former Trotskyist who was active in the UAW, Cochran (1977) critically assesses the CP's activities and tactics within the unions over three decades while Levenstein (1981) provides a balanced account of the party's role within the CIO. There have been several scholarly studies of the activities and ideologies of William Z. Foster, the leading U.S. trade union Communist (Johanningsmeier 1989, 1993; Devinatz 1996a; Barrett 1999, 2002).

Much interesting work is still being done on the

CP's role within the U.S. trade union movement. For example, there were a number of articles in 2002 and 2003 concerning new archival evidence with respect to the CP membership of Walter Reuther, the former UAW president, during the mid to late 1930s (Devinatz 2002, 2003; Lichtenstein 2003). In addition, scholars such as Johanningsmeier (2001) have provided new interpretations based on material found in the Russian State Archive of Social and Political History. Although other left-wing groups were active within the U.S. labor movement at the same time as the CP, there has been a paucity of research on the role of the Trotskyists (Myers 1977; Alexander 1991; Dollinger and Dollinger 2000) and the Lovestoneities (Alexander 1981) when compared with that of the CP.

Because the organization, growth, and stabilization of the CIO contributed to the revival of the U.S. labor movement by the end of World War II, many scholars have devoted significant efforts to chronicling this organization and its affiliated unions. Studies in the 1950s and early 1960s on the CIO came out of the Wisconsin School tradition (Seidman 1953; Morris 1958; Galenson 1960; Taft 1964). However, by 1970, Preis's (1964) Trotskyist analysis and seminal works by Bernstein (1970) and Fine (1969) placed the CIO on the historical map and moved scholarship on this organization away from the Wisconsin School orbit.

Work on CIO-related topics exploded in the 1970s. Significant studies of a number of the federation's affiliated unions have been written on the UAW (Friedlander 1975; Barnard 1983; Halpern 1988; Lichtenstein 1995), the United Electrical Workers (Schatz 1983; Filipelli and McColloch 1995), the United Rubber Workers (Nelson 1988**(Two Nelsons with 1988 publication.)**), the International Longshoremen's and Warehousemen's Union (Kimmeldorf 1988**(Not in references)**; Nelson 1988**(Two Nelsons with 1998 publication.)**), the United Steelworkers (Brody 1987; McColloch 1987), the Transport Workers (Freeman 1989), the Farm Equipment Workers (Rosswurm and Gilpin 1986; Gilpin 1989; Devinatz 1996b), and the United Packinghouse Workers (Halpern 1997; Horowitz 1997). However, the most comprehensive and landmark study of the CIO incorporating archival research remains Zieger's (1995) institutional history of the organization.

Research on the CIO's relationship to African-American workers (Foner 1974; Meier and Rudwick 1979; Harris 1982) and women workers (Clive 1979; Anderson 1982; Gabin 1982; Strom 1983; Ruiz 1987) have appeared with increasing frequency. In addition, studies of the CIO in the tradition of the new social history—the use of social scientific research techniques to examine the worker within the context of the home, neighborhood, and workplace—have appeared, linking the federation's rise with ethnic groups (Meier and Rudwick 1979; Gerstle 1989). Finally, on a related note, Lynd's *"We Are All Leaders": The Alternative Unionism of the Early 1930s* (1996) argues that the conservative bureaucracy of the CIO eliminated and replaced an "alternative unionism" that was more inherently radical and democratic during the upsurge of U.S. labor militancy of the 1930s.

In spite of the broader orientations of the "new labor history," it appears that class analysis still takes precedence over gender analysis. Fink (1993) states that women have been incompletely integrated, at best; marginalized; and, at times, completely ignored in labor history. Arguing from a similar perspective, Baron (1991) points out that labor history is still a bastion dominated by male workers, although Faue (1993) points out the legitimacy of the view that women's history and labor history have remained distinct historical branches to some degree although some studies have successfully integrated these two subfields. In spite of these criticisms, a gendered labor history does exist.

For example, in an examination of the well-known 1860 strike of Lynn, Massachusetts, shoeworkers, Blewett (1983) discusses the gendered workplace strategies of collective organization among women workers. Faue (1991) has developed a gendered class perspective concerning how men and women workers, who built the Minneapolis CIO, rooted their unions in the community while addressing concerns in the reproductive sphere. Other important works in labor history containing a gendered analysis include Benson (1986), Cooper (1987), Lamphere (1987), Westwood (1985), Blewett (1988), Cobble (1991), and Frank (1994).

Race has received significantly more attention in labor history scholarship than has gender. Roediger (1991) popularized the significance of "whiteness" in U.S. labor history by arguing that upon the loss of their skills and workplace autonomy in the early nineteenth century, white workingmen constructed an identity of whiteness to compensate for their feelings of alienation and degradation experienced in the workplace. Through this formulation white workers viewed the African-American population as the "other" and began to treat wealthy white men, their class adversaries, as racial allies. The emergence of "whiteness studies" within U.S. labor history has generated many proponents in support of the whiteness framework (Holt 1994; Lott 1995**(1993 in references)**; Barrett 2001; Nelson 2001) as well as critics (Towers 1998; Arneson**(Arnesen in references.)** 2001; Brody 2001; Reed 2001).

The emergence of African American labor scholarship was rooted in the old labor history, which condemned the racism of white workers, argued that all workers shared common interests, and called for the unity of black and white labor (Trotter 1994). Later works focused on the proletarianization of African American workers in different geographic locations (Trotter 1985, 1990), and the building of African American unions (Harris 1977) or interracial unions (Rachleff 1984; Arneson**(Arnesen in references.)** 1991). Studies also have been conducted demonstrating the interrelationship between the roles of African American workers, interracial unions, and the early civil rights movement (Korstad and Lichtenstein 1988; Halpern 1991; Stein 1991; Honey 1993). Finally, there have been historical works documenting the role of African American labor radicalism (Painter 1979; Naiso 1983; Kelley 1990).

With respect to Latino labor history, Guerin-Gonzales (1994a) discusses in great detail the twentieth-century research in the field, from the earliest studies in the 1920s through the early 1990s. According to Guerin-Gonzales (1994a), much research in this field focuses on farm labor, including well-known studies of Mexican immigrant and Mexican American workers such as the monograph by McWilliams (1939) and two books by Ernesto Galarza (1964, 1970). These latter two works discuss the plight of the farmworkers, which is brought on by the California agriculture industry's discriminatory labor relations practices, and documents the attempts of these workers to organize labor unions from the 1940s through the 1970s.

Many works have been written of the organizing, struggles, and strikes of the United Farm Workers and the leadership role played by Cesar Chavez in the 1960s and the early 1970s (Dunne 1967; Mathiessen 1969; Day 1971; Taylor 1975; Kushner 1975; Levy 1975).

Concerning Asian American labor, Friday (1994a) points out that these workers were virtually ignored in labor scholarship until Jones's (1970) article appeared in *Labor History,* and it was not until 1984 that five more articles in the field had been published in the journal (Ichioka 1980; Masson and Guimary 1981; Takaki 1982; Posadas 1982; Almaguer 1984). Much of the literature related to Asian American labor appears within the context of broader studies of the Asian American experience and is found in a variety of history, ethnohistory, sociological, industrial relations, and economics journals (Friday 1994a). Major books in the field include Kwong (1979), Takaki (1983), Cheng and Bonacich (1984), Kodama-Nishimoto, Nishimoto, and Oshiro (1984), Beechert (1985), Yu (1992), and Friday (1994b).

During World War II, U.S. labor economics began to move away from the purely historical-institutional approach of the Wisconsin School. With a significant expansion in union membership based on the organization of the basic industries (auto, rubber, steel, etc.) by the mid-1940s, labor economists became interested in how collective bargaining affected union wage policies. Books by Dunlop (1944) and Ross (1948) offered alternative theories and dominated discussion of union wage policy throughout the late 1940s and early 1950s. Dunlop (1944) viewed trade union behavior to be best represented by an economic model in which the organization functioned as a market enterprise. In contrast, Ross (1948) theorized the trade union as primarily a political entity that operated within the context of an economic environment.

Throughout the 1950s and early 1960s, a primary interest of labor economists remained how unionism affected wage determination; studies were performed to determine how collective bargaining impacted wage rates in various industries (Rees 1951; Sobotka 1953; Sobel 1954; Rayack 1958; Lurie 1961). During this era, the classic treatment of this subject was Lewis's (1963) book, which labor economists acknowledge as a major impetus toward the development of an analytical and quantitative approach to labor economics.

In addition to these wage determination studies, in the late 1950s and early 1960s, labor economists became interested in the concept of human capital, which is capital embodied in people as opposed to factories, machinery, etc. Pioneering scholars in the development of human capital theory include Mincer (1958), Schultz (1961), and Becker (1964) who examined issues such as the rate of return on investment in formal schooling, on-the-job training, etc. By the mid-1970s, more than 100 studies dealing with human capital theory, including criticisms (Berg 1971; Thurow 1972; Bowles and Gintis 1975), had been published in the labor economic literature.

Although the orientation of U.S. labor history away from the Wisconsin School began approximately during the mid-twentieth century, the postwar decade from approximately 1945 through 1960 represented the peak of U.S. industrial relations research. This fifteen-year period coincided with the peak of union density in the United States (35 percent) and the inception of a major academic journal in the field, *Industrial and Labor Relations Review* (1947). During this era, much industrial relations research was multidisciplinary in nature, with significant contributions coming from scholars in the fields of economics, history, law, psychology, and sociology (Derber et al. 1953; Kornhauser, Dubin, and Ross 1954; Golden and Parker 1955). And at the end of the 1950s, Dunlop's (1958) pathbreaking theoretical work , which provided a general theory of the field, appeared, arguing that the major industrial relations actors were directly impacted by the web of rules that were found in every industrial relations system. Even after this book's publication, scholars argued that industrial relations lacked an integrative theoretical framework (Chamberlain 1960; Aronson 1961; Derber 1964; Heneman 1969; Somers 1969).

In the 1960s, the dominant industrial relations monograph was Walton and McKersie's (1965) classic text. A second major academic journal, *Industrial Relations* (1961), appeared at the start of the decade as did a significant cross-cultural study (Kerr, Dunlop, Harbison, and Myers 1960). This book argued in favor of the "convergence hypothesis," that is, the belief that the industrialization process leads the economic, political, and social systems of nations to converge to a single measure such as an open society, a dramatic decrease in class conflict, and an increasing role for the government in labor market regulation.

Although there were no books that dominated the field in the 1970s, there was increasing growth of U.S. public sector unionism aided by President Kennedy's issuance of Executive Order 10988 in 1962, which gave most public sector employees the right to bargain collectively, and the passage of state laws. The *Journal of Collective Negotiations in the Public Sector* (1972) emerged and began to publish scholarly research on public sector collective bargaining. During the 1980s, three scholarly monographs were written, devoted to theory construction that critically impacted industrial relations (Barbash 1984; Freeman and Medoff 1984; Kochan, Katz, and McKersie 1986). Barbash (1984), writing in the tradition of the Wisconsin School, conceptualized employment relationship problems to be rooted in the conflict between management's emphasis on achieving efficiency and the workers' desire for job security. Freeman and Medoff (1984) developed the exit/voice model of trade unionism in which they argue that voice mechanisms, such as grievance procedures in labor contracts, help increase economic efficiency through reduced employee turnover, increased productivity, and improved managerial behavior. Finally, Kochan, Katz, and McKersie (1986) created a strategic choice framework for analyzing the development and interrelationship of union and nonunion economic sectors. Another theoretical contribution during this decade includes Wheeler's (1985) integrative theory of industrial conflict. In addition, this decade saw the emergence the *Journal of Labor Research* (1980), and the research volume series, *Advances in Industrial and Labor Relations* (1985), which contained numerous scholarly articles on important industrial relations topics.

The 1990s brought a continuing decline in union density. Labor advocates and experts supported a variety of reforms to expand union influence but no new governmental legislation, extending the rights of employees to organize unions or to collectively bargain, was passed during this decade. However, two federal laws, the Americans with Disabilities Act (ADA) and the Family Medical Leave Act (FMLA), were enacted at this time, which expanded the rights of workers as individual employees. The ADA (1991) mandated that employers make reasonable accommodations for disabled workers who were qualified to perform the job, and the FMLA (1993) provided employees with up to twelve weeks of unpaid leave per year to deal with family medical emergencies.

During this time, when individual employment rights were expanding while unions remained on the defensive, academic interest in alternatives to traditional trade unionism and collective bargaining as well as nonunion employment relations appeared on industrial relations scholars' agenda. Jacoby (1997) demonstrated the resilience of the nonunion model of U.S. employment relations and showed how it was able to become the dominant model of employment relations during the last few decades of the twentieth century. At the end of the twentieth century, several scholars outlined alternatives to traditional trade unionism, which provide employees with voice and some form of collective representation (Kaufman 2000; Kaufman and Taras 2000).

With the voluminous research conducted within the new labor history paradigm during the last four decades, Brody (1979), Montgomery (1980), Kazin (1987), and Kimeldorf (1991) have called for a synthesis of the multitude of studies of different groups of workers located in various geographies and industries. In spite of all of the criticisms launched against the Wisconsin School of labor history, the Commons-Perlman framework remains the touchstone for much research, and the only coherent synthesis, in U.S. labor history (Brody 1979; Montgomery 1980; Kazin 1987; Kimeldorf 1991). And although the major U.S. industrial relations journals still carry articles on trade unionism and collective bargaining, Kaufman (1993, 180) calls for industrial relations scholars to return to "cross-disciplinary research, the collection of primary data, interviews with company and union officials, and immersion in the nitty-gritty of institutional details and daily practice." This is the methodology that was used by the Wisconsin School labor scholars in the first few decades of the twentieth century. Thus, in the first decade of the twenty-first century, the Wisconsin School still casts a large shadow over the fields of U.S. labor history and industrial relations.

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A

Affirmative Action

Affirmative action is a federally mandated process intended to ensure that access to employment and promotion is not restricted because of race, religion, gender, or national origin. By 1974 the categories of individuals covered under affirmative action expanded to include employees over forty, disabled individuals, and Vietnam-era veterans. The most common criticism of affirmative action is that it establishes a quota system that privileges the hiring of women and minorities, with too little regard to qualifications. Proponents counter that what affirmative action actually requires is that hiring be nondiscriminatory within a specific pool of qualified applicants. Affirmative action was envisioned as a temporary means to achieve equitable employment opportunities for those who historically faced workplace discrimination. When the workplace replicated the labor pool, the measures could be relaxed or discarded. Affirmative action enjoyed bipartisan political support until the 1980s, as well as the support of business and the public.

Affirmative action emerged from New Deal concepts that tried to end employment practices that openly discriminated against African Americans. Centuries of slavery, segregation, race-based employment restrictions, and Jim Crow laws (which legislated racial segregation in all aspects of society including work, housing, and recreation) had reinforced racial hierarchies in hiring, promotion, and education. The first executive order addressing nondiscrimination was issued by Franklin D. Roosevelt in 1942 and prohibited discrimination in industry supporting the war effort and in the employment practices of the federal government (Eisaguirre 1999, 9). Affirmative action policies initially applied only to federal contractors and governmental agencies in an effort to create a "representative bureaucracy," in the belief that a workforce that represented the demographics of the public would better assess and address the needs of its constituency (Selden and Selden 2001, 4).

Throughout the 1950s and the 1960s, the civil rights movement led by Martin Luther King Jr. gained momentum by exposing the deep-seated racial prejudice evident in laws that reinforced white supremacy. King and the civil rights movement demanded the unrestricted right to vote, an end to segregated schools and public spaces, and the right to equal opportunities in employment and compensation. In response, John F. Kennedy issued Executive Order 10925 in 1961 requiring that federal contractors take "affirmative action" to "hire minorities on government contracts," thus introducing the term and concept of an affirmative rather than a passive effort to end workplace discrimination (Sugrue 2001, 39). This was followed by Executive Order 11114 in 1963 that disallowed employment discrimination of minority workers on government contracts (Sugrue 2001, 39).

During the Johnson administration, the U.S. Congress passed the Civil Rights Act of 1964, which was regarded as a major victory for the civil rights movement and King. Title VII of the Act established the Equal Employment Opportunity Commission (EEOC) to oversee the compliance of affirmative action and nondiscrimination policies for employers with more than fifty employees. Title VII placed more focus on achieving results than did existing law, but it did not clearly define what actions constituted discrimination or spell out what methods should be used to ensure nondiscrimination. Companies were allowed to develop their own approaches for ensuring that affirmative action was implemented. The EEOC offered mediation services to facilitate reconciliation between employees filing complaints and their employers. When employee and employer could not come to an agreement through the EEOC, the employee had the right to sue; some suits were independently initiated by the Department of Justice when a "pattern or practice of discrimination" existed (Skrentny 2001, 3). Because the act did not clearly state how affirmative action would be accomplished or measured, the courts had to decide if the ways employers applied or responded to the law were in keeping with the act's intent and in compliance with the U.S. Constitution.

In 1970, under the Nixon administration, the Office of Federal Contract Compliance (OFCC) issued Order 4 that required all federal contractors to report hiring practices and employment demographics to the federal government. Under Order 4, companies also had to create an affirmative action plan that included stated goals and a timetable for implementing these goals (Kelly and Dobbin 2001, 92). Hiring goals and timetables provide benchmarks by which compliance and success can be determined. Affirmative action goals can include recruitment strategies, hiring or promotional objectives, or assessment procedures. Timetables allow businesses to demonstrate their success or lack thereof in meeting the goals. Subsequent decisions made by the Nixon administration included a 1972 ruling that introduced the concept of "underutilization." This ruling allowed the government to analyze the employment patterns of federal contractors to make sure that specific categories of workers were not underrepresented, or underutilized, at a level greater than the labor pool indicated (Kelly and Dobbin 2001, 92). The Equal Opportunity Employment Act of 1972 permitted the EEOC to file suit against offending companies and required even small companies to comply with affirmative action legislation, thus covering nearly 80 percent of the nation's workforce (Holzer and Neumark 1999, 540). The fear of lawsuits led many companies to establish EEO offices and establish affirmative action plans. In 1978 Jimmy Carter extended the commitment to affirmative action through the Uniform Guidelines on Employee Selection Procedures, which banned explicit business practices that resulted in discrimination on the basis of race, gender, or ethnicity (Tucker 2000, 17). By 1979, two-thirds of top executives supported the government's efforts to increase the representation of women and minorities in the workforce (Dobbin and Sutton 1998, 455).

Bipartisan commitment to affirmative action ended with the election of Ronald Reagan in 1980. Reagan dismantled equal opportunity programs by severely cutting the EEOC budget, thereby ending the ability of government to initiate nondiscrimination litigation. Reagan also appointed federal and Supreme Court justices opposed to affirmative action. In the 1990s the Clinton administration's defense of affirmative action and Clinton's efforts to engage the country in discussions about discrimination kept affirmative action from further legislative reductions. At the beginning of the twenty-first century, the outlook for affirmative action is unclear. There appears to be no political consensus to address it through legislation; increasingly the Supreme Court determines the scope, range, and constitutionality of affirmative action.

The U.S. Supreme Court has had a major and often contradictory influence on affirmative action through its interpretations of Title VII and the Fourteenth Amendment to the U.S. Constitution. Major decisions have addressed which party to the lawsuit has the burden of proof, goals, impact, and equal protection. In *Griggs v. Duke Power Company* (1971), the Court shifted the burden of proof to defendants in employment discrimination cases and ruled that instruments such as employment tests that had a demonstrated "disparate impact" on groups covered by Title VII were illegal. By 1989, in *Wards Cove Packing v. Antonio et al.,* the Court reversed *Griggs* by ruling that "disparate impact" did not in itself indicate intentionally discriminatory practices and reinscribed the statistical data necessary to meet the burden of proof as a comparison between the jobs or workplace in question and the "racial composition of the qualified population in the relevant labor market" (Tucker 2000, 174). In addition, the Court returned the burden of proof to the plaintiff, a decision interpreted widely as a setback for affirmative action because complainants generally lack the resources possessed by corporations.

United States v. Paradise (1987) affirmed lower court rulings that forced Alabama state police to accept hiring mandates because of the severity of the discrimination in that agency. The case began when the National Association for the Advancement of Colored People (NAACP) charged the Alabama Department of Public Safety with intentional employment discrimination because in thirty-seven years, it had hired no black troopers. A federal district court ordered the hiring of one qualified black trooper or support person for each white person until 25 percent of the Alabama Department of Public Safety workforce was black. The Fifth Circuit Court of Appeals held that the hiring mandate did not constitute reverse discrimination against white applicants or subvert the hiring process, even when some of the white applicants had stronger qualifications, because of the need to remedy the entrenched discrimination signified by a previously all-white force.

The Supreme Court's adherence to the concept of "strict scrutiny" of affirmative action laws became increasingly important in court decisions regarding the composition of the labor market. The "strict scrutiny" standard as applied to affirmative action plans finds these plans are constitutional only when discrimination is evidenced by overwhelming statistical disparities. In *Richmond v. Croson* (1989), for instance, the Supreme Court concluded that the evidence did not demonstrate that blacks were economically disenfranchised in Richmond, Virginia. Therefore, the Court held that a minority business enterprise (MBE) set-aside policy that required city contractors to subcontract 30 percent of their work to minority-owned companies was unconstitutional and in violation of the equal protection clause of the Fourteenth Amendment (Tucker 2000, 133). Later, in *Adarand Constructors, Inc. v. Pena* (1995) the Court reinforced strict scrutiny by ruling that a history of discrimination must be a compelling component of MBE programs. In *Adarand,* the Court decided that race alone does not prove that a disadvantage existed requiring remediation through MBEs, in this case ruling that there was no evidence of discrimination against Hispanics. Therefore, when a contract was issued to a Hispanic-owned company under the MBE program, absent decisive data to indicate ongoing discrimination that justified a corrective measure, the award violated the equal protection rights of the white contractor who submitted the lowest bid. The Court concluded that if there is no demonstrated need to remedy statistically verified inequities, MBEs are unconstitutional (Kelly and Dobbin 2001, 101).

Agreements that include hiring goals generate most of the opposition to affirmative action because many people incorrectly perceive goals as hiring quotas that privilege the hiring of less qualified women and minorities over more qualified white males. In actuality, affirmative action is not a quota system; only in extremely egregious circumstances were hiring mandates imposed by the courts (such as *United States v. Paradise*). Affirmative action does not require employers to hire unqualified persons. It has resulted in the increased hiring and promotion of minorities and women, but studies have not confirmed that less qualified minorities and women were hired or promoted as a result (Holzer and Neumark 1999). Affirmative action does, however, work to inhibit hiring habits reinforced by "old boy networks" that disproportionately favor white males (Buford 2002, 173). Even after thirty years of affirmative action, studies show that there still exists an often unconscious tendency on the part of managers to hire individuals of a similar race, gender, and socioeconomic background. This preference has a demonstrably negative effect upon women and minorities with credentials identical to those of white men (Holzer and Neumark 1999, n3 535).

With the viability of federally mandated affirmative action in flux, proponents argue that correctives are still necessary to keep ability-based employment available to women and minorities. Some scholars assert that access to employment and advancement predicated on ability is so central to the American concept of self-worth that work has become a "proxy for citizenship" (Sturm and Guinier 2001, 31). As such, proponents contend that measures need to be in place to ensure that all Americans can find the work necessary for their full participation in the civil processes of this nation. Others contend that many white Americans regard their "whiteness as a property right" and feel besieged by affirmative action that undermines their privilege while ignoring the inherent racism of such concepts (Bell 2001, 46). At the same time, these whiteness privileges compel many white Americans to act against their own self-interest by ignoring the fact that white women are the primary beneficiaries of affirmative action (Bell 2001, 46).

The polarizing debates about the efficacy of affirmative action most commonly occur in the realm of the media and the courts; business and the public react negatively only with regard to perceived hiring quotas. Even with the legal future of affirmative action uncertain, the corporate community remains supportive of efforts to correct underutilization based on race and gender, as well as disability (Buford 2002, 176). Business may have initially reacted to affirmative action with plans designed to avoid litigation, but that quickly changed as business saw affirmative action as an effective way to foster creativity and productivity. A diverse workforce is considered good for business, so although affirmative action per se may be on the decline, commitments to workforce diversity and diversity management continue to be integral to corporate America (Dobbin and Sutton 1998, 455). At the same time, even as the American public rejects hiring quotas, there continues to be overwhelming support for nondiscrimination policies and recruitment programs to ensure equitable job opportunities for all Americans (Holzer and Neumark 1999, 535), efforts that are the essence of affirmative action.

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See also African American Women and Work; African Americans and Work; American Slavery; Americans with Disabilities Act; Asian Americans and Work; Gays at Work; Glass Ceiling; Immigrants and Work; Older Workers; Veterans; Women and Work; Work and Hispanic Americans

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African American Women and Work

A greater number of African American women work than do white women. African American women work more years in their lifetime than white women; they earn less than white women, and their unemployment rate is higher than that of white women. As one African American woman observed, "There are two kinds of females in this country—colored women and white ladies. Colored women are maids, cooks, taxi drivers, crossing guards, schoolteachers, welfare recipients, bar maids and the only time they become ladies is when they are cleaning ladies" (Lerner 1973, 217). That has been the reality for African American women.

From the time the first African women were enslaved and brought to America, they have been relegated to the lowest rungs of the economic ladder, to agricultural work and domestic service and the unskilled service sector of the economy. Domestic service work has employed the largest number of black women. In the late nineteenth century, virtually every young black girl, except for those from the most affluent families, knew she would be cleaning house for a white family (Hine, 153). Domestics work longer hours for lower wages than any other group of workers. Domestic service workers are also more likely to experience sexual harassment. Although attempts have been made to organize domestic service workers, they have generally been unsuccessful. Difficulties arise because of the individual nature of the work, the intense competition for jobs, and the historical indifference of many labor unions toward unskilled black women workers (Lerner 1973, 231).

Beginning about 1910, African Americans left the segregated South in large numbers, lured to the North partly by promises of industrial work. However, these industrial jobs went primarily to black men. The majority of African American women remained in the domestic service sector. Although domestic wages were higher in the North, a large proportion of black domestic workers still endured the unrelenting control, interference, and complaints of the white woman for whom they worked (Hine, 214).

Despite these adverse working conditions, African American domestic workers were able to change the nature of domestic work. First, whenever possible, they refused to live with their employers, instituting the widespread practice of "day work." Day work left married black women free to return to their families in the evening but, more importantly, reduced the number of hours a domestic worker was on call to her employers. It also allowed working mothers a more open work schedule and gave African American women more flexibility in choosing their jobs (Jones 1985, 165). When other job opportunities presented themselves, African American women pursued them without hesitation.

African American women preferred industrial jobs to domestic service but were excluded from the textile manufacturing mills of the South. Instead, they were relegated to the least desirable and lowest-paying factory work available: processing raw tobacco for cigarettes, cigars, and chewing tobacco. By 1910, up to 8,482 black women worked annually in the tobacco processing industry (Jones 1985, 137). Black women did the work that white male supervisors considered too "dirty" for white women. They sorted tobacco according to grading systems, stripped the leaves of their center stems, hung them to dry, and labeled and packed boxes. The average black woman worked twelve-hour days, five and one-half days each week, for less than nine months each year. Weekly earnings averaged between $6 and $10 for a sixty-hour workweek (Lerner 1973, 257). Because of the seasonal nature of the industry, most earned less than $200 each year. Their wages remained the lowest in the industry and their working conditions the poorest. A Women's Bureau study reported that "stemmers" had to work standing up in hot, humid, poorly lighted workrooms. Women breathed in tobacco dust daily, resulting in debilitating respiratory disease (Janiewski 1986, 139, 150).

World War I opened the doors to better industrial jobs to black women for the first time. A survey of almost 12,000 black women workers conducted by the U.S. Women's Bureau of the U.S. Department of Labor in 1922 found that most black women workers were between sixteen and thirty years old and that many of these women worked in war industry plants assembling ammunitions or making gas masks, airplane wings, nuts, bolts, rivets, screws, rubber tires, tubes, and shoes (U.S. Department of Labor/U.S. Women's Bureau 1922). Others worked in meatpacking plants, glass and garment factories, or railroad yards. These jobs gave black women more personal freedom than domestic service work and paid significantly higher wages. However, these gains were only modest. Relatively few black women found work in manufacturing, and those who did find such employment remained at the lowest rungs of the industrial ladder in terms of wages and working conditions. African American women workers faced hostility in the industrial sector, but they were excluded from clerical and retail work within the white community. Racial prejudice and discrimination dictated the hiring practices of white business owners whose establishments sold retail consumer goods and services to a white clientele. Even black female high school graduates could not find employment to match their educational qualifications. Most were relegated to a lifetime of menial labor. At the end of World War I, 80 percent of black women workers were still employed as maids, cooks, or washerwomen (Jones 1985, 166–167, 178–179).

Because of the attitudes of white employers in the late nineteenth century, talented and educated African American women turned to entrepreneurial activities within the black community. Many built successful businesses while improving their communities. In the twentieth century, other African American women advanced in business in the areas of beauty and fashion. Madame C. J. Walker built her beauty industry manufacturing "hair goods and preparations." As black women took industrial jobs in the cities, demand grew for products that would help them "improve their appearance" in the eyes of white employers, who held common prejudices about skin color and hair texture. Walker's best-selling products were face creams that promised to lighten skin and tonics and pressing oils to straighten hair. Walker began selling her products door-to-door, but increasing demand led her to open a training school to instruct other black women in selling her products. Walker traveled the country giving lectures to promote her business at black religious, fraternal, and civic meetings, as well as internationally in Jamaica, Cuba, Haiti, and Costa Rica, and along the Panama Canal (Hine 1999, 204). Walker became a millionaire and an internationally known black businesswoman, a symbol of black economic independence who used her wealth and prestige to advance black equality. When Walker died, she gave thousands of dollars to black schools, including Mary McLeod Bethune's Daytona Normal and Industrial School (now Bethune-Cookman College) and Tuskegee Institute.

World War II opened new opportunities for African American woman workers, as black women entered the industrial workforce to replace the men who went to war. Although hundreds of thousands of African American women eventually gained jobs in the aircraft industry, shipyards, electrical equipment and machinery factories, ordnance manufacturing, and steel mills and foundries, as well as civilian jobs in the service industries, canneries, transportation, and auto industry, these positions were hard-won because employers were reluctant to hire black women. Despite the obstacles, World War II was the first time black women had access to high-paying industrial jobs. Through these positions, black women gained specialized skills and status in the workforce. Between 1940 and 1944, the percentage of black women in the industrial workforce rose from between 6 and 8 percent to 18 percent. In addition, for the first time, black women had access to virtually all "white" occupations, including clerical and nursing jobs.

As the United States went to war in 1941, organizations such as the National Council of Negro Women (NCNW) concentrated on helping African American women adjust to their new industrial positions. One of the most active NCNW programs during the war years was the "Hold Your Job" program, which sponsored a series of wartime employment clinics. The clinics sought to promote black women's industrial employment through collective planning, organization, and action while simultaneously trying to change employer's attitudes about black women workers. Clinics helped women adjust to the industrial sector by emphasizing worker health, attendance, personal appearance, attitude, efficiency, behavior on the job, and union participation. Workers learned good work habits, such as arriving at work on time; being "particular about their dress, behavior and attitude on the job and in public places"; consciously trying to improve their job performance; and learning how to get along with other people, even in an "unpleasant" situation (Hanson 2003, 183).

The NCNW also recognized that to secure wartime employment gains, black workers would have to embrace unionism. To that end, the "Hold Your Job" program endorsed union membership and supported organized labor in free collective bargaining. The NCNW also sought to strengthen African American women's position in national defense industries by pushing employers to include women in apprenticeship programs. Clinic organizers arranged meetings with employers to discuss workers' problems and resolve them by appealing to the employer's concern for profit. Organizers stressed that an adjusted worker meant a smoothly run shop, less absenteeism, a lower rate of turnover, and increased production. Clinics for employers tried to convince foremen and supervisors to accept black women workers and facilitate their adjustment to the job. The job campaign raised the consciousness of women workers, although it ultimately failed to secure their place in the industrial sector in general (Hanson 2003, 267–269).

During the 1930s and 1940s, African American women became strong union activists in the Congress of Industrial Organizations (CIO). During World War II, the number of black women in the industrial labor force tripled, and black union membership rose from 200,000 to 1.25 million. Nevertheless, black women remained the "last hired, first fired," white women periodically staged "hate-strikes" against black women workers, and segregated unions endured. The passage of the Taft-Hartley Act in 1947 limited union organizing, and in 1949–1950, the CIO acquiesced to anti-Communist hysteria by expelling eleven "suspect" unions, all strongly associated with interracial organizing. House Un-American Activities Committee investigations further eroded union power, and by 1948 most of the progress made by African American women during the war had been reversed. By 1950, 41 percent of black women worked as domestics. Since the 1960s, African American women have unionized workers at southern textile mills and hospitals. In the 1970s and 1980s, black women worked through the Coalition of Black Trade Unionists to address racism in the workplace and in unions, and the Coalition of Labor Union Women fought sexism in unions (Hine 1993, 685–688).

Title VII of the Civil Rights Act of 1964, which outlawed discrimination in hiring based on race, color, religion, sex, or national origin, helped black women approach parity with white women in terms of wages and access to clerical service positions. Between 1960 and 1970, the percentage of black women in clerical work more than tripled in the South and doubled in the North. By 1980, 34 percent of all black women in the workforce were in the areas of technical, sales, and administrative support, compared to 34 percent of all white women (Jones 1985, 302).

Title VII and affirmative action also succeeded in increasing the number of black workers holding jobs in social services at the local, state, and federal government levels. Certainly, black women have benefited by these changes. Yet in 1988, when the magazine *Black Enterprise* published its list of "25 Hottest Black Managers," black women were conspicuously absent. In 1993, when the same magazine published its list of "America's Most Powerful Black Executives," four women made the list. In 1994, twelve black women sat on the boards of directors of Fortune 500 companies. In 1997, Ann M. Fudge was named president of Maxwell House Coffee. By the 1990s, more than 400,000 black women owned their own businesses (Hine 1993, 305–308).

The vast majority of African American women workers have made a transition from servitude to service industries such as health care. (Dex Images/Corbis)

Although the gap in wages and occupations between black and white women workers has narrowed considerably, black women continue to rank lowest in the occupational hierarchy. Today, the number of poorly paid service sector positions held by black women is still high. The vast majority of African American women workers have transitioned from servitude to service work in the health care, fast food, and hotel industries. Rather than poorly paid domestic workers, they now constitute a large percentage of nurses' aids, counter workers, and chambermaids.

Joyce A. Hanson

See also African Americans and Work; American Slavery; Home Economics/Domestic Science; Women and Work; Work and Hispanic Americans

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African Americans and Work

Any discussion of African Americans and work in America must begin with the unalterable fact of slavery. Blacks were first brought to America in 1619. Much like white indentured servants, who worked a period of time for a sponsor, blacks were initially treated as bound servants and were freed when their terms expired. By the 1640s, however, they were being imported and sold as servants for life. In the 1660s and 1670s, statutes in Virginia and Maryland gave slavery its institutional form by mandating servitude for life and a harsh system of discipline called the "black codes." Slavery spread through all the southern colonies.

Slavery was an economic system that needed and used the unpaid labor of blacks to produce agricultural crops such as tobacco, indigo, and rice. The plantation system that developed justified its existence based on racial difference. Blacks were believed to be inferior and so were not accorded the option of indentured servitude. Once established, slavery became a self-perpetuating system that melded economics and a system of human and power relations. Southerners came to regard slavery as essential to their culture, political influence, and economic prosperity.

Although the colonial period saw the creation of a brutal system of unpaid labor for African Americans as a whole, there were pockets of compensated activity. In some instances, southern slave owners allowed skilled slaves to hire themselves out to other plantations, and some owners allowed slaves to keep all or part of the wages. Some slaves were able to save enough from these wages to purchase freedom for themselves and family members.

In the northern colonies, skilled blacks were able to earn a living by plying their trade as artisans. But even in the North, black artisans faced intense competition and reprisal because of their color. In fact, in all the colonies with significant numbers of free black labor (or even slave labor hired out for wages), conflict often occurred with white artisans asserting a privileged position in the labor market.

In 1744, white shipbuilders in Charleston, South Carolina, joined forces to complain that they were reduced to poverty because of black competition. Their protest, supported by white workers in other trades, persuaded the Charleston authorities to enact an ordinance forbidding slave owners to hire out more than two slaves at a time. Such efforts by white workers, although rare, happened throughout the colonial period and set the stage for labor conflict based on race.

The American Revolution, although overtly dedicated to principles of equality and self-determination, did not extend to the institutions of slavery and racial discrimination in the evolving labor market. Slavery and the rights of African Americans posed a dilemma for the framers of the Constitution. Five of the original colonies elected to become free states, but the white laboring classes were less than receptive to the prospect of competition from skilled black workers. The postrevolutionary years saw the beginning of the factory and factory work. No longer could the U.S. economy thrive on small-scale, home-based, artisan manufacturing. Custom work gave way to wholesale order work, and laborers were concentrated in certain expanding industries. In part, this rationalization of industry was due to competition from Britain and the rest of the world. The trend toward factory work also led to the formation of a distinct laboring class. Prior to the revolution, the mode of artisan custom production produced open mobility patterns. Apprentices could move up to take the place of master artisans at some point or open their own shops. The emerging factory system closed this mobility path for the majority of workers. They could not hope to acquire the capital to open a factory shop.

African Americans, like many other workers, started to concentrate in select industries. For example, in the early nineteenth century, African Americans played a dominant role in the caulking trade. Caulking prevented leaking on ships, and so these skills were in great demand.

The Civil War and Beyond

The Civil War brought the open wound of slavery to the forefront. African Americans in the North played a significant role, not only by fighting but by building fortifications and working in factories supporting the Union war effort. As the Civil War progressed, slaves increasingly fled plantations to assist Union troops in many work-related efforts to fight the Civil War. The Civil War in the North further exposed the fissure of race in the workplace. Northern cities saw the occurrence of "draft riots" by immigrants, mostly Irish, who did not want to fight in a war to free those they saw as competition in the labor force.

At the end of the Civil War, former slaves had to adjust to freedom and a new system of labor in the South. Although slavery was abolished, the need to heal the Union saw the plantocracy reestablished under the system of sharecropping. Laws were passed to restrict the mobility of newly freed slaves, forcing them to accept this bad bargain. Essentially, sharecropping created an illusion. The planters rented out land to freed slaves (and later poor whites); if they could not afford rent, the planter took the rent from future earnings from the land. In many cases, the planter became the company store, selling everything from fertilizer to seeds. The economics of sharecropping ensured that the tenant would constantly fall behind. High interest charges, emphasis on production of a single cash crop, and slipshod accounting ran rife throughout the system.

After the Civil War, African Americans continued their efforts to break into the emerging industrial occupations. Although they faced stiff resistance, black workers did not suffer meekly. The record documents many attempts by African Americans to organize themselves into what can only be termed a union. For example, black dockworkers in Pensacola, Florida, organized a Workingman's Association and successfully defended their jobs against Canadian longshoreman brought in by dock owners.

The formation of unions increased during the early Reconstruction period. Black and white workers shared an interest in forming trade unions. Blacks had to form separate union organizations because white unions excluded them. Black unions such as the Colored National Labor Union petitioned the federal government several times (from 1869 on) to uphold basic worker rights and to change the land tenure system in the South after Reconstruction. These entreaties were ignored.

Working conditions did not improve for black workers between the end of Reconstruction in 1877 and the turn of the century. In many industries, white workers demanded and were granted lower pay for black workers. Black and white workers were driven further apart by a series of labor actions in which blacks were used as strikebreakers in the railroad and meatpacking industries.

The twentieth century saw the first of successive waves of black migrants looking for better lives in the North. Many were pushed North both by harsh lives in the South and the increasing mechanization of agriculture, which made their labor redundant. From 1916 to 1930, more than 1 million blacks moved from the South to the North. Historians estimate that 400,000 left the South during the two-year period of 1916–1918 to take advantage of a labor shortage created by World War I. African Americans realized significant gains in industrial employment, especially in the steel, automobile, shipbuilding, and meatpacking industries. Between 1910 and 1920, the number of blacks employed in industry nearly doubled, from 500,000 to 901,000.

The massive movement of people forced the federal government to hear the voice of the African American worker that it had previously ignored. In 1918 a special office called the Office of Negro Economics was instituted to help mobilize black labor for the war. The unions also took notice of the changing demographics and increased their attempts to bridge the divide between black and white workers.

The Great Migration presented an opportunity for African Americans to build new institutions and an expanded vision for life in the United States. The 1920s saw the rise of black nationalism in the movement headed by Marcus Garvey, who encouraged self-reliance and an appreciation of the African continent as the spiritual base and focus of blacks in the United States. A. Phillip Randolph, the most respected labor leader ever to emerge from the African American community, also began his career in the 1920s as an organizing force for black railroad workers and a promoter of racial justice. In 1925, Randolph began his twelve-year fight to gain recognition for the Brotherhood of Sleeping Car Porters by the Pullman Car Company; the American Federation of Labor (AFL), which represented many powerful unions of the era; and the U.S. government. The brotherhood became the AFL's first black affiliate. Other unions, many joining the Congress of Industrial Organizations (CIO), created in 1938, organized semiskilled and unskilled workers in mass production industries with many black workers, such as steel, auto, rubber, and meatpacking.

The Depression and World War II

African American gains in the labor force received a severe setback with the arrival of the Depression. Black workers were the first to be let go and the last to be hired. Desperate for work, many had to take nonunion jobs, limiting the power of unions, while employed blacks faced hostility from unemployed white workers. Union organizing efforts continued through the 1930s, gaining momentum in the latter part of the decade. Despite the attempts by labor unions to incorporate African Americans, they found themselves barred from most of the skilled jobs, and many union affiliates remained segregated.

In an effort to get the economy moving, President Franklin D. Roosevelt created a number of federal agencies many of which were designed to provide temporary work to many Americans. The plight of black labor, though, might not have progressed if not for the coming of World War II. The advance of African Americans in U.S. industry during World War II was the result of the nation's wartime emergency need for workers and soldiers. In 1943 the National War Labor Board issued an order abolishing pay differentials based on race. The executive order became the touchstone for black unions and others arguing for and winning increased respect for African American workers.

Postwar Challenges for Black Workers

The period after World War II saw the best of times for black workers and looming challenges. Another wave of black workers had streamed into urban areas in response to the war effort, and even after the war, the numbers continued to flow into cities. But apart from their value as workers, blacks as citizens were confined to living in the worst neighborhoods. Housing segregation led to the creation of substandard ghettoes where there was differential access to health care, education, and other services that create a strong community. By the1950s, it was obvious that even the full power of the post–World War II economy could not solve the problems brought by racial discrimination that had accrued from the beginning of the republic. In addition, postwar changes to the nature of work, which had been based on labor-intensive manufacturing, displaced many black workers. Blacks came to urban areas looking for a better life, only to have the economy shift to knowledge-intensive work requiring more skills.

African American Labor and the Civil Rights Movement

The 1950s and 1960s saw an alliance between the civil rights movement and the labor movement. After condemnation of racist practices by African American labor leaders, the newly formed AFL-CIO agreed to support the struggle for civil rights. African American union officials were among the leaders during the Montgomery bus boycott and the 1963 march on Washington. African Americans continued to press their demands for equality within the labor union movement. When redress was not forthcoming, African American civil rights groups sought justice by filing suit under Title VII of the Civil Rights Act of 1964, which prohibits discrimination in employment because of race, color, religion, sex, or national origin.

Organized labor's long refusal to fully incorporate African American workers into the mainstream labor movement led many to feel that their issues would always be ignored. The rise of the black power movement in the late 1960s emboldened certain sectors of black labor to become more strident in their demands. In northern automobile plants, groups of workers formed the League of Revolutionary Black Workers. Beginning with the idea that the issue of black labor was linked to African Americans' broader struggle in a white society committed to racial domination, this group linked organized labor to socialism and black power.

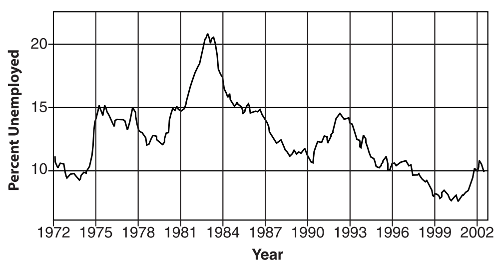
Mainstream organized labor responded to this new militancy by opening leadership positions to more moderate blacks and working with national black organizations. Additionally, in the late 1960s, national black organizations and labor unions worked together to develop several federally funded programs to bring blacks into apprenticeship programs, a key step toward more highly skilled and better-paying jobs.

The gradual incorporation of blacks into high-paying union jobs and the effect of affirmative action in other industries helped to create a significant black middle class in the United States by the end of the twentieth century. Poverty rates for the African American community that hovered around 40 percent in 1965 had been reduced to around 21 percent by 2002 (U.S. Census Bureau 2002). Although poverty is still unacceptably high among African Americans, the United States has made progress, enough so that the prospect of African Americans running Fortune 500 companies is no longer a dream.

Contemporary Challenges

African American participation in the labor force in the postwar period has been tied to the business cycle. With notable exceptions, black unemployment has hovered at twice the national average since the 1940s . Despite government attempts to provide training and to encourage the integration of African Americans into the workforce, a substantial segment of the black community from generation to generation remains unemployed. African Americans are, on average, two and a half times as likely as whites to suffer from unemployment. This gap exists at virtually every educational level.

Figure 1
Black Unemployment Rate 1972–2002



Source: U.S. Department of Labor

Black unemployment reached a thirty-year low of 7.6 percent in 2000. In contrast, the unemployment rate for white Americans was 3.5 percent. In an earlier era, black disadvantage in the labor force was purely a function of racial exclusion. Today, many problems of unemployment have to do with labor force preparation, contact with established formal and informal recruitment (or the lack thereof), and promotion mechanisms. High school dropout rates among black youth and the failure of inner-city schools to prepare graduates for the job market hamper the process of labor force preparation and lead to persistently high rates of unemployment. But this challenge presents an opportunity.

Through the federal Department of Labor, the U.S. government, working with the private sector, has made some inroads into the problems of labor force preparedness. Over the years, many workforce development experiments have been tried with varying levels of success relative to cost such as the Comprehensive Employment and Training Act (1973) and the Job Training Partnership Act (1982).

However, it is clear that for minority workers and youth to gain greater access to jobs and economic opportunities the United States must continue to improve and strengthen its workforce preparedness system.

Roland Anglin

See also Affirmative Action; African American Women and Work; American Slavery; Immigrants and Work; Solidarity; Women and Work

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Agricultural Work

The noble yeoman behind his plow is one of the dominant images in U.S. history, yet an examination of agriculture in this country shows that this image is often misleading. In fact, agricultural work and those engaged in it have been diverse. Its history dates back to at least 200 B.C.E. when Native Americans began to domesticate squash, sumpweed (an early seed grass crop), sunflowers, and chenopod (goosefoot). By 1000 C.E., beans, corn, and squash ("the three sisters") had come to dominant food production in what would be the United States. For the most part, agriculture was women's work. Women had the task of clearing and burning the fields. Using wooden hoes and digging sticks, they often planted the three sisters together in earthen hills following a system that allowed the plants to grow in complementary fashion to their full potential. The corn would act as a trellis for the beans and both crops would provide shade for the squash. While older children kept watch for birds, women used stone, bone, or wooden hoes to frequently weed these fields. When fields lost their productivity, many tribes simply moved on and returned to their fields at a later date. In the Great Plains, besides the three sisters, wild plums, tobacco, the prairie turnip, and sunflowers were dominant. In the dry Southwest, women also cultivated cotton in the floodplains. The Hohokam in Arizona built more than 150 miles of canals to irrigate their crops. The Anasazi and Mogollon built walled terraces to conserve water. Because agriculture was seen as women's work, Native American ideals would clash with the cultural biases of the U.S. government and settlers. Native American males refused to participate in agricultural activities, seeing it as an affront to their masculinity. Agents and missionaries perceived this as simple laziness.

When the English first arrived in Virginia in 1607, they did not have much interest in farming. They soon discovered that the real treasure they were looking for came in the form of tobacco. By 1628, they were exporting 553,000 pounds of tobacco to England. Just sixty years later, 18 million pounds were being exported. Given how labor-intensive tobacco raising was, indentured servants were brought in to raise the crop. By 1750, more than half of the immigrants to the American colonies south of New England were indentured servants. Most were required to work four to seven years before they could gain their freedom. Entitled as servants to shelter, medical care, adequate food, and clothing, once free, they were often entitled to "freedom dues," which meant a cash payment or a grant of land at the end of their contract. Although both men and women worked in the fields, women emigrated mainly to serve as domestic servants and household help on plantations and small farms.

As economic conditions improved and the birth rate in England declined, thus making labor in the colonies scarce, tobacco farmers began to turn to another source of labor, African slaves. In August 1619, twenty slaves arrived in Virginia. Although there were 28,000 slaves in the colony by 1700, the African workforce explosion began in the latter half of the eighteenth century. By 1770, approximately 22 percent of the population in the South was African. Of the 459,000 slaves, two-thirds worked in the tobacco fields of the Chesapeake Bay. Most of the rest found themselves in either the rice or indigo fields of South Carolina and Georgia. Because of malaria and yellow fever, slaves almost exclusively inhabited the rice fields. Rice plantations were large, so it was not uncommon for an owner to have a workforce of between 50 to 100 slaves. Other slaves, largely unsupervised, cared for the large cattle herds in the Carolinas.

These slaves generally worked in either the task or the gang system. In the task system, slaves were assigned a certain amount of work for the day, and when they finished their assigned tasks, they could engage in leisure activities or work for themselves. Each slave was responsible for his or her individual work. In the gang system, a group of slaves, supervised by an overseer, engaged in agricultural tasks as a unit. A standard work gang could pick between 150 and 200 pounds of cotton in a day.

In time, the system of slavery hardened, and with the cotton gin's invention in 1793, it exploded across the South. Just seventeen years later, 1 million slaves were working in southern fields. Viewed as instruments of profit, male slaves were bringing between $600 and $700 at the New Orleans market. By 1860, the value of a good field hand increased to $1,800. A slave could produce 3,000 pounds of cotton in a year while costing only about $50 to feed and clothe. Thus, there were enormous profits in maintaining slavery. On the eve of the Civil War, there were 4 million slaves in the South. Most slaves in the upper South worked on cotton and tobacco plantations. Those in the lower South often found themselves working on rice and sugar plantations, where conditions were harsh. A subtle threat used by owners to intimidate slaves in the upper South was the possibility of being sold deeper into the South. Only 10 percent of slaves lived in cities. Fifty percent of slaves were on large plantations of twenty or more bondsmen, and 27 percent of slave owners owned 75 percent of the slaves. Yet, one-quarter of southern families owned at least one slave. Farmers and planters with excess slaves began to hire them out to other families. An elaborate system soon developed regarding these hiring contracts, which generally ran for one year.

After the Civil War, the planters maintained control of the land and former slaves, and poor whites often found themselves part of the sharecropping system. This system enabled freed African Americans to maintain tenancy on a piece of land and pay the landlord a portion of the year's crops. Although rates varied from state to state, tenants often paid the owner one-third to one-half of their crops. More than 75 percent of all farmers in the South were sharecroppers and tenants. Because of living expenses and the low price of cotton, most sharecroppers fell into virtual peonage. Tenants often found themselves owing the furnishing merchants more than they made and had no control over their own lives. Thus, poverty dominated the southern landscape until the New Deal.

Although the average farmer in the South did not own slaves and agricultural slavery never took hold in the North, it would be fair to say that farm labor in these situations was a family affair. Most farmers relied on their children and wives to help with fieldwork. Rural families often had a large number of children out of economic necessity. Child farm labor became so accepted in the United States that most people saw it as healthy and natural. Even in the twentieth century, it was not regulated under the Fair Labor Standards Act of 1938.

There was a division of labor on most farms, with women taking care of the home and children, but women often worked right alongside their husbands during critical times in the crop cycle. They also raised a vegetable garden, raised chickens, sold eggs, made butter, sewed, spun cloth, collected beeswax and feathers, canned fruits and vegetables, and preserved pork—activities necessary to keep the farm economically viable. During the nineteenth century, women often took seasonal jobs in canneries and factories to help make ends meet. They were also the backbone of community and rural social networks.

Northern agricultural work was more diverse than that in the cash-crop South. Farmers grew corn, wheat, barley, other grains, and grasses and raised dairy cattle, beef cattle, swine, sheep, mules, and horses. Tasks on the farm included taking care of the crops and animals as well as providing for most of the family's needs. In the eighteenth century, farms were more self-sufficient in nature than they are today. Roughly 80 percent of the farm's output was geared to home consumption or local markets. As time progressed and a national infrastructure developed, farmers became more specialized.

Given the long hours of work and the variety of tasks to be done, many farmers had hired help. It has been estimated that up to 30 percent of the rural labor force were hired hands. Although few scholars have really examined the lives of these men, they generally lived with the family or in a building nearby and worked with the owner of the farm. Their presence often allowed widows and older farmers to continue their operations. Working as a hired hand enabled young men to save enough money to buy their own farm or wait for their parents to retire. In 1820, wage laborers could earn $9 per month. Thirty years later, they were earning $15 per month. By the late nineteenth century, they became known in some circles as "dollar-a-day men."

At harvest time and other critical moments, neighbors often got together to aid each other. Working together, they were often able to bring in the harvest, which would have been nearly impossible to do on their own. As farm sizes increased in the nineteenth century, young men and nearby city dwellers often hired themselves out for seasonal work as pickers or in threshing crews. Around New York City, vegetable farmers who needed workers began to hire immigrant labor to keep wages low. By the 1860s, grain farmers in the Midwest were hiring itinerant crews with threshing machines to perform the harvest. These large machines were not cost-effective in any other use.

Yet it was in California that large-scale agriculture really developed. By 1886, wheat farmers could cut and thresh between 25 and 35 acres per day. As wheat prices declined, these bonanza wheat farmers began to turn to irrigated fruit and vegetable production, which required a large seasonal labor pool. Growers turned to the large Chinese population in the state for help. By the twentieth century, racism and xenophobia led them to turn to other Asian groups, including the Japanese. By 1920, prejudice against Asian workers led growers to turn to Mexicans and Mexican Americans as a labor source. Ten years later, 80 percent of the fruits and vegetables harvested in California were picked by migrant labor.

By 1945, seventy-eight growers owned roughly 6 million acres of the state. They struggled to maintain control of their labor pool, sometimes through violence. In 1942, under the guise of a wartime emergency, they convinced the federal government to create the bracero program (from the Spanish word for "arm") to bring Mexican workers into California as laborers if an adequate supply of stoop labor (farm workers who handpick produce) could not be found. Growers used this program to keep wages low and replace workers who complained about working conditions. In effect, braceros became federally sanctioned strikebreakers. This program would continue until the presidency of Lyndon Johnson.

Because of the horrible conditions under which they worked, agricultural workers often turned to militant labor unions for assistance. In 1931, the Communist-controlled United Cannery, Agricultural, Packing, and Allied Workers of America fought to improve wages. After World War II, the National Farm and Labor Union (NFLU) joined the cause. Both unions' efforts generally ended in failure, as growers blamed "outside agitators" and hired thugs to break up strikes. The first successful union efforts did not occur until the 1960s, when Cesar Chavez formed the National Farm Workers Association (FWA), which became the United Farm Workers of America in 1967. Chavez's efforts led to growers negotiating concessions in 1970 and a number of legislative concessions later in the decade. Other farm workers' unions, like the American Agriculture Movement (AAM) also began to enjoy success.

The biggest transformation in agricultural labor was the New Deal of the 1930s and 1940s. Roosevelt administration policies and the later promise of wartime jobs led many rural inhabitants to desert the countryside and search for jobs in the city. Technology advances, such as the tractor, com-

Many farmers find it difficult to make a living from the land and have increasingly looked outside agriculture for jobs. (Corel Corporation)

bine, and cotton picker, lessened the need for a large labor pool. The 8.5 million tenant farmers and sharecroppers basically disappeared. During these years, the rural South's population declined by 20 percent.

At the end of the twentieth century, less than 2 percent of the U.S. population was engaged in agriculture. Land-grant institutions (higher-education institutions that taught agriculture and mechanical arts and were established on land granted by the government) and the Department of Agriculture helped farmers to engage in more scientific agricultural practices and increase the acreage farmed, thus decreasing the need for unskilled labor. With the aid of tractors, farmers were able to increase corn and wheat production by more than 11 million acres in total since World War II. In the South, black farmers virtually vanished from the land. In 1987, only 22,954 African American farmers remained in the United States, of which only 14,954 were full owners of their land. Those involved in agriculture have grown older, especially after the 1980s farm crisis, because the increasing costs of farming inputs such as fertilizers, low crop prices, and heavy indebtedness convinced young people in rural communities to avoid farming as a career.

Farmers who find it difficult to make a living from the land have increasingly looked outside agriculture for jobs. In 1990, 44 percent of farmers received their principal income from nonfarm sources. Farms have grown bigger and become more corporate in structure. The myth of the noble yeoman has increasingly disappeared in the reality of big business farming. Agricultural work has substantially changed since Indian women first domesticated corn.

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See also American Slavery; Day Laborers; United Farm Workers

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Amazon.com

Amazon.com may not have created the concept of "e-tailing" or "e-commerce," but since its inception at the onset of the dot-com age, the Internet-based company has championed the notion that virtually anything can be sold online to the masses. The group's principal activity—and its strength—has been built on selling books, music, DVDs, and videos online for lower prices than consumers can secure by walking into a store. Founded and still managed by CEO Jeff Bezos, one of the highest-profile CEOs of the new economy era, Amazon.com went on to expand its initial product line by serving as an e-commerce distribution channel for small companies to offer consumer electronics, toys, cameras, and most recently, software and computer and video games, tools and hardware, lawn and patio items, kitchen items, and wireless products.

The company's growth, which includes substantial international activities, has helped it create one of the world's most visited Websites. It has also helped to transform the workplace by encouraging companies of all stripes to create online presences to sell and distribute products. The success of these Websites has varied. Some, such as many attached to publications and information outlets, have not yielded expected results. Others, including those for the likes of NutriSystems and Cisco, have registered healthy returns. Regardless of their uneven performance, virtually all companies have established Websites, fostering the overall rush to online shopping. That trend has undermined traditional retail stores, lessening the demand for onsite salespeople while increasing the need for workers with skills related to e-tailing. The impact of Amazon.com's development has helped to undermine the traditional notion of retail employment. Physical contact with the customer is no longer required because high levels of service are now executed via voice and e-mail.

The advent of online shopping, however, didn't protect Amazon.com from the ravages of the dot-com bust that begin in 2000. The crisis saw Amazon.com's stock price fall by more than 80 percent, which, when coupled with cash flow problems and rising debt, led many observers to question whether the world's best-known e-tailer would survive the crisis. "The division that sells books (along with music and video) has been a fabulous growth story," Melanie Warner explained in *Fortune* (2001). Unfortunately, sales in the group's only profitable division began to wane at a time when its moves into the wider product range began to falter. In some cases, the expected growth from the likes of hardware sales didn't pay off at all because it was based on partnerships with weak dot-coms that disappeared entirely under the market's downturn. The ongoing tensions between Amazon.com's management and its workforce were emblematic of labor-management relations during the height of the dot.com era, although Amazon.com continues to be a growing employer. The demands of carrying out Jeff Bezos's vision for a retail revolution often meant extensive overtime for workers, changing performance goals, and numerous deadlines, all while staff were expected to contribute new ideas. In exchange, however, Amazon.com management believes it provides workers with invaluable experience at the world's most visible e-tailer, as well as stock options and other opportunities.

The e-tailer worked through the problems, but not without rethinking much of its business plan. The dot-com bust approach called for Amazon.com to reconsider its partnership and product line without questioning the basic worth of online retailing. The company has struck deals with major brick-and-mortar retailers, such as Target, Circuit City, and Borders, to undertake all or part of their e-commerce operations. The shift aims to tie Amazon to more reliable partners in an effort to drive revenues while leveraging its investments in e-commerce technology and in its underused distribution centers. As a dot-com survivor, Amazon.com positioned itself to take advantage of the renewed interest in e-tailing, championing that process with its accompanying impact on the workforce.

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See also The Dot-Com Revolution; E-commerce; New Economy; Silicon Valley

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American Association of Retired Persons (AARP)

The American Association of Retired Persons (AARP) was founded in 1958 by Ethel Percy Andrus, a retired California educator. This nonprofit organization with a $600 million budget provides information and education, advocacy, opportunities for service, and products to meet the needs and interests of some 35 million members aged fifty and over. The National Retired Teachers Association (NRTA), established in 1947 by Andrus, is a division of AARP for retired educators and school personnel that brings an additional 1.2 million members to the organization.

AARP focuses its energies and resources in four key areas: health and wellness, economic security and work, long-term care and independent living, and personal enrichment. With its large national membership; staffed offices in all fifty states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands; and a large cadre of volunteer state and chapter leaders and field directors, AARP wields influence that extends deeply into U.S. politics, economy, and society. The association's large budget and growing constituency have enabled it to become a commanding player in national policy debates on issues ranging from ensuring the long-term solvency of Social Security to advocating prescription-drug coverage in Medicare and protecting patient rights in managed care systems and long-term care. AARP reaches out to families and individuals at the state and local levels by connecting them to information and activities that directly affect their lives. AARP helps shape the views of its members through an extensive Website (http://www.aarp.org), three publications (*My Generation, Modern Maturity, Segunda Juventud*), a monthly *Bulletin,* and two radio programs, *Prime Time* and *Mature Focus.*

With one-third of its membership under age sixty and approximately 40 percent still in the workforce, AARP places emphasis on issues, programs, and benefits related to work and economic security. Through a yearly process open to its members, AARP develops *The Policy Book: AARP Policies,* which is available on its Website. According to *The Policy Book: AARP Public Policies 2003,* five principles guide policy development in this arena: (1) a commitment "to expanding employment opportunities, minimizing underemployment and promoting job security for workers of all ages"; (2) freedom from discrimination as "a fundamental right"; (3) protection of workers "from discrimination in hiring, wages, benefits and all other privileges and conditions of employment"; (4) access for all workers to employer and government benefit programs; and (5) provision of special employment-related help for vulnerable populations such as current and former welfare recipients and low-income individuals fifty-five and older.

For thirty years, AARP has operated the Senior Community Service Employment Program (SCSEP) funded by the U.S. Department of Labor. This program offers subsidized part-time employment and job training for lower-income workers aged fifty-five and older who are attempting to make a transition into paid employment. Workers in the program are paid at least the minimum wage and are placed in community nonprofit organizations for twenty hours per week. In 2000, AARP sponsored 102 program sites in thirty-three states and Puerto Rico through SCSEP, providing over 8 million hours of community service. Participants in the program had a 51 percent job placement rate (AARP 2001a).

AARP offers advice and resources to help individuals make career decisions and transitions, run their own businesses, and form work-related partnerships. It provides assistance for all kinds of working people, including retirees looking to begin new careers or become consultants, individuals feeling stuck in their jobs, those who are unemployed, and those simply wishing to change jobs. A small business center with its own Web address (http://www.aarpsmallbiz.com) offers tools and resources to small business owners to help them with taxes, technology, capital development, sales and marketing, and other needs. Special links are included to assist women and Hispanics in their efforts to become successful small business owners.

In conjunction with its support of the one-stop career center concept outlined in the 1998 Workforce Investment Act, AARP advocates at the federal level for employment and training services and funds for older people, displaced homemakers, and other underserved groups. With the workforce aging, AARP is advocating for federal and state job training and employment programs to be more flexible and provide necessary support services (for example, transportation, dependent care) and to encourage older individuals to enter nontraditional jobs. In 1995, NRTA established the Pension Round Table (PRT), which monitors trends in public employee retirement and has developed information on cost-of-living adjustments and on voluntary and employer-sponsored retirement plans. In 2000, AARP joined with other organizations to successfully support passage of legislation to repeal the earnings limit applied to Social Security recipients aged sixty-five through sixty-nine (AARP 2001a). Before, the benefits of persons in this age group were reduced when their salary or wages exceeded a certain level. Now, such individuals can receive full Social Security benefits, regardless of how much they earn in wages or salaries.

A key focus of AARP has been the apparent dilution by the courts of the effects of the Age Discrimination in Employment Act of 1967 (ADEA). AARP is engaged in advocacy for congressional passage of legislation to restore the full power of ADEA and support state measures to prohibit age discrimination in employment. According to the employment section of *The Policy Book: AARP Public Policies 2003,* the organization is targeting age discrimination in a variety of domains related to worker and retirement benefits and health coverage. The "money and work" section of the AARP Website offers resources to help people recognize age discrimination, understand their rights, file charges with the Equal Employment Opportunity Commission (EEOC), and find additional sources of guidance.

In 2001, AARP published *Beyond Fifty: A Report to the Nation on Economic Security,* which contained good news and bad news about the economic status of older Americans. On the positive side, the inflation-adjusted income of individuals fifty and over was found to be 17 percent higher than in 1980, pension income and coverage were up, the poverty rate for persons aged sixty-five and over had dropped to 9.7 percent from 14 percent in 1980, labor force participation was up, and the majority of those over age fifty were feeling confident that they would have enough money to live comfortably in retirement. The bad news included rapidly increasing numbers of older adults without health insurance, the rising costs of health care, a growing wealth gap between high- and low-income Americans, and the extent to which preretirees were found to be economically at risk. The report noted the importance of Social Security as a reliable source of later-life income for U.S. workers while projecting that program solvency is guaranteed for only another thirty-seven years.

Certainly, the stock market debacle and the recession of 2001–2003 swelled the ranks of older Americans facing economic challenges and reaffirmed AARP's recognition that "As a society, there is much still to be done to make the years after 50 more secure and rewarding" (AARP 2001).

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See also Defined Benefit/Defined Contribution Plans; Gold Watch; Pensions; Retirement

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American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)

The American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) is the national umbrella organization representing the interests of U.S. local, state, and national union organizations in legislative, political, and international arenas and providing a unified voice for organized labor and support for its members upon request. About 80 percent of union members in the United States are affiliated with the AFL-CIO, which is governed by an executive council of its president, executive vice president, secretary-treasurer, and about fifty vice presidents, most of them presidents of national unions. The federation acts as a kind of holding company for its affiliated members, which possess a great deal of autonomy but generally share a political and legislative agenda and broad concerns about the importance of matters such as protecting labor laws that ensure union rights. Although union membership has declined dramatically since the 1980s to about 15 percent of the total U.S. workforce, organized labor and its national federation retain enormous legislative, political, and social influence.

Since the Great Depression, the federation has used its voice to advocate for federal laws and regulations that protect and enhance the ability of unions to represent and organize members. It has also struggled to resolve divisions and conflict within its ranks over the federation's priorities and its handling of divisive issues such as employment discrimination and the organizing of immigrant workers. The AFL-CIO provides resources for targeted labor actions or organizing campaigns, giving smaller local and regional unions the resources to confront deep-pocket corporations. The federation has seen its clout and influence rise and ebb over a number of historical cycles since the late nineteenth century; it has not reversed its long decline in membership but nonetheless enjoys political and legislative influence for its members that few organizations can rival.

Formation

The Federation of Organized Trades and Labor Unions in the United States and Canada was formed by a group of organizations representing workers in 1881. This group reorganized as the American Federation of Labor at a Columbus, Ohio, conference in 1886. Opposed to the socialist and political ideals of the Knights of Labor, the AFL established a decentralized organization recognizing the autonomy of each of its member national craft unions. Individual workers were not members of the AFL but only of the affiliated local or national union. From its inception, the AFL emphasized organization of skilled workers into craft unions (composed of those of single occupation, such as painters or electricians), as opposed to industrial unions (in which all the workers in the automobile or steel industry would belong to one union). Samuel Gompers served as president of the new federation every year but one until his death in 1924. Gompers devised the federation structure, requiring that only one union represent each trade and that within each union the national organization should prevail over local chapters. Opposed to the idea of a labor political party, the AFL was a relatively conservative political force within the labor movement of the late nineteenth and early twentieth century. In 1900, the AFL-CIO had about 1 million members.

Expansions during the Great Depression and World War II

When Gompers died in 1924, William Green, a former miners union official, became the new president of the AFL. He would serve until 1952. The stock market crash of 1929 and the advent of the Great Depression would bring overwhelming hardships for many workers, but the policies of President Franklin D. Roosevelt (FDR) unleashed a period of enormous growth in the labor movement. This growth was forged and shaped by an institutional struggle between the largely craft-based union AFL under President Green and the industrial unionism movement led by John L. Lewis under the umbrella of the Committee for Industrial Organization.

John L. Lewis became president of the United Mine Workers of America (UMWA) in 1924 and an AFL vice president in 1930. As the Depression deepened, Lewis became convinced that the survival of organized labor hinged upon organizing the masses of new and often downtrodden workers toiling in the massive factories of the industrial United States. In 1935, Lewis recruited industrial union leaders, including Sidney Hillman of the Clothing Workers, David Dubinsky of the Ladies Garment Workers, Thomas Brown of the Mine and Mill Workers, and

AFL-CIO vice president Linda Chavez-Thompson, the highest-ranking woman in the labor movement, celebrates election results with Richard L. Trumka (right) and AFL-CIO president John Sweeney (left), 1995. (Associated Press)

others to form a Committee for Industrial Organization (CIO) within the AFL, enraging the federation's leadership. Lewis and the CIO were determined to bring into unions vast industrial workforces in steel, autos, rubber, farm equipment, electrical products, and textiles. Backed by the 1935 National Labor Relations Act (Wagner Act), which made collective bargaining a right under the law, CIO organizers recruited millions of new workers between 1935 and 1938. On November 14 of that year, the CIO abandoned negotiations with the AFL, converted itself into the Congress of Industrial Organizations, and conceded that it was a separate labor federation.

The aggressive CIO organizing drives continued through the end of the 1930s, and the competition between the AFL and the CIO also prompted the federation to increase its organizing efforts. The divide between the two organizations was stark and would overshadow the national labor movement for years to come. As described by historian David Kennedy,

> Many of the complacent princelings of the AFL contemplated Lewis's plans for industrial unionism with a distaste that bordered on horror. They recollected the circumstances of the AFL's birth in the turbulent 1880s, when Samuel Gompers had led a handful of craft unionists out of the Knights of Labor. Gompers's express purpose was to protect the economic interests of the "aristocrats" of American labor, like the skilled carpenters, machinists, and steamfitters, by disassociating them from the undifferentiated mass of workers that the Knights had unsuccessfully tried to weld together. . . . The masses of unskilled factory workers whom Lewis now proposed to escort aboard labor's ark conjured visions of a return to the broadly inclusionary, ramshackle organization of the Knights, which most AFL leaders regarded as hopelessly utopian and utterly ineffectual as a guarantor of labor's interests. (Kennedy 1999)

At the center of these events stood the polarizing, dominating, controversial, and influential figure of John L. Lewis. Scornful of the conservative AFL leadership, possessed of a thundering, charismatic oratorical style and an unwavering obsession with converting unionism into a mass social and political movement, Lewis became a figure of controversy and fascination. David Kennedy described Lewis as "dour-visaged, thickly eye-browed, richly maned, his 230-pound bulk always impeccably tailored, Lewis was a man of ursine appearance and volcanic personality, a no-holds-barred advocate for labor and a fearsome adversary" (Kennedy 1999). As the storm clouds of the Depression darkened, Lewis traveled across the nation, denouncing the AFL and big business at open-air rallies of workers, while CIO organizers and workers struck major industries and won a dazzling series of victories. The CIO workers became committed Democratic voters and provided the heart of FDR's electoral coalition for the next eight years.

During these years, critics, politicians, conservatives, and certain union leaders raised accusations and questions about the role of Communists within the CIO. Indeed, many CIO organizers were affiliated with the Communist Party, but for the most part in their work as organizers primarily served the interests of the CIO in recruiting workers into unions. The Communist issue became more serious after Pearl Harbor and U.S. entrance into World War II. The war under FDR's leadership provided an opportunity for union officials at the CIO and the AFL to work closely with the administration in managing the nation's industrial buildup. AFL and CIO leaders participated in FDR's joint industry-labor coalition that led to the establishment of the National War Labor Board (NWLB) by executive order on January 12, 1942. The board would issue rules on wage and price stabilization, arbitrate major union-management disputes, and work to prevent labor unrest.

The system worked well with the exception of a series of mining strikes led by the UMWA and the unpredictable John L. Lewis that many said hampered the war effort. After a firestorm of negative publicity and political pressure, the coal strikes were resolved, but Lewis would never recover from the battering to his public reputation and image. The NWLB issued a hugely influential ruling in 1942 allowing for "maintenance of membership" in union shops. This provision required that all new employees would automatically be enrolled in the workplace union unless they explicitly requested otherwise in their first fifteen days on the job and forced employers to collect union dues and enforce the rule. It guaranteed that millions of new workers would swell union rolls during the war years. By 1944, there were 18,600,000 union workers in the United States.

The CIO continued to grow through the war, although its success was marred by internal dissension; the International Ladies Garment Workers Union (ILGWU) withdrew in 1938, and the UMWA in 1942. The CIO decided in 1948 to bar Communists from holding office in the organization, and in 1949–1950 it expelled eleven of its affiliated unions, which were said to be Communist-dominated. The leadership of both umbrella groups worked together in the late 1940s to support the cause of free and independent trade unions in war-shattered Europe and around the world, including providing support and guidance for a free trade union movement in Germany. In 1946, the AFL refused to join the new World Federation of Trade Unions because of Soviet participation, and by 1949 both the CIO and the AFL had helped forge and then joined the International Confederation of Free Trade Unions (ICFTU). Labor movements from nearly fifty countries attended the founding congress of the ICFTU, which proclaimed as its principles a ban on superpower politics in its organization, protection for the rights of both large and small union movements, and the extension of the organization to all parts of the world.

Merger and the Expansion of the Drive for Civil and Worker Rights

The cooperation of the two federations in the formation of the ICFTU helped build momentum for the idea of a merger of their leadership. The passage of the Taft-Hartley Act in 1947 restricting union activities and allowing states to pass "'right-to-work'" laws, despite the concerted opposition of both federations, combined with labor's concern over the antiunion policies of President Dwight D. Eisenhower's administration, further spurred new considerations for unity among both groups. The death in 1952 of the presidents of both organizations and the appointment of George Meany, known for his intelligence, determination, and integrity, to head the AFL and the charismatic Walter P. Reuther to run the CIO paved the way for a merger in 1955.

The merged organizations held their first convention in 1955, electing Meany unanimously as president, establishing an executive council of AFL and CIO national union presidents, allowing an Industrial Union Department within the federation, and providing for the autonomy of member unions and organizations. The new AFL-CIO embraced 135 national or international unions claiming a total of some 14 million members (Robinson 1981, 183). In the wake of the merger, Meany led an anticorruption drive within the federation, expelling two affiliates, including the Teamsters, for corruption and lobbying Congress for tougher union anticorruption laws. The Labor Management Reporting and Disclosure Act (or Landrum-Griffin) that was passed in Congress and signed by President Eisenhower in 1959 did include the anticorruption and financial disclosure rules that the AFL-CIO supported. But conservative legislators also tacked on a laundry list of antiunion measures that infuriated union leaders. Because the federation viewed the law's "corrupt" union reporting and monitoring requirements as too broad, its anticorruption efforts declined substantially after this event. Although corruption was not widespread, charges and convictions of organized crime participation, embezzlement, and other activities in some unions would hurt the federation's image for decades to come.

AFL-CIO President Meany and other top officials enjoyed strong working relationships with President Kennedy and Labor Secretary Arthur Goldberg. During the 1960s, African American leaders urged organized labor and member unions of the AFL-CIO to provide more black workers with access to full union membership and better-paying jobs. Many union bodies were called to account for keeping their ranks closed for years to minority workers. AFL-CIO president Meany publicly stated his support for the need to address employment discrimination within union ranks and throughout the workforce. Meany and the federation worked closely with the administration on early drafts of equal employment opportunity legislation. It was not until Kennedy's death and the Johnson presidency that these early efforts would culminate in the 1964 Civil Rights Act, banning institutional forms of racial discrimination, and other gains, such as expansions in the value of the federal minimum wage, signed into law in 1966. The AFL-CIO chartered the A. Philip Randolph Institute in 1965 to promote civil rights and full opportunity by educating union members, the public, and government and elected officials about antidiscrimination policies. During the late 1960s and 1970s, the union movement drew national attention with the successful drives of the United Farm Workers (UFW) to organize farm laborers and improve their working conditions. After a two-year strike, wine-grape growers in California reached a collective bargaining agreement with the UFW in 1967.

Turmoil, Decline, and Readjustment

The AFL-CIO and organized labor were caught up in the centripetal forces of the 1960s, as antiwar conflict, racial discrimination, newly liberated social mores, and political assassination strained major U.S. institutions. The federation's leadership maintained its anti-Communist foreign policy, and although he later expressed repeated regret over the position, AFL-CIO President Meany vigorously supported the unpopular Vietnam War. Simmering tensions between Walter Reuther and Meany over the leadership's approach to civil rights, Vietnam, and other positions, as well as internal union politics, eventually erupted in 1968. The United Auto Workers (UAW) and its 1.3 million members withdrew from the AFL-CIO, a difficult blow for the federation to absorb. In 1970, hundreds of flag-waving New York City construction workers, at the prompting of Nixon administration labor officials, attacked a crowd of antiwar demonstrators on Wall Street. The violence received huge play in the national media, stereotyping the hardhats as well as the protesters and tarnishing the image of unions among middle-class citizens for years to come (Early 2000).

After supporting the Democratic presidential candidates since 1956, the AFL-CIO supported neither Nixon nor McGovern in 1972. The federation struggled to work successfully with the Nixon administration but opposed the Nixon wage and price controls, and Meany publicly called for Nixon's resignation during the Watergate affair. The federation could point to the passage of the Occupational Safety and Health Act in 1970 and its creation of a new regulatory agency to protect workers on the job as a positive milestone for which organized labor could claim major credit. In the early 1970s, the federation also created new organizations to diversify its membership and increase its appeal to a broader spectrum of workers. The Coalition of Black Trade Unionists was formed in 1972, the Labor Council for Latin American Advancement in 1973, and the Coalition of Labor Union Women in 1974.

Confined to a wheelchair with arthritis and other health problems, Meany decided not to run for reelection in 1979, and Lane Kirkland, who had been secretary-treasurer for the AFL-CIO, was elected president. Jimmy Carter was in the third year of a difficult presidency that saw few major labor initiatives take root. Union representation declined as the manufacturing sector employment plummeted, although unions continued to make gains representing government workers. Ronald Reagan was elected at a time of high inflation and economic fear. Reagan's handling of a labor controversy and strike involving federal air traffic controllers in the Professional Air Traffic Controllers Organization (PATCO) initiated a strong antiunion climate at the federal level. Most air controllers in the United States at that time were employed by the Federal Aviation Administration (FAA); for years, the controllers fought to be heard by the FAA on the stress and difficulty of their working conditions and what they believed would be improved policies. Their work was absolutely essential to safe air travel and was extremely stressful. With a new contract under discussion, PATCO bargained hard for these improvements. When the parties reached an impasse and the controllers walked out, the Reagan administration launched a crackdown. Controllers were fired and their leaders harassed. The administration attacked them in the media and the courts. Reagan introduced further antilabor policies, including government-sponsored union busting and industry deregulation, labeled organized labor as a special interest, and blamed high inflation rates on workers' "selfish" wage demands.

Reaganomics and other forces, including the rise of offshore manufacturing facilities and the popularity of downsizing and workforce reduction as cost reduction tools among corporate executives, all combined to reduce organized labor's reach into the workplace. By the year 2000, only 13.5 percent of the nation's workforce belonged to unions, down from more than 30 percent in the postwar period (see Figure 2). Since detailed records began to be kept in 1983, the share of unionized wage and salary workers in private industry has declined to 9 percent but has increased slightly in government, where 37 percent of workers are union members (CPS data/BLS analysis 2000, Figure A).

Figure 2
Union Membership, 1930–1999

Sources: Bureau of Labor Statistics. 1980 *Handbook of Labor Statistics, Bulletin 2070. December 1980; U.S. Census Bureau, Statistical Abstract of the United States, 1986 and 1999. 1986–1989*

For the next fifteen years, the AFL-CIO would essentially be playing defense against these forces. The federation sought to organize workers in low-paying service industries and the public sector and to heal its most serious internal wounds. The Teamsters would rejoin the federation in 1998. The AFL-CIO attempted to pass major labor law reforms to remove long-resented obstructions to organizing but fell short. Under Kirkland's leadership, the federation also became deeply engaged in foreign policy, opposing communism and supporting the emergence of new democracies. The federation's financial and operational support for the Polish trade union Solidarity was instrumental in its triumph over the Communist state. The federation improved its standing with the public and burnished its media reputation by prevailing in bitter, difficult, labor actions against the Pittston Coal Company and the Ravenswood Aluminum Corporation. The 1989–1991 Pittston strike and labor action and the 1990–1992 Ravenswood action shared common features. Both actions involved an employer using nonunion replacement workers or facilities to pressure unionized workplaces to accept regressive, substandard working conditions such as working on Sundays, reduced work and retirement benefits at Pittson and excessive overtime and dangerous working conditions in the Ravenswood strike. Both employers made no secret of their determination to roll back union gains, reinforced by what they viewed as antiunion public opinion. In both cases, powerful industrial unions (the United Mine Workers of America and United Steelworkers of America) used integrated campaigns that went far beyond withheld labor. The union campaigns included aggressive public relations, corporate pressure tactics aimed at unnerving the company's board and stakeholders outside the dispute, visible coalitions of political support, and related media efforts that dramatized to union members in the U.S. and around the world that organized labor was facing a life and death struggle in these confrontations. But the federation was still losing strength in the private sector.

The federation devoted growing resources to its political activities, both at the national and state levels. It was buoyed by its success in helping elect the Clinton-Gore ticket in 1992 and Democratic majorities in the U.S. House of Representatives and Senate. Although the federation welcomed what it viewed as long-overdue legislative victories, such as the passage of the Family and Medical Leave Act of 1993, the Clinton administration was careful to keep its distance from some of organized labor's most visible and controversial priorities. Trends associated with the new economy, such as labor mobility, the concentration of manufacturing facilities in certain regions of the country, the rise of Silicon Valley and high-tech firms, and the recruitment of labor from across the globe reduced union appeal. Pressure mounted for the federation to revamp its image, invest in its grassroots networks, and devote more resources to organizing. Kirkland retired under pressure in 1995, and Thomas R. Donahue, the AFL-CIO's secretary-treasurer, was named interim president. John J. Sweeney challenged Donahue for the federation's presidency and won the first contested election for president in the AFL-CIO's history.

Most observers agree that so far, the Sweeney era has marked a genuine departure in policy for the AFL-CIO. The federation devoted new money to organizing and intensified its opposition to employers who harass union organizers or violate labor laws in union or nonunion shops. Labor put together strategies for addressing worker rights in the global economy. The federation expressed its support for providing amnesty for undocumented workers and called for increased enforcement of basic labor laws covering workplace safety, overtime, and other standards, since employers often violate those laws as a way of exploiting illegal aliens. The federation enthusiastically joined the antiglobalization movement, calling attention to the "race to the bottom" dynamic exhibited by large corporations seeking ever-lower-paid and less-protected workforces in nations around the globe.

The prominence and success of the federation's involvement in the Seattle World Trade Organization protests spurred the commitment of the federation to the whole range of global issues, not only trade's impact on manufacturing. The federation is paying more attention to developing countries and increasingly targeting global multinational corporations, demanding that they honor previous commitments to fair global practices and ICFTU codes of conduct. The AFL-CIO now works in close partnership with a range of student, environmental, and developing world organizations.

As part of this new perspective, the federation led the campaign in the U.S. Congress in 2000 and 2001 to deny "most-favored nation" status (that is, a normal trading relationship) to China to provide the United States with more leverage over China's human and worker rights performance and establish labor rights as a precedent for receiving trade benefits from the United States. The federation ultimately lost the legislative battle, but observers generally agree the campaign succeeded in drawing public attention to these issues, building congressional support, and increasing pressure on U.S. government officials to monitor Chinese behavior closely. The federation is also focusing attention on the implications of free trade agreements in the Western Hemisphere. Long after confrontations over organizing unskilled industrial workers during the 1930s nearly destroyed the federation, the AFL-CIO in the twenty-first century seeks to organize new generations of workers within U.S. borders and abroad.

Herbert A. Schaffner

See also Building Trades Unions; Communications Workers of America; Knights of Labor; Meany, George; Randolph, A. Philip; Reuther, Walter; Sweeney, John J.; Teamsters; United Auto Workers; United Farm Workers; United Mine Workers of America

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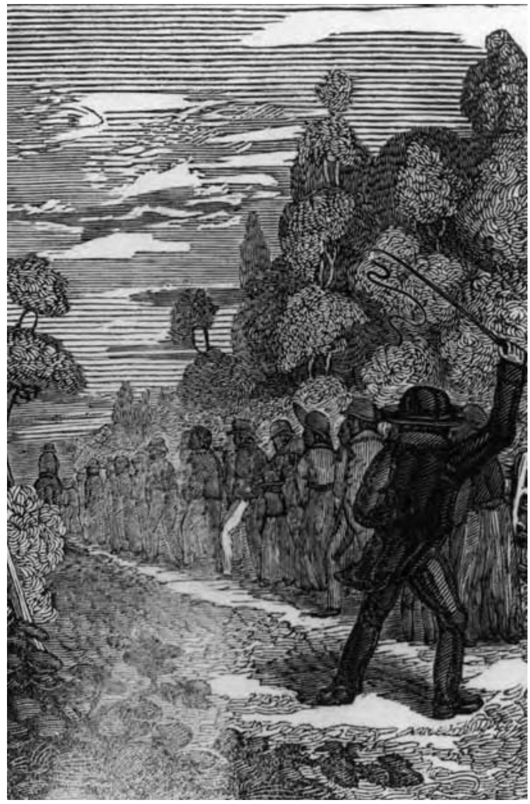
American Slavery

The first African slaves in British North America landed in Jamestown, Virginia, in 1619. By the 1660s, the labor of African slaves had become a vital element of the colonial economy. By the time the U.S. Congress outlawed U.S. involvement in the Atlantic slave trade in 1808, nearly 11 million

Africans had been forced to immigrate to the Americas and the Caribbean (Brinkley 1999, 81). Although colonial America was to see the development of a new and distinct African American culture, the labor and social characteristics of this culture varied from region to region. In the low-country rice districts of Georgia and the Carolinas, most slaves worked somewhat independently on large plantations with only a few whites, whereas in the tobacco colonies of Virginia and Maryland, slaves worked in gangs and formed the majority of the population.

Although some slaves became house servants, artisans, or factory workers (city slaves), most worked as field hands on the farms and plantations of the antebellum South. They labored from sunrise to sunset, planting or harvesting cotton or other large cash crops such as tobacco and rice. Most slaves survived on inadequate diets of pork and corn, were poorly clothed in hand-me-downs, and slept in drafty, dirty cabins. In the evenings and on Sundays, the slaves would come to create a culture (which included religion, music, and language) that lessened the pain of slavery. Freedom and resistance were major themes of this culture. This freedom, however, would not come until the ratification of the Thirteenth Amendment in 1865.

Almost from the beginning of European settlement in America, there was a demand for black servants to supplement the continually scarce labor supply. The demand grew rapidly once tobacco cultivation became a staple of the Chesapeake economy.



Slave plantation, 1834. Although some slaves became house servants, artisans, or factory workers (city slaves), most worked as field hands on the farms and plantations of the antebellum South, laboring from sunrise to sunset. (Library of Congress)

African Slave Trade

The movement of Africans across the Atlantic to the Americas was the largest forced migration in world history. Begun by the Portuguese in the fifteenth century, the Atlantic slave trade did not end in the United States until the nineteenth century. Of the tens of thousands of Africans shipped from 1701 to 1808 (the peak period of colonial demand for labor), the majority were delivered to Dutch, French, or British sugar plantations on the Caribbean Islands; one-third went to Portuguese Brazil. North America, however, was always a much less important market for African slaves than were other parts of the New World; 10 percent of the slaves were sent to Spanish America and less than 5 percent to the British North American colonies (Brinkley 1999, 84–85). Around 600,000 men, women, and children, were transported to the British colonies of North America (Faragher et al. 1999, 53).

Portuguese slavers shipped captive men and women from the west coast of Africa to the new European colonies in South America and the Caribbean. Gradually, however, Dutch and French navigators joined the slave trade. A substantial commerce in slaves developed within the Americas, particularly between the Caribbean Islands and the southern colonies of British North America. Because of the need for field workers, male slaves outnumbered female slaves two-to-one. The majority of captured Africans came from every ethnic group in West Africa and were between the ages of fifteen and thirty (Faragher et al. 1999, 53).

The cruel business of slave raiding was forced on the Africans themselves. Ottabah Cugoan, who was sold into slavery in the mid–eighteenth century, wrote, "I must own to the shame of my own countrymen that I was first kidnapped and betrayed by those of my own complexion" (Faragher et al. 1999, 54). African chieftains captured members of enemy tribes in battle, tied them together in long lines or "coffles," and sold them in the thriving slave marts on the African coast. The terrified victims were then packed into the dark, filthy holds of ships for the horrors of the "middle passage," the journey to America. For weeks and sometimes even months, the prisoners remained chained in the bowels of the slave ships. Those who died en route were thrown overboard. Upon arrival in America, slaves were auctioned off to white landowners and transported to their new homes.

The Development of North American Slave Societies

A shortage of laborers plagued English settlers in the American colonies. To attract laborers, the colonists found it necessary to pay wages that would have been considered exorbitant in Europe. The payment of high wages proved inadequate, however, to secure a sufficient number of workers, and in every colony, highly paid free labor was supplemented by forced labor. Like the Spanish to the south, the English forced Indians to work for them. American Indian slavery was most prevalent in South Carolina, where in 1708 the governor estimated that there were 1,400 Indians slaves in a population of 12,580. Indians also served as house servants and occasional laborers in other colonies and were found in New Jersey as late as the middle of the eighteenth century.

American Indian slavery, however, never became a major institution in the English colonies. The close proximity of the wilderness and of friendly tribes made escape relatively easy for American Indian slaves. The absence of a tradition of agricultural work among East Coast American Indian males (women performed the majority of the farming) made them difficult to train as agricultural laborers. Because they were of a "malicious, surly, and revengeful spirit; rude and insolent in their behavior, and very ungovernable," the Massachusetts legislature forbade the importation of Indian slaves in 1712 (Kolchin 1987, 11).

In New England, most of the American Indians present when the Puritans arrived in 1630 died from illness and war during the next half-century. To eliminate the threat of Indian attacks, New England settlers incorporated a policy of eliminating the Indians themselves. Eventually, this policy of elimination proved incompatible with the widespread use of Indians as slaves and created a huge demand for foreign labor.

The institution of black slavery was nearly two centuries old before it became an important system of labor in North America. There were slaves in each of the British colonies during the seventeenth century, but in 1700 they represented only 11 percent of the colonial population. The turning point in the history of the African population in North America came in the mid-1690s when the British Royal African Company's monopoly finally ended. With the trade now opened to English and colonial merchants, prices fell, and the number of Africans arriving in North America rapidly increased. Between 1700 and 1760, the number of Africans in the colonies increased to about 250,000. Although a relatively small number of about 16,000 lived in New England, with slightly more found in the middle colonies, the vast majority lived in the South. By then, the flow of free white labor to the region had all but stopped, and Africans had become securely established as the basis of the southern workforce (Brinkley 1999, 84).

Initially, it was not entirely clear that the status of black laborers in America would be fundamentally different from that of white indentured servants. Some blacks were treated much like white indentured servants and were freed after a fixed term of servitude. A few Africans themselves became landowners, and some owned slaves of their own.

By the early eighteenth century, however, a rigid distinction had become established between black and white. Although masters were contractually obliged to free white servants after a fixed term of service, there was no such obligation to free black workers. The assumption slowly spread that blacks would remain in service permanently. Another incentive for making the status of Africans fixed was that the children of slaves would provide white landowners with an ongoing labor force. At this time, colonial assemblies began to pass "slave codes," limiting the rights of blacks and ensuring almost absolute authority to white masters. One factor alone determined whether a person was subject to the slave codes, and that one factor was color. Unlike the colonial societies of Spanish America, where people of mixed race had a different status than pure Africans, English American law stated that any African ancestry was enough to classify a person as black.

Tobacco

In 1612, Jamestown planter John Rolfe began to experiment in Virginia with a strain of tobacco that local Indians had been growing for years. He eventually produced a high-quality tobacco and found willing buyers in England. Tobacco would evolve to become the single most important commodity produced in North America, accounting for more than one-quarter of all colonial exports.

The expansion of tobacco production could not have taken place without enormous growth in the size of the slave labor force. Tobacco, unlike sugar, did not require large plantations and could be produced successfully on small farms. It was, however, a crop that demanded a great deal of hand labor and close attention and from the beginning of Chesapeake colonization, its cultivation had been the responsibility of indentured servants and slaves. During the seventeenth and into the eighteenth centuries, however, master, servant, and slave worked side by side, with the women and children often joining them in the fields as well.

African workers at this time were presumed to be slaves (they were purchased by slave traders), however, because there were no laws governing slave labor, black hands on tobacco plantations labored according to customary English practices drawn from the Elizabethan Statute of Artificers. As the Chesapeake settlement grew during the seventeenth century, black servants instituted the customary rights of English laborers, so that by midcentury, they seldom worked more than five and a half days a week during the summer and even less in the winter (Berlin 1998, 32). Furthermore, tobacco laborers not only had Sundays off but also half of Saturday and all holidays. English customs required masters to provide their servants with sufficient clothing, food, and shelter and limited the owner's right to discipline his or her workers. Therefore, well into the middle years of the seventeenth century, black slaves enjoyed the benefits given to white servants in the mixed labor force.

Although some slave owners ignored the law to increase productivity, others offered more generous incentives to servants and slaves. Among the benefits was the opportunity to labor independently with the understanding that servants and slaves would feed and clothe themselves. Although laboring to support themselves meant additional work, it provided slaves and servants a way to control a portion of their lives, and in some cases, it offered an opportunity to buy their way out of bondage.

The Lower South

For years after the founding of the colony of South Carolina in 1670, colonists raised cattle with the help of West African slaves experienced in pastoral work. By 1715, rice had become the most significant commodity produced in South Carolina, and like cattle grazing depended on the knowledge of West Africans. Rice cultivation was arduous work, performed knee-deep in the mud of malarial swamps under a fierce sun, surrounded by insects. It was a task so difficult and unhealthy that white laborers generally refused to perform it. Black slaves showed from the beginning a greater resistance than whites to malaria and other local diseases. As a result, planters in South Carolina and Georgia were even more dependent on African slaves. Whites found them so valuable not only because Africans could be made to perform these difficult tasks but also because they were much better at the work than whites. Africans proved more adept at rice cultivation in part because some of them had come from the hot and humid rice-producing regions of West Africa. Some historians have even argued that Africans were responsible for introducing rice cultivation to America in the early seventeenth century.

On the rice plantations of isolated coastal Georgia, enslaved Africans suffered from overwork and numerous physical ailments that resulted from poor diet, inappropriate clothing, and inadequate housing. Mortality rates were exceptionally high, especially for infants. Colonial laws permitted masters to discipline and punish slaves. They were whipped, confined in irons, castrated, or sold away. Nonetheless, Africans struggled to make a home for themselves in this cruel world. Because many of the slaves on the rice coast were familiar with rice cultivation, they had enough bargaining power with their masters to win an acceptance of the work routines used in West Africa. Many rice plantations, therefore, operated according to the task system: once slaves finished their specific jobs, they could use their remaining time to hunt, fish, or tend to family gardens. Masters complained that "tasking" did not produce the same level of profit as the gang labor system of the sugar plantation (where slaves worked from sunup to sundown), but African rice hands refused to work any other way.

In the early 1740s, another important crop began to contribute to the South Carolina economy: indigo. Native to India, the indigo plant produced a deep blue dye important in textile manufacturing. It was discovered that indigo plants could grow on the high ground of South Carolina, which was unsuitable for rice planting, and that its harvest came while the rice was still growing. By the 1770s, both crops were among the most valuable commodities exported from the mainland colonies of North America. Like tobacco, the expansion of rice and indigo production depended on the growth of African slavery. By 1770, there were nearly 90,000 African Americans in the lower South, about 80 percent of the coastal population of South Carolina and Georgia. Before the international slave trade to the United States ended in 1808, at least 100,000 Africans had arrived at Charleston.

Slavery in the Early Spanish Colonies

Slavery was basic to the Spanish colonial labor system, and its character varied with local conditions. One of the most benign forms operated in Florida. In 1699, offering free land to any fugitives who would help defend the colony, the Spanish declared a refuge for escaped slaves from northern English colonies. In New Mexico, the Spanish depended on Indian slavery, and in the sixteenth century, the colonial government sent Pueblo Indian slaves to the mines in Mexico.

Slavery in the North

Slavery was much less important in the colonies north of the Chesapeake and was primarily located in port cities. By 1770, New York and New Jersey were home to some 27,000 African Americans, about 10 percent of the population. Some 3,000 slaves and 100 free blacks, about 17 percent of the population, resided in New York City. The most important center of slavery in the North was Rhode Island. In 1760, in Newport, Rhode Island, African Americans made up about 20 percent of the population because of that city's dominance of the mid-century slave trade.

The vast majority of northern slaves, like northern whites, lived and worked in the countryside. A few were employed in rural industries—iron furnaces, copper and lead mines, salt works, or tanneries—where they worked alongside white indentured servants and hired laborers. Ironmasters, the largest employers of industrial slaves, were also the region's largest slaveholders. In 1727, Pennsylvania iron manufacturers petitioned for a reduction in the tariff on slaves so they could keep their furnaces operating. Although forges and foundries in other colonies similarly relied on slave labor, only a small proportion of the northern slave population worked in industrial labor. Northern society in the eighteenth century, like southern society, was an overwhelmingly agricultural society, and like most rural whites, most rural blacks toiled as agricultural workers. Rural slaves generally lived on farms, not plantations, and frequently worked alongside their owners when they sowed in the spring and reaped in the fall. In slack times, slaves fertilized the land, chopped wood, broke flax, pressed cider, repaired farm buildings, cleared fields, and prepared new land for cultivation. Moving from job to job as work demands changed, slaves found themselves working in the field one day and in the shop the next. Male slaves made horseshoes, tanned leather, made bricks, repaired furniture, and even served as boatmen and wagon drivers. Black women worked as dairy maids as well as domestic servants who cooked, cleaned, and sewed.

Early Colonial Slave Life

It has been said that Africans built the South because slaves made up the overwhelming majority of the labor force that made the plantation colonies successful. As an agricultural people, African men and women were familiar with rural labor and, after arriving in the colonies, became field hands. Even domestic servants worked in the fields when necessary. As plantations grew larger and more extensive in the eighteenth century and crop production expanded, labor became specialized. For example, on large eighteenth-century Virginia plantations, slaves worked as carpenters, coopers, sawyers, blacksmiths, tanners, curriers, shoemakers, spinners, weavers, knitters, and even distillers.

The growing African population and the larger plantations on which many lived and worked together created the climate necessary for the development of African American communities and

African American culture. On small farms, Africans often worked side by side with their owners and, depending on the master, might enjoy living conditions similar to those of other family members. Plantation life was preferred since it offered possibilities for a more autonomous life. Nonetheless, because of continual interaction, many blacks and white southerners came to share a common culture. White masters not only influenced the cultural development of their slaves, but Englishmen and -women in the South were also being Africanized.

Slaves worked in the kitchens of their masters and introduced an African style of cooking into colonial life that had already been influenced by Indian crops. Fried chicken, black-eyed peas, collard greens, and barbecue are just a few such southern perennials introduced by African Americans. African architectural designs featuring high, peaked roofs, and broad, shady porches became part of a distinctive southern style. The West African ironworking tradition was evident throughout the South, especially in the ornate homes of Charleston and New Orleans.

Slavery's Contribution to Economic Growth

Slavery contributed enormously to the economic growth and development of Europe during the colonial era. It was the most dynamic force in the Atlantic economy during the eighteenth century and created many of the conditions for industrialization. But because slave colonists contributed the majority of their resources to developing the plantation system, they benefited little from industrialization.

The most significant economic development in the mid-nineteenth-century South was the transfer of economic power from the upper South (the southern states along the Atlantic coast) to the lower South (the cotton-growing regions of the Southwest). And the primary reason for the shift was the growing dominance of cotton in the southern economy. Much of the upper South in the nineteenth century continued to rely, as it always had, on the cultivation of tobacco. Tobacco not only rapidly exhausted the land on which it grew, but by the 1820s, the market for that crop was extremely unstable.

The southern regions of the coastal South—Georgia, South Carolina, and parts of Florida—continued to rely on the cultivation of rice. Rice, however, required a nine-month growing season and constant irrigation. Sugar growers along the Gulf Coast enjoyed a somewhat profitable market for their crop, but sugar cultivation required intensive, grueling labor and a long growing season. Sugar cultivation, therefore, remained important primarily in southern Louisiana and eastern Texas. Long-staple cotton was another lucrative crop, but, like rice, could only grow in limited areas around the coastal regions of the Southeast. The decline of the tobacco economy in the upper South and the limitations of the sugar, rice, and long-staple cotton economies in the lower South might have forced the South in the nineteenth century to shift its focus toward other, nonagricultural endeavors, had it not been for short-staple cotton. Sea Island, or long-staple cotton, with its long fibers and smooth black seed, was easy to clean but grew only along the Atlantic coast and on the offshore islands of Georgia and South Carolina. The growth of the textile industry in England had created an enormous demand for Southern cotton and Southern planters were finding it impossible to fill these needs with long-staple cotton. Short-staple cotton could grow inland throughout the entire South, but was difficult to process. It contained sticky green seeds that were extremely difficult to remove, and a skilled worker could clean no more than a few pounds a day by hand.

In 1793, Eli Whitney, a tutor on a Georgia plantation, invented a device known as the cotton gin that removed short-staple seeds quickly and efficiently. The cotton gin transformed the life of the South. African American slavery, which was on the decline, expanded and became firmly established in the South. The South, which had grown only 4,000 bales of cotton in 1790, saw production increase to 500,000 bales in 1820. By the time the Civil War broke out in 1861, it was producing over 5 million bales a year.

Life under Slavery

Slaves as a group were much less healthy than southern whites. After 1808, when the importation of slaves became illegal, the proportion of blacks to whites in the nation as a whole declined. In 1820, there was one African American for every four whites; in 1840, one for every five. Slave mothers had large families, but the poverty in which all African Americans lived ensured that few of their children would survive to adulthood. Even those who did survive typically died at a younger age than the average white person. However, according to some historians, the actual material conditions of slavery may have been better than those of many northern factory workers and much better than those of both immigrants and industrial workers in nineteenth-century Europe. The conditions of slaves in the United States were certainly better than those of slaves in the Caribbean and South America, in part because plantations in other parts of the Americas tended to grow crops that required more arduous labor. In the Caribbean, sugar production, in particular, involved extraordinarily backbreaking labor. Working and living conditions in these other slave societies were arduous, and masters at times literally worked their slaves to death. Although growing cotton was difficult work, it was much less debilitating than growing sugar. The United States became the only country in which a slave population actually increased through natural reproduction.

Because of the high cost of slaves, especially in the 1850s, masters did make some effort to preserve the health of their slaves. Slave children were often protected from hard work until early adolescence. Masters believed that doing so would make young slaves more loyal and help them grow into healthier adults. It was not unusual for masters to use hired labor for the most unhealthy and dangerous work. Irish immigrants were employed to clear malarial swamps and to handle cotton bales at the bottom of chutes. If an Irish worker died of disease or an accident, another could be hired for $1 a day. But if a prime field hand died, a master could lose an investment of $1,000 or more. Field slaves, however, were often left to the discipline of the overseers, who had little economic stake in their welfare. Overseers were paid in proportion to the amount of work they could get out of the slaves they supervised.

Types of Slavery

The institution of slavery was established and regulated by law. The slave codes of the southern states forbade slaves to hold property, to be out after dark, or to strike a white person, even in self-defense. The laws contained no provisions to legalize slave marriages or divorces. The codes also contained extremely rigid provisions for defining a person's race. Despite the strict provisions of these laws, there was in reality considerable variety within the slave system. Although some blacks lived in tightly controlled conditions, others enjoyed some flexibility and autonomy.

The relationship between masters and slaves depended in part on the size of the plantation. Most masters possessed few slaves, supervised their workers directly, and often worked closely alongside them. On such farms, blacks and whites developed a form of intimacy unknown on larger plantations. The paternal relationship between master and slave could be warm and friendly or harsh and cruel. In either case, it was a relationship based on the nearly absolute authority of the master and the powerlessness of the slave. African Americans themselves preferred to live on larger plantations, where they had more privacy and the opportunity to develop their own social world and culture.

Although the majority of slave owners were small yeoman farmers, the majority of slaves lived on medium-size or large plantations that had large slave workforces. There the relationship between master and slave was much less intimate. Wealthier planters, too busy to supervise their workforce, hired "overseers" to represent them. Trusted and responsible slaves known as "head drivers," assisted by several "subdrivers," acted as foremen under the supervision of the overseer. Importantly, although plantation production was officially entrusted to overseers and drivers, its pace was effectively in control of the field hands themselves. Although they were denied political and legal rights and the dignity of recognized marriage and family ties, this enslaved labor force exerted subtle control over the power of the masters.

Field Work

About three-quarters of all slaves were field workers. Field hands, both men and women, worked from "can see to can't see" (sunup to sundown) summer and winter and longer at harvest. On most plantations, a bell sounded an hour before sunup, and most slaves were on their way to the field as soon as it was light. The usual pattern of working in groups of twenty to twenty-five originated in African communal systems of agricultural work. Large plantations generally used one of two methods of assigning slave labor. The task system assigned a particular task in the morning. Upon completion of the job, whether clearing an acre of swamp or hoeing an acre of land, the slave was free for the rest of the day. The far more common method was the gang system. Found primarily on cotton, sugar, and tobacco plantations, the gang system divided slaves into groups, and under the direction of a slave driver, they worked for as many hours as the overseer thought reasonable. Cotton growing was hard work: plowing and planting, chopping weeds with a heavy hoe, and picking the ripe cotton from the stiff bolls at the rate of 150 pounds a day. In the rice fields, slaves worked knee-deep in water. On sugar plantations, harvesting the cane and getting it ready for boiling was exceptionally heavy work.

Regardless of the labor method, slaves worked hard. They began performing light tasks as children, and their workdays were always longest and most brutal at harvest time. Slave women worked the hardest. They not only labored all day with the men in the fields but also cooked, cleaned, and took care of the children after returning home at night. Because slave families were often divided, black women found themselves acting as single parents. Therefore, within the slave family, women had special burdens but also special authority.

House Servants

Household servants had a somewhat easier life than field hands. On a small plantation, the slave might do both field work and housework, but on a larger estate, there would generally be a separate domestic staff. Cooks, butlers, housemaids, nursemaids, and coachmen lived close to the master and his family, often eating the leftovers from the family table and in some cases even sleeping in the "big house." Although close ties might develop between blacks and whites living in the same household, more often house servants resented the isolation from their fellow slaves and the lack of privacy that came with living in such close proximity to the master and his family. Minor household accidents and transgressions were more apparent than those made by field hands, and so they were punished more often.

Female house servants were especially vulnerable to sexual abuse by their masters and white overseers. In addition to unwanted sexual attention from white men, female slaves often received vindictive treatment from white women. Punishing their husbands was seldom possible, so white mistresses often inflicted beatings, increased workloads, and used various other forms of torment on female slaves.

Skilled Workers

A small number of slaves were carpenters, weavers, seamstresses, blacksmiths, and mechanics. Solomon Northup, kidnapped into slavery in Washington, D.C., in 1841, spent twelve years of his life as a slave on a Louisiana cotton plantation. During enslavement, Northup had been hired out repeatedly as a carpenter and as a driver of slaves in his owner's sugar mill. Because cooking and domestic work were not considered skilled work, slave men achieved skilled status more often than women. Of the 16,000 lumber workers in the United States, almost all were slaves. Black people also worked as miners; as dockhands and stokers on Mississippi riverboats; and as stevedores loading cotton on the docks of Savannah, New Orleans, and Charleston. The wages of the slaves, because they were their masters' property, belonged to the owner, not to the slave.

Slavery in the City

The extent to which slaves made up the laboring class was most obvious in cities. Because the South failed to attract as much European immigrant labor as the North, southern cities offered both enslaved and free black people opportunities in skilled occupations, such as blacksmithing and carpentering, that free African Americans in the North were denied. Slaves on contract worked in mining and lumbering, and others worked on the docks or on construction sites, drove wagons, and performed other unskilled jobs in cities and towns. Slave women and children worked in textile mills.

The conditions of slavery in the cities differed significantly from those in the countryside. Slaves on isolated plantations had little contact with free blacks and lower-class whites. For the most part, masters maintained direct and effective control. In the city, however, masters often could not supervise their slaves closely and at the same time use them profitably. After regular working hours, many slaves fended for themselves and had opportunities to mingle with free blacks and with whites. After working hours, the line between slavery and freedom became increasingly indistinct.

Rising Tensions

White southerners often referred to slavery as the "peculiar institution," peculiar in the sense that it was distinctive and unique. More than any other single factor, slavery isolated the South from the rest of American society, and as the South became more isolated, so did southerners' commitment to hold on to their peculiar institution.

By the 1850s, assumptions in the North about the proper structure of society centered on the belief in "free soil" and "free labor." An increasing number of northerners came to believe that the existence of slavery was dangerous not because of what it did to blacks but because of what it threatened to do to whites who wanted to control their own labor and to have opportunities to advance. The ideal society was one of small-scale capitalism in which everyone could advance and work as they chose. Northern "free laborites" believed the South was in a conspiracy to extend slavery throughout the growing nation—primarily the growing American West. This "slave power conspiracy," according to many northerners, threatened the future of every white laborer and property owner in the North.

In the South, a very different ideology was emerging—an ideology completely incompatible with the free labor ideology in the North. It emerged out of the hardening of ideas among southerners on the issue and defense of the slave system. And in defending slavery, the South would grow increasingly different from the dynamic, capitalist, free labor system that was gaining strength in the North.

For all its expansion, the South in the nineteenth century experienced much less transformation than the industrial North. The South had begun the century with few important cities and little industry and remained the same sixty years later. In 1800, a plantation system dependent on slave labor had dominated the southern economy, and by 1860, that system, still dominated by great plantations and wealthy landowning planters, had only tightened its grip on the region. As one historian noted, "The South grew, but it did not develop" (Brinkley 1999, 371). The fragile and splintered nature of this slave labor society would soon become apparent when it was subjected to the pressures of civil war.

Karen Utz

See also African American Women and Work; African Americans and Work

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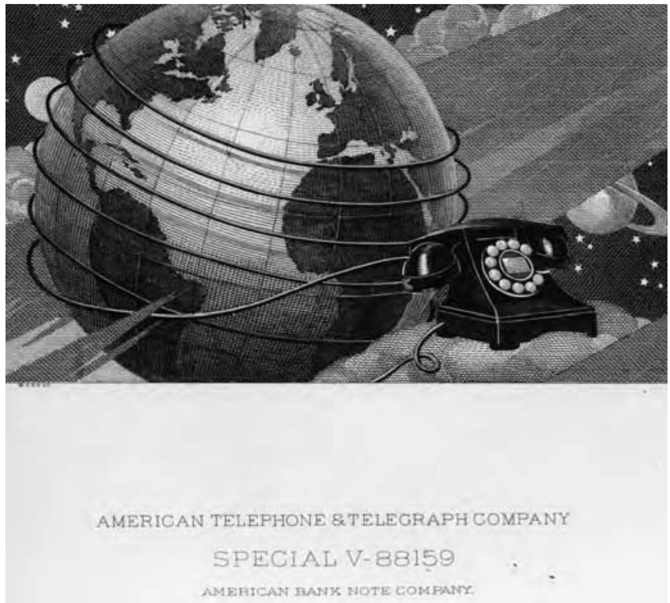
American Telephone and Telegraph (AT&T)

Once a stalwart of economic might and brand power, American Telephone and Telegraph (AT&T) is a shadow of its former self thanks to twenty years of constant evolution brought about by regulatory changes, increased competition, and advances in communications technology. "Ma Bell," as it was known, once held the title of the world's largest company. Its century of strength was built on its monopoly position as the carrier of U.S. local and long distance telephone service, as well as its production of telecommunications equipment.

AT&T's strength and position transcended the communications industry. It was once one of a few corporations that set the tone for employers and employees in the United States and the developed world. By the early 1980s, in fact, AT&T employed 1.1 million people and had firmly established itself as a classic "cradle to grave" employer. Joining AT&T was akin to accepting a lifetime position in which skilled and unskilled workers enjoyed job security and, if applicable, career development.

The ground began to change in the early 1980s when mandated divestiture forced AT&T to shed its local telephone operations, creating the seven independent regional Baby Bells. Beyond breaking AT&T's service monopoly, the court-ordered change was designed to open the floodgates to competition in all telecommunications services, including the emerging corporate and data markets. Competition did flood in, at least in the long-distance market. Soon after the breakup, AT&T began to see substantial and growing competition in the long-distance sector from MCI and Sprint and eventually from providers such as WorldCom.

Although it remains the largest provider of long-distance service in the United States, with approximately 60 million customers, the rush of competitors has undercut both AT&T's customer base and, more importantly, its margins. AT&T's long-distance services remain profitable, but the pressure on customers and margins have forced the communications giant to remold itself several times since the 1990s. The first push came with a move into new services, such as wireless (cell phones), data (information transmission via financial service networks and the Internet), and cable television. Eventually, AT&T also sought to remake itself through a corporate reorganization.



Advertising used for American Telephone and Telegraph from 1940 to 1949. (Library of Congress)

The importance of the decline and remolding of the telecommunications giant goes beyond AT&T itself and even the communications industry as a whole. The transformation of this American industrial stalwart during the 1990s and early 2000s contributed to the growing awareness that no company or industry was immune to change. In line with this realization came the sometimes painful understanding that both white- and blue-collar workers—even at seemingly rock steady companies—could lose their jobs or have their roles changed to address new market demands. AT&T's unraveling also underscored the precarious nature of all investments. Its share price declined by more than 70 percent in the early 2000s. "This was a stock that every American of voting age thought was safe enough for widows and orphans. That trait had been deregulated away years ago," Geoffrey Colvin wrote in *Fortune* (2002). Perhaps of even more concern was that the major restructuring broke the company into separate or autonomous units without a core simply called AT&T. This change threatened to dilute one of the company's major assets, its enormously valuable brand image.

The cumulative impact of AT&T's troubles and reorganization ultimately cost the company its place among the world's top ten brands as measured by *Business Week.* The decline came despite hundreds of millions of dollars spent on aggressive, youth-oriented ads and new cutting-edge products. The effort failed when it was unable to sell customers on the image of the new AT&T.

The restructuring announced in 2000 split AT&T's wireless, broadband, business, and consumer units into four separate groups. This effort was soon adjusted again when the wireless division was spun off entirely into a separate company with its own stock. The carrier's profitable long-distance service was also spun off into a separate tracking stock. AT&T further altered its portfolio of services when it bought Comcast, the country's third-largest cable television provider, for $72 billion. The cable television services were rolled into AT&T Broadband, with the idea that AT&T might be able to use Comcast's cable connections as a means of providing lucrative local telephone service and high-speed Internet connections to the cable company's subscribers.

AT&T realized few immediate gains from its efforts because none of its newer services—cable, data, business, or local phone service—yielded the kinds of results the company had hoped. The dismal returns, in part, can be attributed to the weak communications market of the early 2000s. Yet for all its operational and branding problems, AT&T actually gained some advantage from the turmoil that enveloped the communications industry, beginning in the late 1990s. The well-publicized problems of competitors such as WorldCom and Qwest helped remind the market that for all its faults, AT&T is still the world's most stable carrier. AT&T leveraged these concerns to draw in and cement interest from major business clients that were unwilling to rely on unstable carriers for their communications needs.

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See also Communications Workers of America; The Dot-com Revolution; New Economy

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Americans with Disabilities Act (ADA) (1990)

In 1990, the U.S. Congress passed and President George H. W. Bush signed the Americans with Disabilities Act (ADA), widely recognized as a landmark civil rights law that has become a major battleground for legal challenges over the rights of people with disabilities to have equal access to facilities, services, technology, public institutions, and employment opportunities. The ADA gives civil rights protections to individuals with disabilities similar to those provided to individuals on the basis of race, color, sex, national origin, age, and religion. It guarantees equal opportunity for individuals with disabilities in public accommodations, employment, transportation, state and local government services, and telecommunications. The ADA enjoys broad support from the public and is viewed generally as a modest success by advocates for people with disabilities, although many believe the law could be strengthened further. Although it is not without controversy, the ADA has prompted the redesign of thousands of public and private facilities so they are accessible to the disabled and is widely credited with helping improve access to services and employment opportunities for people with disabilities. The law is enforced by the U.S. Equal Employment Opportunity Commission (EEOC) and the U.S. Department of Justice.

According to the U.S. Census Bureau, there are approximately 50 million Americans—or 20 percent of the total population—with a disability (U.S. Bureau of the Census 1997, 1). Nearly 25 million people in the United States have a severe disability, and almost 30 million Americans with disabilities are between the ages of fifteen and sixty-four. The average monthly earnings of nondisabled workers between the ages of thirty-five and fifty-four are \$2,617, compared to \$2,258 for workers with a mild disability and \$1,574 for workers with a severe disability (McNeil 2000). Although the ADA and other legislation have spurred enormous progress in providing equal opportunity for people with disabilities, the United States must overcome a long history of discrimination against this community.

For generations, people with disabilities were routinely excluded from the workplace and other areas of public life. Discrimination and discomfort on the part of employers regarding hiring people who were disabled and lack of physical access to the workplace kept many otherwise qualified workers from engaging in meaningful work. In addition, federal laws regarding Social Security income and Medicare prevented many people with disabilities from entering the workplace for fear of losing their health benefits. Today, despite an increased awareness among employers and laws to encourage access, people with disabilities still experience higher levels of unemployment than people without disabilities.

Beginning in the 1960s, the federal government recognized the need for laws to address discrimination against people with disabilities and access to the workplace and other public facilities. One of the first laws passed was the Rehabilitation Act of 1973, which mandated equal treatment of people with disabilities in the federal workplace. The Rehabilitation Act has several key components that require all federal agencies to ensure nondiscrimination and affirmative action in federal employment (Section 501); accessibility in federal buildings (Section 502); affirmative action in employment by federal contractors (Section 503); and affirmative action of recipients of federal funds, including state agencies, housing authorities, educational institutions, private entities, and charitable organizations (Section 504). The Rehabilitation Act made a significant contribution toward making the public sector more accessible to people with disabilities.

Other federal laws affecting people with disabilities include the Individuals with Disabilities Edu-

President George H. W. Bush signs into law the Americans with Disabilities Act on the south lawn of the White House, July 26, 1990. (U.S. National Archives)

cation Act of 1975. This law requires school systems to ensure that disabled students have educational opportunities on a par with those provided to nondisabled students. The Fair Housing Act of 1968 prohibits public and private housing agencies from discriminating on the basis of race, color, religion, sex, disability, familial status, and national origin.

To combat the discrimination that people with disabilities continued to face after these laws were enacted, Congress passed the Americans with Disabilities Act. Unlike some of the previous laws targeting disability issues, ADA applies to private employers of fifteen people or more, as well as federal, state, and local governments, employment agencies, and labor unions. The goal of the law is to increase access to all facets of society, including the workplace, transportation, telecommunications, and the public arena for people with disabilities. In addition, it mandates that workers with disabilities have the same job and career opportunities as workers without disabilities. To ensure equal access, the ADA prohibits discrimination against individuals with physical and mental disabilities in employment, housing, education, and access to public services. Under ADA, employers are not allowed to discriminate against qualified workers or job seekers with disabilities in hiring or firing, to inquire about a disability, to limit advancement opportunities or job classifications, to use tests that tend to screen out people with disabilities, or to deny opportunities to anyone in a relationship with a person with disabilities.

Enforcing the ADA

The EEOC reports that since the law took effect, it has collected more than $300 million on behalf of 20,000 people through lawsuits, settlements, mediation, and other enforcement actions. In addition, the agency has helped more than 10,000 individuals settle disputes over training, education, job referrals, union membership, and other issues. A national mediation program begun in 1997 and expanded in 1999 has resolved more than 60 percent of 2,000 ADA charges brought before the commission in about half the time needed for administrative review. The commission has successfully resolved about 90 percent of ADA suits filed in district court either by settlement or favorable court or jury decision (U.S. Equal Employment Opportunity Commission 2000). In the appellate courts, the EEOC has filed nearly 100 amicus curiae (friend of the court) briefs in cases confronting fundamental issues on how the ADA should be applied. Significant cases argued and won by the EEOC include the following:

- In the first lawsuit filed by EEOC under the ADA on June 7, 1993, *EEOC & Charles Wessel v. AIC SecurityInvestigations, Ltd., et al.,* EEOC won a jury verdict finding the defendant had unlawfully fired its executive director due to the assumption that he could no longer perform his job because he had been diagnosed with terminal brain cancer. The former director was awarded $222,000.
- In a suit against Chuck E. Cheese on November 4, 1999, EEOC claimed that a district manager fired a custodian with a developmental disability because the company did not employ "those type of people" (*EEOC v. CEC Entertainment, Inc. a/b/a Chuck E. Cheese's* 1999, 6). A jury awarded the custodian back pay, $70,000 in compensatory damages for emotional distress, and $13 million in punitive damages (the punitive damages award was reduced on March 14, 2000, to $230,000 because of the statutory cap on damages). The judge also ordered the company to give the custodian his job back.
- In *EEOC v. Chomerics, Inc., et al.,* (August 25, 1998) the commission claimed that a chemical worker's coworkers and supervisor harassed and mocked him because of his disability (cerebral palsy). The company agreed to provide the worker with $98,000 in back pay and compensatory damages.
- In the EEOC's case involving Wal-Mart Stores, a jury found the store's hiring official had illegally asked a job applicant about his disability (amputated arm) in a job interview and then refused to hire him. On October 10, 1997, the applicant was awarded $7,500 in compensatory damages and $150,000 in punitive damages.

The Justice Department cites a decade of numerous accomplishments in enforcing ADA that include victories for people seeking access to services, facilities, jobs, and economic opportunity. Towns in North Dakota, Wisconsin, Montana, Ohio, and other locations agreed to improve and expand access to public buildings and services for people with disabilities. Courts in Utah and Washington, D.C., were ordered to improve access for the deaf and blind. The Houston, Texas, and Oakland, California, police departments agreed to take the necessary steps to ensure that people who are deaf or hard of hearing can communicate effectively with police officers. Through cases involving an injured Denver police officer, a dyslexic New York plumber, and disabled police and fire officers in Illinois, the Department of Justice enforced the employment provisions of ADA. The department worked with professional licensing and college testing services to ensure that they provided the necessary materials and devices so that deaf students and other students with disabilities could be prepared for and take the major professional and precollege exams.

Misgivings and Controversy

Despite these measures of progress, the ADA has not been without controversy, beginning with how the act defines disability, a definition that is open to a certain degree of interpretation. The ADA defines a disability as having a "physical or mental impairment that substantially limits one or more of the major life activities of the individual, having a record of such impairment (cancer, for instance), or being regarded as having such an impairment" (for instance, a disfigurement that does not actual limit major life activities but may be viewed by others as doing so). In addition, the ADA requires that "reasonable accommodation" be made in the workplace for qualified individuals with disabilities. Reasonable accommodation is considered any modification or adjustment to a job or the work environment that will enable a qualified applicant or employee with a disability to participate in the application process or to perform essential job functions. It can include providing special equipment or making a workplace more accessible. It can also mean allowing an employee to work at home or on a nontraditional schedule. Under the act, employers are not required to provide accommodations that impose an "undue hardship" ("action requiring significant difficulty or expense") on their business operations, nor are they required to hire people who are not qualified candidates simply because they have a disability. However, this provision has not been enough to allay the fears of many employers.

With the passage of the ADA, many employers feared that they would be forced to make costly accommodations for people with disabilities, hire people with disabilities who were not qualified for the job, or be sued by disgruntled workers claiming discrimination under the ADA. Many employers have overcome their fear of hiring people with disabilities, have made reasonable accommodations, and have not found the requirements of ADA to be unduly burdensome. Others have resisted making the accommodations and changes necessary for an accessible workplace. In 1995, the National Council on Disability, in its report "The Americans with Disabilities Act: Ensuring Equal Access to the American Dream," celebrated the success of ADA but cautioned that "what is needed to improve upon the implementation of the Americans with Disabilities Act is greater public awareness, further education and clarification regarding the provisions of the law, and the appropriate resources to both encourage voluntary compliance and to ensure effective enforcement" (National Council on Disability 2001, 24).

Despite the claims of the EEOC and Department of Justice, a report in the May–June 2000 issue of the American Bar Association's *Mental and Physical Disability Law Reporter* is less encouraging for advocates for the disabled. The article concluded that employers prevail more than 95 percent of the time in ADA suits and in 85 percent of the administrative complaints handled by the EEOC. In addition, a 1999 Supreme Court decision narrowed the definition of disability to exclude certain people from protection under ADA. In considering the cases *Sutton v. United Airlines, Inc.*, *Murphy v. United Parcel Service,* and *Albertsons, Inc. v. Kirkingburg,* the Supreme Court held that a person is not "disabled," and therefore not protected from discrimination under the Americans with Disabilities Act, if medication or other corrective devices diminish his or her impairment (taking medication for depression, for instance, or wearing corrective lenses).

In February 2001, the Court dealt what could be another blow to ADA protections when it ruled in favor of states' rights by deciding in the *Garrett v. Alabama* case that state employees cannot sue for money damages under ADA when they are discriminated against on the basis of disability. The decision narrows the law as written by Congress by excluding state governments as parties that can be sued for financial damages under ADA. However, state employees can still sue state governments for "injunctive relief" that requires states to take actions such as building wheelchair ramps or reinstating fired employees. In the wake of these rulings by the U.S. Supreme Court, California passed a law that restores the scope and purview of ADA within its borders, and other states may follow.

It is likely that ADA will be litigated further in the courts, as advocates for the disabled, state governments, courts, and employers continue to struggle to define the reach, scope, and regulatory requirements of the act. It is clear that the Americans with Disabilities Act was a critical step in the fight to provide unfettered access to the workplace for people with disabilities, but barriers to participation remain.

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See also Disability and Work

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Apprenticeship

An apprenticeship is an opportunity to learn a trade while being employed in it for an agreed-upon period of time, often at lower wages than average for the trade. Apprenticeship was the primary way to learn a trade in colonial America, but today formal schooling is required. A rough estimate of the current number of registered apprentices in the U.S. is

400,000. The dramatic fall in the number of apprenticeships since 1700 stems from automation and mass production brought on by the Industrial Revolution, as well as the rise of public schooling available for adolescents. Although the number of traditional apprenticeships that combine classroom training with on-the-job training is relatively small today, there is an increasing trend in secondary education to promote academic achievement by using work-based learning experiences.

Apprenticeships date as far back as ancient Egypt. Apprenticeships in the United States date back to the country's colonial period. Apprentices would enter a trade, such as metalworking, carpentry, shoemaking, printing, or tailoring, around the beginning of adolescence. Masters agreed to train apprentices; in return, apprentices sacrificed part of their wages and worked for room and board over a period of five to seven years. Eventually, after fulfilling their agreements, apprentices became journeymen, or qualified tradesmen, and began to save enough capital to set up a shop of their own and thus become masters of their trade. One of the best-known apprentices from colonial America was Benjamin Franklin. He established a network of printers, journeymen, and apprentices from New England to Antigua and arranged for them to serve as local postmasters. Historians conjecture that Franklin made many of his printers local postmasters to facilitate the dissemination of newspapers and political ideas. He would provide them with the capital to set up shops and received one-third of their profits for the length of their contract.

There were disadvantages to being an apprentice in colonial times. They included poor working conditions, such as long hours, abusive masters, and lengthy contracts, sometimes seven years long, which caused some apprentices to continue working for their masters long after they had mastered the trade. These hardships, combined with the availability of land on the western frontier during the eighteenth and nineteenth centuries, produced a significant number of runaway apprentices.

By the late nineteenth century, the number of apprenticeships in the United States had dramatically declined. As industrialization took hold in the late 1880s, the nature of work changed in ways that strained traditional apprenticeship arrangements. Mechanization and automation resulted in job tasks that were more specific, minimizing the need to master a trade. The large-scale commercialization of commodities eliminated the need for custom work by skilled artisans. The steam printing press displaced journeymen and apprentices trained to operate the handpress. In the plumbing trade, mass production of pipe fixtures and couplings reduced the need for traditional skills to craft pipes. In essence, small-scale craftwork was replaced by mass production and the assembly line.

Some historians also attribute the decline in apprenticeship to the absence of a guild system. Without such a system, it was difficult to blacklist apprentices who had run away to other regions of the country. The guild system is strong in Europe, which may in part explain the higher incidence of apprentices in modern-day Germany and England.

The decline in apprenticeship coincided with a rise in manual training and vocational schooling. In 1876, the Philadelphia Centennial Exposition featured an exhibit of manual training exercises coupled with classroom training from a Russian technical school. The exhibit showcased a series of graded exercises in a workshoplike environment and was soon imported by some postsecondary education institutions as a school-based alternative to apprenticeship-style learning. Manual education was not without controversy, however. Critics of manual education, such as W. E. B. Du Bois, saw manual education as a way of limiting the options available to African Americans.

Although manual education carried with it a connotation of moral reform, vocational education was associated more with skills for the workplace and their economic benefit. The rise in vocational schooling in the United States coincided with the passage of the first federal vocational act, the Smith-Hughes Act (1917). It provided federal funding to assist states in creating vocational education schools. The demand for public vocational education came from both citizens and businesses. Citizens wanted a form of "social education" that served both to mainstream the urban masses and to teach immigrant children English. Social reformers concerned with alleviating pauperism and juvenile crime looked to the school as a means of providing education for youth who otherwise would wander the streets. Parents wanted to ease access to education to increase economic opportunities for their children. Business owners wanted greater numbers of Americans to receive general training before they became workers and hoped to minimize union control of the supply of labor via apprenticeships. Consequently, the unions resisted the movement away from apprenticeships toward public schools. Eventually, the American Federation of Labor agreed that vocational education was acceptable under certain conditions: that labor had a voice in shaping how vocational education systems were built, that government should keep the system public instead of private, and that the system avoided specialization of work roles in the wider economy. Some early schools in Philadelphia and New York did involve direct employer involvement, but eventually local schools were operated by local governments, and the number of apprenticeships faded. Apprenticeships did persist in the construction trades, where work was seasonal and firms remained relatively small.

Though nationally apprenticeship was on the decline in the early 1900s, Wisconsin passed legislation in 1911 to register its apprenticeships. The federal Fitzgerald Act (the National Apprenticeship Act) of 1937 was based on the Wisconsin law. The Fitzgerald Act authorized the U.S. Department of Labor to establish standards that protect the welfare of apprentices and to bring together employers and unions to form apprenticeship programs.

Since the Fitzgerald Act, apprenticeships have been concentrated in the construction industry. As of August 2001, the occupation with the most apprenticeships is electrician, followed by carpenter and pipe fitter. In 2000, there were estimated to be 440,000 registered apprentices in the United States. Registered apprenticeships are negotiated in union collective-bargaining agreements around the country. Apprenticeships range from one to six years and typically involve 2,000 hours of supervised on-the-job training and a minimum of 144 hours per year of related instruction. The instruction may be in the form of classroom training, correspondence courses, or a self-study course approved by the sponsor/employer.

Apprenticeships are more common in Europe than they are in the United States. The apprenticeship tradition is particularly strong in Germany, where in the 1990s approximately 60 percent of adults had participated in an apprenticeship program during their youth. Upon completing secondary school, most German students enter an apprenticeship program, which lasts about three years. A weekly program typically involves two days of classroom training at a state school and three days of training at a private firm. The apprenticeship programs are offered in areas ranging from banking to crafts and are designed and administered by firms, unions, and the state. The content of apprenticeship programs, the structure of the classroom curriculum, and the nature of the certification exams all require consensus among trade unions, employer associations, and the Federal Institute for Vocational Training. The apprenticeship system in Germany is supported by historical traditions, the involvement of firms through national and state employer associations, the presence of union input, and the government through its support of vocational schools and laws. Apprenticeship systems also exist in Sweden and Britain.

Most apprenticeships in the United States take place in the construction industry, with electrician the most frequent occupation, followed by carpentry. (Corel Corporation)

In the United States, education has historically been viewed as the great equalizer, and thus there is resistance to the idea of overtly tracking adolescents into a trade. In addition, the traditional form of modern apprenticeships (on-the-job training coupled with classroom learning) has been less common than in Europe for many years. Consequently, youth job training is not a systemic part of the nation's schools but rather is handled by periodic federal legislation that provides funding for youth training programs and vocational education. School and government organizations offer numerous youth programs aimed at the school-to-work transition that model themselves after traditional apprenticeships by training youth for the workforce. During the 1960s, the federal Economic Opportunities Act (1964) created employment and training programs for hard-to-employ youth (Jobs Corps), and the Manpower Development and Training Act (1962) provided funding for union apprenticeships. The Job Training Partnership Act (1982) included funds earmarked for training out-of-school youth in basic education, occupational training, and on-the-job training.

To cope with the high dropout rate in urban areas in the 1960s, high schools that integrated academic and vocational curricula were established. A 2000 report by the U.S. Department of Education estimates that there are 1,500 "career academies" across the nation, typically established by local school districts, focusing on a range of careers from business, health, and finance to communication and video technology. Work-based learning opportunities are not offered consistently across schools, though some academies have a well-defined workplace learning component.

The School to Work Opportunities Act (1994) provided money for local school districts to better connect schools and work by emphasizing both academic achievement and work-based learning. Recognizing the concerns over programs that promote tracking, the language of the act emphasized the intent to serve all students. Across the nation, funds from the act created opportunities for students to be exposed to an array of career options through field trips to workplaces and job-shadowing opportunities. In some localities, funds were also used to support youth apprenticeships.

The most recent effort to wed classroom training and on-the-job training for youth was the Carl Perkins Vocational and Technical Education Act (1998), up for re-authorization in 2003, which provides federal funding for secondary and postsecondary vocational education programs. Title II of the act provides money specifically for Tech Prep, a program that prepares high school students for careers in a practical art or trade. Students spend their last two years of high school and two years at a community college involved in a curriculum that leads to a certificate in a career field. The legislation specifically stipulates that two years of community college can be replaced by an apprenticeship. This option is not used widely, though some localities have a well-defined apprenticeship option.

It is likely that the number of youth training programs that offer apprenticeship-style training opportunities will continue to vary across localities, with some areas having many youth training programs and others having far fewer. The variation stems from the tradition of locally controlled schools in the United States. Those localities with well-defined vocational education systems will likely have more systemic on-the-job training opportunities for youth.

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See also Building Trades Unions; Education Reform and the Workforce; Job Corps; Job Skills; Lifelong Learning; On-the-Job Training

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Arbitration

Arbitration is a voluntary process for resolving disputes between employers and employees and their unions by an independent third party. There are three kinds of arbitration: (1) rights or grievance arbitration, in which the parties have a labor agreement and the arbitrator is asked to resolve a dispute that arises under that agreement; (2) interest arbitration, in which parties cannot agree on the terms of a labor agreement and ask the arbitrator, in effect, to establish the terms of the agreement; (3) employment arbitration, in which an employer either has a unilateral policy providing for arbitration of disputes with individual employees or a contract with individual employees providing for arbitration of disputes. There is no union involvement in employment arbitration.

Arbitration as it is practiced today is often said to have begun following a strike in the anthracite coalfields in 1902. President Theodore Roosevelt appointed a commission to investigate the cause of the strike. The commission produced a detailed study and established an Anthracite Board of Conciliation. This board was empowered to interpret the commissioner's award. If the board could not resolve a dispute submitted to it, then the dispute was submitted to arbitration. During World War I, the federal government created the National War Labor Board, composed of members of management, labor, and the public. It had only limited success in resolving labor disputes. Before 1935, arbitration was not widely used as a means of resolving labor disputes in the United States.

After the enactment of the National Labor Relations Act in 1935, unions began organizing many of the basic industries, such as auto manufacturing, steel, mining, and the electrical industries. Multistep grievance procedures in which arbitration was the final step became the norm in these industries. In 1942 President Franklin D. Roosevelt created the War Labor Board, whose purpose was to resolve labor disputes in any industry that might affect the war effort. The board required companies and unions to establish grievance procedures, including arbitration. Following World War II, the use of arbitration became commonplace in the basic industries.

Section 301 of the Taft-Hartley Act of 1947 authorized federal courts to enforce collective bargaining agreements. In *Textile Workers Union v. Lincoln Mills* (1957), the U.S. Supreme Court held that an agreement to arbitrate labor disputes was enforceable. Any remaining judicial hostility toward the arbitration of labor disputes was removed with the Steelworkers Trilogy, three cases in 1960 in which the U.S. Supreme Court laid down rules that had the effect of making arbitration a fully recognized and preferred method for resolving labor disputes.

Following World War II, most of the companies in the basic industries had contracts with unions representing the employees. These contracts generally contained provisions for a grievance procedure, with arbitration as the final step for resolving disputes arising in the workplace. The typical contract between a company and a union provides that all disputes arising under the contract will be submitted to arbitration. A partial list of disputes that have been submitted to grievance arbitration includes discharge and discipline, work assignments, work rules, overtime work, job classifications and rates of pay, job evaluation, hours of work, holiday pay, vacation and leave issues, fringe benefits, and management rights. For example, nearly all labor contracts contain a provision stating that the employer may discharge an employee only for just or proper cause. If a company discharges an employee and the union believes the discharge is improper, it can file a grievance. Practically speaking, the grievance and arbitration process generally includes any dispute arising in the workplace, except those specifically excluded.

Arbitration offers several advantages to employers, unions, and employees over other forms of dispute resolution. It is less expensive than litigation, and the parties can resolve disputes much more quickly in arbitration than in litigation. Arbitration's economic benefit to the employer is that it provides a mechanism for resolving disputes that might otherwise lead to strikes, slowdowns, or widespread morale problems in the workforce. For example, suppose a company and a union had a contract with a seniority clause that stipulated that in the event of a layoff, the employees would be laid off in reverse order of seniority (the newest employees would be laid off first). Suppose further that the company needed to lay off ten employees out of a workforce of 500. If a dispute arose as to which ten employees should be laid off, it could result in a strike or picketing if there was not an acceptable and expeditious way of resolving it. Arbitration's economic benefit to the union and the employees is, again, its lesser expense. For example, if an employer discharges an employee, a dispute over the propriety of the discharge can be determined in arbitration at far less cost than in a court of law. Few employees who are discharged for infractions such as absenteeism, insubordination, falsification of production records, and a host of other offenses for which employees are routinely discharged can afford to litigate the merits of their discharge in a court of law.

The typical labor contract for a union employee contains a two- or three-step grievance procedure. The first step generally directs the immediate foreman and the shop steward to seek a resolution of the dispute. The second step is often a meeting between the company's personnel manager and a business agent for the union. If the parties are unable to resolve the dispute at this level, it is submitted to an arbitrator for a final and binding decision. The arbitrator may be named in the parties' labor contract or may be selected from a list of arbitrators furnished by an appointing agency, such as the American Arbitration Association or the Federal Mediation and Conciliation Service.

Hearings before arbitrators are similar to state and federal administrative hearings. They are informal. The hearing generally opens with an attempt to agree on the question to be decided by the arbitrator. If the parties cannot agree on the precise wording of the question to be decided (that is, "Was the employee discharged for just cause, and if not, what is the appropriate remedy?"), the arbitrator will frame the issue. This process is followed by the opening statements of the representatives of the parties. Then the parties provide their proof, which usually consists of the introduction of relevant documents and oral testimony. Finally, closing statements are made, and posthearing briefs are submitted. After the case is closed, the arbitrator writes a decision and transmits it to the parties.

The fundamental responsibility of an arbitrator in a dispute that involves only the interpretation and application of a labor contract is to apply the terms of the contract to the facts presented by the parties. Although it is said that an arbitrator is not supposed to dispense his or her personal brand of industrial justice, there are many widely accepted doctrines that apply to the arbitrator's decision-making process. Where the contract is clear and unambiguous, the arbitrator must apply the words as written to the facts. If a contract is ambiguous, an arbitrator can apply the past practice of the parties or resort to their negotiating history as an aid in resolving the dispute. Prior grievance settlements in analogous situations may furnish guidance to an arbitrator. Arbitrators also rely on the decisions of other arbitrators, even though these decisions do not create binding precedent. The Bureau of National Affairs (BNA) and Commerce Clearing House (CCH) publish arbitration awards.

Many public employers at the federal, state, and local levels also have contracts with unions representing their employees. At the federal level, many workers in the Postal Service and the Department of the Treasury are represented by unions. At the state and local levels, a wide variety of employees are represented by unions, including police officers, fire fighters, sanitation workers, and schoolteachers. Most contracts between public employees and unions contain a provision for the arbitration of employee grievances. The procedures for resolving grievances in public sector labor contracts are similar to the procedures used in the private sector. Depending on the employer, there may be restrictions on the arbitrator's authority. For example, an arbitrator hearing a dispute under a public sector labor agreement cannot generally require a public employer to expend unappropriated funds to comply with a decision.

Interest arbitration is used more frequently in the public sector than in the private sector, and is often seen as an alternative to a strike. The federal government and many states have statutes prohibiting public employees from striking, and several federal and state statutes that provide for interest arbitration. When the public employer and the union representing a group of employees are unable to agree on the terms of a labor contract, the public employee collective bargaining statute may provide for an arbitrator or panel of arbitrators to establish those terms. Such disputes frequently cover the entire range of subjects usually contained in labor agreements, such as wages, holidays, vacation, sick leave, or health insurance. When the parties reach an impasse on such issues, they select an arbitrator or a panel, and a hearing is held. For example, if wages were in dispute, the government entity can present its evidence to the arbitrator as to the rate of pay it thinks is appropriate. The union presents its evidence to the arbitrator as to what it believes should be the proper rate of pay. The arbitrator or panel then determines the rate of pay for the upcoming labor contract. The arbitrator's decision thus becomes the labor agreement.

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See also Collective Bargaining; Workers' Compensation

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Asian Americans and Work

The United States has long prided itself on being, to use John F. Kennedy's words, "a nation of immigrants." And yet the history of Asian Americans and work in the United States is one of struggle. As a broad and varied group, Asian Americans have had a long history of persevering and overcoming work discrimination, anti-Asian legislation, anti-immigrant policy, exploitation, and abuse. Although many Asian Americans have been successful in their struggles, many others continue to suffer because of racism and discrimination in the United States today.

Like all categories of race, that of "Asian Americans" is artificial and misleading, in that the term encompasses a range of different nationalities, races, and thus experiences. In general, however, as the United States was settled and developed, Asian immigrants came from impoverished regions of the world as low-wage workers. Their labor was crucial to the establishment and development of the nation, but most often they were denied fair treatment and the full right of citizenship accorded to many other laboring immigrant groups.

Chinese American Workers

In the 1830s Chinese sailors and peddlers worked in New York, on sugar plantations in Hawaii, and in mining and forestry industries in the Pacific Northwest. It was not until the mid-1800s that the Chinese came to the United States in large numbers to perform menial, although dangerous and difficult work. The first large-scale wave of immigrant Chinese came to California with the hopes of cashing in on the gold rush of 1848 and to escape the economic hardships they were experiencing in China. Others went to work on the Hawaiian sugar cane plantations. In 1865, about 9,000 to 12,000 were hired as laborers on the transcontinental railroad (Asian-Nation 2002). Although Chinese men were recruited to build U.S. infrastructure and agriculture, they were often prohibited from bringing women members of their family with them to the United States. When they did immigrate, women supported men in their work but were most often not paid themselves and not counted as workers.

Despite the significant contributions early Chinese male and female workers made to the U.S. economy, they were discriminated against in many ways. In California they were subjected to a foreign miner tax, and during the building of the transcontinental railroad, they were only paid 60 percent of what other immigrant workers were earning (Asian-Nation 2002). Once the gold rush began to fade and railroad construction started winding down, the Chinese were targeted as a threat to the U.S. economy, and a widespread anti-Chinese movement began, accompanied by riots, lynching, and murders. Anti–Asian immigrant sentiments culminated in the Chinese Exclusion Act of 1882, which barred Chinese immigration and prevented both immigrant and U.S.-born Chinese from becoming U.S. citizens.

The next significant exclusionary legislation was the Act to Prohibit the Coming of Chinese Persons into the United States of May 1892. Referred to as the Geary Act, this legislation required Chinese to reg-

Asian Americans have had a long history of persevering and overcoming work discrimination, anti-Asian legislation, anti-immigrant policies, exploitation, and abuse. Although many Asian Americans have been successful in their struggles, many others continue to suffer because of racism and discrimination in the United States today. (Jon Feingersh/Corbis)

ister and secure a certificate as proof of their right to be in the United States. Imprisonment or deportation were the penalties for those who failed to have the required papers or witnesses. These acts were not repealed until 1943, when Franklin D. Roosevelt signed the Act to Repeal the Chinese Exclusion Acts, to Establish Quotas, and for Other Purposes and, crucially, when President Kennedy signed the Immigration Act of October 1965.

The Chinese reacted to discrimination by forming their own businesses and working in jobs that were not perceived as threats to white workers. Most Chinese on the East Cost worked in the service sector; on the West Coast, they were employed in mills, agriculture, and the fishing and forestry industries. Because few Chinese women were allowed into the United States in the early years, Chinese men also turned to what would be considered women's work and took jobs as domestics, in laundries, and in the food industries.

During the 1930s and 1940s, the Chinese again were recruited to work in large numbers, this time in the war industries. The need for workers in manufacturing, coupled with more permissive immigration laws, broke barriers for employment opportunities for Chinese men and women. Those who immigrated to the United States following World War II under the McCarran-Walter Act of 1952 were often well-educated, English-speaking professionals who had held jobs as government officials, scientists, and engineers. In 1949, 5,000 highly educated Chinese were granted refugee status in the United States after China established a Communist government (Asian-Nation 2001). These immigrants, unlike those of a century earlier, made lateral moves in employment upon their arrival into the United States, and a few took positions far below their ability. Also, following two Immigration Acts (1956 and 1965), the first establishing immigration quotas based on nationality and the second rescinding those strict quotas, the majority of Chinese immigrants who came to the United States were relatives of Chinese American citizens. These new immigrants "revitalized Chinatown" by taking jobs as tailors, salespeople, restaurant servers, and clerical workers.

Although Chinese Americans did not take part in officially recognized unions until the mid-1930s, they did organize themselves into family associations to protect themselves from discrimination in the workplace and community. The earliest organized labor group of Chinese workers formed during the mid-1800s, when they organized a strike against the Union Pacific Railroad, although the work stoppage only brought more problems for the laborers, who soon went back to work. More organized and successful labor movements came about during the mid-1900s and were spearheaded by Chinese women, whose labor guilds within the garment industry doubled their wages and offered job protection. During the Depression, Chinese women organized their own chapter of National Dollar Stores and successfully negotiated for better wages and working conditions. This group later became affiliated with the International Ladies Garment Workers Union. Chinese workers also organized the

Mutual Aid Association in the canneries of Alaska in the 1930s, and in 1995 within the Union of Needle Trades, Industrial, and Textile Employees (UNITE!), an amalgam of the Amalgamated Clothing and Textile Workers Union (ACTWU) and the International Ladies Garment Workers Union (ILGWU). More recently, Asian Americans have organized themselves into professional groups such as the National Association of Asian American Professionals and the Asian Pacific American Women Leadership Institute.

Japanese American Workers

Japanese immigrants began coming to the United States in large numbers after Chinese immigration ended in 1882. Most came as a result of the industrialization taking place in Japan, which caused many agricultural workers to lose their land. The majority of those immigrants went to Hawaii to work on the plantations; others immigrated to California as railroad workers and miners. Like the Chinese before them, many Japanese turned to agriculture, the fishing canneries, and domestic work, although a large number of women came to the United States as "picture brides." In 1907, the "Gentlemen's Agreement" between the United States and Japan barred unskilled Japanese men from entry, although it did allow for the entry of wives of Japanese men already working in the United States.

In 1893, Japanese workers formed their first trade union: the Japanese Shoemakers League. Japanese immigration to Hawaii ended under the Irwin Convention, and contracted labor practices ceased with passage of the Organic Act. As a result, many Japanese plantation workers relocated to the mainland. In 1915, the Japanese formed the Central Japanese Association of Southern California and the first Japanese chamber of commerce. Four years later, Japanese workers created the Federation of Japanese Labor in Hawaii and successfully went on strike. In 1922, a court found in *Takao Ozawa v. United States* that Japanese workers were not eligible for naturalized citizenship and, further, that any female citizen who married an "alien" would lose her own right to citizenship.

By the 1930s and 1940s, Japanese immigrants had begun to purchase large tracts of land for farming and to establish small businesses that they lost at the beginning of World War II, when Japanese and Japanese Americans were herded into detention centers because they were seen as a threat to U.S. security. Although legal measures were taken after the war to reclaim their losses, less than 10 percent was actually ever recovered (Amott and Matthaei 1996, 230). In 1952, the McCarran-Walter Act lifted a ban on Japanese immigration but restricted immigration to 100 individuals per country per year; as a result, relatively few Japanese came to the United States. Those who did immigrate dispersed both geographically and professionally. Although the Japanese continued to face discrimination, they moved quickly into the U.S. middle class.

Filipino American Workers

As early as the 1600s, Filipinos reached North America on Manila galleons, and in 1750 a group of Filipino sailors settled and began working in Louisiana. At the beginning of the twentieth century, most Filipinos were recruited to work on Hawaiian sugar and pineapple plantations, in Alaskan fisheries, and in the forest industry in the Northwest. After World War II, many of those immigrants moved throughout the mainland and began working in the same low-paying jobs in which other Asians were employed—as domestics, in agriculture, and as small business owners.

Filipinos have also remained committed to union ideals and organization. In 1911, Pablo Manlapit formed the Filipino Higher Wages Association in Hawaii; four years later, it went on strike for eight months. In 1934, the Tydings-McDuffie Act spelled out procedures for eventual Philippine independence and reduced Filipino immigration to the United States to fifty persons a year. Shortly afterward, Filipino workers created their own Filipino Labor Union in California, and after World War II, the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) created the Filipino Agricultural Worker's Organizing committee, which later merged with the Chicano Farm Workers Association to form the United Farm Workers Organizing Committee. Filipino men have been particularly visible within this union, taking on not just labor problems but social issues as well by establishing their own legal department, day care center, and medical clinics.

After the 1965 Immigration Act eliminated racial quotas, Filipinos became the second-largest Asian American population, and the number of professional Filipino workers living and working in the United States increased. Although about three-fifths of Filipino immigrants came to work in clerical, manufacturing, and service industries, the other two-fifths (40 percent) came to the United States as trained scientists, engineers, and medical professionals (Amott and Matthaei 1996, 244). Since the late 1960s, Filipinos have enjoyed relatively high earnings and employment rates.

Indian American and Korean American Workers

Large populations of workers from India, Southeast Asia, and Korea immigrated to the United States in the early 1900s. The first group of Korean workers arrived in Hawaii in 1903 to work in the sugar fields, but just a few years later their immigration was legally restricted. Those Koreans already in the United States formed the Mutual Assistance Society in 1905, and in 1909 they created the Korean Nationalist Association. New Korean immigrants didn't come to the United States en masse again until after immigration legislation in 1965; at that time they immigrated as professionals, service industry workers, and small business owners.

Indians from Southeast Asia settled primarily on the West Coast at the turn of the century. In the early 1900s, Asian Indians were denied entry into Canada under the pretext that they hadn't come "by continuous journey" from India (there were no direct shipping routes between Indian and Canadian ports). In 1917 the United States followed suit in defining a "banned zone," primarily India, from which no immigrants could hail. In the 1923 *United States v. Bhagat Singh* an appeals court determined that Asian Indians were not eligible for U.S. naturalization. Like Koreans, large numbers of Indians were not able to move to the United States until the passage of the 1965 Immigration Act. This legislation allowed Indians to immigrate, mainly to the East Coast. Today the largest concentration of Indians can be found in New York City, with 53 percent of the population living in Queens, New York (Khandelwal 2001, 3).

Many Indian immigrants have high educational and income levels, with a significant number coming from professional fields, particularly medicine and engineering. However, from the late 1970s onward, a significant part of the population worked in the service industry, running and often owning small businesses such as newsstands, retail shops, restaurants, and gas stations.

Since the latter part of the twentieth century, most Asian immigrants and Asian Americans have been called the "model minority" because of their perceived economic success and upward mobility. Today, Asian Americans have a high level of educational attainment and high median earnings, but that is not true of all Asian American workers. Many new immigrants from Cambodia, Laos, and Vietnam work at the very low end of the labor market. In 1975, more than 130,000 refugees entered the United States from these countries (Amott and Matthaei 1996, 248). In 1978 a new mass exodus of Vietnamese "boat people" arrived, and after the Vietnam War ended, thousands of Hmong immigrated to the United States. In 1990 the overall poverty rate for Asian Americans was 14 percent, but 42 percent of Cambodians and 62 percent of the Hmong people from Cambodia lived below the poverty line (Amott and Matthaei 1996, 250). Additionally, overrepresentation of Asian Americans in self-employment suggests that they still face discrimination and that racism prevents them from entering into and achieving success in certain careers and professions.

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See also Affirmative Action; Green Cards; Immigrants and Work; United Farm Workers; Wage Gap; Women and Work; Working Class

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Automotive Industry

The most dynamic sector of the U.S. economy in the twentieth century, the automotive industry barely existed in 1900, when only 8,000 motor vehicles were registered in the United States. With more efficient production techniques, innovative marketing measures, and the introduction of auto sales on credit, however, the industry expanded in almost continuous fashion. Indeed, by the late 1990s, the automotive industry added $100 billion in gross domestic product to the U.S. economy. The automotive industry also fostered a rising standard of living for its workers by paying wages that ranked at the top of the industrial sector, beginning with Henry Ford's announcement of a Five Dollar Day in 1914. The industry's almost complete unionization by 1941, however, was even more crucial in establishing the auto worker's reputation as the elite of industrial workers. In addition to its economic and technological accomplishments, the industry transformed U.S. social and cultural life. With almost 208 million motor vehicles registered in the United States in 1997, the country ranked as one of the most automobile-dependent nations on earth, with almost 458 cars per 1,000 persons (U.S. Census Bureau 2000).

Among the numerous inventors who pioneered the use of the gasoline internal combustion engine to power a motor vehicle, Germans Gottleib Daimler and Carl Benz conducted successful trial runs in 1885 and 1886; by 1891, Benz offered the first automobiles for sale in Europe. Two years later, the Duryea brothers, Charles and Frank, made the first automobile run in the United States in Springfield, Massachusetts. In 1895 the first automobile race took place on U.S. soil, the first of many such events that generated huge public interest in the new "horseless carriage." Building on this interest as well as their reputation as automotive pioneers, the Duryeas offered the first car for sale to the American public in February 1897. They were joined by over thirty manufacturers selling over 2,500 cars just two years later.

As in Europe, the first models offered for sale to the American public were luxury automobiles, but as early as 1901, Ransom E. Olds offered the first car aimed at the lower-priced market. The car, which sold for $650, became immortalized in the popular song "In My Merry Oldsmobile" and proved that the market for automobiles extended far beyond the wealthier classes. In 1903 Henry Ford established the Ford Motor Company after two previous failures in the business; this time, Ford focused on the lower-priced market with the 1907 Model N. The following year, his company introduced the Model T, a car that revolutionized the automotive industry. Not only did Ford refine the efficiency of the assembly line process used in making automobiles, but also he used the cost savings to cut the price of the Model T in succeeding years. As he expanded the market for his product by reducing its price, Ford also used his productivity gains to increase his workers' wages. With the Five Dollar Day, announced in January 1914, Ford helped to create a mass consumer base among a broad segment of working-class Americans. By the 1920s, about 47 percent of Ford workers owned their own cars, a figure that dwarfed the figures for industrial workers elsewhere; in Chicago, a mere 3 percent of unskilled workers were auto owners, and in San Francisco, just above one-quarter of all workers owned their own cars (Cohen 1990).

Although motor vehicle registrations jumped from 8,000 in 1900 to 469,000 in 1910, the early years of the industry were filled with business failures. Unlike the success stories of Olds and Ford, over 300 of the more than 500 automobile manufacturers established between 1900 and 1908 went out of business. Although demand for the new product far exceeded the supply of automobiles, fledgling manufacturers often suffered from undercapitalization and unreasonable demands by their investors, many of whom viewed the industry as a speculative venture. Although Olds increased his production from 425 vehicles in 1901 to 4,000 in 1903—and Ford jumped from 658 cars in 1903–1904 to 8,243 in 1907–1908—most other manufacturers were either unable or unwilling to abandon the craftsmanship of traditional carriage making in favor of more efficient assembly line production (Lacey 1986). With the immediate success of Ford's Model T in 1908 and the beginning of production at his Highland Park plant the following year, it was clear that the automotive industry's trends toward mass production and mass consumption were in place. It was equally obvious, as the massive operation at Highland Park symbolized, that the automotive industry was no longer open to a few inventors-turned-prospective manufacturers.

In addition to the massive capitalization requirements, the tendency toward oligopoly in the auto industry was fostered by the thirty-two-member cartel formed to enforce the Selden patent in the early 1900s. Although the patent covering a general outline of a gas-powered vehicle was essentially unenforceable—as a court finally ruled in 1911—several automakers had banded together as the

A factory worker assembles Taurus and Sable cars at the Ford assembly plant in Illinois. (Sandy Felsenthal/Corbis)

Association of Licensed Automobile Manufacturers in fear of being put out of business by its holder, George Selden. Although William C. Durant of General Motors (GM) was an avid supporter of the Selden cartel, Henry Ford was not. Despite the threats to his business, Ford fought the patent in court and eventually won, but not before many other smaller auto companies were closed, merged, or bought out.

Although Ford and his Model T quickly became household words around the world, it was another company, GM, that took the lead in mass marketing its product. Organized in 1908 by Durant as a holding company for several independent auto brands, GM attempted to offer a comprehensive lineup of cars across market segments, from the low-priced Chevrolet to the luxury Cadillac. With the creation of the General Motors Acceptance Corporation in 1919, GM also pioneered the offer of installment buying to auto buyers, a program that helped the company surpass Ford, who refused to sell on credit, after 1930; indeed, by 1921 about half of all cars sold in the United States were on the installment plan, giving Ford a serious handicap in the marketplace (Flink 1975).

Together with the Chrysler Corporation, Ford and GM eventually comprised the Big Three automakers. Although other, smaller makers continued to operate until the 1970s, the Big Three dominated the industry from the 1930s onward. In 1936 GM held 43 percent of the domestic market; Chrysler had a 25 percent share; and Ford held on to 22 percent of the market. The independent automakers—under brand names such as Hudson, Packard, Studebaker, and Willys—sold about one-tenth of all cars purchased that year (Lacey 1986).

The decade of the Great Depression was a tumultuous one for the auto industry; in addition to weathering the economic downturn—GM's stock, for example, plunged from $91 a share in 1929 to $13 per share in 1933—it also faced tremendous internal pressures from its workforce. In the wake of New Deal measures such as the National Recovery Act of June 1933 and the National Labor Relations Act (Wagner Act) of 1935, many workers were convinced that forming their own unions to engage in collective bargaining with the automakers was the best strategy for gaining job security, higher wages, and improved working conditions. The response from the Big Three was discouraging; although they felt compelled to recognize workers' unions by the federal government, their initial strategy was to form employee relations programs (ERPs) for their workers. Essentially run as company unions, the ERPs failed to stem the demands for independent labor unions in the auto industry. After a series of dramatic strikes that witnessed workers sitting down in GM plants across the Midwest in the winter of 1936–1937, the nation's largest automaker became the first to recognize the United Auto Workers (UAW) union as the collective bargaining agent of its workforce. Among the Big Three, the Ford Motor Company was the last holdout. With lucrative government contracts in the offing in the days before U.S. entry into World War II, Ford finally recognized the UAW in June 1941.

In exchange for a no-strike pledge during the war, the UAW substantially completed the unionization of the auto industry by the end of World War II. The postwar era in the auto industry focused, then, not on the issue of collective bargaining but rather on just how far the process would go. Although the UAW attempted to introduce managerial decisions into collective bargaining throughout the 1940s, the 1950 agreement with General Motors, publicized as the Treaty of Detroit, essentially drew the lines of collective bargaining for the next generation. In exchange for improved wages and benefits—including cost-of-living adjustments, pensions, and health care provisions—automakers retained all managerial prerogatives, including production and investment decisions. The arrangement allowed automakers to enjoy a measure of stability in their workforce, while autoworkers expanded their wage and benefits packages in succeeding years. Supplemental unemployment benefits were added to collective bargaining agreements in 1955, and early retirement provisions came into effect in 1964.

The U.S. automotive industry shared in the almost uninterrupted economic growth of the postwar era through the energy price hikes of 1973 and 1974. Indeed, the 1950s and 1960s are often invoked as the industry's "golden age." Faced with little foreign competition, a ready consumer market, and a stable labor force, automakers concentrated more on annual style updates on larger, more profitable models instead of technological innovation or the introduction of smaller, more efficient cars. Although some consumers turned away from the Big Three's products—which pundits likened to "the dinosaur in the driveway"—foreign automakers held just 5 percent of the U.S. market in 1963. By 1971, however, their share had increased to 16 percent, an ominous trend once gasoline prices skyrocketed after the Organization of Petroleum Exporting Countries (OPEC) imposed oil embargoes in the mid-1970s. Although many of the imported autos were luxury cars such as the Mercedes-Benz, increasingly they comprised fuel-efficient Japanese models from Honda and Toyota.

Scrambling to recapture their market share throughout the 1970s, U.S. automakers also responded with a series of cost-cutting measures that undermined their relationship with their workforce. In addition to speeding up production lines in older factories, automakers attempted to replace workers with robotic machines in their newer plants. The Big Three also relocated many of their parts and assembly plants in nonunionized, lower-wage locations outside the United States. Although GM had operated factories outside the United States since the 1920s to serve various domestic markets, it now made autos for the U.S. market in its international plants. By 1980, GM operated twenty-three plants outside the United States, a trend followed by the other members of the Big Three. Although some consumers responded with a "Buy American" campaign in the 1980s, the trend toward foreign assembly and components production continued unabated.

In contrast, foreign automakers such as Honda, Mercedes-Benz, Subaru-Isuzu, and Toyota invested billions of dollars to build assembly plants in the United States in the 1980s and 1990s, beginning with Honda's operation of a plant in Marysville, Ohio, in November 1982. Rejecting attempts by the UAW to unionize their workforces, the so-called transplant producers instead focused on quality circles and other employee involvement programs to boost production and morale in their plants. As of 1998, more than 990,000 full-time workers were employed in the automobile manufacturing sector; those in the Big Three largely remained unionized, whereas only those in joint-manufacturing operations among the transplant companies were unionized (U.S. Census 1999).

The 1990s were generally favorable to the auto industry, which remained a major contributor to the U.S. economy, with over $105 billion added to the gross domestic product in 1998 alone. Ford and Chrysler seemed to adapt to the demands of lean manufacturing to remain competitive and offered numerous successful smaller models, but GM was often criticized for organizational disarray and lackluster product development. In 1991 and 1992, the company was reckoned to have lost $15 billion in North America alone. Even its attempts to diversify its core businesses by purchasing Hughes Aircraft and Electronic Data Systems kicked off a storm of controversy and criticism. Like their transplant counterparts, however, U.S. automakers (still known as the Big Three, even after Chrysler's purchase by DaimlerBenz in 1997) have continued to emphasize the principles of total quality management to achieve impressive results since the 1980s.

Timothy G. Borden

See also American Federation of Labor and Congress of Industrial Organizations; Capitalism; Collective Bargaining; Defense Industry; Deming, W. Edwards; Ford, Henry; General Motors; Industrial Revolution and Assembly Line Work; Manufacturing Jobs; Maquiladora Zone; National Labor Relations Act; North American Free Trade Agreement; Productivity; Quality Circles; Reuther, Walter; Strikes; United Auto Workers Union

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Baldrige Awards

Baldrige Awards give national recognition to premier U.S. organizations exemplifying sustained performance excellence and quality. Established in 1987 under Public Law 100-107 and more formally called the Malcolm Baldrige National Quality Award, this prestigious prize is presented by the president of the United States through the program administered by the National Institute of Standards and Technology (NIST) of the Department of Commerce. The awards are named in honor of Malcolm Baldrige, who served as secretary of commerce from 1981 to 1987 and was committed to quality management as a means of ensuring long-term national prosperity, especially in more competitive and demanding world markets.

The categories for the awards originally focused on the manufacturing, service, and small business sectors. In 1998, educational and health care organizations became eligible for the annual awards as well. Up to three awards can be made in each category annually, but not all categories are necessarily used each year. The seven performance criteria upon which the awards are based include leadership, strategic planning, customer and market focus, information and analysis, human resources, process management, and organizational results.

Organizations that apply for the Baldrige Awards undergo a rigorous review, beginning with an initial eligibility certification. Applicants then submit a written organizational overview and self-study that take into account the specified award criteria for performance excellence. To avoid conflicts of interest in the assignment of reviewers to applications, candidates for the award must provide the names of their key competitors, customers or users, and suppliers. Applications for the Baldrige Awards are rated on a point value system, and a team of some six specialists gives extensive feedback, citing organizational strengths and recommending opportunities for improvement. Trained experts, who volunteer to provide feedback, conduct site visits, and even follow-up interviews for finalists, devote some 300 to 1,000 or more hours to application reviews. Award recipients are required to share nonproprietary information about their successful practices at the annual Quest for Excellence Conference and at regional conferences. This sharing encourages communication and facilitates the forging of partnerships within the business, education, and health sectors.

The Baldrige Awards program involves the combined efforts of the public and private sectors. The government commits some $5 million annually to operation of the program, but private entities, organizations, and industry have borne most of the start-up costs. The independent Foundation for the Malcolm Baldrige National Quality Award raises funds and manages an endowment for the program. Award applicants pay all required fees associated with review of their applications. More than 300 experts from all sectors volunteer annually to give presentations on the Baldrige Award, share their expertise, and critique applications.

The NIST and the media have touted the highly favorable return on investment of award-winning companies comprising the fictitious "Baldrige Index" stock fund. This was compared to a similar investment made in the Standard and Poor 500 Index, showing a return on investment at a ratio of 5-to-1. A recent longitudinal economic study by Zbigniew Przasnyski and Lawrence Tai (2002) tempers these impressive claims, however, by factoring in market and industrial considerations.

A sampling of the organizations that have received the Baldrige Awards since 1988 include Westinghouse Electric–Nuclear Fuel Division, Xerox–Business Products and Systems, Cadillac Motor Car Division, American Telephone and Telegraph (AT&T), Armstrong World Industries Building Products Operation, 3M Dental Products Division, Boeing Airlift and Tanker Programs, Merrill Lynch Credit Corporation, IBM–Rochester, and Ritz-Carlton Hotels. The 2002 winners of the Baldrige Awards were Motorola–Commercial, Government, and Industrial Solutions; Branch-Smith Printing Division; and SSM Health Care.

Less than 5 percent of all organizations applying for Baldrige Awards, since its inception in 1987, have successfully achieved this recognition. A number of organizations have even applied several times before winning. The real value of the Baldrige Award lies less in the recognition and esteem that it confers than in the applicant's active participation in the required self-evaluation and assessment process. Additionally, the constructive feedback given by experienced evaluators has a transforming effect on organizations that focus on improving their performance management and internal review systems. The success of the awards program has inspired the creation of numerous state and local quality award programs based on modified Baldrige criteria. Some sixty separate quality awards have also been established internationally. Japan's Deming Prize is a close equivalent to the Baldrige Award.

Janet Butler Munch

See also High-Performance Workforce; Quality Circles; Total Quality Management

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Black Lung Disease

Black lung disease, or pneumoconiosis, is caused by continued exposure to large amounts of coal dust. The dust causes the lungs to harden, thus impairing breathing. Despite technological advancements designed to decrease the amount of dust produced by mining activities, black lung continues to affect coal miners, both active and retired. Early stages of the disease often cause no discernable symptoms. However, later stages of the disease can cause shortness of breath, coughing, pain during breathing, permanent disability, and death.

The first diagnosed case of black lung occurred in Scotland in 1831. By the 1880s, many miners knew that long exposure to coal dust could produce respiratory problems and eventually disable miners. By the first decade of the twentieth century, however, medical science could not adequately define the disease, let alone address solutions to the problem. The medical profession initially refused to accept the existence of an occupational lung disease among coal miners. According to accepted medical beliefs of the time, the only medical hazard facing miners was silica dust. Some doctors even argued that coal dust protected miners from tuberculosis.

Coal companies also downplayed black lung disease during the early 1900s. Company doctors began calling the disorder "miners' asthma," a condition that came to be expected from coal mining. Because it was undesirable for the company to grant medical attention to occupational dangers, companies ignored black lung and refused to allow miners to seek medical care for the disease. Coal companies largely refused to take measures to prevent black lung disease. Companies saw decreasing the amount of coal dust as an extra expenditure and did not invest either time or money into the effort to reduce dust levels in the mines.

After the increase in mine mechanization during the 1930s, coal dust grew to levels never seen before. As a result, black lung disease increased among miners. The United Mine Workers of America (UMWA) increased its memberships during the 1930s, but the union initially did not aid the miners in their fight for greater safety regulations, including decreasing dust levels in the mines. Then in 1950, the UMWA formed the Welfare and Retirement Fund, which strove to provide medical care and pensions for miners and their families, as well as to study occupational diseases. The fund worked to gain acceptance for the existence of black lung among the medical profession. However, UMWA president John L. Lewis did not regard the problem of black lung disease as a high priority, which hindered the efforts of the fund in promoting the recognition and prevention of the disease.

During the 1960s, the political landscape changed as collective protest against hardship became the norm. The new political reality greatly aided the black lung movement, as the political climate in the coalfields changed from resignation to one of discontent. As miners who had supported the union during the massive strikes during and after World War II came to retirement age, they realized that the UMWA leadership had not adequately represented the rank and file of the union.

The event that sparked the black lung movement more than any other factor was the 1968 explosion at Consolidation Coal Company's No. 9 mine in Farmington, West Virginia, in which seventy-eight miners died. During the UMWA convention of 1968, miners placed numerous resolutions dealing with black lung before the convention, none of which resulted in union support for dust suppression in the workplace. As a result of this lack of action by the UMWA, a group of miners in Raleigh County, West Virginia, formed the Black Lung Association (BLA). The BLA worked to bring national attention to the occupational hazards of coal mining. Although the effort faced tremendous opposition from the UMWA, the industry, and the medical profession, the BLA succeeded in getting the Coal Mine Health and Safety Act of 1969 passed, which brought national attention to the health problems of miners.

The act, however, was ineffective because it called for the diagnosis of the disease by physicians, who required scientific proof, and for workplace changes by operators to suppress coal dust, who opposed doing so for economic reasons. Although the new laws allowed benefits for miners suffering from black lung, miners had to struggle to receive any benefits. The primary tool for diagnosing black lung is the chest X-ray, and because not all miners showed significant levels of coal dust in their lungs, the government denied them compensation. Many miners felt that the Social Security Administration discriminated against them because the government did not give miners a fair chance to file for claims. These problems led to a new grassroots campaign to make the system fairer.

The 1972 amendments changed the 1969 law to prohibit the use of X-rays as the sole basis for denying a claim, among other additions. Congress passed a law that allowed for retroactive payments for claims filed before 1973, and for claims after 1973, the Department of Labor would administer them under more stringent regulations. The result was that the Department of Labor also denied benefits to miners at a very high rate (Smith 1987, 182–183). Miners tried again to mobilize for better benefits for black lung sufferers. They fought for automatic entitlement, in which miners with a certain amount of experience would get compensation. The Senate failed to act, and the black lung movement came to an end in the coalfields by 1977. Today, the debate surrounding black lung continues, but reform continues to be defeated. It is very difficult to get compensation for black lung; more than 90 percent of the claims are denied (Smith 1987, 218).

Mark Myers

See also Federal Mine Safety and Health Act; United Mine Workers of America

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Blue Collar

The term *blue collar* denotes both a statistical or demographic category and a cultural experience. In the first sense, blue collar refers to a type of work or occupation. In the second sense, blue collar refers to a way of life comprising values, styles, rituals, and symbols. The two senses are, of course, related. The distinction is important, however, because it alerts us to the ways in which the meanings of work and class are never static but are instead shaped and reshaped over time.

In the early 1900s, professional and clerical workers wore white, detachable collars. The white collar thus signaled indoor, "brain" work that was clean; the spotless white collar boasted of a worker's difference from those who performed "dirty" outdoor or manual work. Collar color thus also implied certain status and power relations. As the U.S. novelist Upton Sinclair sardonically noted in his 1919 novel, *Brass Check:* "It is a fact with which every union workingman is familiar, that his most bitter despisers are the petty underlings of the business world, the poor office-clerks. who because they are allowed to wear a white collar . . . regard themselves as members of the capitalist class." (p. 114). At the time, most blue-collar men and women didn't wear collars of any color and were more often described as working-class or even proletarian. *American Speech,* a magazine devoted to tracking changes in American English, records the first popular use of *blue collar* in 1950, but blue collar in the demographic sense actually began to emerge in academic sociology a bit earlier, sometime around the mid-1940s. This usage achieved widespread, official authority over the next couple of decades. Today, for instance, the U.S. Department of Labor's Bureau of Labor Statistics divides occupations into three categories: white-collar, blue-collar, and service. Blue-collar occupations include auto mechanics, locksmiths, lathe operators, bakers, truck drivers, and garbage collectors. Blue-collar work is not defined by income; as the Bureau of Labor Statistics notes, some highly skilled blue-collar workers—like elevator repairers and master plumbers—can make more money than many professional workers (U.S. Department of Labor 2001).

As opposed to white-collar work, which generally requires educational credentials and involves the mental manipulation of symbols, words, and ideas, blue-collar work is usually defined by two major criteria: the work is largely manual, involving or supervising physical labor; and occupational skills are acquired on the job, through formal and informal apprenticeships or through vocational training. As the distinction between education and training implies, the main opposition that divides white-collar from blue-collar work centers on the opposition between mind and body or eye and hand. This point is important to note because, as we shall see later, many of the cultural values attributed to the term *blue collar* build on this fundamental distinction.

Not even statistical or demographic categories, like those used by the Bureau of Labor Statistics, are free from ambiguity, however. The basis for distinguishing between blue-collar and service occupations is, for instance, somewhat blurred. Many service occupations like firefighter, janitor, and waitress involve manual labor. Likewise, secretaries and clerks, usually included in the professional sector, rarely need higher educational credentials to perform their work. These ambiguities can be explained in several ways. Unlike pipefitters or machine operators, service workers don't produce things. And unlike carpenters and roofers, lower-level professional workers work inside and use a different, less bulky set of muscles.

Currently, blue-collar work is undergoing two major shifts. First, the core blue-collar occupations are shrinking. As the pace of technological change quickens and as companies shift their production overseas, manufacturing jobs are disappearing. Over the thirty years between 1950 and 1980, for instance, manufacturing's share of employment decreased by 11 percent and is expected to continue to decline into the near future (Kutscher 1993). Second, blue-collar workers are more likely over the next decade to be nonwhite. Because of demographic trends, minority groups will increase their workforce participation at rates faster than white Americans. By 2010, for instance, while the number of non-Hispanic white workers will decline by 4 percent, the number of Hispanic workers will increase by 3 percent (Fullerton and Toossi 2001).

A broader view of the demographics of blue-collar work would probably employ a more salient set of criteria. As opposed to salaried work, blue-collar work is paid by the hour. Even in unionized workplaces, blue-collar work is more unstable than white-collar work; in a downturn, factory workers get pink slips before managers and executives. And, finally and most importantly, blue-collar workers, whether they build skyscrapers or enter data, exercise less control over their conditions of work and enjoy less autonomy. In other words, blue-collar work is fundamentally defined by a deficit of power. One's progress up the social and occupational ladder can be measured by how much power and control one exercises over one's work and over those further down the ladder. This approach to the demographics of blue-collar work would lead to a more political definition of occupation and work, one that moves closer to an older distinction between social classes. Indeed, it is important to consider the ways in which the use of *blue collar* is a more or less implicit way to avoid using the broader, more historically and politically loaded term *working class.*

Blue-collar work is usually defined by two major criteria: the work is largely manual, involving or supervising physical labor; and occupational skills are acquired on the job, through formal and informal apprenticeships or through vocational training. (Chris Jones/Corbis)

The cultural meanings of *blue collar* are intertwined with its demographic definitions. Take, for instance, one of the most popular blue-collar workers in recent popular culture: Archie Bunker, the star of the 1970s hit sitcom *All in the Family.* Although we never see Archie at work, we know he's a blue-collar worker through a complex set of cultural cues. Archie is a burly, abrasive man who tends to dress in drab, nondescript clothes. Lacking education, Archie views the world through prejudice, stereotype, and simplified beliefs. He is racist and sexist. He is vociferous in his opinions, especially when they involve his authority at home or in the neighborhood. His loud voice flavored with an urban accent, Archie verbally bullies others less with eloquence than with taunts and gestures. Archie's home is blandly furnished, almost defiantly old-fashioned. His wife, Edith, is equally dowdy, and marriage for Archie and Edith is less about emotional fulfillment than about a battle of wills.

Archie Bunker is a caricature, but like most popular caricatures Archie's outrageous character only exaggerates prevalent cultural myths and stereotypes. His genealogy would include a whole line of popular culture "blue-collar workers," from Jackie Gleason in *The Honeymooners* through *All in the Family* and other popular 1970s sitcoms like *Sanford and Son, Good Times,* and *Chico and the Man,* up to more contemporary television shows like *Roseanne, The King of Queens,* and *Grounded for Life.* Blue-collar characters in these and other shows are comic figures because they dwell within the life of the body. Physically, these characters are depicted in terms of excess; they tend to be big, overweight, or otherwise marked as physically overpowering. They are driven by instinct, not reason. Their desires are immediate and overwhelming rather than deferred and manageable. They think in literal, borrowed terms, rather than exercising critical judgment. Like their ideas, their sense of the way the world should work is essentially conservative, looking backward to tradition and defending the way things are against change.

Ironically, however, the very childlike traits of the comic blue-collar worker can become the basis for more laudatory images of the blue-collar worker as a noble savage, guided by simple and honest beliefs and holding close to important values. This more noble version of the blue-collar worker can be found throughout the culture: in popular music, fiction, television, and in movies like *The Deer Hunter* (1978), *Wall Street* (1987), and the more recent *Good Will Hunting* (1997). Here, the physical labor that defines blue-collar work becomes a touchstone for other values like authenticity, sincerity, moral strength, community, and qualities defined in opposition to an elitist, status-driven, and uncaring social world. Reversing the "Archie Bunker" figure, this strain of blue-collar images presents, for example, the defense of tradition and old-fashioned ways as a battle against disruptive, corrosive change. Education, social mobility, and affluence threaten the more honest values to be found in tightly knit working-class communities, extended family, neighborhood, and gritty but somehow more real blue-collar experience. In this sense, *blue collar* tends to get detached from specific class meanings and instead becomes a brand of populism, expressing the virtues of the little guy, the forgotten person, and the salt of the earth.

These competing cultural images of the blue-collar worker are more often than not generated by middle-class writers, intellectuals, filmmakers, artists, and politicians. Within American popular culture, it is thus very difficult—with a few exceptions (like Paul Schrader's 1978 movie *Blue Collar* or the 1999 film *Bringing out the Dead*)—to avoid stereotypical images of blue-collar workers and work. As Barbara Ehrenreich argues in her book, *Fear of Falling* (1989), most images of blue-collar workers tell us more about the fears and desires of the middle class than about the realities of blue-collar life. Blue-collar stereotypes typically help to obscure real changes affecting working-class people; these same stereotypes also typically operate as whetstones to sharpen other symbolic identities, especially those related to nation, class, and gender.

Larry Hanley

See also Industrial Revolution and Assembly Line Work; Manufacturing Jobs; Pink Collar; Rust Belt; Working Class

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Bonuses

Bonuses are awards granted to employees above and beyond their normal pay. The use of a bonus is one instance of the general category of pay for performance compensation systems. Other examples of pay for performance include profit sharing, gain sharing, and employee stock ownership plans. The logic of all of these pay for performance systems is the same. If employees are specifically rewarded for performing activities beneficial to the company, they will perform more of those activities.

The value of bonuses varies widely from a few dollars up to many thousands and even hundreds of thousands of dollars in some industries, such as investment banking. Bonuses come in various forms and can be categorized according to the type of award granted, the criteria for granting the award, and the award calculation method.

Cash is the most frequently used form of bonus, but many firms also provide noncash rewards to their employees. These noncash rewards are sometimes similar to cash, such as company stock or gift certificates, but some firms reward employees with travel or high-end merchandise. Another common form of bonus payment is in the form of company stock or stock options. Stock options have traditionally been reserved for more senior employees in a firm, yet recently, many firms are extending stock options to lower levels of the firm.

The criteria for granting the award differs between firms but often within firms as well, across functional groups (sales, manufacturing), or across geographically disperse groups (domestic versus international). This intrafirm variance often exists so that different groups within a firm can tailor the incentive plan to the tasks and culture of the group.

Some firms or work groups award bonuses for merit, such as for meeting a sales quota or production target. Others will provide service-based bonuses, such as a Christmas bonus that is given to all employees, or bonuses based on tenure with the firm. For merit-based bonuses, an additional distinction is the performance criteria on which the bonus is awarded. Bonuses are awarded either because of relative performance (for example, the top 10 percent of performers in a given job get rewarded) or because of absolute performance (for example, all employees in a given job reach a predetermined level of performance).

The method used to calculate the value of the bonus also varies. In many cases, there is a fixed bonus given for the achievement of the relevant goal. Awards can also be based on some percentage of the actual performance. For example, a salesperson might receive tiered bonuses based on the amount by which he or she exceeds a quota.

Bonuses are used across a wide variety of positions in a firm. Though most people think of a bonus as associated with the sales function or senior executives, firms use bonuses in many other functions and across many levels of the organization. Variable pay (bonuses, etc.) made up 10 percent of salaried exempt employees' pay in 1999; for hourly workers; that figure was 5 percent (Sunderland 1999).

The use of pay for performance systems is also on the rise. In a 2002 survey by Hewitt and Associates, spending on pay for performance as a percentage of payroll has risen from 4 percent in 1991 to over 10 percent in 2002. In addition, the percentage of firms using variable pay for performance has risen from less than 60 percent to more than 80 percent in the same time period (Hewitt and Associates 2002)

Scott A. Jeffrey

See also Compensation; Employee Stock Ownership; Profit Sharing; Stock Options

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Building Trades Unions

Since the nineteenth century, workers in the building trades—employment in jobs required for the construction of residential, corporate, and public buildings and infrastructure—have occupied a crucial niche in the U.S. economy. Building trades unions stabilized the building industry and provided training, a flexible labor pool, and uniform wage, benefit, and jobsite standards. They also wielded substantial lobbying and economic power in state and federal governments. The insular culture of the construction business and the clout of the unions and industry in various circles fostered insider practices that resisted social change and in some cases led to corruption and discrimination.

Economists, policymakers, financial analysts, corporate leaders, and many Americans closely watch the construction industry and the work it generates in the building trades. Among the reasons are the connection of the industry to the business cycle, its ability to create well-paying jobs and careers, its potential to provide training and skills to relatively uneducated and unprepared workers, and the visibility of construction projects in U.S. society.

Construction accounts for about 10 percent of business establishments in the United States and just under 5 percent of nonfarm U.S. employment; labor economists project that the industry will create over 825,000 new jobs by the year 2010 (U.S. Bureau of Labor Statistics 2002). In 2002, 6.3 million people worked in the U.S. construction industry (U.S. Bureau of Labor Statistics 2002), about 60 percent of whom were tradesmen and tradeswomen.

The building industry is exceptionally sensitive to the business cycle, expanding quickly as business growth requires new construction and modification and stopping in its tracks when business inventories stop moving. In a world of high-speed networks, cubicles, and multinational bureaucracies, the organization, distribution, and control of work in

Construction accounts for about 10 percent of business establishments in the United States and just under 5 percent of nonfarm U.S. employment. (Tom Wagner/Corbis SABA)

the building industry still follows a crafts model. In crafts production, workers have much greater control of the production process and the autonomy to resist the leverage and wishes of their employers. As Herbert Appelbaum noted, "The most striking thing about a sizeable building under construction is the myriad specialty trades working with hand tools to execute specialty hand-tool procedures based on the individual worker's knowledge and experience" (Appelbaum 1999). The main trades or crafts in the building industry include electricians, carpenters, operating engineers, plumbers and pipefitters, roofers, ironworkers, sheet metal workers, painters and paperhangers, concrete workers, and teamsters (drivers). Laborers are less skilled but essential to site construction. Pay is commensurate with skill and, to some extent, risk. Although many of these crafts have become more specialized in an economy that demands rapid turnaround, they comprise a fundamentally different work organization than manufacturing or services.

Each craft union has substantial control over who is hired for particular jobs and negotiates the rules by which work in that craft is performed. Observers identify unique attributes of the culture of building trades work that include relative autonomy and self-reliance on the work site, high pay and benefits, the importance of apprenticeship, blurred lines between supervising and supervised workers, interdependence and mutual respect among groups of variously skilled workers, insular vernacular and social codes, and a high level of job satisfaction.

The History and Dominance of the Unions

The construction industry, with its boom-and-bust cycles of business activity, is well-suited to organization by unions, which regulate labor supply and provide a negotiating partner for construction contractors. This interdependence tends to lead to long-term relationships among contractors, builders, and local union officials, who create informal structures and agreements for staffing projects.

As noted by Marc Silver in *Under Construction* (1986), the union is the principal agency for establishing wage and working conditions standards in its geographic and occupational jurisdictions. It also aids workers in handling conflicts with employers relating to the conditions and guidelines of the trade agreement covering particular job situations. Finally, the union serves as the hiring and placement agency for its members. Skilled trades workers typically have more clout in the hiring hall and on the job site, and therefore so do their union representatives. Since the late nineteenth century, union leaders formed citywide building trades councils whose signal purpose was to advocate for unionized labor and work sites.

The International Building Trades Department of the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) sets broad policies in legislative and regulatory matters and provides services and guidance to local and regional unions across the country. Until the two labor organizations merged in 1955, most construction unions were affliated with AFL. The national office develops alliances and relationships with various national and local unions and their leaders, and as with any organization, these internal political tensions and realities bear upon policy, financial, and personnel decisions.

Workers in the building and manual trades can point to one of the nation's longest traditions of union representation. Councils and leagues representing workers in major crafts were in existence shortly after the Civil War and were among the most influential unions in the founding of the American Federation of Labor (AFL) in 1886 and in pushing for the closed shop site, where only union workers may be hired. The unions formed their first national body, the National Building Trades Council, in 1897, seeking new unity and a national front against more aggressive employer efforts to stop the closed-shop movement. Interunion disagreements over jurisdiction (how unions would divide up the recruitment of new members with various skill and work areas) frayed the council, and by 1907 the council proposed to other unions that a new Department of Building Trades be formed that would allow local building trades unions to charter their own state bodies.

Unions of craft workers developed in part out of a sense that skilled, independent, and small-shop workers needed to protect their viability during the rise of an urbanized, industrial economy in the mid– to late nineteenth century. Many unions sought wholesale reforms in American life to ensure that workers' status would be protected during a time of unprecedented economic upheaval and even attempted to form a national labor political party. Eventually, some joined the Knights of Labor, a reform-minded national union that aimed to use its political power to elect supportive legislators.

Unlike in Europe, however, unionism in the United States turned away from a national political role in which unions would become the bedrock of a reform party, at least until John Lewis formed the Congress of Industrial Organizations (CIO) in the 1930s. The building trades unions would become identified with the AFL's more conservative approach that would focus for the next fifty years almost exclusively on bread-and-butter economic issues such as wages, benefits, and favorable standing in the courts, leaving aside broad social reform issues. The AFL leadership wanted a good life for its workers, as well as respectability and legitimacy among policy- and lawmakers in Congress, the White House, and the courts. That legitimacy was enhanced during World War I, when union leaders worked closely with the federal government to meet industrial targets and avoid labor and jurisdictional disputes through a War Conference Board, headed by future Supreme Court justice Felix Frankfurter.

As the United States entered a period of postwar growth fueled by highly speculative financial markets and a new wave of wealth, antiunion laws passed Congress and state legislative bodies. The construction industry declined during the late 1920s, and investors poured funds into an overspeculated stock market that crashed in 1929. Combined with already high unemployment, a disastrous tariff war, severe drought, and other concerns, the stock market crash triggered the Great Depression and extremely high unemployment for building trades and other workers across the country.

The enactment of the Davis-Bacon Act in 1931 guaranteed that the prevailing local wage was paid on all federally supported construction projects. The act was a major victory for the AFL's Building Trades Department and unions, would substantially increase the earnings of union trades workers for decades to follow, and help stabilize the industry. Franklin D. Roosevelt's (FDR's) "New Deal" programs created jobs and established an activist federal model for responding to unemployment in a declining economy. In 1935, Congress passed and FDR signed the National Labor Relations Act (Wagner Act), which made collective bargaining a right under the law.

Joseph McInerney served as president of the AFL

Building Trades Department from 1937 until his death in 1939 and was succeeded by John Coyne, who implemented a successful system for resolving jurisdictional battles and led the department during World War II. The building trades joined with all of organized labor in agreeing to no-strike pledges during the war. In addition, craft labor unions signed wage stabilization and adjustment agreements that called for wage rates to remain frozen in place for one-year increments, subject to annual renewal, and President Coyne served on the U.S. War Adjustment Board.

In an antiunion backlash after the war (as business interests lobbied to reshape U.S. policy in the postwar domestic policy vacuum), the U.S. Congress overrode President Harry Truman's signature to pass into law the Taft-Hartley Act in 1947, which restricted union activities, allowed states to pass "right-to-work" laws, and spelled out "unfair labor practices" that were prohibited by the law. Despite this antilabor mood, the baby boom and yearning for a "return to normalcy" spurred a tremendous postwar construction boom. In 1962 alone, Congress passed and President John F. Kennedy signed a series of far-reaching public laws, including the Public Works Acceleration Program, the Rivers and Harbors Projects Program, a housing program for the elderly, and the Federal Highway Act.

The building trades were instrumental in the passage of the Occupational Safety and Health Act during the 1970s, which produced substantial decreases in work-related injuries and deaths on union construction sites. Unions also founded the National Coordinating Committee on Multiemployer Plans to represent the interests of workers, employers, and beneficiaries in the difficult and byzantine challenges of managing multiemployer pension and benefit plans. From the 1970s until the present day, the national building trades unions successfully defended the Davis-Bacon Act and other legal protections against aggressive lobbying efforts to weaken wage and working standards. Robert Georgine succeeded Frank Bonadio as president of the International Building Trades Department in 1974 and has served through the present.

The economic downturn in the mid-1970s hit construction particularly hard and brought double-digit unemployment throughout the trades. These conditions began a cycle of union concessions on wages and work rules. High unemployment, combined with aggressive antiunion campaigns and the rise of double-breasted firms owning union and nonunion operations, allowed nonunion operators to gain a substantial advantage for years.

Postwar Controversy, Criticism, and Struggle

Through the late 1960s, work in the construction trades became enshrined as a path to middle-class stability. At the same time, however, Americans were experiencing the leading edges of two sweeping social and political upheavals—the civil rights movement and the Vietnam War. For the building trades labor unions, the changes unleashed by these events would trigger decades of pressure, criticism, failure, anger, and reform within their leadership and rank and file.

These events would force the construction industry and its leading unions to face a history of practices that excluded minorities and women from trades and allowed and encouraged corruption in a variety of union locals and councils, most observers agree. At the same time, contractors and large corporations would drive to break the union trades' hold over the recruitment, training, placement, and, to a large extent, supervision of organized labor.

In pulling apart the threads of reputation and reality that comprise the racially exclusive employment practices within the building trades unions and the construction industry as a whole, one needs to understand the unique nature of the construction industry, as well as immigration patterns and cultural and ethnic beliefs and practices. The "fairness" of the labor market—the supply and demand of workers in the open economy—to workers of different races and backgrounds was greatly affected by the cycles of immigration that flooded the United States during the nineteenth and early twentieth centuries.

Early immigrants from the British isles and Germany filled many of the craft and artisan jobs in the eighteenth and early nineteenth centuries, and as these organizations formalized into unions, these workers and their descendants acted to protect what they had, restricting new entrants and passing skills and opportunities down through generations.

As industrialism took hold before the Civil War, U.S. employers began recruiting immigrant workers to expand their pool of low-cost labor, and organized labor began to actively oppose what it saw as unrestricted immigration providing contract labor for industrialists. But as new workers from Ireland, Italy, Eastern Europe, and Greece found footholds in particular industries, such as textiles, they began forming their own unions to establish their rights and protect their own jobs and work standards. The AFL and building trades resisted open immigration and continued to lobby Congress for checks on immigration.

For these immigrant groups and communities, securing jobs and positions of power in organized labor was integral to the advancement and assimilation of their own community. If incoming immigrants posed a threat, so too did freed slaves and members of other minority groups. The ethnic immigration from Europe pushed the sons of the skilled black workers who had built many of the nation's cities and buildings into a lower tier of poorly paid, poorly skilled labor. Many unions created "auxiliary" or affiliate locals for lower-ranked black workers.

By the early 1920s, Congress passed new laws capping European immigration and completely barring Asian immigration. With immigration drastically reduced, U.S. workers of various ethnic groups consolidated their holds on certain industries and unions and continued to discriminate against Jews, blacks, and other people of color. Among building trades unions, many families passed down connections, training, and access to jobs, and their families and communities formed strong social ties to the industry. These strong social ties and networks became guarantors of opportunity for some—the exclusive nature of craft union employment became an "understood" right for white Irish, Italian, and other workers—but would serve as barriers to minorities and women as those Americans sought broader opportunity.

These developments harshly limited economic opportunities for blacks and minorities. The figures are stunning: in 1870, 31.7 percent of all black males in Cleveland had been employed in the skilled trades. By 1910, this figure had dropped to 11 percent (Kusmer 1976, 20, 74). Until the 1960s, building trades' unions in New York were virtually impenetrable to blacks. Each carpenters' union had its quota of two blacks who were allowed to do finish work. Plumbers Local 2 had three black members who were rarely allowed to work with other journeymen. Sheet Metal Local 28 had no black workers, ever.

The Civil Rights Act of 1964 brought a new level of legal, social, and media scrutiny to the employment policies and hiring, apprenticeship, and recruiting practices of organized labor. A series of legislative changes, federal orders, and judicial consent decrees sought to break down union resistance to hiring minority workers. The unions fiercely resisted change. They responded to lawsuits with proposals for union-controlled hometown plans based on new outreach activities, hiring goals for minorities, and hiring hall reforms. The Philadelphia Plan of 1969, the Chicago Plan of 1970, and the New York Plan of 1970 all fell substantially short of their hiring and apprenticeship goals and were resisted and circumvented in countless ways by union leaders.

The exclusive nature of construction employment came under intense scrutiny during the last three decades of the twentieth century, but the vast majority of construction unions remain dominated by whites, and black and minority workers remain concentrated in unskilled laborers' jobs, among carpenters, and in the trowel trades. The history of affirmative action policies in construction bears witness to the unions' ability to control those policies to serve their own ends (Appelbaum 1999; Waldinger 1996).

As construction workers and their union leaders confronted these many social changes, by the late 1980s and through the 1990s, lawmakers, public interest groups, prosecutors, and union reformists also focused attention on union corruption in the building trades. It had been investigated during cycles of public attention throughout the twentieth century, and there had even been crackdowns by organized labor itself, such as its removal of the International Brotherhood of Teamsters from the AFL-CIO in 1958.

By the 1980s, the topic was again the subject of wide concern. A series of federal and state investigations conducted by the Federal Bureau of Investigation (FBI), the New York Organized Crime Strike Force, and other investigative bodies found the existence of widespread illegal activity, particularly in the New York City construction industry and unions. A 1988 report by the strike force described thirty-one separate court cases initiated since 1980 that involved criminal charges and convictions in the New York metropolitan area. It was not until the 1990s that national union leaders and allied reformers working with federal officials and judges decisively cleaned up many of the worst unions and engineered the appointment of new, reform-minded union officers.

Casey Ichniowski and Anne Preston published a fascinating 1989 analysis in Cornell University's *Industrial and Labor Relations Review* that described the key economic and structural factors that facilitate corruption among industry groups, employers, and unions, including barriers to the formation of efficient markets *and* efficient firms. Production requires the coordination of numerous independently operating factors resistant to executive oversight, and the industry requires expensive, highly specialized equipment and tools that tend to limit competition (compare the competition in software development, for example, in which many experts can share the same resources for relatively low costs, with that in the manufacturing of earth-moving machines, cranes, and trucks). The industry's cyclical nature and hiring patterns tended to disadvantage larger firms, which cannot use their size and deep pockets to field a large and efficient labor force, since different crafts are needed for only one phase of a project. In addition, specific minor barriers, such as acquiring permits, can block the progress of an entire project.

The combination of these many factors created opportunities for individuals and groups that create (legal or illegal) monopolies, which are able to control and rationalize many inefficiencies. Organized crime exploited its ability to control needed labor resources at all phases of construction. Corruption can take the form of bribes, property destruction, or illegal bidding and purchasing procedures.

However, it also became apparent that the preservation of the power and perquisites of union office by individual leaders who were vulnerable to corruption charges also played a very significant role. Despite analyses by many observers that cleaning up the construction industry and unions in New York and elsewhere would be extremely difficult, by the mid- to late 1990s, the most notorious unions were undergoing reform and change, and many of the long-standing complaints about union corruption had been addressed. Turning over union stewardship to younger, proven leaders, working with various federal and judicial overseers on a joint agenda for reform, organizing new members, and focusing on cost-effective management led to genuine change that met strict monitoring standards.

One powerful example is the cleanup of the World Trade Center disaster site, where terrorists destroyed the skyscrapers on September 11, 2001. Unions and contractors worked together in an historic demonstration of dedication and efficiency to complete the cleanup and recovery under budget and ahead of schedule. As noted in a *New York Times* article by Steven Greenhouse and Charlie LeDuff:

> Now, a little more than four months into the job, those heading the cleanup and those removing the rubble at ground zero are trumpeting nothing short of a construction miracle, and with it, no small victory over cynicism about what labor can get done in New York. The cleanup, it turns out, will take no more than nine months and cost no more than $750 million.
>
> Even though it is the largest, most emotional excavation job in American history—the crews continue to sift each bucket of debris for human remains—everybody involved, including city officials, construction executives, union leaders and workers, say they are amazed at how smoothly and efficiently the job has gone.
>
> "You mention the words 'organized labor,' and they're always followed by the words 'organized crime,'" said Bob Gray of the International Union of Operating Engineers, who is in charge of all the cranes, backhoes and grapplers at the site. "This has been a good moment for us. We've shown the world what we can do."

Herbert A. Schaffner

See also American Federation of Labor and Congress of Industrial Organizations; Collective Bargaining; Davis-Bacon Act; Ironworkers; Teamsters; Workday

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Bureau of Labor Statistics

The Bureau of Labor Statistics is the main agency of the U.S. government for the collection, analysis, and dissemination of statistical data about labor economics. It was established in 1884 by the U.S. Congress and merged in 1913 with the newly created Department of Labor, which is today its parent organization. From its inception, the bureau collected information about the earnings and working conditions of Americans; it even mediated industrial strikes and handled workers' compensation in its earliest years.

During World War I, a cost-of-living measure was needed to adjust wages in shipyards. That led to the bureau's creation of the Consumer Price Index (CPI), a benchmark indicator monitoring monthly changes in prices paid by urban consumers for a representative basket of goods and services, including taxes and imports. This index is used in the adjustment of wages, Social Security and pension payments, and federal expenditures and grants to states and local areas. So important is the CPI that a change of as little as 1 percent would have the effect of triggering billions of dollars in federal payments.

Other key bureau indicators include: the Producer Price Index (PPI), formerly the Wholesale Price Index, which measures the average price changes paid by businesses for domestic goods and services; the Employment Cost Index (ECI), an indicator of total compensation costs, including nonwage or fringe benefit costs; and the Import Price Index (MPI) and Export Price Index (XPI), which track changes in the price of nonmilitary goods and services that are traded between the United States and the world. In addition, the bureau monitors the civilian labor force. Through a monthly survey of 60,000 households, the bureau tracks those sixteen years of age and older who are unemployed and actively seeking employment. These data form the basis for generating the unemployment rate, an important tool in assessing the health of the economy. Data from the bureau's basic indicators are incorporated in the *Handbook of Labor Statistics.* Another popular and widely used bureau source is the *Occupational Outlook Handbook,* which provides information on career and working conditions in a range of fields. Among the surveys conducted by the bureau are the Consumer Expenditure Survey, the National Compensation Survey, and the newer Job Openings and Labor Turnover Survey. Statistical sources include *Labor Force Statistics; Current Employment Statistics; Safety and Health Statistics;* and *Foreign Labor Statistics.*

The bureau has a worldwide reputation for reliability and statistical accuracy because of the scrupulous attention it pays to data-gathering methods. It demonstrates a bedrock commitment to the confidentiality of its respondents and the reporting of findings in aggregate. The purposes of bureau studies are clearly delineated so that users can understand the scope, strengths, and limitations of statistical reports and analyses. Standing research advisory councils for business and labor regularly give input on bureau studies, especially in relation to the needs of its members. They also facilitate the voluntary reporting of data from firms and individuals. The bureau's regional information offices encourage interaction with geographic locales for specialized studies and data input and provide training and technical assistance as needed. An increasing number of states and municipalities today have agreements to share their data with the bureau; and numerous federal departments and agencies cooperate as well. International participants also cooperate with the bureau's data collection efforts and rely on its expertise.

The Bureau of Labor Statistics uses the latest technology and has made its most requested publication series and detailed statistical studies, especially on employment, productivity, price indexes, and compensation, easily available through its Website (www.bls.gov). Users can read, download, and reformat timely bureau reports into customized tables for use. The U.S. Congress and numerous federal, state, and municipal government departments and agencies rely on the bureau's studies as a basis for economic decisions; and the average American directly feels the effects of these decisions in the adjusted value of the purchasing dollar, changes in the cost of living, and statuary actions affecting benefits.

Janet Butler Munch

See also Secretary of Labor, U.S.

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Business Roundtable

The Business Roundtable, an association of chief executive officers of leading corporations, is committed to promoting public policies consistent with corporate interests, including maintaining vigorous economic growth with low inflation, easing trade barriers, encouraging technological development, and, most controversially, limiting the power of trade unions.

The roundtable was the outgrowth of employers' concerns in the construction trades in the late 1960s about high wages, labor scarcity, the threat of inflation, and the idustry's decreased competitiveness in the world marketplace. Employers placed most of the blame on the growing power of the construction trades unions. In 1972 three public policy–focused organizations, the March Group, the Labor Law Study Committee, and most important, the Construction Users Anti-Inflation Roundtable, merged to form the Business Roundtable. Roger Blough, chief executive of U.S. Steel, was the driving force behind the merger.

From its inception, the association worked closely with the Nixon administration, which shared many of its concerns about the growing demands of organized labor and the impact of high wages on mounting inflation. The roundtable's relationship with the Nixon administration proved particularly helpful in dissuading the government from launching an antitrust investigation into the roundtable's activities, a very real early fear of many members.

Among the issues on the roundtable's agenda in the 1970s was the repeal of the Davis-Bacon Act (the 1931 legislation mandating that workers on public projects be paid at prevailing rates) and reform of the 1935 National Labor Relations Act (Wagner Act) to strengthen antistrike provisions. The roundtable also aided members in devising legal contrivances to allow for "double breasting," a formerly illegal arrangement in which a firm establishes a parallel nonunion operation to avoid paying workers union wages and benefits.

The roundtable also sponsored an aggressive public relations initiative to spread its message. In 1974, it purchased space in *Reader's Digest* for a monthly article (jointly written by the magazine's staff), taking up such issues as labor "terrorism" and impediments to greater productivity. Through its publicity campaign, the association managed quite successfully to link the growing threat of inflation to the supposedly unreasonable wage demands of unions, thus helping to turn the tide of public opinion against labor. The early activities of the roundtable are widely credited with contributing to the growing weakness of construction trades unions and organized labor in general during the 1970s and 1980s. Since its heyday in the 1960s, union density in the construction trades, for instance, has fallen off by 50 percent.

Business Roundtable activities are coordinated largely by the association's chairperson, in conjunction with a planning committee. A policy committee, including all roundtable chief executive officers (CEOs), also contributes. Policy research is largely performed through task forces, which take up a wide variety of industry concerns. In the early 2000s, the pressing issue of health insurance, in particular the demands of escalating costs, has occupied the association. Members meet every year in Washington, D.C., for the roundtable's annual conference. Membership dues based on company sales and stock values support the roundtable, which as the new millennium began represented corporations with a combined workforce of 12 million and $3.5 trillion in revenues.

Edmund Wehrle

See also Building Trades Unions; Davis-Bacon Act; Strikes

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Business Schools

The first college institution to offer preparation for business was the University of London in 1827, much to the objections of Oxford and Cambridge Universities. According to the upper and middle classes of England at the time, instruction in business should be provided to the lower-class workers only. The classical curriculum should not have been tampered with or watered down with such crass, pedestrian pursuits.

In the United States, however, William Penn and Benjamin Franklin, among others, enthusiastically supported the inclusion of "useful" subjects in the college curriculum. Although the academic and utilitarian philosophies conflicted on the western side of the Atlantic too, the schism was not as great. The first business "college" (a misnomer, because it did not offer a truly college-level education) in the United States was founded by James Gordon Bennett in1824. Bennett's school did not succeed for long, however. It took Franklin, working at the same time, to establish one with any longevity.

It was not the university, however, that first accepted the concept of education for business. The first real growth was that of private business school chains, notably the fifty established by H. B. and J. C. Bryant and H. D. Stratton in 1853. But it was not until 1881, with the establishment of the Wharton School, that education for business was finally recognized as being somewhat legitimate at the undergraduate level.

The advent of the typewriter, the adding machine, the dictation machine, and the precursor to the computer, all in the late nineteenth century, fostered a different strain of business education—in the high school. To prepare a citizenry to use these new tools, typing and an introduction to business became common fare in the schools during the first half of the twentieth century. From World War I to World War II, the business education curriculum thrived in high schools.

It was not until the 1950s that schools of business established a broad foundation at the college and university levels. A clear impetus was the returning GI, who comprised a totally new college-going population. With a need to prepare for entry into their first civilian careers and a desire to make up for "lost" time, returning soldiers' demands on the curriculum to provide a pragmatic, business-oriented education were great. These fundamental changes in the curriculum have remained in place until the present.

A vast majority of two- and four-year colleges in the United States currently offer a curriculum in business (unless they are specialized institutions), fueled by the sustained demand to prepare for direct entry into the workplace. As noted below, more and more students are electing a business major each year at the undergraduate or graduate level. In fact, at the graduate level, only education degrees are more numerous than master of business administration (M.B.A.) degrees.

Since 1950, more than 1 million persons have earned the M.B.A. designation from more than 750 graduate schools. In 1970, 21,000 M.B.A. degrees were granted; by 2000, that number had increased to over 100,000 per year. About 225,000 students are currently enrolled in M.B.A. programs around the country. Two-thirds are men; one-third are women. Two-thirds are pursuing their degrees on a part-time basis (Miller 2001, lv). Overall, 19 percent of all those employed in business/management have a bachelor's degree or above in business (http://www.census.gov).

The origin of the M.B.A. is unique. Still pulled by the weight of the liberal arts curriculum, few (at least at the elite undergraduate schools) wanted to replace the liberal arts B.A. with an undergraduate degree in business. The solution was proposed by William Jewett Tucker at Dartmouth University : the three-two program. After completing three years of study in a liberal arts discipline, the student entered a two-year business program. Upon completion of the full five years, the candidate would be awarded both a bachelor's and a master's degree. With a gift from Edward Tuck (a benefactor of what would become the Amos Tuck School at Dartmouth) in 1900, the program awarded the master of commercial science (M.C.S.) degree to eight students in 1902. This full-time, two-year graduate degree served as the model for all master's programs in business well into the 1970s. Indeed, it is still the model at first-tier institutions.

However, many institutions seized on the demand for graduate-level instruction by offering students the option of studying part-time or on an accelerated basis. To increase the attractiveness of their programs to potential students, some institutions adopted a shortened degree of slightly more than thirty semester hours rather than the standard sixty-semester-hour format. In addition, "executive" M.B.A. programs proliferated. Designed to meet the demands of the upper-level executive who could not enroll full-time, concentrated weekend sessions and intensive two-week summer terms became the pedagogical models on which delivery of instruction in nontraditional timeframes was based.

The years since the 1970s have witnessed two other trends worthy of note. Although degrees are still offered in subjects such as accounting, marketing, and finance, there have been new offerings in entrepreneurship, global business, and e-commerce. At the same time, there has been more direct involvement of corporations on campus. Many have established endowed chairs, supported named departments and research centers, and served as employers of newly minted M.B.A.s. In an exhaustive listing of M.B.A. specializations, *BusinessWeek* has identified six major areas: accounting, advertising, economics, finance, marketing, and statistics. Further combinations yield a total of sixty-six specializations. From that initial cohort of eight degrees in 1902, the growth in number of business degrees awarded each successive year and the development of new curricular offerings to meet the demands of U.S. employers seem likely to continue without abating.

Salaries for newly minted M.B.A.s can vary widely. According to a recent survey conducted by *BusinessWeek,* the salaries for graduates from the top thirty institutions range from a mean $71,873 for graduates of Notre Dame to $95,012 for Harvard University graduates. Of course, these starting salaries decrease substantially for the majority of alumni of "third-tier" universities, where the range is typically from the high $30,000 to the mid-$40,000. In addition, there are clear regional differences nationally, with alumni of the more well-established institutions in the Northeast commanding higher starting salaries than those from newer, less established institutions elsewhere in the country.

The Popularity of Business Schools

The explosive gains in enrollment in business schools during the 1980s and 1990s were fueled by a national psyche that embraced a new materialism and an economy that offered new business frontiers and new opportunities for the creation of wealth. Those forces remained powerful until the collapse of the dot-com bubble and the revelation of major ethical and legal issues in the conduct of business among some of the largest U.S. corporations. There have been signs of a growing rejection of careers in business among new college graduates and displaced dot-commers. Many are choosing teaching or other service professions as career options. It is too early, however, to say whether this disillusionment with the business environment will be sustained.

Ron Schenk

See also Careers; E-learning; Job Market; Occupations; Professionals

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BusinessWeek

BusinessWeek is arguably the most powerful business magazine in the world, with a weekly global readership, as distinguished from circulation, estimated to be more than 5 million people. Its strength is underscored by its ability to consistently place itself among the world's top ten revenue-grossing magazines.

The flagship publication of McGraw-Hill, *BusinessWeek* has benefited from the growing importance and popularity of business journalism that began in the mid-1990s. Issues such as finance, stock performance, the role of technology, globalization, the rise of the Internet, and most recently, the conduct of corporate officers have all become mainstream news during this time. This interest has helped *BusinessWeek* secure wider readership and influence.

BusinessWeek fostered its new prominence by playing to its traditional strengths and placing new emphasis on emerging coverage areas, such as technology, the Internet, and e-commerce. In the late 1990s, *BusinessWeek* also began focusing more clearly on workforce issues, in both its print and online versions to leverage the increased interest in these topics. Much of this coverage appears under its "Careers" section, which deals with employment trends, salary issues, work life stories, and career strategies. The magazine has tapped into this coverage from two different directions. It has positioned itself to provide career information to individuals (usually white-collar workers) looking to enhance their own employment situations. *BusinessWeek* has also intensified its coverage of management issues relating to the workforce, including stories touching on increasing productivity, retaining employees, and aligning corporate cultures to business objectives.

The magazine's growth in the 1990s and early 2000s allowed it to invest in solidifying its position by creating a substantial editorial team that includes 200 journalists working in 11 U.S. news bureaus and 12 international offices. Its strength and reach has made it a must-read for most, if not all, executives. "Even when I don't read the magazine, or I don't have time to get through the issue, I look at the table of contents," Nokia chief executive officer and chairman Jorma Ollilia once explained in *AdAge*. "You're putting the week behind and the week ahead in context for me—and telling me what I should know." (Kaplan 2000).

BusinessWeek has used its increased prominence to expand its brand image and revenue streams through the creation of several related products: BusinessWeek online; a syndicated personal financial program, BusinessWeek TV; and BusinessWeek Events, which sponsors a series of issue-oriented global forums for senior executives.

Although prominent, the magazine has substantial competition from both *Forbes* and *Fortune*. Yet its position as a weekly magazine, in contrast to the biweekly publishing schedule of its competitors, gives *BusinessWeek* a unique advantage. Its frequency allows it to concentrate more effectively on reporting and analyzing the impact of breaking news on business and the economy.

For all its gains, *BusinessWeek*, along with its competitors, suffered when the economy began to deteriorate in the early 2000s. Although the publishing industry as a whole witnessed unprecedented layoffs and closures, magazines such as *BusinessWeek* that relied on business and technology advertising were particularly hard-hit, forcing many of them to retrench, cutting back or holding off on expansion plans and overall coverage. Coverage of workforce and career issues, however, expanded, reflecting the downturn's impact on the labor market.

John Salak

See also *Fortune;* Wall Street; *Wall Street Journal*

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C

Capitalism

Capitalism is a term used to describe economies in which capital and all other factors of production are privately held and disposed of as their owners wish. The ideal capitalist society rewards risk taking by allowing owners to accumulate more capital. The production of goods thereby leveraged creates wealth for society at large. Government places as few limits on the market as possible, and inefficient uses of capital are killed off through competition. Bonds between individuals are of the contractual type, rather than that of master and servant, as in feudal societies. In reality, there is no society anywhere that can be described as pure capitalist per laissez-faire (French for "leave alone to do") ideology, which argues for little government intervention in the economy beyond enforcing contracts. Every government places some restrictions on the movement of capital. All modern economies employ a mix of capitalist and socialist ideas. In recent years, the United States, like much of the world, has become more capitalist.

The underlying basis for capitalism is that markets will allocate resources in the most efficient manner possible if they are left alone to do so, bidding up the price of products in demand and funding their producers' search for labor and raw materials. As such, its proponents believe that capitalism as such is the "natural" state of economic affairs. It can therefore be difficult to attribute its creation to any individual or group. However, it can be said that the first documentation of capitalism as a concept, as well as the moral argument in favor of it, came with the publication of Adam Smith's *Inquiry into the Nature and Causes of the Wealth of Nations,* published in 1776. The prevalent economic theories of the time made up what was called "mercantilism," which was predicated on the use of tariffs to prevent money (usually gold) from leaving the mother country. It was carefully bound up in the empire building of the eighteenth century, and Smith's England was perhaps its leading proponent. Trade both within and without the British Empire was carefully regulated such that finished products were produced only in England and that non-English wares were taxed to be prohibitively expensive. Smith argued that the restrictions placed on the flow of capital were bad for all parties involved. If production and consumption were allowed to allocate themselves, not only would goods become cheaper, but the added efficiency would allow the economy to generate more wealth for all parties. The system was called the "free market," because it ideally would be free of government interference. The bonds between England and the colonies would become stronger because they would be based not on force but on mutual benefit. By the same token, every nation would enjoy the unrestricted flow of products of all kinds. Smith called the self-regulating mechanism the "invisible hand" because the many participants of free markets obeyed rules without knowing what they were.

The year *Wealth of Nations* was published was also the year of the American Revolution. Once the United States had dissolved the bands that held it to Britain, it found itself a nation designed to provide goods to an empire that was no longer interested in buying them. England had taken the first step on the road to the Industrial Revolution, and the new nation had no native manufacturing capable of creating the finished products of quality or quantity that England was able to turn out. Neither did it possess the capital that England, with its many banks and colonial empire, was able to raise to support new businesses. Within a few years after the U.S. Constitution was ratified, many within the Washington administration began to debate creating a national bank to issue currency. Thomas Jefferson saw the virtue of the nation in the countryside, on small family farms. Alexander Hamilton, however, believed that only by creating a strong centralized financial system would the nation be able to grow and thrive. Hamilton won the debate. The Bank of the United States was founded in 1791 in New York City. The New York Stock Exchange was founded a year later.

Both Britain and the United States saw tremendous economic growth through the first half of the nineteenth century, as did parts of continental Europe that had begun the industrialization process. Many rules on trade were liberalized, allowing for a free flow of goods between and within nations. The mercantile economy was dead. However, not all the results of capitalism were good. To continue to produce goods, capitalism requires a steady input of labor. One of the most effective means of reducing costs is to minimize labor costs. In some places, such as the industrial cities of the northeastern United States and in England, it was done by hiring poor people and immigrants, by preventing free association of labor (unionizing), and by making agreements among factory owners to keep wages low. In the agrarian South of the United States, the means was slavery. The period from the early 1840s until the late 1880s was one of great challenges to capitalism. The year 1848 in particular saw the specter of socialist revolution rise in Europe. In the United States, cheap land to the west kept the worst abuses muted for some time—the poor always had someplace else to go. However, the great abuse that was slavery was destroyed in the Civil War, after which greater investment in the South did little to stem the flow of capital northward.

One particular innovation of capitalism was that of the corporation. Wholly owned companies have upper limits on their size because of the limitations on capital that one person can attract. The corporation allowed for the leverage of "minority ownership," whereby shares of the company could be sold to the public at large. These sales allowed for tremendous influxes of capital. The growth in factories and especially in railroads was much driven by incorporation. Corporations would eventually surpass national boundaries and become multinational—indeed, in 1974, fifty-one of the 100-largest economic units in the world were corporations; the other forty-nine were countries (Trachtenberg 1982, 5). Even in the mid–nineteenth century, though, the corporation began to loom large in U.S. and European business. The sort of money it could command made it a natural target for those who feared that big business would trample the individual.

In fact, the growth of corporations in the nineteenth century led to the threat of monopoly power, the most obvious flaw in classical economics. For capitalism to function, it requires competition. But companies like Andrew Carnegie's U.S. Steel and John D. Rockefeller's Standard Oil were threatening to squelch all competitors. At the same time, greater efforts at unionization among labor and growing membership in socialist and Communist parties made many fear that capitalism was coming undone. To combat these threats, many nations, including the United States, began to regulate industry in general and corporations in particular. Perhaps most famous were Theodore Roosevelt's "trust-busting" efforts, which, although exaggerated in their accomplishments, did succeed in chastening big business.

As the twentieth century began, new innovations, such as the assembly line for Model T's implemented by Henry Ford in 1913, made mass production—and mass consumption—possible for the first time. New technology created new companies that hired more workers, drawing both agricultural families and immigrants to the industrial cities of the North. Companies like Ford Motor Company began to pay their workers enough to buy their products, guaranteeing a market and ensuring continued expansion. As the corporations and industry in general grew ever larger, regulation increased as well, limiting child labor, the length of the work week, and dangers in the workplace. Labor unions also began to implement collective bargaining agreements, whereby the threat of strikes forced industry to agree to higher wages and even guaranteed employment under certain circumstances. There was much debate in economic circles about whether unionization was legitimate under capitalism. Efforts at branding organizers as Communist, though, for the most part died a quiet death by 1950. Today most union laborers in the United States consider themselves middle class.

By 1914, many onlookers believed that free trade had united the world in peace, but that was proven wrong when World War I began in August. Nations that had been trading partners with one another exploded into hostility. When the smoke cleared, Europe's economic supremacy had come to an end, and the first Communist state had come into being after Russia's October Revolution. The United States, in order to help the war effort, had instituted its first income tax. Capitalism in the United States thrived throughout the 1920s, but in 1929 the stock market crashed and the world was plunged into the Great Depression. To combat the threat of socialism spreading across the globe, capitalism incorporated elements of state control. This process is sometimes referred to as the "Keynesian revolution," for Alfred Keynes, the English economist who first advocated it, or as "demand-side economics" because the government seeks to stimulate demand by increasing the money supply and providing jobs. In the United States, President Franklin D. Roosevelt's New Deal carried out Keynesian policies by borrowing money and creating public works agencies such as the Tennessee Valley Authority. When World War II began, government investment and regulation increased to levels even greater than at the height of the Depression.

After the war, the U.S. government continued to influence the economy both domestically and overseas. In the United States, the Truman and Eisenhower administrations promoted the move toward suburbanization and middle-class life through the GI bill and the Federal Housing Authority, which promoted education and home ownership. In Europe and elsewhere, loans and grants such as the Marshall Plan, as well as military presence of the United States, helped prevent the westward spread of communism. The U.S. corporation reached new heights in the 1950s, becoming truly multinational, diversifying, and developing the promotion-oriented company culture for which William H. Whyte coined the term "organization man" (Whyte 1956, 1).

In the 1960s, continued U.S. success led to the increasing desire to expand capitalism's bounty to the less fortunate. Lyndon Johnson's Great Society program greatly expanded the size of the welfare state while simultaneously confronting communism in Vietnam. The cost of government and the taxation of U.S. citizens became larger issues. Then, in the 1970s, U.S. capitalism seemed suddenly to struggle. Industries such as automaking and steel, which had been dominated by U.S. companies, began to see serious competition from overseas. For example, in 1970 domestic brands accounted for 85 percent of all auto sales in the United States. By 1980, that percentage had fallen to 73 percent (http://www.senate.state.mi.us). The internationalization of capitalism also meant that companies began to relocate jobs to other nations where labor was less expensive. Oil crises further threatened the U.S. economy in particular and global capitalism in general.

Toward the end of the 1970s, new theories of capitalism began to emerge. Associated with conservative economists such as F. A. Hayek and Milton Freedman, they argued (much as Adam Smith had) that capitalism was the natural state of humankind and that without government interference, it would regulate itself in the most efficient manner possible. The arguments took on a new moral component, however, with proponents arguing that state control was harmful, inequity was impossible to avoid and even good, and only the unhindered pursuit of wealth would ever provide a decent living standard to the world. Ronald Reagan in the United States and Margaret Thatcher in the United Kingdom embraced this new anti-Keynesian economics, sometimes called "supply-side economics" because it intends to address economic concerns by providing means to employers and producers in the form of tax cuts and reduced regulation. The world economy recovered in the 1980s, and when communism collapsed between 1989 and 1991, capitalism was redeemed in the eyes of many.

In the first years of the twenty-first century, capitalism has expanded. The free movement of capital has led to results both good and bad in the United States and throughout the world. As industrialization led to the decline of the small farmer as a

Trading floor of the New York Stock Exchange (Gail Mooney/Corbis)

demographic in the United States, so has the growth in globalization led to the decline of manufacturing. Even for products that are expensive to move, such as steel, it has become cheaper for companies to produce overseas and ship to the United States. In a sense, Adam Smith predicted this development more than 200 years ago, when he proposed a natural "division of labor" between nations. However, since the tendency has been to move low-paying, high-risk jobs to poorer regions of the world, this division is not entirely equitable. Further, accumulation of capital allows for individuals, companies, and nations to invest in new technologies and innovations. The newer, higher-paying, and safer jobs in computer science, aerospace, and engineering have developed almost exclusively in those countries where advanced capitalism already exists. This trend leads to substantial benefits for these nations, but less-industrialized nations tend to miss out. This combination of factors has led to charges of exploitation by antiglobalists as well as considerable dissatisfaction by native employees, who have found themselves without an industry.

In the United States and much of the most economically developed countries of the world, capitalism has created an environment of service jobs. Most employment in the United States falls into the service sector. Indeed, the Bureau of Labor Statistics (BLS) expects that the U.S. economy as a whole will create 22 million jobs by 2010; 20.2 million of these will be service positions (http://www.bls.gov). Further, the decline of union manufacturing jobs has led to a sharp division in the economy between high-paying positions that require education and social capital, such as bankers, lawyers, and managers, and low-paying positions that require little training and often offer few benefits or advancement possibilities, such as food service, retail sales, and groundskeeping. Those with education and the capital to take risks are likely to succeed in the new environment of global capitalism. Those without these advantages have few opportunities. This, too, has become a criticism of capitalism. Capital tends to accumulate where it already exists, thus depriving many of capitalism's benefits.

Although capitalism has emerged as triumphant over socialism, its flaws have led many to investigate the possibility of a "third way." In a sense, this alternative is simply an extension of the social democracies that have existed since World War II. However, in an era in which capital is globalized, the old ways of working within national boundaries have come under scrutiny. Many in the antiglobalism movement cross borders to protest. Those who advocate for a third way often do so with an eye to influencing multinational regulatory bodies to match the multinational corporations that are now economically larger than many countries. It is their hope to harness the dynamism of capitalism to a more equitable social hierarchy in which every nation can benefit from new advances in technology and no region is leveraged into exclusively performing dangerous and low-paying work. This goal becomes more important as capitalism spreads. Nations that are still Communist in name such as China and Cuba, as well as Third World countries, continue to embrace free markets in the hopes of providing for their citizens. Trade continues toward globalization, but many still hope to find a path that addresses both economic and social issues. Capitalism's great promise is that it rewards risk taking. In the twenty-first century, its critics hope not to destroy it but to extend that promise beyond those who have already benefited.

Joshua Moses

See also Democratic Socialism; Globalization and Workers; Industrial Revolution and Assembly Line Work; Socialism

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Careers

Careers are broadly defined as the evolving sequence of work-related experiences over the span of a person's lifetime (Arthur, Hall, and Lawrence 1989). This broad definition contrasts with the frequent popular use of the term *careers,* in which careers are typically thought of as involving neatly ordered patterns of jobs with consistent upward mobility, implying that engineers, programmers, and managers have careers but temporary employees, fast food workers, and janitors do not. The broad definition of careers, however, applies to the work histories of *all* workers, showing how work histories reflect employment stability and instability, skills and experience gained or made irrelevant, relationships nurtured or lost, and risks or opportunities encountered. In essence, therefore, "careers," in contrast to "jobs," "work," or "employment," involves this time dimension. Careers are thus highly complex and are shaped by both firms and individuals, activities in both work and non-work-related environments, and social relationships in both work and community contexts.

Prior to the mid-1970s, careers could be thought of as simply jobs because for much of the twentieth century, many workers could expect to have lifetime jobs working for large employers in stable mass-production industries (Hall 1982). Since the 1970s, however, rapid changes in technology, corporate structure, and economic activity have resulted in greater instability in work patterns. Few workers now can expect long-term stable employment with a single employer, and most workers instead hold many different jobs with a range of different employers over their lifetime. As a result, long-term work patterns have become more complex, with new career patterns that may be more or less beneficial to workers, their families, the economy, and society at large.

Careers are the product of both established structures and institutions on the one hand and the choices and characteristics of individual actors on the other. The influence of both of these factors has shifted over time. In the past, stable organizations—particularly large bureaucracies and corporations—helped to create predictable "organizational careers," which emerged through orderly employment arrangements, including clearly defined job tasks, well-developed internal labor markets, and regular increases in compensation based on experience and seniority (Hall 1976; Osterman 1984; Whyte 1956). Career success in this context depended largely on gaining access to both blue-collar and white-collar jobs in this protected, primary labor market. Changing organizational structures, however, have resulted in the growth of outsourcing, the creation of complex networked production systems, and rapidly shifting economic conditions. These changes have increased the complexity and unpredictability of career opportunities and have resulted in a significant mismatch between this shifting organizational context and older labor market institutions (including employment policy, the labor relations system, and legal protections). Career opportunities have thus become more unequal, and the long-term vulnerability for many workers has increased. For organizations, the solution to these problems lies in creating new labor market institutions that can buffer workers from vulnerability, increase the portability of compensation and skills certification systems, and build more cross-firm career "staircases." To do so, organizations will need to develop multiemployer training and placement institutions that can recognize worker's experience and skills across multiple organizational contexts (Herzenberg, Alic, and Wial 1998; Osterman et al. 2001).

Individual characteristics also affect career outcomes. Attitudes, education and experience levels, demographic characteristics, and social relations are critical in shaping individual work paths over a lifetime. Historically, educational levels and demographic characteristics (for example, race, gender) have been the primary factors shaping individuals' access to entry-level jobs and thus largely determining career trajectories (Becker 1964; Mincer and Polacheck 1974). Individual psychological preferences also play an important role, as workers try through various means, including vocational counseling, psychological testing, and career advising, to find the right type of job for their personality and interests (Schein 1978). More recently, as work contexts have shifted more rapidly over time, lifelong learning opportunities and work experience seem to play a more important role than simply formal education and credentials. Furthermore, social networks have also become increasingly important in building skills and increasing workers' ability to learn in the long term, in helping workers to cope with layoffs and job loss, and in effectively dealing with a range of other issues that shape long-term employment outcomes (Wial 1991, Lave and Wenger 1991, Hull 1997, Wenger 1998). These social networks are built in both work- and non-work-related settings, leading to an increased importance of home life to work success as well (Carnoy 2000). To improve career outcomes, individuals must gain access to lifelong learning (both formal education and informal learning) and make efforts to expand their social networks.

Clearly, careers are shaped by both organizational and individual factors. Even within clearly delineated, stable organizational contexts, there is significant scope for individual career experiences, and individual career decisions also influence the creation and maintenance of formal organizations and institutions. This relationship between employers and employees, in both the formal and informal sense, is thus shifting significantly over time, with contradictory implications for career paths (Rousseau 1995). In the complex and volatile contemporary economic context, employers are expecting higher levels of engagement and commitment from their employees yet also reducing their implicit commitments to long-term employment. Workers are beginning to learn how to demand commitments on the part of their employers to promote their long-term "employability," such as expanded opportunities for training and the creation of multifirm institutions, while also facing the increased insecurity and uncertainty of contemporary career opportunities. The clearest trend in this rapidly shifting environment is that careers themselves have become more diverse and complex.

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See also Job Security; Labor Market; Lifelong Learning

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Child Care

Child care refers to the care and supervision of children, usually outside the home, by someone other than a primary family member. With nearly three-quarters of women with minor children in the labor force, child care has become a subject of public concern and a key public policy issue over the past decade. Families in the United States have become more dependent on nonparental care and have made the quality, cost, and availability of such care a topic of public discourse. Child care policy was enacted on the national level in 1996 when the Personal Responsibility and Work Opportunity Reconciliation Act gave states the flexibility to design child care systems for current and former welfare recipients and other low-income families in their states.

The number of women with small children in the labor force increased drastically during the last decade of the twentieth century. Between 1990 and 2000, the percentage of women with children under age three participating in the labor force increased from 53.6 to 61 percent. During this period, the rate for women with children under age eighteen increased from 66.7 to 72.9 percent (U.S. Department of Labor 2001). Approximately 44 million children under age seventeen have both parents or their only parent in the workforce. According to the National Conference of State Legislatures, approximately 13 million children in the United States are in out-of-home child care programs (Groginsky, Robinson, and Smith 1999).

The affordability of child care has become an issue of national concern. Child care expenses can consume a large portion of a working family's income. The 1997 National Survey of American Families showed that 48 percent of working families with children under age thirteen had child care expenses. The average expense for child care was $286 per month and represented an average of 9 percent of family earnings. However, costs are greater for those with small children, and the average percentage of earnings spent on child care is greater for single-parent and low-income families. Single-parent families that paid for care spent an average of 16 percent of their family earnings, whereas two-parent families paid an average of 7 percent of their earnings. Child care expenses represent a greater hardship for poor families. For those who paid for child care, the average cost was 16 percent of earnings for low-income families versus only 6 percent for higher-earning families, and 27 percent of low-earning families spend more than 20 percent of their earnings on child care (Giannarelli and Barsimantov 2000).

Public resources for child care funding, especially for working families have historically been quite limited, although the U.S. government expanded resources for child care in the early 2000s. Child care policy has historically been tied to programs for poor families. The primary source of funding for subsidized child care is the Child Care and Devel-

According to the National Conference of State Legislatures, approximately 13 million children in the United States are in child care programs. (Vince Streano/Corbis)

opment Fund, which was created by the 1996 welfare reform law. At present, it serves only 10 to 15 percent of children who are eligible because of limited federal funds (U.S. Department of Health and Human Services 2000).

Child care has its roots in the nineteenth century, when day nurseries were created for poor mothers who were forced to work to support their families. They became more controversial in the early twentieth century, when prevailing public thought stressed the dangers of women working outside the home. This belief influenced the first federal welfare policy, Aid to Dependent Children (ADC), which was passed with the Social Security Act of 1935. ADC was established as part of President Franklin Roosevelt's New Deal to assist widowed and abandoned mothers and their children, who had little or no other means of support unless the sole parent worked. The funding allowed women to stay at home to raise their children, reflecting the cultural mores of the time.

When the Depression hit in the 1930s, many women were forced to enter the labor force to support their families. In response to public pressure, the federal government funded public nurseries across the nation. Called "emergency nursery schools," these establishments stressed the educational benefits of the experience for children. During World War II, the federal government passed the Lanham Act to fund day care centers, but the funding was not distributed systematically or equally around the nation, reflecting a lack of real cohesive policy in the area of child care. This funding was withdrawn after the war ended.

Income tax deductions for the costs of child care were first permitted in 1954, illustrating a shift in social and cultural attitudes about working women. The poverty programs of the 1960s and 1970s also provided minimal child care funding, which was targeted at the poor who entered the labor force. The 1980s saw a severe reduction in funding under the Reagan administration, but the demand for child care grew nonetheless, as more and more women entered the labor force. The private child care industry boomed, and the costs of child care skyrocketed with this increased demand.

Funding for child care was restored by the Clinton administration in the 1990s but was mainly tied to programs aimed at the poor. The welfare reform act, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), requires that welfare recipients move into work within twenty-four months of first receiving assistance. Furthermore, the act imposes a five-year lifetime limit on eligibility for assistance. To deal with the millions of women who would be entering the labor force as a result of the new policy, the act established the Child Care and Development Fund (CCDF). States have been given the flexibility and the responsibility to develop child care systems to help recipients move into work and to provide services to former recipients and poor families to prevent them from going on welfare. States may use CCDF funds to aid families with incomes up to 85 percent of the state median income. In recent years, states have been allowed to use unspent funds from the welfare benefits program established under PRWORA, Temporary Assistance to Needy Families (TANF), for expanding child care services in their states. In 1999, CCDC federal and state spending was $4.8 billion, and the total TANF spending on child care was $2.7 billion (U.S. House Education and the Workforce Committee 2002).

Child care has been a major issue in the reauthorization of PRWORA. Child care advocates have argued for increasing the amount of funds that can be spent on child care, whereas opponents have argued that the current law provides enough flexibility for states to use funds for child care if necessary. The reauthorization of the welfare law in 2002–2003 has heated this debate by imposing stricter work requirements and longer work weeks on welfare recipients.

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See also Family and Medical Leave Act; Mommy Track; Women and Work

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Child Labor

Child labor has been part of American society since long before the American Revolution. For much of the early history of the United States, child labor was usually, though not always, an outgrowth of family life. Children's work was considered a good thing because it contributed to the family economy, prevented idleness and mischief (following on the Puritan heritage), and taught children trades and useful occupational skills.

This public view has radically changed over the past hundred years, as experts and eventually the broad general public identified devastating developmental and health consequences from excessive work. Child labor remains an ongoing problem that affects not only the world of work but also reflects how American society values work, the family, and childhood. Today, organizations and governments share a common vision of eliminating abusive child labor worldwide, or where child labor is woven into the fabric of community and agricultural life, ensuring fair pay and labor standards.

Beyond the Puritan ethic, there are many reasons why child labor maintained such staying power for much of American history. In addition to simply hiring children because they could pay them less and because they were more tractable (and exploitable) than adults, some employers genuinely believed that they were doing a good thing by keeping children occupied at useful tasks. Parents frequently favored their children working, whether from family tradition or because their income was genuinely needed.

During the nineteenth century most child laborers were from the poorer classes of society. As the century wore on, many came from immigrant groups in which children working to support their families was the tradition. (Library of Congress)

The latter was especially true for families headed by widowed or deserted mothers. Finally, children themselves chose work for a number of reasons, among them the desire to help and to meet parental expectations. And at a time when the value of a sustained education to future success was less clear than in the present time, many children believed that work was more valuable than school.

For these and other reasons, the eradication of child labor has been an uphill battle throughout American history. Because most child laborers were from the poorer classes of society and, as the nineteenth century wore on, increasingly from immigrant groups in which children working to support their families was the tradition, a blame-the-victim mentality often impeded efforts at amelioration. Also, taking on the increasingly powerful industries that profited from child labor could be politically risky, especially during the Gilded Age, when capitalism grew unrestrained. Finally, in the American South, where child labor was especially rampant, issues of sectionalism and states' rights often stymied efforts to even regulate child labor.

Even during the early part of American history, the Puritan ethic emphasizing the value of work conflicted with the Puritan ethic valuing literacy, particularly the ability to read the Bible. As a result, the value of education became the first challenge to the unquestioned acceptability of child labor, and the first law legislating a minimum amount of education for working children was passed in Massachusetts in 1813. During the early nineteenth century, several states in New England and the mid-Atlantic region passed laws prohibiting child labor in factories, mines, and mills and requiring a minimal amount of education for children who worked. However, legislated minimum work ages were often as low as twelve or thirteen; inspection and enforcement were spotty; and in contrast to the North, southern states permitted work by children as young as six. As immigration increased, so did poverty, and the idea that working children could or should support their parents increasingly flew in the face of the reality of adult men losing employment (and hence genuine breadwinning ability) to children who could be paid much less, causing increased family poverty and depriving children of schooling.

"By the end of the nineteenth century, with the growth in industrialization and the increasing incidence of children performing repetitive, menial tasks that impaired their health and opportunities for education, these arguments became increasingly difficult to sustain" (Breitzer, in press). As the Gilded Age gave way to the Progressive era at the end of the nineteenth century, increased concern for child welfare in general paved the way for organized efforts to regulate child labor. Yet even as the idea of child labor regulation became increasingly accepted, laws were enforced with difficulty during the early twentieth century.

One notable nineteenth-century effort by organized labor on behalf of child workers was the creation of a union composed solely of child workers. The purpose of the Newsboys and Bootblacks' Protective Union, chartered by the Cleveland AFL, was to ensure fair pay and to reduce the number of hours worked by children and to "educate the members in the principles of trade unionism so when they develop into manhood they will at all times struggle for the product of their labor" (AFL-CIO 1902). As legislation increasingly restricted and in many cases banned child labor during the twentieth century, the unionization of child workers became a moot issue. But at the close of the twentieth century, unions were again speaking out against child labor—in Third World nations where many manufacturers have moved operations. The current activism is based on humanitarian grounds as well as concern that child labor abroad will drive down adult wages in the United States.

Most of the activism to regulate or eradicate child labor, however, was conducted by progressive activists allied with but outside of the labor movement. With increased middle-class concern for the importance of education and play to childhood and the corresponding recognition that child labor was detrimental to both, as well as to children's health, this period also sometimes became known as the "child-saving" era. Edgar Gardner Murphy, an Episcopalian minister, founded the National Child Labor Committee (NCLC) in the South in 1904. The purpose of the NCLC was first to document child labor and eventually to advocate national legislation to control it, and it focused much of its efforts on especially egregious examples, such as the illegal use of 10,000 child miners in Pennsylvania. Opposition from business leaders and southerners complicated the NCLC's task. In fact, conditions in the South contributed to the NCLC's decision to pursue federal legislation as the best solution to the child labor problem. The Keating-Owen Bill, the first successful piece of national child labor legislation passed Congress, after much effort, in 1916, but was struck down by the Supreme Court in 1918. The following year, a second national child labor law was passed, but was also struck down by the Supreme Court, in 1922. A Child Labor Amendment to the Constitution, first submitted to the states in 1924, failed to achieve ratification as late as 1950. Even so, the efforts of the NCLC were far from fruitless, and between the 1920s and 1930s, even before the New Deal, census reports showed child labor to be in decline.

Finally, in 1938, the Fair Labor Standards Act successfully established a minimum age of sixteen for nonagricultural employment, except in occupations deemed hazardous by the secretary of labor, which had a minimum age for employment of eighteen. The act exempted children employed by their parents, except in manufacturing, mining, and hazardous occupations. There were notably more lenient standards for agricultural work, allowing a minimum age of sixteen for employment during school hours, fourteen outside school hours, twelve to thirteen with parental consent, and below twelve on family farms. In 1948, an amendment to the Fair Labor Standards Act prohibited farm work during school hours while school was in session.

After World War II, child labor nearly disappeared, both in law and in fact, from the American scene. Increasing prosperity, subsequent legislation, and compulsory schooling led to the conclusion, first stated in 1950, that child labor had become "insignificant." In law and practice, the minimum age to obtain a work permit is fourteen, with a few exceptions, such as acting, modeling, and paper delivery. Federal law prohibits work by children under sixteen from 7:00 A.M. to 7:00 P.M.

and limits work during the school year to three hours per day (eighteen hours per week). When school is not in session, teenagers sixteen to eighteen may work until 9:00 P.M. and up to forty hours a week.

Although child labor has been largely eliminated, there still remain problem areas, especially in agriculture among migrant workers. It was not until 1974 that the Fair Labor Standards Act was amended to regulate child labor in agriculture, specifically prohibiting work by children under twelve and requiring parental permission for children aged twelve to thirteen. Even then, these restrictions applied only to children working on farms that were subject to minimum-wage regulations. And even then, enforcement of state and federal laws regarding child agricultural labor has remained an uphill battle, especially where migrant children were concerned. Surveys conducted by the American Friends Service Committee in the 1970s revealed high percentages of migrant children, ranging from 75 percent in Oregon to 99 percent in Washington state, working during the harvest seasons and exposed to such hazards as high temperatures and pesticides in the process. Child agricultural workers were also likely to suffer from lack of education because school attendance was not enforced in the areas where they worked. In general, the child labor problem in agriculture has been regarded as part of the larger problem of lesser labor protections for agricultural workers of all ages. For example, as of 1989, the National Labor Relations Act (Wagner Act), established in 1935, still did not grant agricultural workers the right to organize, and more progressive state laws, such as the California Labor Relations Act, have been poorly enforced. In the 1990s child labor reemerged as a public issue. Sweatshops returned to U.S. cities and city dwellers began to notice again.

Child labor has persisted as a controversial issue in recent years, with the International Labor Organization (ILO), a specialized agency of the United Nations, estimating that 211 million children between the ages of 5 and 14 were at work in economic activity worldwide in 2000 (ILO 2002). Nearly all of these children live within one of the world's developing economies, and more than half are involved in work classified as either "hazardous" or among one of the "worst forms" of child labor (ILO 2002).

It is these forms of labor—which include slavery, debt bondage, sexual exploitation, and drug trafficking, in addition to the traditional Western images of dangerous sweatshops—that continue to attract the most significant international attention. Under the system of debt bondage, for example, children have their labor rented out as a method of high-interest loan repayment, including cases in which failure to do so would mean death for the debtor. The elimination of child labor abuses such as these remains a priority of international human rights organizations such as the ILO, which has a current campaign underway to ratify worldwide an immediate ban on the worst forms.

Research has revealed that hazardous work conditions are characterized by poor or missing safety equipment, that children are often exposed to dangerous levels of toxic chemicals, and that many child laborers forgo their schooling in favor of working full time. The long-term impacts on children may be significant, with associations uncovered between child labor and reduced levels of height and weight. Stunted growth in girls has been shown to have a negative impact on the probability of giving birth to healthy children (ILO 2002).

Increased visibility of the problem is considered only the first step by advocates, however. Campaigns to combat child labor abuses generally recognize the need to solve the problems creating the demand for the labor in the first place. Indeed, many of the most flagrant abusers of child labor operate in countries where the practices in question are nominally illegal. For example, in India, estimated to house between 30 and 40 percent of the worldwide child labor population, children under the age of fourteen are prohibited from working in most industries, yet monitoring is so poor that these laws are rarely enforced (ILO 2002).

Viewing child labor through an exclusively Western framework can be problematic, however. For example, mandatory school ages differ throughout the world, and many families in developing countries realize higher standards of living when their children are permitted to work. Governments often employ children to work in fields such as agriculture, as well. As a result, some corporate-led efforts at reform have centered not on banning child labor completely, but on establishing living wage standards for adults (reducing the pressure on children to work) and on creating schooling options compatible with work needs.

In Western societies, more attention is being paid to the dangers of work for teenagers in fast-paced, highly complex societies. A 1986 study by Ellen Greenberger linked teen work to greater teen alcohol use. The study also concluded that more than twenty hours of work per week could be harmful to teenagers because it competed with schoolwork (Greenberger 1986). Teenagers are vulnerable to the dangers of retail and delivery work in fast food restaurants, convenience stores, and the like, where their inexperience makes them prey for criminals and subject to hazards in handling heavy equipment or driving. Beyond these problems, the often-cited "career-building role of teen work may be overestimated" ("Child Labor," *DAH,* Breitzer 2003) unless the work is part of a career internship or vocational education.

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See also Agricultural Work; American Federation of Labor and Congress of Industrial Organizations; Capitalism; Earnings and Education; Education Reform and the Workforce; Fair Labor Standards Act; New Deal; Prostitution (Sex Work); Summer Jobs

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Civil Service

The concept of a merit system originated with the inception of the federal government in the United States in 1783; however, not until the 1883 Pendleton Civil Service Act, which created the first federal regulatory commission, were any definitive measures enacted to ensure reform for federal officeholders. Oddly enough, the act was a direct result of the assassination of President James Garfield, who had been murdered by an immigrant angry about being unable to get a government job. Initially a reaction against the abuses of the patronage system of government, in which close friends of the president or cabinet members were given jobs within the federal government, civil service reform has become a battleground of conflicting interests. Higher-level civil service positions are still a result of patronage, but acts such as the 1978 Civil Service Reform Act (CSRA) have attempted to curtail such activity. The 1883 Pendleton Act protected only 10 percent of federal positions through the merit system, forcing the merit system to continue to compete with the patronage system.

Despite efforts by each president since Garfield to diminish the patronage appointments and strengthen merit-based appointments, the increasing number of political appointees and policies such as merit pay or performance appraisal (which some people who are outside of the civil service job market consider as policies from the past) continue to alienate the concept of public service from the very members of the public it is designed to assist. In their book, *The Higher Civil Service in the United States: Quest for Reform,* William Boyer and Mark Huddleston argue that "the highly politicized U.S. system of higher administration has not worked. It has failed presidents. And more important, it has failed the American people" (Boyer and Huddleston 1995, 4). Both Huddleston and Boyer contend that Americans tend to distrust civil service because of a strong trend in the United States against elitism and distrust of a strong federal government. Despite these tendencies, the CSRA has made an attempt to create a "higher" civil service system, by establishing the Senior Executive Service (SES), although senior executives are still viewed as "necessary evils."

The underlying problem in any civil service reform effort is the strained relationship between democracy and public service. In *Democracy and the Public Service,* Frederick Mosher noted that "the accretion of specialization and of technological and social complexity seems to be an irreversible trend, one that leads to increasing dependence upon the protected, appointive public service, thrice removed from direct democracy" (Mosher 1968, 5). Therefore, during the last two decades of the twentieth century, the federal government has enacted various efforts to downsize the federal workforce and move federal government jobs into the private sector, resulting in millions of jobs being contracted out to nonprofit and private contractors and grantees. This process has essentially created a new public service workforce, one in which public servants change jobs and sectors frequently, depending on the nature of their position. Gone is the notion of job security; the challenge of a job seems to be more important. The federal government has acquired a reputation for slowness in hiring, of being extremely permissive in making promotions, and of being deficient in managing the huge workforce of private contractors. The "new public service" has become more diverse, however; in 1980, the average federal service employee was male, with relatively little experience in government; today, the average employee is female, with experience in the nonprofit sector. Recent college graduates have proven to be more eager to take jobs in the nonprofit and civil service sectors, with 25 percent of the graduates of the class of 1993 taking a postgraduate nonprofit or civil service sector job, compared to only about 10 percent of the class of 1973.

Those who condemn the public service, either in its original form or the "new" public service, contend that the federal government is in the midst of a fiscal crisis, one that has been "beset by downsizing" beginning with the military base closings after the end of the Cold War (Light 2000, 20). The increasing age of the baby boomer generation and the decline in interest in public service positions has generated calls for the development of a civil service plan that would benefit the twenty-first century.

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See also White Collar

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Civilian Conservation Corps

Founded during the Great Depression to address issues of unemployment and land conservation, the Civilian Conservation Corps (CCC) went from a controversial idea to one of the most popular programs of the New Deal. It illustrated both the problems and promises of government-sponsored work programs. Nonetheless, it was valuable for its tangible accomplishments and for the hope it provided for thousands of unemployed young men during the Great Depression.

As an environmental conservation program, the Civilian Conservation Corps had its origins in both Progressive thinker William James's "A Moral Equivalent for War," in which in 1912 he had called for a corps of "soil soldiers," and in President Franklin Delano Roosevelt's long-standing interest in conservation. The primary impetus for its founding, however, was the acute awareness of the rising problem of lack of employment or prospects for American young adults during the Great Depression. The development of the CCC neatly partnered this concern with the increased recognition of the need for conservation of U.S. natural resources, whose truly finite nature was only beginning to be seriously recognized. This recognition was accentuated by the droughts of that period, which turned areas of the Midwest into what is known as the Dust Bowl.

As a result, the Civilian Conservation Corps was founded on April 5, 1933, to provide relief for the unemployed and create public jobs that would not compete with private employment but would address the nation's needs. The CCC projects ranged from the familiar (reforestation, erosion control, and trail building) to more specialized (fighting forest fires, floods, and even insect infestation). The CCC was managed by the Department of War, which ran it along quasi-military lines, and the Departments of Agriculture and Interior devised projects. Participation in the CCC was at least initially limited to single men between the ages of eighteen and twenty-three for a period of six months, and enrollees were paid $30 a month, of which they were required to send $25 home to their families. This pay was supplemented with food, lodging in work camps, and work uniforms.

Despite initial public misgivings, especially on the part of organized labor, which opposed the low pay scale, the militarized nature of the CCC, and the possible effect of both on labor standards, it soon became the most popular and highly regarded program of the New Deal. Its surge in popularity led to its expansion, both in terms of the age range and by allowing repeat enrollment. The program diversified to include World War I veterans, African Americans, and Native Americans, although the latter groups were segregated. Women were conspicuously excluded from the CCC on the basis of the belief that women were unsuited to the type of outdoor work that was the core of the CCC program. Despite Eleanor Roosevelt's effort to promote what was laughed off as "she, she, she" camps, several work camps for women were established from which 8,500 women benefited, as opposed to the 3 million men who eventually passed through the CCC camps

Civilian Conservation Corps workers clearing the land for soil conservation, ca. 1934 (U.S. National Archives)

(Cook 1992, 88–90). Additionally, the National Youth Administration, created in response to this criticism in 1935, created a broader-based program of work and educational opportunities for both young men and young women.

Exclusion and segregation were not the only criticisms of the CCC, both during its existence and in historical writing. Although the replacement of the originally proposed $1 per day wage with $30 per month allayed fear on the part of organized labor and others about setting new, low standards for wages, the military sponsorship of the program continued to draw criticism. In particular, the CCC was likened to the youth land service corps that were already a widely promoted program in Nazi Germany and Fascist Italy, a comparison the Roosevelt administration hotly opposed. Finally, there were concerns, especially early in the program, that the excessive enthusiasm for the healthy effects of work and outdoor life did not adequately recognize or address the orientation needs of young men who had never been away from their families for lengthy periods and were unaccustomed to living and functioning in a military camp setting. In fact, desertion was a significant problem, especially as job prospects improved and the possibility of military draft increased as World War II approached.

Despite these criticisms, however, the CCC quickly came to be regarded as one of the most, if not the most, worthwhile of the New Deal work relief programs. Its best-known accomplishments have remained the physical ones—reforestation and the creation of bridges, trails, reservoirs, and occasional mountain lodges, a few of which still operate as resorts today. Its services fighting fires, floods, and insect infestations were every bit as valuable both as physical efforts at conservation and as a demonstration of the effectiveness of the conservation movement in action. Yet its less tangible benefits—to the 3 million young men and 8,500 young women who benefited from the program during its existence—cannot be underestimated.

The young men who participated in the CCC had reached adulthood in an era when their prospects for employment were severely limited, so the CCC provided them not only with work and support for their families but with the improved prospects of future employment that successful completion of the program provided. Additionally, the CCC provided not only work experience but also education, ranging from vocational to college-level, and additionally taught many enrollees to read and write. Finally, as its founders had hoped, the CCC gave its participants hope, and most left better prepared to contribute to American society than when they enrolled. The CCC, despite hopes to make the program permanent, in the end became nothing more than a temporary relief agency, albeit a much more popular and less controversial one than many of the "alphabet soup" agencies. The vast economic improvement that came with arrival of World War II made jobs much more widely available, drastically reducing the need for the program, which was quietly terminated in 1942.

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See also Great Depression; New Deal; Roosevelt, Eleanor; Roosevelt, Franklin Delano; Works Progress Administration

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Collective Bargaining

Collective bargaining is a process for determining terms and conditions of employment that involves negotiations between an employer and representatives of the employees, usually a labor union. Collective bargaining can transform the employment relationship from an at-will relationship, in which workers can be fired or quit at any time for any reason, to a bilateral relationship in which workers have a voice and representation. In the latter, changes in conditions must be negotiated, valid reasons are required for discipline and discharge, and grievances are resolved in a fair manner. As such, the term *collective bargaining* is often used in the much broader sense of labor relations and captures not only the process of collective negotiations but also union organizing, labor law, dispute resolution, and contract administration.

The term *collective bargaining* is attributed to Beatrice Potter Webb in her 1891 book, *The Co-operative Movement in Great Britain;* that date coincides with the period of the development of collective bargaining. The early craft unions in the American Federation of Labor (AFL), representing various skilled occupations, were fierce proponents of collective bargaining in the early twentieth century and advocated collective bargaining by strong trade unions, instead of government regulation or corporate welfare, as the means for improving living standards and working conditions. Companies, however, usually preferred to be free of the constraints of collective bargaining, and it was not until the National Labor Relations Act (NLRA, or Wagner Act) was enacted in 1935 that collective bargaining was protected and institutionalized on a broad scale in the United States. In fact, under the NLRA, it is the policy of the United States to encourage "the practice and procedure of collective bargaining"(NLRA, section 1).

Underlying the passage of the NLRA, and the explicit support for collective bargaining, is the belief that companies are able to exploit workers through low wages, long hours, dangerous conditions, and discriminatory and capricious treatment, because of an inequality of bargaining power between corporations and individual workers. If workers can organize into unions, just as investors organize into larger corporate identities, and bargain collectively, bargaining power can be equalized and more equitable living standards and employment conditions can result.

This school of thought stands in sharp contrast to classical and neoclassical economics schools of thought in which markets are believed to operate efficiently. If markets do not have imperfections, government regulation and collective bargaining distort their operation and are bad for economic welfare. In this view, unions are monopolies in the labor market, and collective bargaining, backed by the threat of a strike, is a tool for union members to get wages in excess of what they could earn in the marketplace. How one evaluates collective bargaining is dependent on one's beliefs regarding the operations of free markets and the extent of the inequality of bargaining power between labor and management.

Collective bargaining has been embraced by modern democracies as one of the preferred methods for combating the inherent dangers of letting workers' lives be dictated by the vagaries of unregulated economic markets and managerial whim. The U.S. political system incorporates a system of checks and balances at the political level because of the belief that, as Lord Acton said in 1887, "power tends to corrupt and absolute power corrupts absolutely." The U.S. political system is also based on the right of citizens to have a voice in political decisions that affect their lives. Collective bargaining is an important vehicle for bringing these same ideals to the workplace—and is recognized internationally as a fundamental human right.

The central tenet of collective bargaining is that the unilateralism of management authority is replaced by a process of bilateral negotiations. When employees are represented by a union, employers do not get to dictate terms and conditions of employment. This does not mean that employees can dictate their terms and conditions of employment, but with collective bargaining the workers have a voice when employment outcomes are being determined.

In the United States, the process of collective bargaining in the private sector is regulated by the NLRA. It specifies that when a majority of a group of workers, or a "bargaining unit," indicate that they want a union to represent them, the employer and union must bargain "in good faith with respect to wages, hours, and other terms and conditions of employment" (NLRA, section [8d]). In other words, labor and management must negotiate to try to reach agreement on wages, fringe benefits, and other terms of employment for all members of the bargaining unit.

Wages and other terms and conditions of employment are mandatory bargaining items, and it is illegal for either labor or management to refuse to negotiate these subjects. The National Labor Relations Board (NLRB), created by the NLRA in 1935, is responsible for deciding whether a specific issue is a mandatory item or not, and negotiators can refer to many NLRB legal decisions for guidance. Mandatory items include many issues related to wages (overtime premiums, shift differentials, and call-in pay), benefits (health and retirement benefits), administrative policies (layoff procedures), and many other issues (subcontracting, in-plant food service, production standards, and rental of company housing, to name just a few). Issues that are not "wages, hours, and other terms and conditions of employment," such as benefits for retirees or internal union policies, are permissive, or voluntary, bargaining items. The parties can bargain over these subjects if they choose, but it is not illegal to refuse. The third and final category of bargaining subjects involves illegal items: issues that would violate a law, such as an antidiscrimination statute.

Although U.S. employers must bargain in good faith over mandatory bargaining items when their employees are represented by a union, the law does not require that an agreement be reached. As long as the parties have tried to reach agreement, their legal obligation has been fulfilled. If no agreement is reached under these circumstances, the employer is then allowed to change the terms and conditions of employment (to what was offered during negotiations but was rejected by the union), and employees can go on strike.

The negotiation process has traditionally been adversarial. Labor and management are viewed to have an inherent conflict of interest because improved wages, benefits, and working conditions reduce profits. The rise in international competition since the 1980s, however, has placed great strain on

United Auto Workers union president Douglas Fraser (right) and General Motors vice president George B. Morris (left) shake hands as they begin contract negotiations, 1977. (Bettmann/Corbis)

these adversarial relationships, and many negotiators have experimented with more problem-solving, or win-win, approaches to negotiations.

Collective bargaining by government workers is controlled by the Civil Service Reform Act (CSRA) of 1978 for federal employees and by individual state laws for state and municipal employees. A number of states do not have any laws granting collective bargaining rights to public sector workers, so public sector employees in these states do not need to recognize unions or bargain with them; other states have laws similar to the NLRA. In many public sector jurisdictions, strikes are illegal, and bargaining disputes are instead submitted to arbitration, mediation, fact finding, or some combination of the three. Collective bargaining in the railroad and airline industries is controlled by the Railway Labor Act. The NLRA and these other laws govern not only bargaining, but also the union organizing process.

Collective bargaining in the United States usually results in legally binding collective bargaining agreements, or union contracts, which include wage and benefit provisions, work rules, seniority rights, transfer and layoff procedures, and other provisions dealing with employment issues important to labor and management. Nearly every U.S. union contract contains a grievance procedure in which the parties agree to resolve disputes over the application and interpretation of the contract through an orderly process that fulfills conventional standards of justice and due process. The final step of the grievance procedure is often binding arbitration. U.S. union contracts also place significant limits on the at-will relationship by specifying that management can only discipline and discharge employees for just cause, that is, for valid reasons related to job performance supported by objective evidence.

U.S. collective bargaining varies from industry to industry. Overall, 14.9 percent of U.S. workers were covered by collective bargaining agreements in 2000, though only 9.8 percent of private sector workers are covered, compared to 42 percent of government workers (U.S. Department of Labor 2001). U.S. union density (the fraction of the workforce in unions or covered by contracts) has been falling since the 1950s, though there is not agreement on the cause of this trend. Some observers cite decreased demand for unions, either because of increased government regulation or more effective corporate human resource management policies, whereas others point to increased efforts by companies to weaken and break unions, aided by weaknesses in U.S. labor law.

There are thousands of collective bargaining agreements in the United States, ranging from those that cover just a handful of employees to some that cover thousands. The American Federation of Television and Radio Artists (AFTRA) and Screen Actors Guild (SAG) contracts, the United Auto Workers' (UAW) contract with Ford, the Teamsters' contract with United Parcel Service (UPS), and the National Association of Letter Carriers' contract with the U.S. Postal Service each cover more than 100,000 workers. In the postwar period, these contracts evolved into complex, lengthy documents with numerous, very detailed provisions. More recently, corporations are trying to achieve greater levels of flexibility in the deployment of employees by trying to move away from such detailed contract language.

Research has established that U.S. workers covered by collective bargaining agreements earn approximately 15 percent higher wages than similar nonunion workers and that unionized employees are significantly more likely to receive fringe benefits. The decline in U.S. union density is also believed by many to be partly responsible for the observed increase in income inequality since the 1980s. The presence of a labor union is also associated with lower firm profits, but there is still debate over whether unionized workers are more or less productive than comparable nonunion workers and whether unions drive firms out of business.

The process and outcomes of collective bargaining can be very different across countries. In the United States and Canada, bargaining is characterized as relatively decentralized because negotiations typically cover only a single work site or company. In Western Europe, bargaining is often more centralized, with negotiations covering an entire industry. In the United States, the resulting union contract is a legally enforceable document, but that is not true in many other countries. U.S. contracts also contain many subjects, such as fringe benefit provisions or layoff procedures, that may be specified by law in other countries. U.S. contracts are often written in very detailed and precise terms, whereas agreements in other countries may simply specify acceptable minimum standards.

These differences underscore the flexibility of collective bargaining. Laws, culture, traditions, history, personalities, and the economic environment can all influence how collective bargaining is actually conducted in any given negotiation. In strong economic times, the parties can negotiate wage increases; in weak economic times, they can negotiate concessions. Many U.S. public sector unions engage in collective bargaining without the right to strike. Unions representing U.S. federal workers cannot negotiate pay levels and instead focus on policies and procedures. In an increasingly global economy, some unions are working toward transnational collective bargaining between multinational corporations and unions from more than one country. Collective bargaining allows labor and management to tailor agreements to their circumstances.

Collective bargaining can also provide industrial democracy: workers can have a voice in the workplace as terms and conditions are being negotiated and administered. Thus, collective bargaining is the cornerstone of U.S. policy to protect workers from abusive treatment and provide them a voice in the workplace. On an international level, collective bargaining is accepted as a key feature of a democratic society and as a fundamental human right. The right of collective bargaining is one of the four fundamental principles of work identified by the International Labour Organization. Article 23 of the United Nations Universal Declaration of Human Rights states: "Everyone has the right to form and to join trade unions for the protection of his interests." The primary vehicle for this protection is collective bargaining.

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See also Arbitration; National Labor Relations Act; Professional Air Traffic Controllers Organization Strike; Solidarity; Strikes; Working Class

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Communications Workers of America

Communications Workers of America (CWA), founded in 1947, is the largest communications and media union in the United States, and its members are among the nation's most highly skilled union members. Affiliates of the CWA include the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), Canadian Labour Congress, and Union Network International. The union represents more than 740,000 communications and media workers across the United States, Puerto Rico, and Canada and has set up more than 2,000 collective bargaining agreements, which cover a wide range of employee interests such as wages and benefits, working conditions, job security, availability of training and education, and child and family care. Members work in a variety of occupational fields, including telecommunications, broadcasting, cable TV, journalism, publishing, electronics and general manufacturing, airline customer service, government, health care, and education. Some primary employers include American Telephone and Telegraph (AT&T), General Telephone and Electronics Corporation (GTE), Lucent Technologies, General Electric, National Broadcasting Company (NBC), American Broadcasting Companies (ABC), the *New York Times,* the State of New Jersey, the University of California, and U.S. Airways. CWA, headquartered in Washington, D.C., maintains fifty field offices and 1,200 local unions (Communications Workers of America 2002).

The CWA triangle represents the union's three primary functions, which must work in tandem to achieve union goals. At the base of the triangle is "representation." The other sides of the triangle are "organizing" and "community and political action." Joseph Beirne, the first president of the CWA, referred to this triangle as the "triple threat" (Communications Workers of America 2002) that yields unions their bargaining power. Leadership has changed little over the life of the CWA. Beirne held his title for twenty-seven years before being succeeded by Glenn Watts in 1974. President Watts retired eleven years later in 1985 and was succeeded by Morton Bahr, the union's current president.

Although officially established in 1947, CWA's roots reach back further. The International Brotherhood of Electrical Workers (IBEW), founded in 1891, was the first notable influence in the unionization of telephone workers. IBEW orchestrated frequent strikes by craftspeople and telephone operators across the United States. Although these strikes rarely resulted in employee gains, they did increase employer opposition to autonomous union activity and led to the creation of company-sponsored (and monitored) unions.

With concerns for the continued security and stability of telephone operations during World War I, the U.S. government took temporary control of the telephone industry and proceeded to freeze wages and deny unions recognition. On April 15, 1919, 9,000 New England operators walked out, discontinuing telephone service in the area for five days. Strikers won wage increases. More importantly, strikers won the right for unions to bargain with companies (Schacht 1985, 8–11).

Between 1920 and 1935, companies attempted to limit the growth of independent unions by initiating their own company-sponsored unions for their employees. These organizations provided a sounding board for employees to voice their complaints but no means with which to demand solutions. In 1935, the U.S. Congress passed the National Labor Relations Act (Wagner Act), which banned company unions and subsequently led to the rise of autonomous unions.

In 1939, twenty-seven unions representing 92,130 members established the National Federation of Telephone Workers (NFTW) (Schacht 1985, 58). Falling wages during World War II caused growing anxiety among telephone workers and the

NFTW. In November 1944, a strike in Dayton, Ohio, sparked a flurry of sympathy strikes in cities such as Detroit, Washington, D.C., and most other cities in Ohio. An estimated 10,000 strikers participated (Schacht 1985, 138). The Dayton strike yielded national attention to the union interests of telephone workers. In 1947, a strike led to the collapse of the NFTW. During this strike, AT&T offered wage increases to certain individual unions within the NFTW, contingent upon each union accepting independently of the NFTW. AT&T's tactic successfully divided the federation, yet it left room for the establishment of its successor in the same year—the more centralized CWA. Having learned from NFTW's downfall, the CWA rests on the notion that the best response to a centralized corporation is a centralized union.

One of the CWA's largest victories came in 1971, when 400,000 of its members walked out on the Bell system. The CWA secured an immediate 12.8 percent wage hike, future pay increases, gains in fringe benefits, and a cost-of-living adjustment (COLA) clause (Brooks 1977, 232). However, from its inception, the CWA's primary goal—the ability to participate in unified national bargaining—remained elusive. Bell insisted that the CWA conduct labor negotiations individually with its twenty-one operating companies, thus severely undercutting the union's ability to streamline its resources in the interests of all its members. Finally, on January 16, 1974, Bell agreed to sit down for negotiations at one national bargaining table (Brooks 1977, 231).

In 1984, the court-ordered breakup of communications giant AT&T threatened CWA membership levels. The fragmentation of AT&T and the introduction of new competitors into the market meant the CWA needed to adapt its negotiation strategies to a larger and more diverse set of employers to retain old members and attract new ones. In addition, CWA members now belonged to competing companies, creating internal conflict within the union.

One of the CWA's greatest setbacks was its loss in the 1988 U.S. Supreme Court case, *CWA v. Beck*. Beck, an employee of a company whose members were represented by the CWA, was not himself a CWA member. However, the 1935 National Labor Relations Act (NLRA, or Wagner Act) permits unions representing the employees of a particular company to take dues from both members and nonmembers. Beck charged that his dues were not being used to represent employees but rather to support political candidacies. In this landmark labor decision, the U.S. Supreme Court ruled that the NLRA does not extend a union's right to collect dues for funding of activities that go beyond the scope of representation and traditional union activities.

Over time, technological advances have threatened the power of the CWA. Its bargaining power is impaired by the development of automated systems that continue to run smoothly, whether a company's staff is on strike or not. Many suggest that the future of the CWA rests, in part, on its ability to make inroads into representing the workforces of the newest technology fields. These employees can provide high-skill services that are coveted by their employers and will provide a valuable bargaining chip in future CWA negotiations.

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See also American Federation of Labor and Congress of Industrial Organizations; American Telephone and Telegraph; Collective Bargaining; Strikes

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Communism in the U.S. Trade Union Movement

The U.S. Communist Party (CP) played a significant role in the U.S. trade union movement from its formation in 1919 through the expulsion of the eleven CP-led unions from the Congress of Industrial Organizations (CIO) in 1949–1950. During the 1920s, the CP attempted to build left-wing opposition movements within the American Federation of Labor (AFL) craft unions. In 1929, the party's strategy shifted to organizing an industrial union federation independent of the AFL. Returning to the mainstream U.S. trade union movement in 1935,

Radical journalist John Reed organized and led the Communist Labor Party in 1919 and edited its journal The Voice of Labor. *(Library of Congress)*

the party became active in organizing the industrial unions of the CIO. Throughout World War II and in the immediate postwar period, the CP continued to either lead or exert a significant influence in many CIO unions. Political and foreign policy differences with the non-CP-led unions resulted in the expulsion of the CP-led unions from the CIO in 1949–1950.

Inspired and guided by the Russian model of revolution and initially proclaiming that capitalism was in a state of collapse, two communist parties in the United States were established in September 1919 as a left-wing split from the Socialist Party of America (SP). The first organization formed, the Communist Party, was composed mostly of foreign-born members, largely of Slavic origin. Within days, the Communist Labor Party appeared, with the vast majority of members being of native-born origin, led by the radical journalist John Reed. In May 1921, the Communist International (Comintern) ordered the two parties to merge, which led to the creation of the Communist Party of America. It renamed itself the Communist Party USA in 1929.

The first CP instrument for working within the trade union movement became the Trade Union Educational League (TUEL), founded by left-wing trade union leader William Z. Foster in 1920. When the party recruited Foster, the TUEL became the CP's labor arm in 1921. Concentrating on "boring [the AFL] from within" and building left-wing opposition movements within the existing AFL craft unions, the TUEL advocated amalgamating the craft unions into larger industrial unions and establishing a labor party. Initially, the TUEL's strongest base was in Chicago, where the organization controlled 20 percent of the seats on the AFL's Chicago Federation of Labor (CFL) (Levenstein 1981, 8). However, political blunders within the Farmer-Labor Party led to the CP's loss of power in the CFL by late 1923.

In 1926, the TUEL came close to wielding real power in the United Mine Workers of America (UMWA) when it became active in the "Save the Union" campaign, supporting John Brophy in an attempt to oust President John L. Lewis. However, after red-baiting Brophy, Lewis won easily and purged the union of TUEL activists. The CP's strongest base of support was in the New York City needle trades, where the party took control of three major International Ladies Garment Workers Union locals in 1924 and gained control of the New York Joint Board in 1926. This left-wing leadership called a strike of 40,000 cloakmakers (Cochran 1977, 40) on July 1, 1926, that was eventually defeated, leading to the party's dramatic loss of power within the union.

In February 1928, Solomon Lozovsky, head of the Communist Trade Union International (the Profintern), attacked TUEL policy and ordered the CP to organize new trade unions in a number of industries. In 1929, the TUEL transformed itself into the Trade Union Unity League (TUUL), a full-fledged dual union movement. Unlike TUEL, the TUUL program was based on the principles of class struggle as represented by the slogan "class against class." At the time of the TUUL's formation, there were approximately 9,300 members in the party (Ottanelli 1991, 15), mostly immigrants, with 80 percent of the membership being workers (Klehr 1984, 5). These workers were not concentrated in the basic industries, such as steel, mining, and chemicals: 25 percent of CP members were employed in either the building trades or needle trades, and 46 percent of party members belonged to trade unions (Klehr 1984, 5).

Prior to its formation in September 1929, the TUUL had created three new unions in industries where AFL unions existed—the National Miners

Union (NMU), the National Textile Workers Union (NTWU), and the Needle Trades Workers Industrial Union (NTWIU). Although the TUUL had more than a dozen unions affiliated to it by 1934 (Johanningsmeier 2001, 159), the NTWIU, initially composed predominantly of Jewish workers, was one of the few TUUL unions that became entrenched in the factories.

The TUUL program did not differ from the CP's program. Both organizations had adopted the major principles of "third-period communism." According to Comintern theory, the first period of communism took place from 1918 to 1923 and was a period of revolution. The second period, from 1924 to 1928, was a stage of relative stabilization of capitalism. During the third period (1929 to 1933), capitalism was in an imminent state of collapse, and therefore it was necessary to organize for the coming socialist revolution. The consequences of this analysis were that all left-wing and trade union opponents were categorized as "social fascists," including the SP and the AFL. And although the TUUL's goal in the trade union movement was to build united fronts with progressive rank-and-file members from below, the TUUL was generally unsuccessful because it attempted to organize industries that had few CP or TUUL members.

Of the 35 million workers in the U.S. labor force by 1931, 3.5 million were AFL members, although only 15,000 were in the TUUL unions (Klehr 1984, 43). Many CP members did not even join the TUUL unions. For example, in Detroit, only 15 percent of party members were TUUL members (Klehr 1984, 41). By 1932, for all intents and purposes, the TUUL was moribund, although it enjoyed an upsurge in the latter half of 1933 because of the National Industrial Recovery Act, which pushed its membership to well over 100,000 (Ottanelli, 1991, 50).

Scholars provide four major reasons for the TUUL's failure. First, because an avowed CP member led every TUUL union, these unions possessed a strongly Communist face, and few independent unionists would become involved with the organization. Second, the internal life of the TUUL unions replicated the CP's internal life. Third, the TUUL was further discredited for its revolutionary posturing. Labor issues often took second place to revolutionizing the workers. Finally, the TUUL's strategy and tactics contributed to its defeat. In most cases, spontaneous strikes occurred among workers, and the TUUL tried to rush in and lead the strikes. By the time the TUUL became involved, the strike had usually been settled in a way that did not benefit workers. After a string of such defeats, workers stayed away from the TUUL.

Debate ensued over the future of these dual unions at the preparatory meetings in Moscow for the Seventh Comintern Congress in the summer of 1934. With the abandonment of "third-period communism" and the adoption of the "popular front," a strategy designed to preserve and extend basic democratic rights within the world's industrial democracies, a recommendation was made that the TUUL revolutionary unions join the AFL, which led to the abolition of the TUUL in mid-March 1935. In some cases, the TUUL unions entered the AFL as a unit, but in others, union members were required to join individually.

Even before the TUUL's dissolution, the CP had been making inroads in the AFL unions. In 1934, a confidential CP memo claimed that Communists controlled 135 AFL locals with 50,000 members, two central labor councils, and several districts and had organized opposition groups in 500 locals (Klehr 1984, 225). At the November 1935 AFL convention, a debate occurred over the question of organizing workers industrially, as opposed to on a strictly craft basis. Eight AFL unions walked out and formed the Committee for Industrial Organizations (CIO), later to be renamed the Congress of Industrial Organizations (CIO) in 1938. At this time, the CP initially favored having the CIO unions work within the AFL to stimulate the organization of industrial workers into the craft union federation. In 1938, when the CIO began to charter unions, CP-dominated unions such as the Fur Workers, the International Longshoremen and Warehousemen's Union (ILWU), and the Transport Workers Union left the AFL for good.

John Lewis, the UMWA president and head of the CIO, invited the Communists into the CIO to help with organizing industrial workers. Lewis felt confident that he could use the CP to achieve his own purposes and that he could eliminate them from the CIO when he so desired. For example, 60 of the 200 full-time organizers on the Steel Workers Organizing Committee (SWOC) payroll were Communists (Levenstein 1981, 50).

However, the Communists' greatest help to the CIO occurred in the United Auto Workers (UAW) six-week, sit-down strike in Flint, Michigan, held from December 28, 1936, to February 11, 1937. Because the local union was infiltrated with company spies, 60 to 100 Flint CP members helped to organize the strike. The party formed the backbone of the Flint strike leadership, and all seven members of the strike committee were CP members (Klehr 1984, 232–233). In addition, a number of individual CP members played key roles in this strike, including Wyndham Mortimer and Bob Travis, who directed the strike; Bud Simons, who was the strike committee chairman; and Henry Kraus, who served as editor of *The Flint Auto Worker.*

Through the CP's contribution of organizers and leadership to other CIO unions, the party's influence continued to grow. In 1937, CP-influenced unions had 650,000 members, unions in which the CP had some presence had 600,000 members, and non-CP unions had 2 million members. Most of the unions dominated by the CP were small, except the United Electrical Workers Union (UE), which, by 1937, had 137,000 members (Klehr 1984, 233). By 1938, 40 percent of the CIO unions were either led by party members and their close allies or significantly influenced by them (Klehr 1984, 238). At this time, out of 75,000 CP members, 27,000 were members of trade unions (Klehr 1984, 240). According to 1939 figures, the strongest industrial concentrations of party members in CIO unions were in the SWOC, the UMWA, the UAW, the United Office and Professional Workers, and the Mine, Mill and Smelter Workers.

By the late 1930s, the CP had established considerable influence in the U.S. trade union movement because the party functioned as the most determined and farseeing exponent of industrial unionism. The CP attracted a host of workers on precisely that basis, becoming the nucleus around which the most fervent New Deal and trade union elements could coalesce. In addition, in 1938 and after, trade unionists viewed the party as a major force for democracy and trade unionism within the U.S. labor movement.

As the nation moved toward participation in World War II, the CP retained its leading role within a number of CIO unions. From the signing of the nonaggression pact between Joseph Stalin and Adolf Hitler in August 1939 until Germany's invasion of the Soviet Union on June 22, 1941, the CP condemned the war as an imperialist conflict and promoted the use of industrial militancy within the CIO unions as a tactic to keep the United States out of the war. However, after Germany's invasion, the CP-led unions did an about-face and called for the United States to provide aid to the Soviet Union. With the nation entering the war after the Japanese bombing of Pearl Harbor on December 7, 1941, the party became a strong supporter of the "no-strike pledge" adopted by almost all U.S. trade unions for the war's duration. In addition, the CP zealously advocated the use of piecework, a policy that the party had adamantly opposed in the past, to increase worker productivity in the wartime industries.

Throughout World War II, the CP-led unions worked on forging alliances with progressive CIO officials to help expand Communist leadership in a number of unions. At the war's conclusion, however, problems began to arise within the CIO. Certain provisions of the 1947 Taft-Hartley Act, such as the required signing of non-Communist affidavits by union officials, were designed to remove Communists from union leadership positions. Furthermore, political differences emerged within the CIO between the CP-led and the non-Communist-led unions, specifically over the CP-led unions' opposition to the implementation of the Marshall Plan and their support of Henry Wallace, the Progressive Party presidential candidate, during the 1948 elections.

The onset of the Cold War, the rise of "red" hysteria in the United States, and the splitting of Europe by the "Iron Curtain" put the CP in a defensive position. The attacks on the party intensified during the 1949 Smith Act trials, when ten of the eleven CP national board members were convicted of teaching and advocating the violent overthrow of the U.S. government. The outcome of these trials can be viewed as the beginning of McCarthyism, which led to a full frontal assault on the CP throughout most of the 1950s.

These increasing attacks on the party, combined with its support for Wallace and its opposition to the Marshall Plan, led to an irreparable rift in the CIO that culminated in the expulsion from the federation of the eleven CP-led unions in 1949–1950. Because these unions had actively organized African American workers and had fought for women workers' rights, their elimination from the CIO resulted in the loss of a powerful voice for these two groups of workers. At the beginning of the expulsions in 1949, the CP controlled about 20 percent of the CIO membership, or 1 million members, with the UE having 500,000 members (Guerin 1979, 169). Although the UE, albeit in a weakened state, and the ILWU were able to survive as independent unions and the CIO unions raided other expelled unions during the next few years, many of the remaining unions merged into non-Communist unions as a defensive strategy. By the time of the AFL-CIO merger in 1955, the CP's influence in the U.S. trade union movement as a whole had largely come to an end.

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See also Democratic Socialism; Lewis, John L.; Socialism; United Auto Workers

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Comparable Worth

Comparable worth is the concept that men and women in different jobs should be paid similarly if their jobs require equal skill, effort, and responsibility. Sex-based wage discrimination was prohibited by Congress in the Equal Pay Act of 1963 and Title VII of the Civil Rights Act of 1964. However, proponents of the comparable worth theory argue that these two laws and their application in Supreme Court cases have only been effective for men and women in similar job classifications. They argue further that jobs do not have to be equal but only of "comparable value" to the employer; thus the positions can be in totally different categories.

Women have historically been paid less than men. Today, women earn approximately 73 percent of what men earn. The gender wage gap had remained relatively constant through the 1960s and 1970s, with women earning approximately 60 percent of what men earned on average. The gap began to close slightly in the 1980s, and women's earnings reached 71.6 percent of male average annual earnings in 1990. Since that time, the ratio of women's to men's earning has moved up and down slightly (Institute for Women's Policy Research 2001).

Before the 1960s, it was very common for employers to pay women less than men, even if they were doing exactly the same work. This common practice was often justified by the idea that men needed to earn more because they had to support their families, but women did not. Women were working for what was often called "pin" money, or extra money in addition to their husband's income that supported her and her family. This issue was first addressed by Congress with the passage of the Equal Pay Act of 1963, which requires equal pay for equal or "substantially equal" work performed by men and women. In addition, Title VII of the Civil Rights Act of 1964 prohibits wage discrimination on the basis of race, color, sex, religion, or national origin.

Many states followed by enacting their own equal pay laws, and today women and men doing the same work usually receive the same rate of pay. However, the passage of these two laws did not alleviate the gender wage gap and only highlighted a much deeper cause of the disparity between the wages of men and women. The gender wage gap does not result only from men and women in the same occupations being paid differently but also comes from the gender-based segregation of the labor force. Women and men have traditionally been employed in different occupations and in different sectors of the labor market. Women are still overrepresented in a small number of jobs, such as clerical positions, service work, nursing, and teaching. Such jobs have historically been undervalued and underpaid. Proponents of comparable worth argue that these jobs continue to be underpaid today largely because they are still dominated by women and people of color. Thus, the Equal Pay Act, which is based upon the notion of equal pay for equal work, will not resolve the gender wage gap.

Numerous comparable worth cases have been brought before the Supreme Court, but the standard of the Equal Pay Act—equal pay for equal work—has limited its effectiveness for promoting comparable worth in most cases. In 1981, in *County of Washington v. Gunther,* the Supreme Court decided that Title VII of the Civil Rights Act is broader than the Equal Pay Act and prohibits wage discrimination even when the jobs are not identical. The Court said that women do not have to meet the equal work standard of the Equal Pay Act but have only to prove intentional discrimination. Unfortunately, this ruling was not a clear endorsement of comparable worth theory, and in fact, the majority decision claimed that the ruling had no relation to comparable worth theory.

Since *Gunther,* the courts still have not fully endorsed or rejected comparable worth theory. However, there has been legislative action at the state and federal level. Since the 1980s, states have made adjustments in their payrolls to correct for sex and race discrimination, legislation has been introduced in over twenty-five legislatures, and several states have comparable worth statutes in place. At the federal level, the Fair Pay Act was introduced by Democrats in the U.S. House of Representatives in 2001. It would extend the Equal Pay Act's protections to workers in equivalent jobs with similar skills and responsibilities, even if the jobs were not identical. In addition, the Paycheck Fairness Act was introduced by Democrats in the U.S. Senate and in the U.S. House in 2001. It would amend both the Equal Pay and Civil Rights Acts to offer better remedies for cases in which the standard of equal pay for equal work is violated.

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See also Homework; Housework; Pay Equity

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Compensation

An individual's earnings from work have a strong connection to personal opportunity in the United States, which provides relatively weak government support for family needs such as housing, child care, health care, and education. In many industrialized democracies around the world, federal programs for basic services (such as national health care in Britain or paid leave for new parents in France) are provided to a much wider spectrum of citizens, thereby placing less emphasis on earned income as the sole determinant of status and material well-being. In the United States, historical and economic forces embedded in race, class, gender, and educational differences affect an individual's earnings. These trends were at work during the economic boom of the 1990s. Lower-income Americans, women, and African American and Hispanic American workers—groups who have historically received less compensation than others—saw general gains in earnings, but divisions remain. Through the 1990s and into the twenty-first century, senior executives at many corporations received multimillion-dollar compensation packages that were hundreds of times higher than those paid to the rest of the workforce. Employers drastically reduced health care coverage for low- and moderate-income workers during the 1980s and 1990s, which additionally contributed to slow or negative compensation growth in this period. The 1990s also manifested historic, nationwide declines in personal savings rates and company-sponsored pension benefits, further reducing the value of earned income and increasing the likelihood that Americans would work longer hours, juggle work and family, and receive less sleep—all widely documented trends in the workforce.

Income Trends

Although Americans of all income levels worked longer hours in the 1990s than they did decades ago, wealthier Americans were seeing far greater increases in wages and income than citizens further down the income ladder. The most accurate and comprehensive income data published show dramatic increases in the gaps between rich, poor, and middle-income Americans through the 1980s and 1990s. According to a 2001 Congressional Budget Office (CBO) study and a related paper by the Center on Budget and Policy Priorities (Shapiro, Greenstein, and Primus 2001), the average after-tax income of the poorest fifth of U.S. households did not grow at all between 1979 and 1997. During this period, however, average after-tax income soared by 157 percent for the richest 1 percent of U.S. households. The gap between the rich and poor and the rich and the middle class was wider in 1997 than at any other time since 1979.

Although the money gap between classes widened throughout the 1990s, the strong job growth of this period did produce gains for many U.S. households. Black household income reached an all-time high in 1997 and remained there in 1998, according to census data. In 1999, Hispanic white households recorded their highest median incomes since 1972. Because of the economic surge of the late 1990s, income gaps among minority and white households, skilled and unskilled workers, and men and women workers, were slightly moderated. During 2000 and 2001, the U.S. economy began to slow down, a decline that was accelerated by the effects of the 2001 terror attacks (U.S. Census Bureau 2000, 2001).

In 1999, non-Hispanic white households had a median household income of $44,366, compared to $30,735 for Hispanic households, $27,910 for black households, and $51,205 for Asian/Pacific Islander households. In 1986, the median income of white households was 59 percent higher than that of black households and 44 percent higher than that of Hispanic households. In 1999, Asian households had a 15 percent higher household income than non-Hispanic white households, an advantage that has held since 1988, when the U.S. Census Bureau began collecting Asian/Pacific Islander data (U.S. Census Bureau 2000, 2001).

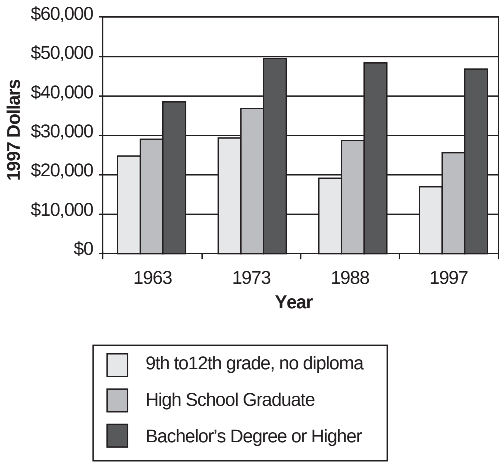
Men historically earn more than women, a trend that persists. Although men's median income grew to $25,212 in 1997, women's median income was $13,703. When examined by *earnings* only, which excludes asset accumulation through investments, real estate, and other income where men enjoy historical advantages, full-time working women have closed the gap to seventy-four cents on the dollar in 1997 from fifty-eight cents on the dollar in 1967 (U.S. Census Bureau 1998, 81–88).

Women's roles as parents also dramatically affect their ability to receive fair and adequate compensation in the U.S. economy. When one compares the earnings of all male and female workers, both full-time *and* part-time (which includes many women in parenting and caregiving roles), the average earnings of female workers amount to only 59 percent of men's earnings (Crittenden 2001). In addition, the pay gap between women who are mothers and those who are not is growing dramatically. Studies by economists such as Jane Waldfogel of Columbia University show that during the late 1970s, the difference between men's and women's pay was about the same for all women. But by 1991, Waldfogel found, thirty-year-old American women without children were making 90 percent of men's wages, whereas comparable women with children were making only 70 percent (Crittenden 2001).

Positive trends can be found in the success of younger professional women aged twenty-five to thirty-five in white-collar occupations, who are earning the same as men in many fields, regardless of parental status or hours worked (Employment Policy Foundation 2001). Soaring participation by women in fields that include veterinarians, public administrators, math and science teachers, industrial engineers, dentists, members of the clergy, and physicians' assistants are closing pay disparities. However, gender pay gaps in these fields persist for women over the age of thirty-five, in large part because many of them leave full-time or fast track careers to raise their families.

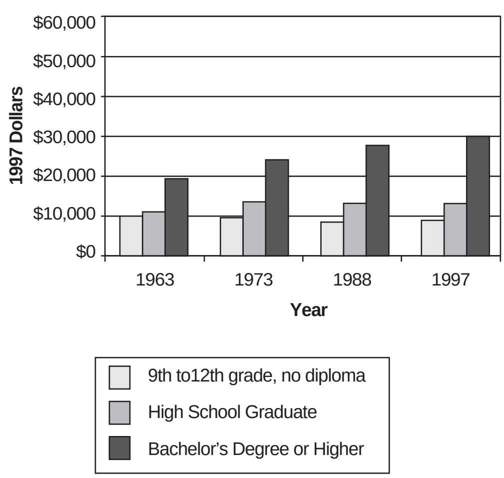
More than any other factor, however, personal income is determined by one's education and skill attainment (see Figures 3 and 4). The information economy and globalization of production have eliminated millions of low-skilled manufacturing jobs in the U.S. and replaced them with technology-driven jobs requiring higher levels of skills. As seen in Census Bureau figures, the median income of men who have a high school degree was about three-quarters of that of men who have a bachelor's degree or higher in 1963 ($28,914 versus $38,496); that gap widened to about one-half in 1997 ($25,453 versus $47,126). Looked at another way, the economic premium for achieving a bachelor's degree grew 22 percent since 1963, while men's incomes have actually *declined* in all other educational groups (U.S. Census Bureau 1998, 83–86).

Figure 3
Male Median Income (age 25 and over), by Education Level, Post–World War II



Source: U.S. Census Bureau CPS Income Reports 1998, 2000.

Figure 4
Female Median Income (age 25 and over), by Education Level, Post–World War II



Source: U.S. Census Bureau CPS Income Reports 1998, 2000.

Family incomes for married couples with two earners grew since the early 1980s, as wives entered the labor force. The surge of women into the labor market reflected not only changing social mores in the United States but raw economic necessity. Until the recession of the early 1980s, the income gap between workers (particularly men) with a high school education only and those with college degrees was actually closing. Then the blue-collar recession of the early 1980s decimated the manufacturing and industrial centers of the northeastern United States. Between 1979 and 1984, about 5 percent of the U.S. labor force was displaced from their jobs, and 70 percent of these workers did not find new jobs within two years or were reemployed at lower wages (Levy 1998).

During the early 1990s, however, the country experienced a recession that affected many white-collar workers as well. Corporate mergers and downsizing, the savings and loan crisis, and federal budget cuts all combined to eliminate millions of jobs. Outplacement firm Challenger, Gray, and Christmas tabulated layoff announcements by major corporations growing from 111,285 in 1989 to 555,292 in 1991 (Levy 2001). Many of these workers eventually found new jobs in technology and service firms. Nevertheless, the U.S. job market had become less secure, heralding a new era of anxiety for all workers that fundamentally altered workers' leverage in seeking higher compensation, allowing employers to restrain salary increases with the implicit threat of downsizing (Levy 2001).

Benefit Trends and Costs

Health care and pension benefits are essential parts of the compensation packages of working Americans. From the 1950s to the early 1980s, more and more employers added health care and pension benefits for their employees. But in the last two decades of the twentieth century, this trend reversed. Increasing health care costs, growing international competition, and changes in the U.S. political and corporate environment have led employers to dramatically reduce employer-provided health care insurance and pension security.

Between 1989 and 1997, the percentage of full-time workers with medical benefits fell from 92 percent to 76 percent. The percentage of employees participating in "defined benefit" plans that guarantee a retirement benefit declined from 59 percent in

1991 to 50 in 1997 (U.S. Department of Labor, Bureau of Labor Statistics 1998). By the year 2000, 44 million Americans were uninsured, about 17 percent of the nonelderly population (Kaiser Commission on the Uninsured 2000).

The uninsured are largely low-income workers and their families. Nearly one-third of workers earning under $20,000 a year are uninsured, compared to only 5 percent of workers earning more than $50,000 a year (Kaiser Commission on the Uninsured 2000). The vast majority of workers who are uninsured (70 percent) are not offered these benefits by their employers.

Consumer Spending and Saving

Incomes rose only slightly for middle- and low-income Americans during the 1990s, but many extended their purchasing power by saving less and borrowing more. Personal savings rates (savings as a percentage of personal income) plunged from 9 percent in 1982 to 2.1 percent in 1997 and *to just 0.5 percent* in 1998, according to data from the Bureau of Economic Analysis at the Commerce Department. Consumer credit grew at a rate of 9.5 percent in 2000, exceeding 10 percent in the first quarter of 2001, as compared to 7.9 percent in 1996 (U.S. Federal Reserve Board 2001).

The long-term decline of personal savings in the United States has implications for the economic security of U.S. households. Most U.S. families have inadequate savings to see them through financial emergencies, much less help prepare them for a long-term, secure retirement. Analysis by the economist Edward Wolff of New York University and the Century Foundation shows that families with median or lower earnings, on average, have financial reserves sufficient to cover little more than one month's worth of expenses. Savings and capital gains are faraway hopes for many Americans, many of whom do not have pension assets at all. The Century Foundation analysis found that 43.5 percent of U.S. workers do not have access to an employer-sponsored pension plan, and nearly 80 percent of small business employees have no pension coverage whatsoever (Wolff 2000).

Executive Compensation, Stock Options, and Alternate Forms of Compensation

The average chief executive officers (CEO) of major corporations received a compensation package totaling $20 million in the year 2000 (Leonhardt et al. 2001), nearly 50 percent more in stock options and 22 percent more in salary and bonuses than they had averaged the year before. During this same year, the typical white-collar and blue-collar worker received raises that averaged about 3.5 percent. The average CEO made about 42 times the average blue-collar worker's pay in 1980, 85 times in 1990, and a staggering 531 times as much in 2000. Not surprisingly, these gaps contribute to poor employee morale, lost productivity, and increased turnover (AFL-CIO 2001).

The exponential growth in executive pay drew enormous criticism for economic hypocrisy because CEOs have reaped huge gains while laying off massive numbers and reducing pay for many more. Although CEO pay had been growing at an astonishing pace since the 1980s, the 1990s boom spurred a financial arms race among boards of directors that many believe fundamentally altered the compensation landscape of U.S. firms. Dangling massive compensation packages, including stock options and other perquisites, tech companies lured talent from existing employers, and firms of every nature brought out the "golden handcuffs" to secure executive talent.

During the 1990s, "short-on-cash" technology companies lured and retained talent with stock options that for a few years at least often performed well in the stock market, creating thousands of paper millionaires. CEOs and top executives were raking in options, while companies were also increasing cash and bonuses. Although options proved effective in recruiting top executives to new, riskier startups, they did not engender loyalty if the initial public offering did not perform as expected. As options became less lucrative, executives and recruiters sought to include more cash, incentive plans, restrictive stock, and other pay in their overall package.

Bonuses became popular in the 1990s for luring younger, entry-level workers as well. Louis Uchitelle of the *New York Times* wrote that signing bonuses were proliferating and reaching well beyond upper-level managers and skilled technicians (Uchitelle 1998). The booming job market of the late 1990s fueled increases in entry-level salaries for college graduates by as much as 10 percent per year in 2000 and 2001, compared with 2 and 3 percent increases in the early 1990s, according to the National Association of Colleges and Universities.

The compensation craze for young technology professionals and executives cooled down in 2000 and 2001. Many lucrative job offers made in 2000 were rescinded the next year. The repossession of luxury cars soared. Applications to law and business schools rose as college graduates returned to the traditional stepping-stones to career success. It should be further noted that the war for talent in the late 1990s occurred in small but influential high-growth sectors of the economy, where companies were chasing a small pool of highly educated workers. Only rarely does a high school graduate enjoy this kind of attention from an employer, and the same is true of many college graduates who do not graduate from Ivy League and elite institutions.

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See also Comparable Worth; Earnings and Education; Equal Pay Act; Living Wage; Minimum Wage; Pay Equity; Prevailing Wage Laws; Wage Gap; Wage Tax

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Comprehensive Employment and Training Act (CETA) (1973)

In December 1973, in a time of high unemployment and after considerable negotiation with the Nixon administration, Congress enacted the Comprehensive Employment and Training Act (CETA). This legislation consolidated a variety of federal job programs that had been created during the 1960s. Community action programs such as job training, the Job Corps, and the Neighborhood Youth Corps were brought together with programs from the 1962 Manpower Development and Training Act and the Job Opportunities in the Business Sector program. Designed to move program control away from the federal government, CETA designated states and local communities as "prime sponsors" of program activities. Funds flowed to the states in block grants, and local administrative units were given considerable decision-making power over the types of training provided, the groups of individuals served, and the institutions offering training and other services.

The CETA program used two basic strategies for increasing employment of low-wage individuals: (1) Title I classroom and on-the-job training and education to provide workers with additional skills to enable them to compete in the labor market, and (2) Title II public service employment (PSE) to offer subsidized jobs to help increase worker skills while providing useful work. Three remaining titles in the legislation authorized several targeted programs for groups such as youth and migrant workers, continued the 1960s Job Corps program for youth, and created the National Commission for Manpower Policy.

Initially, CETA emphasized training activities. In fiscal year (FY) 1974, funds appropriated for Title I training activities totaled over $1 billion, compared to only $620 million for public service programs. The first CETA programs consisted of locally operated classroom and on-the-job training programs. However, just a year after passage of the original legislation, the high national unemployment rate stimulated enactment of the Emergency Jobs and Unemployment Assistance Act of 1974, which established an additional PSE program as Title VI of CETA.

Because the unemployment rate had by then topped 8 percent and the employment requirements of this new title were less restrictive than those of the original Title II, local prime sponsors quickly received enough federal funds to subsidize hiring tens of thousands of new PSE workers. John Donahue (1989) noted that by May 1975, cities and counties had hired approximately 300,000 workers with federal funds (Donahue 1989). Many had marketable skills and higher educational levels than the disadvantaged individuals for whom CETA was originally designed. These hiring practices led to the "fiscal substitution" criticism long associated with CETA—the notion that federal funds were used to subsidize the employment of individuals who would have been hired as regular employees by local governments. Nancy Rose (2001) pointed out, however, that as the recession of the mid-1970s took hold and states began to implement tax limitation initiatives, many government services might not have been provided without employees paid through CETA.

Over its nine-year life, CETA was amended several times. Although its training efforts remained relatively constant, they were ultimately dwarfed by the allocation of increasingly larger amounts of expansion funds for public service employment. At the close of the Ford administration in 1976, the Emergency Jobs Programs Extension Act responded in some measure to the substitution criticism by tightening the eligibility requirements for PSE positions. The next year, in keeping with the interests of the new Carter administration, the Youth Employment and Demonstration Projects Act (YEDPA) created three special youth training and work experience programs. Also in 1977, a Skills Training Improvement Program (STIP) was added to Title III of CETA to serve dislocated workers, and the Help through Industry Retraining and Employment (HIRE) program was added to train veterans. Passage of a supplemental appropriations bill facilitated rapid local expansion of public employment programs. A federal goal was set for creation of 725,000 PSE jobs by spring 1978.

By the time CETA came up for legislative reauthorization in 1978, the growth of PSE had generated much criticism. National employment levels had improved, yet the program was still supporting more than 200,000 public service jobs. Paul Bullock noted that the inconsistencies contained in the original CETA legislation were compounded by subsequent amendments. Congress grappled with several concerns during the reauthorization process: (1) the legislation and subsequent amendments targeted the structurally unemployed, but broad eligibility criteria allowed prime sponsors to select a wide variety of enrollees; (2) guidelines promoted "creaming" (enrollment of higher-skilled unemployed individuals); (3) CETA was designed to allow for local discretion in enrollment and services, but over time, Congress mandated services to more and more categorical groups (for example, veterans, youth, the handicapped); and (4) there was no required connection between the training and PSE components of CETA, and no funds were provided to train public service employees (Bullock 1981, 56–60).

The drafting of and debate over the 1978 CETA reauthorization legislation took several months. The compromise reauthorization bill that finally was enacted in October 1978 did not please CETA critics, nor did it clear away the legislative inconsistencies. On the one hand, an effort was made to respond to continuing concerns about creaming. PSE job tenure and salaries were limited, and the program was specifically targeted to the unemployed, underemployed, and economically disadvantaged. Eligibility for this program required unemployment of at least fifteen weeks and low family income or receipt of Aid to Families with Dependent Children (AFDC) or Supplemental Security Income (SSI).

On the other hand, Congress used Title III to add even more federal programs for special groups—this time including displaced homemakers, single parents, and those without educational credentials. Title IV extended youth programs and required creation of a youth council to advise prime sponsors. Most upsetting to PSE opponents was Title VI reauthorization of the PSE program and the addition, in Title VII, of an entirely new Private Sector Initiative Program (PSIP). The latter was designed to increase the involvement of the private sector in CETA programs and required prime sponsors to establish business-dominated private industry councils

(PICs) to oversee development, implementation, and evaluation of prime sponsor CETA programs. Finally, a new Title VIII offered conservation work experience for youth through the Young Adult Conservation Corps (YACC).

Passage of CETA in 1973 and consolidation of employment and training programs brought important changes to the employment and training field. Not only was planning and program implementation responsibility shifted from the federal level to local authorities and prime sponsors, but community-based organizations also played an increasingly important role as CETA evolved. Bullock (1981) noted that by 1981—one year prior to the termination of the CETA program—cuts in CETA appropriations and the changes included in the reauthorization legislation had resulted in significant growth in the number of PSE staff employed by community organizations. The enactment in 1978 of the new Title VII, mandating private sector involvement in CETA, represented an especially important change. The formation of PICs and orientation of businesspeople to the world of government employment and training programming took time but established the groundwork for business to play a larger role in workforce development.

The 1973 consolidation of employment and training programs under CETA brought expansion of program evaluation initiatives. Beginning in 1975, a random sample of CETA participants was tracked through the Continuous Longitudinal Manpower Survey (CLMS) and was matched with a control group of sorts from the Current Population Survey conducted by the U.S. Bureau of the Census. Throughout CETA's life, the differences in findings among evaluation studies using program statistics and economic data were considerable, especially in critical areas such as degree of fiscal substitution and economic impact of public service job creation. Bullock (1981) attributed these differences to variables such as the periods covered by studies, the number and status of prime sponsors involved, variation in assumptions, and changes in legislative requirements over time.

In his 1995 review of evaluation studies of employment and training programs, W. Norton Grubb (1995) noted that the general conclusion from the CLMS tracking studies was that women benefited the most from CETA participation, with $500 to $1,000 in increased earnings per year. Some studies actually found that the impact of the program on men was statistically insignificant and that for youth, the effects were zero or negative. Other study findings suggested that both classroom and on-the-job training had a greater impact than work experience and public service employment. Grubb noted that the various evaluations studies were "most remarkable for the range of findings" (Grubb 1995, 18).

The Brookings Institution introduced the use of field studies, conducted for the National Commission for Employment Policy in July and December 1977 with a sample of thirty-one prime CETA sponsors (Bullock 1981). The study was critical of the training component of CETA, noting that prime sponsors gave little attention to participant training needs and tended to provide mostly on-the-job training (National Commission for Employment Policy 1979). Burt Barnow's 1986 review of a number of evaluation studies in the *Journal of Human Resources* concluded that on-the-job training appeared to carry more impact than classroom training.

During the 1970s, the Committee on Evaluation of Employment and Training Programs of the National Research Council (NRC) conducted a series of studies of twenty-eight prime sponsors throughout the country, using census data, field documents and interviews, and official reports from the Department of Labor. Early studies confirmed the view of many CETA critics that only a small number of participants in the public service employment program were economically or socially disadvantaged (for example, members of families receiving welfare benefits or individuals faced with employment barriers such as low education levels or language skills) (Mirengoff et al. 1980a, 101). Evidence was also found to support claims that local governments were engaging in the practice of "substitution"—using federal funds to pay for employees who were usually supported by state and local money. During the period between June 1974 and December 1976, substitution averaged 35 percent (Mirengoff et al. 1980a, 39).

In 1979, soon after implementation of the CETA amendments began, the NRC evaluation committee undertook a new study of twenty-eight areas across the country. This study found that more economically disadvantaged individuals—women and minorities—were being hired into public service jobs. However, the committee also found that welfare recipients were underrepresented in the service population and that wage restrictions had brought average public service program wages down because prime sponsors were forced to drop higher skilled positions (Mirengoff et al. 1980b, 45–102).

The FY 1981 federal budget severely cut CETA funding, and by the spring of 1981, the new Reagan administration had already made clear that it would not support reauthorization of CETA the next year. Ironically, because such a variety of elements had been packed into CETA over the years, many were actually included in its successor legislation, the 1982 Job Training Partnership Act. Although public service employment was eliminated, local service delivery areas were preserved, as were a number of youth programs, training for disadvantaged individuals, and the involvement of the business sector in local employment and training operations.

In the years since CETA was in force, the view of the program has moderated with hindsight, and some agreement has emerged that there were a number of positive program effects. Once the CETA eligibility requirements were tightened, the program improved the skills and job prospects of lower-income participants—particularly women. An important CETA lesson, which was incorporated into future programs, was that lower-income participants needed individualized training plans and support services to succeed in employment. Although there was serious criticism of the practice of fiscal substitution, in a climate of recession and state and local tax limitations, CETA enabled towns and cities to maintain public services that might otherwise have been eliminated. Finally, Nancy Rose observed, "CETA workers developed community recreation and arts programs, set up screening clinics in hospitals, and weatherized low-income homes. They worked in law enforcement agencies, day care and senior centers, battered women's shelters, and even in some activist organizations" (Rose 2001, 4). Today's human service landscape remains populated with individuals and organizations that got their start in the days of CETA.

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See also Job Corps; Job Training Partnership Act; Welfare to Work; Workforce Investment Act

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Computers at Work

Computers, the Internet, and other forms of information technology have changed the way Americans work. The growth of a "digital economy" has affected labor supply and demand and revolutionized methods of communication, learning, and working. It could also alter the way American society addresses such social problems as unemployment and illiteracy. Although the introduction of computers at work is widely viewed as having increased productivity and worker flexibility, it has also created new stresses and strains for workers who are now connected to their offices—through their computers—365 days a year.

Progress through technology is an enduring feature of the economic history of the United States.

Although the introduction of computers at work is widely viewed as having increased productivity and worker flexibility, it has also created new stresses and strains for workers who are now connected to their offices—through their computers—365 days a year. (Charles Gupton/Corbis)

The transcontinental railroad, the telephone, the automobile, electricity, airplanes, and then jet travel transformed the United States economically and socially. And yet, no new technology has affected the nation so rapidly and or spread so swiftly as personal computers (PCs) and the Internet did during the last decade of the twentieth century. High-tech jobs grew explosively, and information technology was infused into nearly every other job. The information technology sector (computing and communications) accounts for more than 8 percent of the national economy and 15 percent of the rise in gross national product (U.S. Department of Commerce 1998). Today, there are more than 100 million adults using the Internet (Strategis Group 1999), and the computer and data processing industry is the fastest-growing industry in the United States (Fullerton, 1999). New services and new ways of working and communicating brought about profound changes in the workforce and in the workplace.

The U.S. economy is in the midst of an information technology revolution. Consider, for example, the findings of Work Trends surveys of U.S. workers, conducted in the late 1990s by the John J. Heldrich Center for Workforce Development at Rutgers University and its partner, the Center for Survey Research and Analysis at the University of Connecticut (Van Horn and Dautrich 2000):

1. The typical U.S. worker uses computers every day to perform his or her job.
2. U.S. workers enthusiastically support the information technology revolution.
3. U.S. workers believe that e-learning—courses taken over the Internet—will help them obtain the skills demanded by their jobs.
4. U.S. workers want to use their home computers and Internet connections to work from home—telecommute—for at least part of the workweek.
5. U.S. workers expect government and employers to help spread the benefits of information technology and require young people to get computer skills to succeed in the workplace.

In the early 1980s, personal computers were as rare as a solar eclipse. A few refrigerator-sized contraptions started cropping up in offices in the early 1980s. Just fifteen years later, personal computers were so widespread in the workplace that they changed the daily habits of millions of workers and presented new challenges for workers and their bosses (Conference Board 1998).

Today, computer use is as common for U.S. workers as the water cooler and the photocopy machine. Teenage fast food workers and pharmaceutical industry chemists depend on computers to accomplish their tasks. Nearly seven in ten workers use computers every day; eight of every ten workers use a computer at least once a month (Van Horn and Dautrich 2000). Desktop computers help workers prepare documents, send e-mails, and browse the Internet. It delivers news and information, helps people shop, and manage their finances.

Table 1
The Digital Ladder, Classifying Workers by Computer Use

Digital Ladder Classification	*Characteristics Used to Classify Workers*	*Percentage of Workers*
Exiles	Have not used a computer in the last month	19
9–5 Users	Have used a computer in the last month No home access to a computer	17
Browsers	Have used a computer in the last month Home access to a computer Have not necessarily used a computer every day Have used a computer for some but not all applications, such as e-mail, the Internet, word processing, and getting news/information	22
Power Users	Have used a computer in the last month Home access to a computer Have used a computer every day Have used a computer for some of the following applications: e-mail, the Internet, word processing, and getting news/information Do not bank and shop online	25
Technophiles	Have used a computer in the last month Home access to a computer Have used a computer every day Have used computer for all of the following applications: e-mail, the Internet, word processing, and getting news/information Do bank and shop on-line	16

Low Use/Access						High Use/Access
	Exiles	*9–5 Users*	*Browsers*	*Power Users*	*Technophiles*	

Source: C. E. Van Horn and K. Dautrich. 2000. "Nothing but Net: American Workers and the Information Economy. Work Trends V Survey." John J. Heldrich Center for Workforce Development, Rutgers University, New Brunswick, NJ.

The typical worker in the United States spends about three hours every day in front of a computer screen; nearly three out of four workers use computers at least one hour a day. Half the workday is spent on personal computers for one in three U.S. workers. Computer use is very intense for those with access to a computer *and* the Internet; they spend even more time on the PC, with one in five spending half the workday on the Internet alone (Van Horn and Dautrich 2000).

Work-based computers are used for work, rather than to shop, play games, or send e-mails to relatives and friends, according to most U.S. workers. At work, employees read and send e-mails, prepare documents, and search the Internet. In fact, the e-mail is already the most popular application of information technology and the primary means of communication for more than one in four U.S. workers. Although the typical e-mail user sends or receives nine e-mails per day, the heavy e-mail communicator receives or sends more than thirty per day (Van Horn and Dautrich 2000).

The Digital Divide

As we drill a little deeper into the computer/Internet phenomenon, we discover that access and use vary greatly among U.S. workers. In fact, there is a so-called digital divide between workers and families who have access to computers and those who do not (U.S. Department of Commerce 2000; Information Technology Association of America 2000). Carl Van Horn and Kenneth Dautrich (2000) further classify workers into five categories based on their access to and use of computers and the Internet: exiles, 9–5 users, browsers, power users, and technophiles (see Table 1).

Individuals up and down the digital ladder have different demographic profiles. Power users and technophiles are younger; have more formal education and higher incomes; work for larger companies; and hold jobs in professional, managerial, or technical occupations. Technophiles are more likely to work in professional (39 percent), technical (17 percent), or managerial occupations (17 percent). Exiles are more likely to work in service (29 percent) or manufacturing (8 percent) occupations. There is a strong correlation between technology use, education level, and income. Power users and technophiles have higher incomes and education levels than browsers, 9–5 users, or exiles. Exiles and 9–5 users are much more likely to be black than technophiles, power users, and browsers. Many technophiles, and power users spend more than half their workdays using a computer. In contrast, 71 percent of browsers and 65 percent of 9–5 users do not even have access to the Internet at work.

Educational attainment provides another insight into the concentration of computer and Internet use. The higher the education level, the more likely a worker is to use the computer during the workday. Sharp increases in computer use occur for workers who have more than a high school education. Only 40 percent of workers with less than a high school education and less than half (49 percent) of high school graduates use a computer at work. In contrast, seven in ten workers with at least some college education use a computer during their workday, and nine in ten college graduates use a computer for at least a portion of the workday.

Information Technology and the Economy

The widespread introduction of computers and the Internet occurred during a period of sustained economic growth and prosperity in the mid- to late 1990s. Alan Greenspan, chairman of the Federal Reserve Bank, and other leading economists argued that the productivity gains from information technology were largely responsible for unprecedented economic growth in the United States at the time (U.S. House Education and the Workforce Committee 2000). U.S. workers echoed those sentiments at the time of the survey, expressing confidence and optimism about the new economy and the high-technology workplace.

By almost any measure, U.S. workers have embraced the Internet age. Nearly nine in ten workers do not believe that new technologies caused job reductions at their own workplace in the past year. Similarly, nine in ten are convinced that technology will not push them out of their job in the near future—within the next three years (Van Horn and Dautrich 2000). Far from fearing the dark side of technology, a majority of U.S. workers (58 percent) say computers changed their lives for the better. As expected, technophiles and power users are most enthusiastic about computers and the Internet, with overwhelming percentages touting their benefits. Only digital exiles say these new technologies have not improved their life circumstances and worry that the new technologies will threaten their job security.

Most lower-income Americans (those earning less than $40,000) and many African American workers have not reaped substantial benefits from computers and the Internet. They are much more likely than others to dwell at the bottom of the digital ladder. Yet respondents from these groups of Americans are more positive about technology's role in economic prosperity than higher-income and white workers. This optimism, which may seem misplaced to some, reflects an important fact of life: economic opportunity and personal success are closely tied to one's ability to use computers and the Internet at work. The lack of optimism among higher-income workers may reflect the integration of technology in their careers, which has led them to discount its importance. Workers who do not use those skills and tools might place a higher value on them. The lack of optimism among higher-income workers may also reflect strain they feel in managing the omnipresence of technology in their work and family lives.

Computer Know-how

For years, television and movies portrayed highly skilled computer users in an unflattering light. Most common was the computer "geek" (poorly dressed, long-haired, and bearded), who masterminded World War III or some other calamity from a computer terminal. For decades, gun-wielding good guys like James Bond spoiled these diabolical computer plots. Nowadays, however, the hero is as computer-savvy as the evildoers. Without computer skills, one can't even be an action hero anymore!

Another favorite stereotype was the bumbling fool who is "terminally challenged" by computer hardware and software. These folks couldn't even program the family videocassette recorder (VCR), let alone boot up and use Microsoft's office suite. Typically, these technophobes were proud of their condition and belittled people who chained themselves to a PC. In the early years of the twenty-first century, this stereotype is going the way of the rotary telephone, vanishing because it is no longer believable.

In reality, the United States is a digital nation, with millions of Americans smoothly handling day-to-day chores on their terminals (Carol and Sergeant 1999). U.S. workers believe they have the right stuff when it comes to computers: more than three-fourths say they have the necessary computer skills to perform their current job. Technophiles, power users, and browsers, who make up nearly two-thirds of the workforce, are very confident they can make the computers and the Internet work for them. Even one of every four computer exiles, who don't regularly use computers, think they know how to work effectively with computers (Van Horn and Dautrich 2000).

Computer and Internet tools were nearly as common as the telephone for people entering the workforce in the 1990s (Carol and Sergeant 1999). In classrooms, libraries, and homes, the personal computer played a starring role in their formative experiences. Younger workers are much more likely to be comfortable with computer basics. More than 80 percent of eighteen- to twenty-nine-year-old workers believe they are well prepared for the computer age, whereas only 70 percent of workers aged fifty to sixty-four share that belief (Van Horn and Dautrich 2000).

Computers parachuted into the lives of more mature workers in the midst of their adult careers. Often, their children nagged them into getting an Internet connection at home. Nearly everyone who started working before 1985 had no experience with personal computers in high school or college and was forced to adapt to a digital world. Nearly everyone who started working before 1993 had little or no experience with the Internet before it exploded on to the scene. Most workers learned to use a computer through informal means, with five in ten teaching themselves or learning from family or friends. Only one in four acquired their computer skills the old-fashioned way—in a classroom or through training at work. People with more formal education also have more confidence: 90 percent of college graduates are sure their computer skills are adequate for their current jobs; but only 58 percent of high school graduates believe the same (U.S. Department of Commerce 2000; and Van Horn and Dautrich 2000).

Overall, the first part of the PC/Internet age largely favored employers' interests—driving down costs, moving information more rapidly, and extending the reach of companies to every corner of the nation and the world. Three emerging applications may turn the tables, bringing significant benefits to U.S. workers. Two of these Internet-driven strategies—telecommuting and distance learning, or e-learning, are popular with U.S. workers but much less so with employers. The other—Internet-based recruiting and hiring—is a favorite of U.S. companies but thus far is viewed skeptically by most U.S. workers. It is too early to tell how these new applications will evolve (American Society for Training and Development 2001; Brown 2000; and Van Horn and Storen 2000).

The prevalence of computer use among U.S. workers has created a heightened awareness about the potential of information technology to solve problems in their workplace and work lives. The modern workplace creates new demands and challenges, and U.S. workers are turning to information technology to improve their skills and get more control over their economic destiny. Information technology has the potential to offer much needed solutions at work in this new economy. As the United States strives to remain competitive in the global economy, upgrade the skills of its workforce, help workers balance work and family, fight poverty, and provide a meaningful education for our children, its workers suggest that we embrace the technology in our midst and use it to its full potential. Continued economic expansion for the country and individual prosperity depend on workers' ability to effectively use computers, the Internet, and other technology applications.

Carl E. Van Horn

See also The Dot-com Revolution; E-Learning; Ergonomics; Telework/Telecommuting

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Consultants and Contract Workers

Consultants and contract workers are typically engaged in specific work assignments on a hourly or project basis. Contract workers can be from all strata of the workforce, from the most sophisticated and technologically savvy to day laborers. Consultants, however, are used because of their demonstrated expertise in a particular functional area of a business concern. They are retained to solve a problem, analyze a situation, or make recommendations for change to management. As a group, they are included among those contingent workers who have conditional or transitory employment arrangements.

This new class of worker began to burgeon in the mid- to late 1960s and has continued vigorously through the present. The largest single employer in the United States today is Manpower, Inc., the supplier of temporary labor to not only manufacturing but also to the service, technology, and professional sectors. Temporary staffing companies have evolved over time to be highly focused on the classification of workers they offer. Some specialize in placing accountants, nurses, substitute teachers, computer programmers and operators, and even medical doctors and psychologists—virtually any specialty of worker in the marketplace.

There are many reasons for a business to use contract or independent workers. In general, such arrangements allow much greater flexibility in the deployment of staff and a potential reduction in the costs of benefits and direct labor. Seasonality or the business cycle itself can make it a highly attractive option for a company. No long-term employment commitments are implied. Major corporations also find it economically attractive to "outsource" whole functions, such as human resources and various staff support services, that are peripheral to the company's core operations.

Similarly, such arrangements can be very attractive to the contract worker, who has the opportunity to move in and out of the mainstream of traditional employment, can more easily find employment during periods of job dislocation, or can explore new career fields. There are downsides, however. For contract workers, control is exerted over them by two employers—the providing company, which pays their wages and benefits, and the utilizing company. In addition, such workers typically do not have the opportunity to develop a long-term career path or avail themselves of employer-sponsored education and training. Table 1 provides information on the size of the contract workforce relative to all those employed and presents their average weekly earnings. The differences in average weekly earnings can be imputed to the skill sets the contract worker brings to the employer.

Given the steep growth in service industries during the last three or four decades of the twentieth century, it is not surprising that a full 50 percent of all contingent workers are in the service sector (Jacobs 2001, 144). Almost 40 percent of all workers included in the Jacobs data actually *prefer* their status as nontraditional workers (Jacobs 2001, 145).

All of these notions seem quite modern. Surprisingly, many of these concepts were developed

Table 2
Breakdown of Workers by Classification, Including Average Weekly Earnings

Classification	*Number**	*Average Weekly Earnings*
Traditional employment	119.02	$540
Workers provided by contract firms	0.77	$756
Workers provided by temporary agencies	1.19	$342
On-call workers	2.03	$472
Independent contractors	8.25	$640

*millions
Source: Eva E. Jacobs, ed. 2001. *Handbook of U.S. Labor Statistics*. Lanham, MD: Bernan Press, 143, 149.

by Thomas Jefferson and are contained in his papers willed to his grandson in 1826. In 1852, the Pinkerton company provided security guards for the railroads to help prevent robberies and to recover stolen property. Hoover Dam was built between 1931 and 1935 by 5,000 workers leased from a consortium of six labor-contracting firms. The Bureau of Reclamation, the designer of the dam, supervised the work with 150 inspectors, the only government employees on the project. It was not until the 1950s, however, that large companies like Olsten, Kelly, and Manpower were founded to meet industry's growing need for contract labor.

Consultants, however, are also contract workers who provide high-level assistance or guidance to others, almost always for a negotiated, predetermined fee. Consultants are not employees of the contracting organization. They work individually or as teams that are part of a larger consulting practice, depending on the scope of the assignment. The consultant's main role is to identify, diagnose, and bring about the resolution of business issues. As such, consultants do not typically guarantee the outcome of their work. Rather, they offer their best recommendations for potential success based on their skilled analysis of the client's situation.

Consulting can be very lucrative for the individual and is often the career path chosen by workers with new M.B.A.'s, particularly from top-tier institutions. After serving on a long-term consulting assignment with a client, many are later tapped to be key executives within the client's own company.

Historically, the Industrial Revolution and mass production set the stage for the ascendancy of the consulting profession as we have come to know it. The earliest consulting *firm* was probably Foster Higgins, founded in 1845; followed by Arthur D. Little in 1886; Booz, Allen, and Hamilton in 1914; and McKinsey and Company in 1926.

Although early consulting projects focused on manufacturing processes and the organization of workers to do work, consulting engagements have expanded to encompass almost any part of a business enterprise—sales and marketing, finance, research and development, human resources, innovation, globalization, quality control, distribution, communications, information technology, and product development, among many others. Clearly, wherever there is the opportunity or need for improvement or positive organizational change, there is a consulting opportunity.

The latter part of the twentieth century saw a bundling of financial accounting services with consulting services. However, in the environment following the revelations of financial mismanagement at Enron and other companies, more and more accounting firms are casting off their consulting entities for fear of accusations of conflict of interest. At the same time, too, there was a tremendous growth in e-business consulting and incubation services. The growth of these particular services has dwindled for the time being with the bursting of the dot-com bubble. However, the shrinking economy has encouraged companies to use consulting, in particular for manufacturing processes and quality management, global marketing, and information technology.

On balance, the industry continues to thrive, ebbing and flowing with the state of the economy and emergent technologies. As long as there is an emphasis on value-added service and intellectual property, consulting as a profession will remain attractive.

Ron Schenk

See also Contingent and Temporary Workers; Part-Time Work

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Contingent and Temporary Workers

Contingent and temporary workers are people with insecure or transient jobs who do not have an expectation of long-term employment. The term, however, lacks a clear definition and has been used to describe a wide variety of work arrangements, including part-time work, temporary agency employment, employee leasing, self-employment, contracting out, employment in the business services sector, and home-based work. Since the 1980s, the number of people in contingent employment appears to have increased significantly, though assessments of the scale and implications of this increase have varied, depending on the specific definition used. This increase is the result of a variety of factors, including greater volatility and unpredictability in competitive conditions in the economy and associated changes in corporate structure and human resource practices. The increase in contingent employment is thus often seen as reflective of broader changes in employment arrangements that are affecting regular, full-time workers as well. Though some workers in contingent employment have prospered, the majority of contingent workers have lower wages and poorer working conditions than similar workers in more stable, long-term employment situations. Thus, improving working conditions for contingent workers has become an important arena for innovative policy and organizing initiatives, which also provides important insights into policies that may be valuable for improving working conditions for the rest of the workforce as well.

Though the temporary help industry has existed in the United States since at least the 1930s, the term *contingent work* only first began to be widely used in the mid-1980s. Initially, it simply described a management technique of employing workers only when there was an immediate and direct demand for their services (Freedman 1985). The term, however, soon became widespread in the business and popular press. *Time* magazine, for example, ran a provocative cover story in 1993 titled "The Temping of America" (Morrow 1993), and a year later a *Fortune* cover story declared "The End of the Job" (Bridges 1994). When American Telephone and Telegraph (AT&T) vice president for human resources James Meadows declared in 1996 that "we have to promote the concept of the whole workforce being contingent [that is, on short-term contract, no promises of long-term employment] though most of our contingent workers are inside our walls" (quoted in Andrews 1996), he was describing a fundamental sea change in U.S. employment relationships that has created a widespread sense of insecurity within the entire workforce.

A more careful examination of the contingent and temporary workforce, however, reflects a more modest but still significant restructuring of employment relations that occurred in the 1980s and 1990s. Estimates of the size of the contingent workforce are at best approximations, since government statistics on contingent work are limited, there is no commonly accepted definition, and there are multiple types of employment relations that can be characterized as contingent. The easiest measure is simply to include only people employed in the personnel supply services industry, popularly known as the temporary help industry. Between 1982 and 2000, employment in this industry grew from 400,000 people to 3.5 million, rising from less than 0.5 percent to 2.7 percent of total employment. The majority of temporary help workers are in highly tenuous employment situations and are frequently the first to be laid off during economic downturns. This was clearly evident in the economic downturn of 2001. From December 2000 to December 2001, a total of 1.4 million jobs were lost in the U.S. economy as a whole, more than half of which were in the temporary help industry.

A somewhat broader approach, which includes other workers in addition to temporary workers as part of the contingent workforce, has been developed by the U.S. Bureau of Labor Statistics (BLS). In 1989 the BLS developed a conceptual definition of contingent work to include workers, regardless of their particular employment relationship, whose current job was clearly structured to be of limited duration. In other words, contingent workers are those workers who do not expect their job to last beyond a specified period or who otherwise report that their jobs are temporary. This approach distinguishes contingent employment from "alternative work arrangements," which is defined as including independent contractors, on-call workers, temporary help agency workers, and contract company workers. A worker may be in both contingent and alternative work arrangements, but that is not automatically the case, since many independent contractors have readily available work, even though it may vary from project to project. Since 1995, the BLS has developed a regular survey to try to measure the contingent workforce, using three slightly different definitions. Using the broadest definition and according to the latest estimate in February 2001, 5.4 million workers (roughly 4 percent of total employment) were in contingent employment, and a total of 12.5 million workers (approximately 9.4 percent of total employment) were in alternative work arrangements (U.S. Bureau of Labor Statistics 2001). According to these statistics, the percentage of total employment accounted for by contingent employment in 2001 was actually down from a peak of 4.7 percent in 1995, but the percentage of people in alternative work arrangements had remained roughly the same.

Other estimates of the contingent workforce have taken a broader viewpoint, trying to capture all workers who face insecure employment. One approach is to include all people who are part-time, temporary, self-employed, or subcontracted employees. One estimate from the late 1980s, for example, found that between 25 and 30 percent of the U.S. workforce were in contingent employment relationships, that the contingent workforce was growing from 50 to 100 percent faster than employment in the economy as a whole, and that between one-third and one-half of all new jobs created in the 1980s were for contingent workers (Belous 1989). This definition, however, includes many workers, such as some independent contractors and professionally self-employed people, who may have plentiful work but are just not in regular employment. As a result, it is probably more accurate to classify all these types of employment as "nonstandard" work, rather than contingent (Carre et al. 2000). Nonetheless, in recent years even workers in "standard," full-time, regular jobs have confronted higher levels of insecurity, as changing management practices have made workers at all levels more vulnerable to layoffs in the face of changing markets and competitive conditions (Abraham 1990; Cappelli et al. 1997). In this context, the standard employment contract, which used to guarantee a certain level of stability and predictability for large sectors of the workforce, can be understood as becoming increasingly contingent as well (Arthur and Rousseau 1996).

Regardless of how the contingent workforce is defined, the decline in employment stability creates significant hardships for many workers. Though again the details differ, depending on the specific definition of contingent employment used, overall contingent and temporary workers have significantly lower wages and poorer working conditions than workers in more stable employment. Using the BLS definition, for instance, median weekly income for contingent workers was $285 in 1995, compared to $416 for noncontingent workers. Similarly, one-fifth of contingent workers had employer-provided health care coverage, compared to nearly two-thirds of noncontingent workers (Hipple and Stewart 1996). Using the broader definition of nonstandard employment and comparing contingent workers to workers with similar personal characteristics in regular full-time jobs, contingent workers faced an hourly wage penalty ranging from 27 percent for part-time workers to 15 percent for temporary workers to 1 percent for independent contractors (Hudson 1999).

The reasons for the increase in contingent employment are diverse, complex, and still not fully understood. One explanation that is broadly understood is that, aside from some portion of independent contractors and the self-employed, the growth in contingent employment, and particularly the growth in temporary employment, is primarily being driven by employers, rather than by the preferences of workers (Golden and Appelbaum 1992). Clearly, one of the reasons employers have increased their use of contingent workers is the growing unpredictability and volatility of the economy. In the face of intense global competition and rapid innovation, many companies have shrunk the size of their core workforces, using various forms of temporary, contracted, and subcontracted workers to increase their ability to respond to uncertain market conditions and to take advantage of rapidly changing niche markets (Harrison 1994). Beyond the imperatives of intense competition, employers have also discovered that subjecting their employees more directly to market pressures can be an effective way of increasing workers' productivity (Cappelli 1999). In essence, rather than buffering workers from market fluctuations, companies are increasingly passing on the risks of doing business directly to significant portions of their workforce. Finally, there is also significant evidence showing that employers are increasingly using contingent employment as a way of reducing wages, not simply for the contingent workforce but for their regular permanent workforce as well (Houseman, Kalleberg, and Erickcek 2001).

If the only impact of the increase in contingent employment was an increase both in labor flexibility and in the productivity of firms and their employees, there would be little cause for concern. The low wages of contingent workers, however, along with the contribution they make to the deterioration in wages and working conditions for many regular workers as well, raise strong concerns and highlight the need for intervention. Unfortunately, the fact that all contingent employees are outside the standard employment relationship means that traditional means of assisting workers are largely ineffective for contingent workers. Their temporary and tenuous ties to employers or workplaces means that contingent workers are poorly protected by current labor legislation; often have difficulty qualifying for unemployment insurance, pension plans, and employer-provided health plans; and have difficulty gaining representation in traditional union structures. Thus, a variety of creative and innovative policy initiatives and organizing efforts have been developed to try to improve the wages and working conditions for contingent employees.

One of the most prominent areas of policy concern for contingent workers is in the arena of labor legislation. Current labor legislation is broadly based on an assumption of long-term, stable, clear ties between workers and employers, which makes contingent workers highly vulnerable. There is clearly a need, for example, to expand joint employer responsibility in cases in which temporary workers are hired through agencies to work at a third-party work site. Other reforms have been proposed to facilitate representation for contingent employees including allowing minority representation, thus enabling contingent employees to request representation even if the majority of workers at the work site do not request it; repealing prohibitions against prehire agreements, recognitional picketing, and secondary boycotts, thus facilitating nonworkplace organizing; and expanding the definition of "employee" under the 1935 National Labor Relations Act (Wagner Act) to include self-employed workers and independent contractors (duRivage, Carre, and Tilly 1998; Friedman 1994). Other policies have been proposed to expand occupational rather than workplace-based associations and to develop intermediaries that can help workers build cross-firm rather than internal career ladders (Benner 2002; Parker and Rogers 2001).

In addition, contingent workers have come together with labor and community organizers in a whole series of innovative organizing efforts. These strategies build solidarity outside the workplace among a group of workers with similarly unstable employment circumstances, typically by helping to facilitate job transitions, to improve earnings levels and stability, and to enhance access both to protection under labor and social regulations and to representation. Examples range from groups of information technology contractors in Seattle to membership associations of temporary workers in places as far apart as Silicon Valley and northern New Jersey to associations of day laborers and immigrant workers in major metropolitan areas throughout the country (Carre et al. 2000). These various local initiatives have come together in a national coalition, the North American Alliance for Fair Employment, in an effort to increase their impact on improving conditions for contingent workers. The ideas generated through this network, though focused on contingent and temporary workers, also have significant relevance for noncontingent workers facing heightened levels of insecurity and vulnerability.

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See also Consultants and Contract Workers; Downsizing; Employment at Will; Job Security; Manpower, Inc.; Part-Time Work; Self-Employment

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Core Competencies

Simply put, the term *core competency* refers to what a company does best. It is a skill or skill set around which a company organizes itself in order to provide greater benefits for its customers. These skills are considered core competencies if they encompass and promote the central aims and expertise of a company's employees, suppliers, and, to a certain extent, its customers. Companies that effectively develop and identify core competencies are able to distinguish themselves from their competitors and gain a significant competitive advantage.

The most intriguing aspect of core competencies is that a company may be better off having fewer of them. Businesses usually have between five and fifteen core competencies, according to Gary Hamel and C. K. Prahalad in their 1994 book, *Competing for the Future.* They add that companies that truly dominate an industry generally concentrate on only a few competencies so as not to dilute their advantage. Regardless, core competencies can touch on many areas, such as marketing, production, finance, and customer service. What matters most is that a company takes advantage of its fundamental strengths. This approach is not new; it began to surface toward the end of the eighteenth century, as production, distribution, marketing, and customer service processes became more intricate and specialized. As the twentieth century dawned, many companies purposely gravitated toward developing and concentrating on core competencies. As M. S. S. Varadan explained in *Identifying and Developing Core Competencies,* the most successful efforts involved aligning workforce processes to support core aims and, to a lesser degree, securing employee buy-in through effective internal communications.

The Orvis Company's customer service approach is a prime example of a company leveraging its core competencies. Many, if not most, companies have placed increased emphasis on customer service in recent years. These efforts rely on more responsive and customized interaction with customers to explain services, address problems, build customer loyalty, and cross-market additional products and have often yielded stronger customer ties, new revenues, and an improved company image. Yet no matter how successful, they can't be considered a core competency if customer service is not a fundamental platform of a company's approach to business.

In the case of Orvis, customer service is a core competency, taking the form of online and telephone service that offers high-quality responsiveness and an almost unrelenting obsession with addressing customer product concerns. The effort is core because it is central to the company's image and its business model, which aims at developing long-standing relationships with its customers to drive sales of its expanding product line that ranges from fly-fishing and hunting gear to clothing lines and home decorations.

Almost a century earlier, one of the great business success stories in the United States was built on the ability of a fledgling company to create and leverage its own core competency. The Ford Motor Company accomplished this by developing an assembly line production process that spit out affordable cars geared for mass market consumption. Ford was by no means the first carmaker—or even a real automotive pioneer. Hundreds of carmakers were already building up-market automobiles when Henry Ford started his first car company in 1899. Ford's ultimate success was his production process that allowed him to cost effectively expand output of the Model T from its then record-breaking 10,660 units in 1908 to 54,000 cars by 1911. The jump in output came as the price of the car fell from $950 to the even more affordable $360. The price reduction was central to Ford's business philosophy, as Robert Shook wrote in *Turn Around* (1990, 26): "The Model T was the car he had always dreamed of building. It was uncomplicated, durable, affordable. It was a car a farmer could afford."

Leveraging core competencies was the foundation of another U.S. success story that occurred during the technology explosion of the late 1980s. In this case, Microsoft committed itself to product definition and evolution as a core competency aimed at moving software and product into the mass market. Microsoft isn't necessarily unique in these efforts. But its product development process is a core competency because it is better than that of most of its competitors: "Microsoft's approach to defining products and development processes is not particularly new," Michael Cusumano and Richard Selby explained in *Microsoft Secrets* (1995). Yet they note that Microsoft has been "extremely effective in creating a strategy for product and process definition that supports its creative strategy" (1995, 187–188).

Microsoft's approach calls for developing products for the mass market that effectively set industry technical standards, which in turn helps Microsoft maintain market share. The software maker further leverages this core competency by developing products that have relatively short development times and life cycles.

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See also High-Performance Workforce; Productivity; Total Quality Management

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Corporate Consolidation and Reengineering

The trends of mergers and acquisitions, consolidation, and restructuring have been a dominant theme on the corporate scene for more than two decades. Companies undertaking these activities do so to enhance profits, innovation, and competitiveness. From the employees' point of view, the net result of this trend so far has been job reduction and, far too often, alienation, outsourcing, and failure to achieve the initiative's original goals. This tension has brought employers in the United States to a crossroads, where they must learn to plan and implement strategically in a way that transcends these negatives in favor of growth and development.

There can be no doubt that the end of the twentieth century brought significant changes in the landscape of work and the workforce, including the combined effects of globalization, the increasing influence of the financial markets, and the pervasive deployment of technological innovation. The decline in certain types of jobs and the concomitant increases in productivity are easily documented. However, it is important to examine the history and some of the underlying causes of corporate restructuring and consolidation and to evaluate the effects of these trends on the experience and direction of the labor force.

Often the criteria that make restructuring successful from a business standpoint are the same factors that spell success for the firm's workforce. Just as often, mergers or consolidations have been planned with consideration for financial goals but without equal consideration for employees' needs and contributions. This is a dangerous course in an era in which reliance on the caliber of a firm's talent is ascendant. Though reengineering and consolidation efforts usually begin with lofty goals, their outcomes depend on the caliber of planning and, in particular, the attention given to execution and the nature of the work and the workforce.

Many factors have contributed to the pervasive consolidation and restructuring of U.S. firms. In the mid-1980s, many observers believed that the U.S. economy had run out of steam. Technological dominance had been lost in several manufacturing sectors, including automobiles and consumer electronics. The annual rate of increase for labor productivity, which was 2.7 percent annually in the two decades after World War II, had slipped to 1.4 percent in the 1980s. Although the U.S. standard of living was still the highest among the seven largest market economies, it had grown only one-quarter as fast as the others since 1972.

These facts led to a perception of mounting crisis and budget tightening. Japan and Germany were believed to be overtaking the United States economically, which seemed to have lost its competitive edge. Yet, as the new century began, the picture looked very different, with the United States approaching its former level of economic dominance. This phenomenon may be cyclical, or there may be fundamental changes coming about in the way U.S. businesses operate and the way the U.S. economy is structured.

There is a great deal of hope that the emerging sectors of the economy will serve as an engine for jobs, growth, and productivity. Although there were no notable productivity growth differences between the United States and Europe in the first half of the 1990s, after 1995, a noticeable change in the rate of decline in the cost of computing power enhanced U.S. productivity. Information technology was not the only source of the new productivity. Globalization, deregulation, and competition also prompted business process improvements. The *Economic Report of the President* argued that information technology, business practices, and economic policies reinforced each other (*House Miscellaneous Document no. 107-2).*

These trends are primarily responsible for the restructuring that has had such a dramatic impact in terms of job loss and the creation of winners and losers in specific industries and geographical regions. It is clear that much of the consolidation is driven solely by financial market circumstances. The key question for the future of jobs and the vitality of the economy is whether the increases we see in rates of productivity are merely cyclical (and thus likely to be reversed) or structural (and thus being capable of being sustained over long periods). The arguments over consolidation will be largely determined by the answer to that question. The financial community argued that the short term costs of loss of jobs would be offset, indeed necessitated, by increases in efficiency and productivity.

The White House Council of Economic Advisers argued that the 2.6 percent rate of growth in productivity in the second half of the 1990s was not merely cyclical and that the improvement in the ways in which capital and labor were used throughout the economy was important to the increase. The economic slowdown that began in 2000 demonstrated that the business cycle will still act as a brake on this level of growth, as will global events such as the war on terrorism.

The true vulnerability may not lie in the macroenvironment of growth and productivity but more in issues of distribution and income inequality. It is evident that the general reduction in demand for lower-skilled workers, more than declines in areas like manufacturing, has depressed wages and exacerbated structural unemployment. This is not only a question of justice but also one of whether inequality may lead to political reactions that could curb the productivity of the economy and slow the high rates of economic growth that are the foundation of a successful economy and society.

The evidence continues to suggest that worker displacement is largely the result of technology rather than import competition. Technology is not only displacing workers, it is causing workers to accept lower-paying jobs in some fields. On average, real wages are falling. There are still significant layoffs of middle managers in jobs that contribute questionable value once layers of management are reduced, and these jobs will not be replaced. Technology is also reducing jobs more rapidly in some industries than others, for example, manufacturing and utilities.

Clearly, many people admire the success of the U.S. economy, but not all extol it as a model. Government plays a lighter role in the U.S. economy, spending one-third of gross domestic product (GDP), whereas such spending in Europe is nearer one-half. Competitive market forces are stronger in the United States, but social safety nets are weaker. Unions are weaker and labor markets less regulated. Cultural attitudes, bankruptcy laws, and financial structures more strongly favor entrepreneurship. Whether it be the U.S. venture capital community of financial intermediaries that promotes leveraged buyouts or mergers and acquisitions, the environment in the United States encourages consolidation to a greater extent than elsewhere.

It is the resolution between the forces of consolidation and innovation that will determine success. The global economy simultaneously encourages and forces companies to move their activities to the lowest-cost locations. Since there are often untenable costs associated with moving, it usually pays companies to attempt to force down costs in their current locations to derive the corresponding benefits. Firms that merge often restructure with the intent of halving or eliminating previous operations, especially if they do not have a direct connection to revenue production. Simultaneously, new technologies are allowing firms to work with a very different structure of employment. The compression of layers of management and the need for many fewer workers in a centralized (corporate headquarters) location have been the driving forces in the consolidation produced by financial markets and underlying market conditions.

The same forces that were shaping the mergers and acquisitions boom and industry consolidation around the world were also forcing a revolution inside companies. Departments have been realigned, and many functions have been outsourced altogether in areas previously thought to be untouchable or "strategic." Since the 1980s and earlier in some industries, companies have been responding to competitive threats and the need to beat rivals to new opportunities and shrinking margin dollars (the money a company can make from the sale of products or services after covering the costs of production and overhead, including salaries and benefits). Internally, that translates to streamlining operations, eliminating layers of management, retraining employees, and integrating data systems. Senior teams have redefined their planning processes, performance management systems, and incentive plans. These trends have rippled through U.S. industry, usually affecting large companies disproportionately, and the effects are still occurring. Consolidation, reengineering, and downsizing have barely abated.

The early results showed gains in productivity and a net loss of jobs, even among knowledge workers. Reengineering is a variation on workplace restructuring in which the goal is to improve productivity by taking advantage of new technologies, redesigned processes, and reduced layers of management with correspondingly swifter decision making. The concept was initially popularized by Michael Hammer and James Champy in their 1993 book, *Reengineering the Corporation.* The best examples of successful reengineering delivered 30–40 percent productivity improvements in the targeted areas. Among consulting firms and academics, the concept soon had many proponents because it seemed to promise a silver lining to firms in dire need of cost trimming and better technology deployment.

Unfortunately, the concept required extensive planning and buy-in by management, including a willingness to change on the part of employees entrenched in their processes and often fearful of losing their jobs. It also required sufficient background knowledge and expertise to integrate previously disparate processes while providing sustainable customer and bottom-line benefits. The path of least resistance was simply to automate existing, often flawed or isolated processes, resulting in few or short-term benefits. Typically, cost savings were sought by changes in business operations such as information technology (IT), administration, and back office services (such as the department that processes transactions for a business' customers and creates records for these transactions). In the manufacturing arena, companies were more likely to favor more specialized quality control and quality improvement programs.

The net result has been that industries have returned to downsizing their functions and their employees. Just as firms can sometimes acquire assets or merge to obtain classes of employees, firms can integrate or hire outsourcers to eliminate categories of employees. The jobs in those categories are typically never replaced, but often the gains in productivity or customer satisfaction that should result when work is restructured are missing. New fads have appeared on the consulting scene, but some of the original cost, quality, and information technology breakthroughs portended by reengineering have been lost in the rush to make earnings goals or realize larger-scale gains from megamergers.

There is seemingly no shortcut for the strategic alignment of goals and values or for creation of an environment that encourages learning and risk taking as well as solid execution and metrics (the means of setting goals and measuring business results). Those companies or their divisions adhering to these concepts are finding ways to remain competitive. They have turned the corner toward job creation and incorporated new work into their positive culture. For them, reengineering and quality principles are a way of life. The focus is on the customer, not short-term earnings. The other way is a death spiral of rework, low morale, and increasing layoffs, ultimately resulting in buyout or bankruptcy.

Whether the weaknesses of or the opportunities presented by market-driven consolidation and restructuring will predominate cannot be known for years to come. One clear benefit is that many companies have emerged from the bureaucratic and inflexible environment of the past. But the superficial technique of paring people and functions in the name of innovation must be curbed. It seems that transition and consolidation are becoming a constant in the U.S. business environment. The key is to know what constitutes effective work restructuring and to support new ways of working with appropriate planning strategies, tools, and metrics.

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See also Downsizing; Job Security; Layoffs; Postindustrial Workforce; Silicon Valley

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Council of Economic Advisers

The Council of Economic Advisers (CEA) provides economic analysis and advice to the president. Primary functions of the CEA, established by the Full Employment Act of 1946, are "to maintain employment, production, and purchasing power" (cited in White House 2002).

In earlier U.S. presidential administrations, economic advice to the presidents often came largely from bankers and businesspeople, not economists. Economists were first used in the Wilson and Hoover administrations, but it was not until Franklin Delano Roosevelt's administration that great numbers of economists moved into federal employment, largely to design and staff the numerous New Deal agencies. Under the Truman administration, Leon Keyserling wrote the Full Employment Act, which was later renamed the Employment Act of 1946. This legislation commanded the government to take a proactive role in assuring maximum employment. The Council of Economic Advisers was created to work toward that goal (Sobel and Katz 1988, ix–x). The creation of the CEA is also significant because it represents one of the few aca-

George W. Bush meets with economic advisers in the Oval Office of the White House, 2001. From the right, Vice President Chief of Staff Lewis Libby, National Economic Council Director Lawrence Lindsey, and Chairman of the Council of Economic Advisers Glenn Hubbard. (Reuters NewMedia Inc./Corbis)

demic disciplines to hold such a strong presence in the executive branch of U.S. government.

The impetus for the Council of Economic Advisers grew out of the Great Depression and World War II. The experience of the Great Depression seemed to demonstrate the hazards of a laissez-faire stance toward the economy, as the United States suffered deeply from crisis levels of unemployment and a shattered business sector. Soon after, World War II seemed to demonstrate how economic recovery could be fostered by government expenditure. The dominance of Keynesian economics resulted in the CEA's creation, marking a new acceptance and expectation of government engagement in stabilization of the economy.

The Council of Economic Advisers is composed of three members who are appointed by the president and approved by the Senate. Under the Employment Act of 1946, each member held equal power in the council. However, Reorganization Plan No. 9 of 1953 altered the power structure of the council, which is now led by a designated chairperson. The chair is primarily responsible for reporting to the president as well as for administrative duties such as staff selection. The duties of the CEA include forecasting economic trends, providing the president with an economic analysis of issues, and preparing an annual economic report to the president, which is then transmitted to Congress (Porter 1983, 405). The CEA operates out of the White House complex, which allows close proximity to the president.

In addition to the three-member council, the CEA staff includes about twenty senior and junior economists, although the council has experienced minor fluctuations in size over time. Turnover is high in the Council of Economic Advisers, with most members staying around two years, because many of them are university professors who have taken leave from their positions to serve. Generally, the members of the council provide nonpartisan, objective analysis and recommendations to the president. This politically neutral tradition is evident in an election year when a change in administration party occurs. At these times, CEA staff members who have been chosen under the former party's administration are expected to remain with the council through the academic year, which overlaps for a number of months with the new presidential administration (White House 2002).

The influence of the Council of Economic Advisers has varied over time. Generally, CEA influence is dependent upon the degree to which each individual president relies upon CEA analysis and advice and the capacity of council members to work within a political environment. Although the CEA's potential for influence is great, the president is under no obligation to adhere to its recommendations.

Some suggest that the CEA reached its peak in the early 1960s under Chairman Walter Heller. At that time, the CEA initiated research that ultimately resulted in the formulation of Okun's law. Okun's law, named after CEA staff member and later chairman Arthur Okun, stated that every 1 percent decrease in unemployment is associated with a 3 percent increase in the gross national product. To test this conclusion espousing the benefits of a stimulatory fiscal policy, a large tax cut was made in 1964, signaling the potential influence of the CEA. Also during Heller's control, the CEA began attendance at periodic meetings of the newly created "troika," which included key members of the CEA as well as the Bureau of the Budget (now renamed the Office of Management and Budget), and the Department of the Treasury (Bernstein 2001, 131–137). Together, the troika is able to present powerful economic arguments to the president.

Although the Council of Economic Advisers originally placed its primary emphasis on securing maximum employment, more recent CEAs (roughly since the Nixon administration) have tended to focus on controlling inflation. In recent years, the role of the CEA has altered, and it now spends the majority of its time assessing microeconomic, rather than macroeconomic, issues for the president (Delong 1996, 49).

Sarah B. Gyarfas

See also Bureau of Labor Statistics; Federal Reserve Board; Full Employment Act

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Cowboys

The work experiences of the North American cowboy melded European, African, and Native American traditions. Cattle ranching originated in New Spain (an area encompassing present-day Mexico and the southwestern United States, including Texas) and then spread north and east. Between 1850 and 1900, the twin processes of urbanization and industrialization transformed the cowboy from a guardian to a herder. In the twentieth century, novels, movies, and television made the American cowboy into an icon of popular culture.

The American cowboy had far-reaching roots in North America and across the ocean. In 1521, Gregario de Villalobos introduced the first cows to North America. He brought cattle and other livestock to the site of Tampico, Mexico. From there, Spanish cattle herds spread from central Mexico to the rest of North America. With the proliferation of cattle in New Spain, Spanish land and cattle owners needed to protect their herds from rustlers. They hired or forced American Indians and African slaves to tend cattle. In the British colonies, colonists took cattle to Virginia and South Carolina to provide for subsistence. Cattle quickly multiplied in the South, and livestock owners found a potential market in

A wild horse roundup, ca. 1923 (Library of Congress)

the sugar plantations of the West Indies. South Carolina slaveholders sent their slaves to guard cattle on the South Carolina frontier. Slaves worked without the direct supervision of their masters, applying the knowledge they accumulated while living in pastoral societies in West Africa.

In the 1860s, the cattle industry expanded to feed urban populations and spawned the most famous aspect of a cowboy's work life: the "long drive." From 1865 to 1879, cowboys drove cattle from Texas to Kansas, where ranchers shipped the herd to the burgeoning cities in the North and Midwest. The crew consisted of a point rider, swingmen, flankmen, and the drag, simultaneously establishing the workplace hierarchy. The trail drive also included a cook and a horse wrangler. The cowboys' monthly earnings ranged from $25 to $40 on the drives. The crew was a diverse workforce, including Mexican, black freedmen, and Native Americans, in addition to white hands. It is estimated that 35,000 young men drove and trailed cattle during the heyday of the cattle drive.

By the late nineteenth century, ranch life dictated the pace of cowboy work after railroad expansion, environmental change, and economic depressions curtailed the drives. By the mid-1880s, approximately 7.5 million head of cattle grazed on ranches on the Great Plains. The cowboy followed a seasonal work cycle on ranches. In the winter, ranchers laid off cowboys, and permanent workers rode the line and repaired fences and corrals. The roundup consumed the cowboy's time and energies in the spring. Ranchers used their permanent workforce and hired temporary hands to gather, sort, and mark the cattle. In the summer, cowboys tended to the hay harvest and other duties. The fall roundup concluded the yearly events before the uncertainty and monotony of winter.

In the twentieth century, dime novels, B-movie Westerns, and prime-time television mythologized the nineteenth-century cowboy. Perhaps the most important novel was *The Virginian* by Owen Wister. Although the purveyors of popular culture romanticized the cowboy, ranchers and their workers faced a hostile world in the twentieth century. Business concentration, mechanization, and stricter environmental laws undermined the position of small ranchers and cowboys. The modern version of the cowboy is the feedlot cowboy, who tends the steers in the large feedlots before they are slaughtered. Most cowboys are poorly paid. Despite their disappearance, there remain three different cowboy cultures in North America. The vaquero is a derivative of the Spanish cattle industry in the American Southwest; the cowboy traces its origins to southern Texas and spread to the Great Plains; and the buckaroo is located in the Great Basin and Pacific Northwest. Each culture boasts different tack, clothing, and attachment to their horses. For instance, the vaquero and buckaroo use the cattle industry to train their horses, whereas cowboys view horses as a tool to work with cattle. Still, the North American cowboy faces an uncertain future in the twenty-first century.

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D

Davis-Bacon Act (1931)

The Davis-Bacon Act requires that on construction projects substantially funded by the federal government, "the minimum wages to be paid various classes of laborers and mechanics . . . shall be based upon the wages that will be determined by the Secretary of Labor to be prevailing for the corresponding classes of laborers and mechanics employed on projects of a character similar to the contract work in the city, town, village, or other civil subdivision of the State in which the work is to be performed" (U.S. Department of Labor 2002).

Since its 1931 adoption, the reach of Davis-Bacon's "prevailing wage" has expanded considerably. The federal law was amended in 1964 to include fringe benefits, and many federal programs offering grants to states and municipalities for projects like public housing and school and road construction have incorporated Davis-Bacon's prevailing wage requirements. Moreover, many states have adopted "little Davis-Bacon" acts of their own that perform a similar function for state-funded construction by requiring contractors to pay the locally prevailing wage on these projects as well.

Background and History

A government, especially a democratic one, is no conventional economic actor. Unlike a private firm, it has an obligation to the public welfare and must respond to voters as well as market signals. This requirement has led many to argue that public agencies should not try to mimic market conditions but instead should adopt model labor relations practices and demand them of public contractors as well.

In 1931, with the construction sector ailing during the Great Depression, Pennsylvania senator James Davis and New York representative Robert L. Bacon sponsored a prevailing wage law for federal construction contracts. Proponents pointed to itinerant contractors—often from the South—who relied on low labor costs to win federal construction work in other regions, wreaking havoc on local labor markets in the process. In essence, legislative supporters argued, federal dollars should not be used to further reduce local construction wages. President Herbert Hoover agreed and signed the Davis-Bacon Act into law.

The Davis-Bacon Act has become a target for conservative economists and policymakers. Their criticisms have achieved some political resonance, and some states have repealed their "little Davis-Bacon" acts. However, the federal Davis-Bacon Act remains intact and is the subject of heated debate.

Controversies

The determination of the "prevailing wage" has attracted considerable critical attention. The Davis-Bacon Act delegated this difficult responsibility to the U.S. Department of Labor (DOL), which executes this duty by conducting periodic wage surveys for each geographic area, work classification, and type of construction work. If at least 50 percent of the workers in a given classification are paid the same wage, that rate is defined as "prevailing." If not, the average wage is established as the prevailing wage.

Davis-Bacon opponents assert that the first part of this definition favors organized labor. After all, a free market will seldom generate the same wage rate for so many workers; it can only be the product of a collective bargaining agreement. A more objective definition of the "prevailing wage," they say, would be the average rate in *every* market, union or nonunion—or better yet, the wage determined by market equilibrium in the absence of Davis-Bacon altogether (Schooner 1985; Thieblot 1986). Davis-Bacon's defenders respond that a wage established by collective bargaining covering 50 percent or more of a given market better deserves the name "prevailing wage" than does an average rate actually received by few workers!

In a broader sense, Davis-Bacon opponents argue that the government should seek construction services as a private firm does—at the lowest possible cost. It is unfair, they contend, to make taxpayers shoulder the burden of government policies establishing model labor relations practices. These writers argue that prevailing wages increase the costs of public construction significantly, perhaps by as much as 20 percent (Gould and Bittlingmayer 1980, 51).

It might seem obvious that a law requiring above-market rates for construction labor would raise the cost of construction projects, but numerous studies have challenged the extent of such a differential. North Carolina State University economist Steven Allen, reviewing early research, found that Davis-Bacon critics failed to account sufficiently for either factor substitution, in which employers invest in more equipment to minimize the use of expensive labor, or for the superior quality of labor employed on Davis-Bacon projects. Simply put, when the law requires higher, union wage rates, contractors do not continue business as before. Instead, they hire a smaller number of more highly skilled workers to operate more expensive and technologically advanced equipment. Such choices tend to mitigate any increase in total construction costs (Allen 1983).

The high hourly costs associated with skilled union construction labor are integral to preserving the sector's high productivity. High wages encourage workers to make careers in their craft despite seasonal and cyclical downturns. Apprenticeship programs, although expensive, ensure a continuing investment in worker training.

The repeal of "little Davis-Bacon" acts in select states has made possible empirical studies comparing construction costs under prevailing wage polices and in their absence. One such recent study found no statistically significant difference between the cost per square foot of public school construction under "little Davis-Bacon" regulations and without them (Phillips 2001). How can this be? Perhaps part of the answer can be found in the public bidding process itself. Private sector construction users are at liberty to decline a suspiciously cheap proposal and choose a contractor whose skilled workforce, quality materials, and sound business practices ultimately make his or her work a better value. But public sector agents are often obliged by law to accept the lowest bid without taking these factors into account. Davis-Bacon wage rates may erase the competitive advantage of those marginal "lowball" contractors who depend on poorly trained workers and cheap materials to place a low bid—but whose errors, cost overruns, and poor construction mean a greater expense in the long run.

Clayton Sinyai

See also Building Trades Unions; Collective Bargaining; Prevailing Wage Laws

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Day Laborers

Day laborers are workers who are hired on a per-day basis to perform unskilled or manual labor. They earn low wages near, and often below, the minimum wage rate and are generally paid in cash at the end of the workday. Day laborers are very attractive workers in such industries as construction, landscaping, roofing, warehousing, and assembly facilities because they can be hired for as little as a few hours for less cost than traditional temporary workers or full-time employees. Day laborers are recruited or dispatched from day labor agencies or street corners, from regulated and unregulated facilities. The majority of day laborers are minority or immigrant men, most have low-levels of education, and many have limited English skills. Increasingly, this workforce is comprised of undocumented immigrants and/or homeless men. Because of their social and economic invisibility in the U.S. labor market, few safety oversights are provided for these workers, even though day laborers regularly perform highly dangerous tasks.

Since the 1980s, there has been an increasing reliance upon contingent labor in the U.S. workforce because contingent or temporary labor provides employers the greatest flexibility to increase and decrease the workforce very quickly at very little expense (Reynolds, Masters, and Moser 1991, 154–155). A subset of contingent labor is day labor, often considered the lowest work category because of its very contingent basis, low wages, and the physical dangers associated with manual labor. Day laborers are hired on a per-day basis as work is available. Day labor hiring sites serve as "markets" where day laborers congregate and employers come to find workers to meet that day's work/productivity demands. There are typically three types of hiring sites for day laborers.

1. Connected sites are associated with specific industries or for workers in fields including construction, moving, and painting. Some sites are related to major retailers such as Home Depot, U-Haul, and Standard Brands paints (Valenzuela 2001, 342).
2. Unconnected sites offer no ties to an industry but provide a gathering spot where employers can locate day laborers.
3. Regulated sites usually screen workers, match workers' skills to job needs, or limit the number of site participants. Many regulated sites provide workers with access to basic equipment and tools, as well as ensuring some job safety oversight. These sites include day labor agencies, civic agencies, and retailers.

The most casual day labor hiring occurs on street corners. Day labor is used by all types of employers, from the small contractor using one worker to national firms and municipalities that need larger numbers of workers but do not want to commit to the expense of full-time employment. It is difficult to determine the number of day laborers because employers do not document the hours worked by or the wages paid to day laborers.

Day laborers generally arrive at the hiring site between 4 and 6 A.M. but may not be dispatched for several hours, if at all. The day laborer's workday does not include transit time to the work site (from the hiring site) or time being processed at the work site (up to two hours), thus reducing the actual number of hours worked and at times the rate of pay (Theodore 2000, 12). The day labor rate is negotiable, usually near the minimum wage, and workers are paid on a daily basis for work performed, in cash. This under-the-table exchange means that employers provide no benefits or job security and file no reports for state or federal taxes, Social Security, or workers' compensation insurance. Estimated annual compensation for day laborers ranges between \$6,000 and \$9,000 (Theodore 2000, 6), well below poverty levels. Low annual compensation rates reflect work hours reduced by transportation and other on-site processes and the seasonal nature of day labor occupations such as construction and gardening. Work-related injuries also account for lost work time. The work done by day laborers does not differ in substance from that performed by regular employees; Nikolas Theodore's study indicates that over 77 percent of day laborers worked along-

Day laborers pick broccoli in Salinas, California. Day laborers earn low wages near, and often below, minimum wage and are generally paid in cash at the end of the workday. (Morton Beebe/Corbis)

side full-time regular employees at job sites (Theodore 2000, 10).

Day laborers are more at risk for on-the-job injuries than traditional labor pools because of "inadequate training and experience, substandard safety equipment, and economic pressures that limit their capacity to avoid hazardous workplaces" (Walter et al. 2002, 224). According to Theodore, 42 percent of day laborers were worried about their safety on the job, but few voiced these concerns for fear of being fired (Theodore 2000, 16). In addition to hazardous conditions, some employers abuse day laborers by withholding wages, charging "incidental" work fees, or failing to provide any safety equipment, but their marginal existence in U.S. society provides day laborers with little recourse (Higuera 2002, D1; McNamara 2001).

Day laborers resist seeking relief from employer abuses because many are undocumented immigrants afraid of deportation, lack English proficiency, or are unaware of laws and regulations designed to protect them. In southern California Latino immigrants comprise 98 percent of the day labor work force; in the Midwest, African Americans dominate the day labor pool (Valenzuela 2001, 345; Theodore 2000, 21). Many day laborers are homeless men trying to find entry into the permanent labor market, and day labor provides the means of survival until more secure work is obtained (Theodore 2000, 18). Skilled and English-speaking workers find work more regularly. Evidence suggests that during economic recessions, minorities and immigrants are the first to become unemployed and the last to be hired, even in the day labor market (Kong 2002).

Community support of day laborers varies considerably. Some communities offer municipally sponsored day labor hiring sites and worker advocates (Valenzuela 342), whereas other communities regard day laborers as public nuisances and seek ways to outlaw areas where workers congregate to obtain jobs. In Biloxi, Mississippi, for example, a proposed ordinance likens day laborers to prostitutes and day labor hiring sites to escort services because the high number of homeless and immigrant men are viewed as public nuisances

(Wilemon 2001, A2). Therefore, Biloxi and other cities, including Kansas City and Houston, are trying to relocate day labor hiring sites to remote locales and regulate how many men a site can serve (Horsley 2002, C2).

Yet as businesses cut the regular jobs to reduce costs, more employers rely on day laborers to meet production fluctuations. Day labor, as a result, has become a major niche industry supporting national and regional day labor agencies. As day labor becomes more visible, the abuses endured by the day laborers come under increasing public scrutiny. Recent laws have been passed to address employer abuses, such as limiting the transportation fees, the job registration fees, and the check-cashing fees charged to workers (Higuera 2002, D1; McNamara 2001). Day laborers, along with advocacy groups for immigrants and the homeless, formed the National Day Labor Organizing Network to address these workplace concerns and demand reforms to "provide the basic cornerstones of a just work environment": fair wages and safe working conditions (National Employment Law Project, 2002).

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See also African American Women and Work; African Americans and Work; Contingent and Temporary Workers; Earnings and Education; Employment at Will; Green Cards; Immigrants and Work; Minimum Wage; Undocumented Workers; Work and Hispanic Americans; Workplace Safety

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Defense Industry

Over the course of the twentieth century, paralleling the growth of the country at large, the U.S. defense industry has grown to be an ever greater part of the U.S. economy. For U.S. workers, the jobs and opportunities offered by the growing defense sector have proved a decidedly awkward blessing. Defense spending tends to be cyclical, growing with international threats and contracting during times of stability. During wartime, the demands of rapid mobilization have brought dramatic changes to the workforce—for the first time introducing women and minorities in large numbers to industrial work. Demobilization, however, often results in severe dislocation for workers. Thus instability characterizes the defense industry, even in peacetime. Likewise, critics complain that having the welfare of a large segment of the workforce tied to the defense industries encourages a needlessly hawkish, expansionistic foreign policy. Even President Dwight D. Eisenhower warned of a dangerously expanding "military-industrial complex." Meanwhile, over the course of the twentieth century, labor leaders have striven, with some limited success, to address the unstable aspects of the military-industrial complex for workers. For workers and the nation as a whole, however, the defense industry remains a source of anxiety, concern—and jobs.

Although defense industries existed from the creation of the United States, the roots of the modern defense sector can be found in early-twentieth-century Progressive efforts to reorganize and rationalize the rapidly growing economy. During World War I, "Progressivism went to war," as numerous historians have suggested. The demands of mobilization, in particular dispatching some 2 million U.S. troops to France, severely tested the U.S. economic and political apparatus. Eventually, some $33 billion was pumped into the economy. Although the federal government directly operated some defense industries, including the Emergency Fleet Corporation, private industry met most of the mobilization demand. So staggering was the buildup that virtually all industries, whether coal, steel, railroads, or other, were considered part of the defense sector. The War Industries Board, a central government agency that was subordinate to the War Labor Board, directed mobilization on a voluntary basis. To stabilize industrial relations, workers in defense industries pledged not to strike in return for new state-mandated protections, including the right to bargain collectively as well as standardized wages and hours.

During the war, women and minorities entered industrial work for the first time on a large scale, filling the void left by the millions of men at war. Nearly 500,000 African Americans left agricultural work in the South and flocked to rapidly growing northern cities. They joined hundreds of thousands of women breaking away from traditional conceptions of a "separate sphere" and taking very untraditional industrial jobs.

The sudden end of the war on November 11, 1918, brought an equally abrupt halt to the expansion of the defense sector. Demobilization meant that thousands lost their jobs. Wartime economic controls were also lifted, which led many employers to revert immediately to prewar wages, hours, and other arrangements. In response, angry strikes broke out across the country in 1919, especially in the steel industry, where employers attempted to reimpose seven-day workweeks and twelve-hour days. Race riots also broke out, brought on by the large number of blacks moving north to work in the defense industry.

The tumult and confusion caused by World War I led to a sharp reaction against the defense industries in the 1920s and 1930s. In 1935, Senator Gerald P. Nye of North Dakota held hearings assailing the practices of munitions manufacturers such as Du Pont, whose desires for profit Nye blamed for the U.S. intervention in 1917. Although dubious, the attack on big business resonated with Americans suffering the ravages of the Great Depression. Polls showed that the "merchants-of-death" scenario had wide credibility. During the interwar years, defense spending dropped off sharply. Even as circumstances in Europe grew tense, many Americans, taking an isolationist stance, desperately sought to avoid any military buildup. Despite the potential of good jobs offered by mobilization, in the 1930s, many U.S. workers viewed prosperity as not worth the risk of war.

It was only after President Franklin D. Roosevelt's reelection in 1940 that military mobilization began in earnest. In March 1941, the president dealt the isolationists a sharp setback when he pushed Lend-Lease legislation through Congress. The Lend-Lease Act allowed the president to "sell, transfer title to, exchange, lease, lend or otherwise dispose of" military supplies to any nation. The economic benefits of mobilization became almost immediately evident. Unemployment, which still stood at Depression levels in 1939, dropped sharply; labor scarcity quickly replaced labor surplus. Defense spending ended the Great Depression, and defense industries again became a leading component of the U.S. economy.

Even before the United States officially entered the conflagration, the defense industries became the venue for advances on the civil rights front. In 1941, African American labor leader A. Philip Randolph threatened a massive march on Washington, D.C., to challenge racial discrimination in defense industries hiring. Wishing to avoid a showdown, President Roosevelt banned the discrimination and created the Fair Employment Practices Committee to oversee his decree.

With the full-scale entry of the United States into World War II in December 1941, the federal government geared up, as it had during the previous war, to direct mobilization. Under government guidance, peacetime industries such as auto manufacturing shifted dramatically to wartime manufacturing. Although the federal government hoped to centralize all defense industry–related decisions under a central office, the military frequently negotiated directly with large corporations. Critics complained sharply that government practices favored large monopoly-sector industries over small competitive industries. Labor leaders argued that corporate profits far outpaced the more meager gains of workers (held to 15 percent increases). Shortages of materials, including aluminum, steel, and copper, further hampered the war effort. Nor were labor disputes absent. In 1941, before Pearl Harbor, workers at California's Long Aircraft manufacturing plant went on strike. Even after U.S. entry into the war, United Mine Workers of America president John L.

Lewis launched a strike in 1942 that earned him and his union the enmity of federal officials, the public, and other labor leaders.

Despite tensions and frequent acrimony, World War II mobilization can be counted a success. U.S. defense industries and their employees met—and often surpassed—the needs of the military and greatly exceeded the output of the Axis powers. Defense industrialists such as shipbuilder Henry Kaiser emerged as popular heroes. Again, defense mobilization brought dramatic social changes. As during World War I, women filled in for men in industrial jobs—again undermining traditional conceptions of women's roles. Record numbers of African Americans and Hispanics also worked in defense-related jobs. And again, with the coming of peace, many of these new workers left their jobs, sometimes by personal choice and sometimes not. Still, defense industries offered a venue for social advances—if only a temporary one.

After World War II, however, there was to be only a brief respite from defense mobilization. Growing tensions with the Soviet Union led to the beginning of the Cold War, which most historians see as commencing in 1947. President Harry S. Truman introduced the largest peacetime budget in U.S. history in 1948, $39 billion, with $18 billion earmarked for defense. In 1950, the National Security Council's policy planning staff drew up a proposal, NSC-68, calling for even further defense spending increases. An unprecedented peacetime military buildup had begun. Federal dollars poured into the defense sector, especially enriching larger firms. Generous contracts in particular went to the so-called "big three": Lockheed Martin, Boeing, and Raytheon. Cost-plus contracts, guaranteeing firms a profit, added to the allure of the defense sector. The Cold War military buildup clearly brought prosperity to many workers. Between 1950 and 1957, defense-related employment grew by 185 percent (a gain of over 1 million jobs). Critics complained, however, that most defense workers tended to be high-skilled white males. Contracts disproportionately went to the Southwest and Southeast, areas where organized labor tended to be weaker. Long-serving southern members of Congress proved particularly adept at procuring contracts for their districts. The rapid expansion and growing influence of the defense industry even led President Dwight Eisenhower to warn in his farewell address in 1961 of "unwarranted influence, whether sought or unsought, by the military-industrial complex."

Nevertheless, trade unions generally supported the Cold War and pushed for increased defense spending that offered jobs for their membership. With opportunities for other social spending increasingly unrealistic, organized labor essentially embraced military Keynesianism. In some cases, organized labor attempted to harness defense spending to serve social needs. During the Korean War (1950–1953), for instance, labor officials working on mobilization advisory committees drafted and helped implement Defense Manpower Policy 4, mandating that defense contracts be directed to firms in labor surplus areas. Enforcement of the provision was spotty, but it remained officially on the books into the 1960s.

Organized labor also remained concerned about the cyclical nature of defense spending. In the early 1960s, Secretary of Defense Robert S. McNamara consolidated the far-reaching procurement offices of the military into one body: the Defense Supply Agency (DSA) within the Defense Department. The guiding principle of the new DSA was keeping inventories low, "buying only what we need," and "buying it at the lowest price possible" (Neiburg 1966, 343). In the face of diminishing returns, American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) economist Nathaniel Goldfinger recommended in 1964 that U.S. workers accept the decline of the defense sector and press instead for "public works, education, urban renewal, and welfare services" (Goldfinger 1964).

The advent of the Vietnam War, however, brought a new round of defense spending. Again, defense industries thrived, although the provisions implemented by McNamara did limit some profits. Fueled by tax cuts, increased domestic spending, and the war in Southeast Asia, the economy expanded rapidly. Between 1965 and 1968, over 2 million defense jobs were added to the economy. Unemployment dropped to beneath 3 percent, the full-employment level. But no sooner did the economy appear stronger than ever than a retraction began. Again the defense sector played a central role. When the Americans began to deescalate in Vietnam after 1968, the military placed fewer contracts. Defense-related employment fell from 7.8 million workers in the peak year of 1968 to 6.1 million in 1971—most of the losses coming in the private sector.

Workers test electronic military defense equipment as it passes by them on an assembly line. (H. David Seawell/Corbis)

With workers concerned about their jobs, the issue of military spending quickly moved into the political arena. In 1972 Democratic presidential candidate George McGovern promised massive cuts in defense spending—$10 billion over four years in a total federal budget of about $200 billion. AFL-CIO President George Meany, a hawk on Vietnam and concerned about the threatened cuts, privately advised President Richard Nixon that on defense, although "some people are talking about it in terms of jobs . . . our people know jobs are involved—you don't have to tell them" (Nixon 1972). Nixon took Meany's advice about the delicacy of the issue, but he did order the Defense Department to prepare a general report on the relationship between military spending and economic prosperity. The resulting study, *The Economics of Defense,* predicted difficult times for workers should McGovern get his defense cuts.

Despite Nixon's overwhelming reelection, the military emerged from the Vietnam debacle with its reputation severely damaged. Liberal Democrats, in particular, pressed successfully for cuts in defense spending, contributing to growing unemployment. President Jimmy Carter, taking office in 1977, initially did try to limit defense spending, but worsening relations with the Soviet Union forced him to call for increases.

In 1981, Ronald Reagan assumed the presidency, determined to restore U.S. military power. Between 1980 and 1985, defense-sector employment rose by 22 percent. For many workers, the increase in defense-related manufacturing jobs cushioned the impact of the general decline of U.S. industry. Indeed, defense industries accounted for a total of roughly 9 percent of all manufacturing jobs by 1985—up from 5 percent in 1977. As usual, the primary beneficiaries of increased defense spending tended to be white, skilled workers. Although organized labor vigorously opposed Reagan's antilabor policies, the AFL-CIO, at least, supported the defense buildup, offering only halfhearted reservations about its allocation and the impact on world events.

As had been the case throughout the Cold War era, certain geographic regions and their industries were the primary beneficiaries of defense spending. For instance, the largest single employer in Tacoma, Washington, is the Department of Defense, followed closely by Boeing Aircraft. Elsewhere on the West Coast, the Los Angeles and San Diego areas long have been hubs of defense-related industries. On the East Coast, millions of defense jobs have brought prosperity to Long Island. Elsewhere around the country, other smaller pockets also came to rely heavily on military contracts. The New London/Groton area of Connecticut enjoyed vigorous population and economic growth as a result of the presence of Electric Boat Corporation, builders of nuclear submarines for the U.S. Navy.

With the fall of the Berlin Wall in 1989, military spending began a decade-long contraction. From 1987 to 1995, active-duty military personnel were cut by 655,000. Defense spending fell from $421 billion in 1985 to $278 billion in 1998, and defense industries suffered accordingly. In 1987, some 3.6 million Americans worked in defense-related industries; by the end of the century the number hovered closer to 2 million. More than 100,000 defense-related jobs were lost alone on Long Island during the 1990s. The problem of the displaced defense worker became a major concern to government officials, who shifted money from the Department of Defense to the Department of Labor to finance retraining programs. As government contracts dried up, some firms, such as in the aerospace industry, attempted to shift to nondefense markets.

The horrific events of September 11, 2001, however, painfully returned the issue of national defense to the consciousness of Americans. A Gallup poll taken in July 2001 showed only 3 percent of Americans listing defense as the country's most pressing problem—on September 22, 80 percent named defense as a top priority. Even as the economy slipped into recession, new funding became available for the "war on terror." Very quickly, it became apparent that this new type of warfare would require a new type of mobilization. Observers spoke of "asymmetrical warfare" against a "shadow enemy." Although an unprecedented secrecy surrounds procurement decisions—in some cases, contractors have been warned against discussing plans—smaller firms specializing in high-tech information-gathering and weaponry and thus requiring highly skilled workers are expected to play a central role. Yet larger firms will also make contributions. Boeing, for instance, is developing more accurate guidance systems and unmanned aircraft capabilities.

In the aftermath of September 11, even the definition of defense has undergone transformation. Concern now focuses on "homeland defense," including initiatives such as equipping post offices to deliver mail safely and research into bioterrorism. As the economy increasingly goes high-tech, so will U.S. defense industries, requiring more specialized, skilled workers. With the war on terrorism, the influence and expansion of defense industries seems sure to continue—as will its ambiguous legacy for the U.S. workforce.

Edmund Wehrle

See also Military Jobs and Careers; Wartime and Work

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Defined Benefit/Defined Contribution Plans

Financial planning for life after work is often described as a three-legged stool composed of Social Security, private savings, and pension funds and payments derived from employment. Employer-based retirement plans are classified into two main categories—defined benefit and defined contribution plans. In defined benefit plans, the employer agrees to provide the employee with a specific compensation amount upon retirement based on a predetermined formula; therefore, the final compensation amount is fixed. In defined contribution plans, the employer makes contributions to an account established for each participating employee. The final retirement payment reflects the total employer contributions, any employee contributions, and investment gains or losses; therefore, each payment to the plan is fixed.

U.S. employers are not required by law to offer retirement plans, but they remain common in the U.S. workplace. These plans are considered part of the overall compensation package provided to employees and are used by employers to attract and retain talented workers so that the company will remain competitive. In addition, employers have incentives to offer retirement plans because of their respective favorable tax consequences. Early in the first decade of the twenty-first century, approximately 68 million U.S. citizens per year were covered by about 700,000 private pension plans (U.S. Department of Labor 2001).

In defined benefit plans, participants collect a previously determined compensation amount from their employer after retirement. The amount paid may be based on the employee's length of service at the company, salary while working, or other factors determined by the employer. Employers risk investment return in this case since they must pay the specified amount, regardless of unexpected slowdowns in the market. Participants also face a different kind of risk in a defined benefit plan—inflation risk. Even if inflation escalates, the participant will be paid the same predetermined compensation amount throughout his or her retirement. With high inflation rates, participants find that the purchasing power of their retirement pay is minimized over time. This fact is especially unsettling for early retirees, who are paid the same benefit amount for many consecutive years. Defined benefit plans are more commonly found in goods-producing industries such as mining and manufacturing and are typically used in collective bargaining agreements with union contracts.

Defined contribution plans are retirement plans in which the amount ultimately paid at retirement is not predetermined. Instead, employers make a fixed contribution to the plan over the span of the employee's service with the company. Therefore, the pension funds available to the participant at retirement depend upon two factors: the amount contributed and the rate of return on the investments over time. Participants face the risk of receiving a lower than expected compensation amount if the investment returns on plan contributions are poor. In no case is an employer responsible for supplementing benefits. Many defined contribution plans also allow or require employees, as well as their employer, to make contributions to an account. Defined contribution plans include tax-deferred plans such as 401(k) and 403(b) plans, money purchase plans, stock plans (including employee stock ownership plans, or ESOPs), and deferred profit sharing plans. Traditionally, defined contribution plans are more common in service industries.

The first pension plan in the United States was established in 1759 to benefit widows and children of Presbyterian ministers. The first corporate plan was adopted more than a century later by the American Express Company. During the next century, approximately 400 plans were established, primarily in the railroad, banking, and public utility industries. However, the most significant growth in pension plans occurred during World War II, when the U.S. labor market had far more job openings than workers to fill them. Employers used pension plans as a creative incentive to attract and retain workers during wartime wage freeze rules.

In 1974 the Employee Retirement Income Security Act (ERISA) was passed to protect employee pension rights after a lengthy study of the private pension system. Today, ERISA strictly regulates the plans employers choose to offer their employees but does not mandate implementation of any specific programs. ERISA is written to prevent unfair denial or revocation of pension rights by setting minimum standards; to provide workers with protection if their pension plans cannot pay the employee's entitled benefits; and to require full disclosure of pension rights, including how and when benefits are collected, how pension funds are invested, and how benefits are accumulated. ERISA and a series of other federal provisions also limit the amount of employee and employer contributions that may be made to a plan and the maximum benefit allowed under a defined benefit plan. In 2001, the overall limit on annual compensation that can be considered for calculating benefit and contribution figures was $150,000. Since the passage of ERISA, the number of private retirement plans has more than doubled. This increase is greatly attributed to the surge in the number of participants in defined contribution plans, namely 401(k) plans, as the number of defined benefit plans has declined.

The popular 401(k) plan, named for the number of the Internal Revenue Service (IRS) regulation providing its tax-deferred status, is a defined contribution, controlled investment plan in which employees contribute a certain amount of their pretax earnings to an account that bears interest until they reach retirement age. The employees choose how their contributions are invested from a selection of funds, and often their employer matches their contributions to some extent. The popularity of 401(k) plans since the 1980s can be attributed to a number of factors. Employees no longer remain at one company for their entire career because of a more competitive job market, higher percentages of layoffs, and corporate downsizing. When each period of employment is terminated, the corresponding pension plans dependent upon long-term employment are terminated as well. In addition, survey data from the Employee Benefits Research Institute show that workers choose to invest in 401(k) plans because they are concerned about the financial stability of Social Security trust funds in the first half of the twenty-first century. At the end of 2000, there were an estimated 42,000,000 workers enrolled in 401(k) plans, holding $1.8 trillion in assets (Employment Benefits Research Institute 2001).

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See also Employment Retirement Income Security Act; Job Benefits; Pensions; Retirement

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Deming, W. Edwards (1900–1993)

William Edwards Deming, a statistician and management consultant, helped Japanese businesses learn to compete on the basis of quality in the aftermath of World War II and later sparked the quality movement in U.S. business in the 1980s. Deming grew up in rural Wyoming in modest circumstances that may have contributed to his lifelong "abhorrence of waste" (Gabor 1990, 40). After receiving a master's degree in mathematics and physics at the University of Colorado in 1924, Deming went to Yale University to pursue a doctorate in mathematical physics. He was drawn to the growing field of statistics in the belief that statistical analysis could provide government and industry leaders with information that would help them to improve their operations. After completing his education in 1928, Deming worked as a statistician for the U.S. government in the Department of Agriculture and the Census Bureau (Wren and Greenwood 1998, 205–207). In the late 1940s, he was invited to work in Japan and found an enthusiastic audience for his ideas among Japanese engineers looking to rebuild their economy. It was not until the 1980s, when many companies in the United States were struggling to compete with Japan, that U.S. business leaders discovered Deming's ideas. By this time, Deming had developed a comprehensive philosophy of management characterized by an emphasis on the benefits of pursuing quality and on the importance of building continual improvement into the operating system of any organization.

Early in his career, Deming refined the use of statistical process control (SPC), the use of sampling and statistical analysis to monitor the quality of a production process. Deming first encountered elements of SPC while working at Western Electric in the summers of 1925 and 1926. There he met Walter Shewhart, a physicist and statistician experimenting with the use of statistics to improve quality control in industry. Shewhart used statistical analysis to determine the normal, or acceptable, rate of variation in the quality of industrial production. Employees could then use statistical sampling to ensure that the production system always operated within this acceptable range (Wren and Greenwood

1998, 206). Deming built on Shewhart's approach, making a distinction between "special" and "common" causes of variation. Special causes, such as a malfunctioning machine or an erratic operator, could be addressed and eliminated immediately. Common causes, however, were built into the system and could only be addressed through study and systemic improvements (Beckford 1998, 66). Later in his career, Deming asserted that "common causes" accounted for 94 percent of all variations in the quality of production and that quality initiatives should therefore focus on improving systems (Beckford 1998, 73).

In 1947 Deming was invited to assist the U.S. occupation authorities in Japan as they prepared to conduct a census of Japan. While in Japan, Deming accepted an invitation from the Union of Japanese Scientists and Engineers to lecture on statistical quality control (Wren and Greenwood 1998, 208). Deming's time in Japan marked a turning point in his career, when he made the transition from statistician to management consultant. His message about the benefits of pursuing quality appealed to Japanese business leaders looking for a means to compete with the United States and Europe. Deming also offered Japanese managers ideas on how to use statistical analysis not simply to measure errors but also to improve production processes. At the same time, he began to learn from Japanese companies that were successfully using statistical analysis to improve quality. To honor his contributions to the development of Japanese industry, in 1951 Japan established the Deming Prize to recognize business achievement in attaining quality (Petersen 1999, 476; Beckford 1998, 66–67).

In the early 1980s, growing competition from Japan and Europe and a recession at home prompted calls for reforms in U.S. business. In this context, Deming's 1982 book, *Out of the Crisis,* found a receptive audience. The book opened with a call for the "transformation of the American style of management" (Deming 1982, ix). He emphasized the dangers of a short-term focus on quarterly profits and called on managers to adopt long-range planning procedures, to focus on satisfying customers rather than shareholders, and to abandon performance evaluations that rewarded workers for short-term improvements (Gabor 1990, 7–10). At the heart of Deming's philosophy was his passionate belief in the possibility of continual improvement at all levels of any organization (Gabor 1990, 8–9). To simplify the path to continual improvement, Deming coined the acronym PDCA, which stood for plan it; do it; check on results, and act on the new information (Wren and Greenwood 1998, 212).

Deming also hoped to transform the experience of workers in U.S. companies. In *Out of the Crisis,* he tells the story of a plant superintendent who blamed poor quality on the workers in his plant. Deming performed a statistical analysis of this plant and found that the level of mistakes from day to day was quite predictable. This meant, he explained, that there was a stable system for producing a particular percentage of defective items. The problem lay with the system and not with the individual workers (Deming 1982, 6–7). For this reason, Deming called on U.S. companies to "eliminate slogans, exhortations, and targets for the work force asking for zero defects and new levels of productivity" (65). In place of regular employee evaluations, Deming called for more teamwork, better leadership, ongoing education and training of employees, and an end to the climate of fear that he believed characterized many U.S. companies (86).

Deming's ideas about quality influenced business practices in the United States, but often in a piecemeal fashion at odds with Deming's comprehensive vision for corporate change. In the 1980s, Deming consulted with major U.S. companies, including Ford, Xerox, and General Motors, and was credited with helping such companies refocus attention on quality and on process improvements. During the same period, Deming was linked to the rise of total quality management (TQM), a theory of management emphasizing the use of statistics to monitor and improve quality. In fact, Deming was highly critical of TQM, considering it to be a superficial version of his own theory (Petersen 1999, 484). Other elements of Deming's philosophy, such as his call for the elimination of individual performance evaluations, contradicted strongly held managerial beliefs about the importance of performance feedback and the value of management by objectives (Wren and Greenwood 1998, 211). Deming's call for a long-term orientation also appears to have had limited impact on corporate practices in the 1980s and 1990s, decades characterized by the growing power of shareholders who pushed for short-term profits, by a growth in leveraged buyouts, and by an increase in mobility among top managers (Gabor 1990, 281–282).

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See also Baldrige Awards; Drucker, Peter, F.; Quality Circles; Total Quality Management

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Democratic Socialism

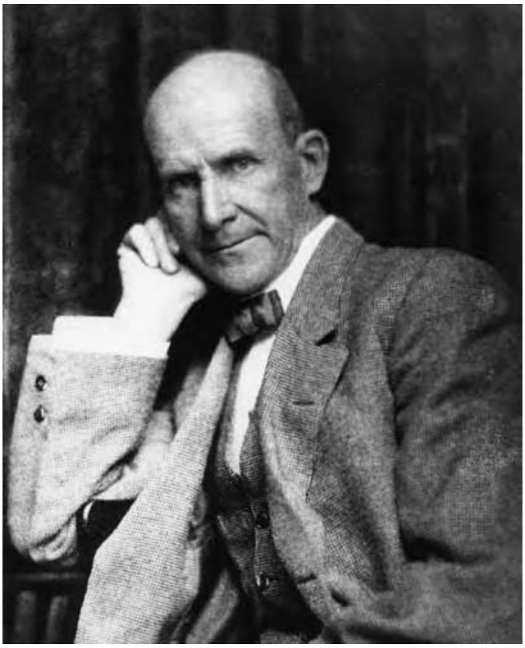
Democratic socialism is a nonrevolutionary, nonviolent branch of socialism that emphasizes democratic decision making, both in politics and in the running of economic entities. Unlike revolutionary socialists, democratic socialists believe that change in society will result from reform of the government and increased awareness of social issues, not through violence or revolution. Democratic socialists do not want the dissolution of the government but a stronger, better one, whose strength comes from social reforms, justice, and pressure from the people. They alone determine their own freedoms and how intrusive government should or should not be. Democratic socialists favor government programs that provide all citizens with their basic needs: food, shelter, education, clothing, health, and transportation.

Democratic socialism combines collective and private ownership of the means of production, democratic management, governmental distribution of essential goods and services, and free elections. Ideally, it is a society characterized by equality, liberty, solidarity, and participation, in which people work together to meet the needs of the whole community, not to make profits for a few. Community supersedes individualism. Production is based on social usefulness rather than profitability. People are paid according to the work done and cooperate instead of competing. Moreover, democratic socialism sees the state as the major instrument of reform. To achieve the greater goal of economic equality, democratic socialists believe that the "commanding heights" of the economy (production, distribution, and financing functions) should be owned and managed by the state.

Closely linked with this idea is the concept of state planning of the economy so as to make sure that country resources are used to produce what is most needed and to facilitate full employment. In addition, great emphasis is put on a collection of policies to provide for the most basic needs of the population (safe and reasonable working conditions, minimum income, universal basic education, decent housing, and health care services, etc.), which are generally considered to be characteristic features of the "welfare state." The democratic socialist movement has also been noted for its international outlook and the idea that the poor of the world should become united in their own interest. Moreover, democratic socialists have always favored peace and opposed war as a means of settling differences between nations and groups. Instead, they prefer to settle disagreements through constituted courts. Democratic socialists have flourished where democratic institutions are functioning well and where they have had a real opportunity to achieve their program.

The idea of state intervention in society to ensure greater economic equality has a long history, going back at least to Plato's *Republic.* The modern doctrine and practice of socialism has as its aims economic, political, and social justice for all people. The possibility of achieving these aims was first envisioned in the last quarter of the eighteenth century, a time of extraordinary social and political upheaval. Historically, socialism grew out of the French Revolution (1787–1799) and its intellectual ferment and demand for equal rights, absolute democracy, and the redistribution of property. Although modern socialism has its roots in France, it was in Germany that this theory of society and history was developed and shaped, by Karl Marx (1818–1883), with the assistance of Friedrich Engels (1820–1895).

In the last quarter of the nineteenth century, socialist parties were formed in the more powerful industrial countries (Germany, 1864; France 1880;



Eugene Victor Debs, ca. 1912. Debs organized the Social Democratic Party in 1897. (Library of Congress)

Great Britain, 1884; Italy, 1892; Russia, 1901) and in a multitude of smaller countries, mainly in Europe (Denmark, 1879; Spain, 1879; Belgium, 1885; the Netherlands, 1894) and Australasia (Australia, 1893; New Zealand, 1910), and soon they began to win mass support from the working classes. By 1914, there was a socialist party in just about every country in the world that had had some experience of the Industrial Revolution.

However, another socialist party was founded in 1877 in the United States, despite significant hostility toward the notion of collective state action to achieve greater economic equality. The U.S. Socialist Labor Party drew much of its support from workers who had migrated from the industrial cities of Europe and had its roots in the U.S. circles of Communist International (Comintern) and the Workingmen's Party of America. The Social Democratic Party, however, was largely composed of U.S.-born workers. It was organized in 1897 by the veterans of the Pullman strike of the American Railway Union, led by Eugene Victor Debs. Debs's party and the "Kangaroo" wing of the older Socialist Labor Party merged in 1906.

By the 1880s, under the rule of Daniel De Leon, the Socialist Labor Party had become increasingly intolerant of internal dissent and had suffered several splits. From the beginning, the Socialist Labor Party was the universal organization for radicals in the United States. Its membership included Marxists of various kinds, Christian socialists, Zionist and anti-Zionist Jewish socialists, foreign-language-speaking sections, and many others. On the divisive issue of reform versus revolution, the Socialist Labor Party from the start adopted a compromise formula, producing platforms calling for revolutionary change but also making demands of a reformist nature. An everlastingly unresolved issue was whether revolutionary change could come about without violence. There were always pacifists and revolutionaries in the party as well as those opposed to both those views. The Socialist Labor Party historically stressed cooperatives as much as labor unions and included the concepts of revolution by education and of building a new society within the shell of the old.

The Socialist Labor Party aimed to become a major party. In the years prior to World War I it elected two members of Congress, more than seventy mayors, and innumerable state legislators and city councilors. Its membership topped 100,000, and its presidential candidate, Eugene Debs, received close to 1 million votes in 1912 and again in 1920. But as with any ideologically mixed organization, it was drowned in internal disputes. An early disagreement occurred over the Industrial Workers of the World (IWW), which Debs and De Leon had helped create as a competitor to the American Federation of Labor (AFL). Some socialists supported the IWW, but others considered "dual unionism" to be fatal to the solidarity of the labor movement and supported the socialist faction in the AFL led by Max Hayes.

The Democratic Socialists of America (DSA) is the largest socialist organization in the United States, though it is not a political party. DSA was founded in 1983 with the purpose of bringing together U.S. supporters of left opinion. DSA's political strategy has fluctuated from electoral politics within the Democratic left (the liberal-left wing of the Democratic Party) to working with independents and the New Party, a progressive political organization, when there is no Democratic Party candidate worthy of support. The immediate goal of socialists, they argue, should be to work in a coalition with the liberal-left groups connected to the

Democratic Party, namely civil rights, environmental, and labor groups. DSA members provide the necessary base for meeting immediate goals like raising the minimum wage, making health insurance universal, guaranteeing reproductive rights, and protecting the environment. In addition, members support the idea of the democratic public controlling the dominant industries of the economy but do not support the idea of state ownership of every human enterprise.

DSA members also believe that the United States' vast wealth of must be distributed more equitably. They feel that the tax burden in the United States unfairly favors the rich, while the middle classes struggle to meet Uncle Sam's demands. Democratic socialists assume that a return to the moderately progressive tax levels before 1981 would restore close to $100 billion a year in tax revenues, yielding revenue that could be put toward restoring many of the social programs that have recently been slashed. Furthermore, increased spending on education and infrastructure, as practices in Japan and Germany have proven, can give the economy a much-needed boost.

In addition, DSA members believe that to achieve a more just society, many parts of the government and economy must become more democratic so that ordinary Americans can participate in the decisions that affect their lives. For example, during the 1930s, when existing government and regulatory structures were failing, the U.S. government increased its regulation of and intervention into the economic system, thus temporarily abandoning the capitalism system and turning toward socialism to find the answer. A complex set of economic, political, and social factors led up to the New Deal. With the economy at an all-time low, people wanted change; Franklin D. Roosevelt's legislative program represented a new role for government in capitalism in the United States. Roosevelt first used the term *new deal* when he accepted the Democratic presidential nomination in 1932. His New Deal programs aimed at relief, recovery, and reform.

Roosevelt's program was designed to assist industry, labor, and the unemployed by setting standards for prices, wages, and hours. It also guaranteed labor's right to organize unions and to bargain collectively for benefits for workers. The Roosevelt administration introduced into the United States the idea of a "welfare state," which would design safety net programs to ensure a minimal standard of living for the unemployed and working class.

In addition to supporting some version of a welfare state, the Democratic Socialists of America share a vision of a humane international social order based on equitable distribution of resources, meaningful work, gender and racial equality, a healthy environment, sustainable growth, and nonoppressive relationships. Democratic socialism also means cultural democracy. The different cultures within each society must have the same rights as every other group in that society, as well as equal access to their national and global cultural heritage. Therefore, a long-term objective of the DSA is to establish a world of "cooperative commonwealths"—a world in which nations cooperate with each other for the common good.

Although it is a capitalist nation, the United States has nevertheless adopted wide-ranging social programs. Overall, democratic socialists have implemented a variety of social programs, including improvement of parklands, unemployment compensation, Social Security, more equitable taxation, public radio and television, public libraries, and improved educational opportunities.

Recently, the collapse of Eastern European and Soviet Communist states has led socialists throughout the world to discard many of their doctrines regarding centralized planning and nationalization of enterprises. The socialist movement around the world seems to have lost much of its spirit, which brought so much success in the first part of the twentieth century. That can be attributed to the coming of new generations of leaders who have not experienced the passion of the early struggles. In addition, the advanced economies of the world appear to be gradually moving into the postindustrial age, in which the working classes, supposedly the main supporters and beneficiaries of socialist programs, are shrinking in number and are certainly no longer a majority in any of the leading industrial countries. Another factor is that with the creation of a welfare state in most industrial countries, much of the basic program of democratic socialism has been achieved already. Moreover, market economies consistently raise the standard of living and prosperity for the workers, thus lessening their desire to undermine their governments.

The main issue in recent years has been how to manage such systems efficiently—particularly in view of the rising costs caused by the aging of the population, which alters the balance between those who pay for the system and those who benefit from it. Democratic Socialists of America has undoubtedly made a contribution in the past to a more equitable and just society, and the question now is whether it still has a major role to play or will be replaced by movements more adapted to problems of the present and future.

Raissa Muhutdinova-Foroughi

See also Capitalism; Communism in the U.S. Trade Union Movement; Industrial Workers of the World; New Deal; Socialism

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Dilbert

The cartoon strip "Dilbert" first appeared in 1989. Set in a nameless company whose business is unspecified, it recounts the misadventures of an intelligent but geeky engineer as he deals with dimwitted bosses, troll-like accountants, surly secretaries, and occasionally headless coworkers from his cubicle in the U.S. workplace. The cast of characters includes Dilbert, the Massachusetts Institute of Technology–educated electrical engineer whose necktie curls upward; Dogbert, Dilbert's cynical talking pet and confidante; Dilbert's pointy-haired boss (also nameless but referred to by Dilbert aficionados as PHB) who cannot operate his own computer and has never met a management fad he didn't like; Dilbert's hapless colleagues Wally, Alice, and Asok the intern; and Catbert, the evil director of human resources, who revels in passing down bizarre edicts intended to make his coworkers miserable. For millions of readers, Dilbert is a workplace Everyman whose comments on the vagaries of management, the eccentricities of coworkers, and the callousness of profit-driven corporations reflect life on the job for workers in today's high-tech economy. Drawing on his seventeen years of experience working in a cubicle and that of countless workers who send him accounts of their own workplace situations, creator Scott Adams has tapped into the psyche of the U.S. worker like few other cartoonists: "No matter how absurd I try to make the comic strip, I can't stay ahead of what people are experiencing in their own workplace" (Adams 1986, 1).

Dilbert now appears in more than 2,000 papers in 61 countries, and on the web at http://www.dilbert.com.

K. A. Dixon

See also Amazon.com; Computers at Work; Postindustrial Workforce; Work in Literature; Yuppie

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Disability and Work

Entry into the workplace is a right of passage for almost all Americans, a natural progression from school to work. For many, however, the transition is not so smooth. Many individuals who want to earn a living are, because of physical or mental disabilities, denied full access to the workplace.

According to the U.S. Census Bureau and the American Association of Disabled Persons, there are approximately 50 million Americans—or 20 percent of the total population—with a disability. Almost 20 million people have a severe disability, and almost 30 million Americans with disabilities are between the ages of fifteen and sixty-four. The majority of people with disabilities represent an untapped pool of potential labor for the many employers who experience staffing problems in times of a tight labor market or otherwise have difficulty finding qualified workers. However, in the past, people with disabilities were routinely excluded from the workplace. Discrimination and discomfort on the part of employers with hiring people who have a disability, combined with a lack of physical access to the workplace, prevented many otherwise qualified workers from engaging in meaningful work. In addition, federal laws regarding Social Security income and Medicare prevented many people with disabilities from entering the workplace for fear of losing their health benefits. Lack of transportation, lack of experience, and insufficient access to employment services further exacerbated the problem. Today, despite an increased awareness among employers and laws to encourage access, people with disabilities still experience higher levels of unemployment than people without disabilities.

Census Bureau data indicate that the majority (80 percent) of working-age Americans are in the labor force, and more than three-fourths are working full-time. In stark contrast, less than one-third of people with disabilities are in the labor force, and less than one-fourth of them are working full-time. At the same time, many polls show that the majority of people with disabilities who are not working would work if they could gain access to the workplace. In 2000, people with disabilities faced an unemployment rate of 9.5 percent, compared with a rate of 4.2 percent for those without a disability. According to the U.S. Department of Labor (DOL), people with disabilities are more likely to live below the poverty line than those who do not have a disability, reflecting their lower work participation. In 1995, 30 percent of working-age people with disabilities had incomes below the poverty line, three times higher than people without disabilities. In addition, people with disabilities that do work earn less than their nondisabled peers, are more likely to have jobs that pay below minimum wage, and lack opportunities for training and advancement. People with disabilities who want to work often face significant barriers to entering the workforce, even during a tight labor market. In an economy that increasingly requires technical skills and lifelong learning, many people with disabilities are entering the workforce at a disadvantage.

Since the 1960s, a number of regulations have been implemented to prevent discrimination and make the workplace and public facilities accessible to people with disabilities. One of the first was the

State and federal disability laws have made the workplace, the private sector, and the public sector more accessible to people with disabilities; however, people with disabilities still must contend with discrimination and fear in the workplace. (Tom and Dee Ann McCarthy/Corbis)

Rehabilitation Act of 1973, which was an early attempt by Congress to enforce nondiscrimination of people with disabilities in the federal workplace. The most significant parts of the act include Section 501, which requires nondiscrimination and affirmative action in federal employment; Section 502, which requires accessibility in federal buildings; Section 503, which requires affirmative action in employment by federal contractors; and Section 504, which requires affirmative action of recipients of federal funds, including state agencies, housing authorities, educational institutions, private entities, and charitable organizations. The Rehabilitation Act contributed significantly to making the public sector more accessible to people with disabilities.

Perhaps the most significant law for people with disabilities in the workplace is the Americans with Disabilities Act (ADA) of 1990. The goal of the act is to make the workplace, transportation, telecommunications, and the public arena fully accessible to people with disabilities and to ensure that workers with disabilities have the same job and career opportunities as workers without disabilities. The ADA prohibits discrimination against individuals with physical and mental disabilities in employment, housing, education, and access to public services. The employment provisions of the law prohibit discrimination in hiring or firing people with disabilities who are qualified for a job, inquiring about a disability, limiting advancement opportunities or job classifications, using tests that tend to screen out people with disabilities, or denying opportunities to anyone in a relationship with a person with disabilities. Both the Equal Employment Opportunity Commission (EEOC) and the Department of Justice are responsible for enforcement of the ADA. Private employers of fifteen people or more, federal, state, and local governments, employment agencies, and labor unions are covered under the ADA.

Despite its laudable goal, the ADA has not been without controversy, beginning with how the act defines disability, a definition that is open to a certain degree of interpretation. The ADA defines a disability as a "physical or mental impairment that substantially limits one or more of the major life activities of the individual, a record of such impairment" (cancer, for instance), or "being regarded as having such an impairment" (for instance, a disfigurement that does not actually limit major life activities but may be viewed by others as doing so). In addition, the ADA requires that "reasonable accommodation" be made in the workplace for qualified individuals with disabilities. Reasonable accommodation is considered to be any modification or adjustment to a job or the work environment that will enable a qualified applicant or employee with a disability to participate in the application process or to perform essential job functions. It can include providing special equipment or making a workplace more accessible. It can also mean allowing an employee to work at home or on a nontraditional schedule. Under the act, employers are not required to provide accommodations that impose an "undue hardship" ("action requiring significant difficulty or expense") on their business operations, nor are they required to hire people who are not qualified candidates, simply because they have a disability. However, this provision has not been enough to allay the fears of many employers.

With the passage of the ADA, many employers feared that they would be forced to make costly accommodations for people with disabilities, hire people with disabilities who are not qualified for the job, or be sued by disgruntled workers claiming discrimination under the ADA. Few of these fears have been actualized. Many employers have overcome their fear of hiring people with disabilities, have made reasonable accommodations, and have not found the requirements of ADA to be unduly burdensome. At the same time, some employers have resisted making the accommodations and changes necessary for an accessible workplace. In 1995, the National Council on Disability, in its report "The Americans with Disabilities Act: Ensuring Equal Access to the American Dream," celebrated the success of ADA but cautioned that "what is needed to improve upon the implementation of the Americans with Disabilities Act is greater public awareness, further education and clarification regarding the provisions of the law, and the appropriate resources to both encourage voluntary compliance and to ensure effective enforcement" (National Council on Disability 2001, 24).

From 1993 to 1999, the U.S. Department of Justice resolved nearly 130,000 ADA charges. Conversely, according to a report in the May–June 2000 issue of the American Bar Association's *Mental and Physical Disability Law Reporter,* employers prevail more than 95 percent of the time in ADA suits and in 85 percent of the administrative complaints handled by the EEOC. In addition, a 1999 Supreme Court decision narrowed the definition of disability to exclude certain people from protection under ADA. In considering the cases *Sutton v. United Airlines, Inc., Murphy v. United Parcel Service,* and *Albertsons, Inc. v. Kirkingburg,* the Supreme Court held that a person is not "disabled," and therefore not protected from discrimination under the Americans with Disabilities Act, if medication or other corrective devices diminish his or her impairment (taking medication for depression, for instance, or wearing corrective lenses).

It is likely that ADA will continue to be litigated in the courts, as employers continue to come to terms with the regulatory requirements of the act. It is clear that the Americans with Disabilities Act was a critical step in the fight to provide unfettered access to the workplace for people with disabilities but that barriers to participation remain.

A more recent addition to disabilities law is the

Workforce Investment Act (WIA) of 1998, which regulates the federal system of job training and employment services. The overall purpose of WIA is to consolidate and improve employment, training, literacy, and vocational rehabilitation programs. Title I of WIA is enacted to meet the needs of both individual job seekers and employers by providing job seekers with access to employment and training opportunities and linking employers to a pool of qualified applicants. The main feature of Title I is the creation of "one-stop" employment centers where job seekers can access a broad range of employment-related and training services in a single central location. Designated agencies that have traditionally provided services to different groups (welfare recipients, youth, people with disabilities, displaced homemakers) are required to integrate access to their services through the one-stop career centers. Partners in the one-stop system include state vocational rehabilitation and employment service agencies.

The Workforce Investment Act (and, previously, the Job Training Partnership Act) contain nondiscrimination and equal opportunity provisions that "[prohibit] WIA Title I financially assisted grant applicants and recipients, as defined in Section 37.4, from discriminating on the basis of race, color, religion, sex, national origin, age, disability, or political affiliation or belief." It also mandates compliance with other equal opportunity and nondiscrimination regulations, including the ADA. States are required to ensure access to WIA programs and information for all participants, including people with disabilities. In conjunction with ADA, states must ensure that all one-stop facilities are physically accessible to all participants. States, in response, have adopted a number of approaches to ensure accessibility and equal opportunity for all one-stop users and most have developed a system to resolve complaints brought under ADA.

For many people with disabilities, it is not a question of finding and keeping a good job. It is a question of finding and keeping a good job and having adequate health care coverage. Many people with disabilities who want to work fear the loss of their health care coverage, should working make them ineligible for benefits such as Medicare and Medicaid. Many people with disabilities cannot obtain private health care and cannot afford to pay their medical expenses, even if they work. Not working, or working very little, is frequently in their best interests if it means holding onto their health care. In this situation, many people who want and can work choose to remain unemployed.

To remedy this situation, the federal government in 1999 passed the Ticket to Work and Work Incentives Improvement Act (TWWIA). The purposes of the act are to provide individuals with disabilities with (1) health care and employment preparation and placement services to reduce their dependency on cash benefits; (2) Medicaid coverage (through incentives to states to allow them to purchase it) needed to maintain employment; (3) the option of maintaining Medicare coverage while working; and (4) return to work tickets allowing them access to services needed to obtain and retain employment and reduce dependence on cash benefits. Under TWWIA, people with disabilities will not have to unfairly choose between a meaningful career and essential health care but can maintain their benefits and supports while working.

Other federal laws relating to hiring workers with disabilities include: the Vietnam Era Veterans Readjustment Act of 1974, which protects certain disabled veterans from being discriminated against because of a disability incurred or aggravated in the line of duty; the Architectural Barriers Act of 1968, which requires federally owned, leased, or funded buildings and facilities to be accessible to people with disabilities; the Tax Reform Act of 1976 of the Internal Revenue Code, which provides an incentive to employers for making facilities accessible to people with disabilities; the Hearing Aid Compatibility Act of 1988, which requires all telephones manufactured or imported into the United States to be compatible with hearing aids; and the Telecommunications Accessibility Enhancement Act of 1988, which requires the federal government to operate a dual party relay system for calls to, from, and within the federal government, enabling deaf employees to easily access federal government offices in their jobs. In addition, most states have statutes that make it illegal to discriminate against people with disabilities or others based on race, religion, sex, age, or other minority status.

Together, the body of state and federal disability law has made the workplace, the private sector, and the public sector more accessible to people with disabilities. However, people with disabilities still must contend with discrimination and fear in the workplace. The continued underemployment of people with disabilities means that more work remains to be done if disabled Americans are to share fully in the work and career opportunities available to Americans without disabilities. Laws such as ADA and TWWIA are necessary steps in the battle for equal rights for disabled workers, but it may be that only a tight labor market will do what regulations cannot: force employers to create disability-friendly workplaces and seek out workers with disabilities.

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See also Equal Employment Opportunity Commission; Family and Medical Leave Act; Health Insurance; Job Training Partnership Act; Medicaid; Social Security Act; Wage Gap; Workforce Investment Act

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Domestic Partner Benefits

Domestic partner benefits are fringe benefits provided by employers to the partners or unmarried spouses of employees, including lesbian and gay employees. The benefits may also be referred to as "spousal equivalent benefits." Possible benefits include health insurance, life insurance, disability insurance, pensions, profit sharing, family and bereavement leave, tuition reimbursement, credit union membership, and travel or relocation expenses. Employers that offer fringe benefits most often extend them to their employees' married spouses and legal dependents, but extending them to domestic partners remains a relatively new concept that is beginning to spread. Domestic partnership does not refer only to same-sex partners; unmarried heterosexual couples are also referred to as domestic partners.

In 1983, *The Village Voice,* a New York City weekly newspaper, became the first employer to offer domestic partner benefits. By 1990, less than two dozen employers provided domestic partner benefits. In 1992, Lotus Development Corporation, a computer company, became the first publicly traded company to offer domestic partner benefits to same-sex partners of its employees. Employers are increasingly recognizing domestic partners, and in 1997 an estimated 13 percent of employers offered some form of domestic partner benefits (KPMG Peat Marwick 1997). Today more than 2,500 employers, including private corporations, universities or colleges, and governments, now provide domestic partners with benefits (Human Rights Campaign 2001).

Although there are federal laws protecting employees from discrimination based on race, gender, age, disability, religion, and marital status, there are no federal laws that provide protections for employees based on sexual orientation. Individual employers, however, have the ability to prohibit sexuality discrimination by implementing nondiscrimination policies that include sexual orientation. Many employers already have polices protecting employees from racial and gender discrimination, and a few are beginning to add protections for lesbian, bisexual, and gay employees. Adopting nondiscrimination policies for gay and lesbian employees most often precedes the adoption of domestic partner benefits because it demonstrates an employer's recognition of equality for lesbian and gay employees in the workplace.

Employees are often the ones actively involved in working to achieve domestic partner benefits in their workplaces. In doing so, they try to convince employers that by not providing domestic partner benefits, they are not paying their employees equally. Benefits often comprise nearly 40 percent of employees' overall compensation. Individual employees who are married with children benefit the most from their benefits package because not only are they receiving the benefits, but their spouse and children are as well. For lesbian and gay employees, the option to marry is not available because legally binding same-sex marriages have not received political support. If domestic partner benefits are not available in a given workplace, then all the gay and lesbian employees who have same-sex partners find only themselves eligible for benefits. Unmarried heterosexual employees who have partners also find that only the employee can receive benefits. Of course, heterosexual couples do have the option to legally marry, whereas same-sex couples do not. The issue of whether to provide domestic partner benefits to both same-sex and unmarried heterosexual couples remains controversial, and many employers prefer to provide them only to same-sex domestic partners. The argument is sometimes made that heterosexual employees in particular may use the domestic partnership provisions fraudulently because they can get married.

Many employers that have not adopted domestic partner benefits argue that providing domestic partner benefits to their employees would greatly increase their benefit costs. These employers believe that an overwhelming number of employees will misuse the benefits, which has led many employers who offer domestic partner benefits to devise eligibility requirements. These requirements often involve the length of time the couple has been living together, along with other forms of proof. In a study of employers offering domestic partner benefits, less than 1 percent of each company's employees applied for the benefits (National Gay and Lesbian Journalist Association 1997). Among employers offering domestic partnership health care benefits, 85 percent reported that they have not experienced an increase in their health care costs (Society for Human Resource Management 1997).

When an employer adopts domestic partnership benefit programs (especially when they are available to both same-sex and heterosexual domestic partners), they are acknowledging that the family is changing. The number of people who are married has been decreasing. More heterosexual individuals choose to form partnerships outside marriage. Same-sex partner households are also on the rise. The Census of 2000 found that there were more than 600,000 same-sex partners sharing a home and creating a family (U.S. Census Bureau 2000).

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See also Gays at Work; Job Benefits

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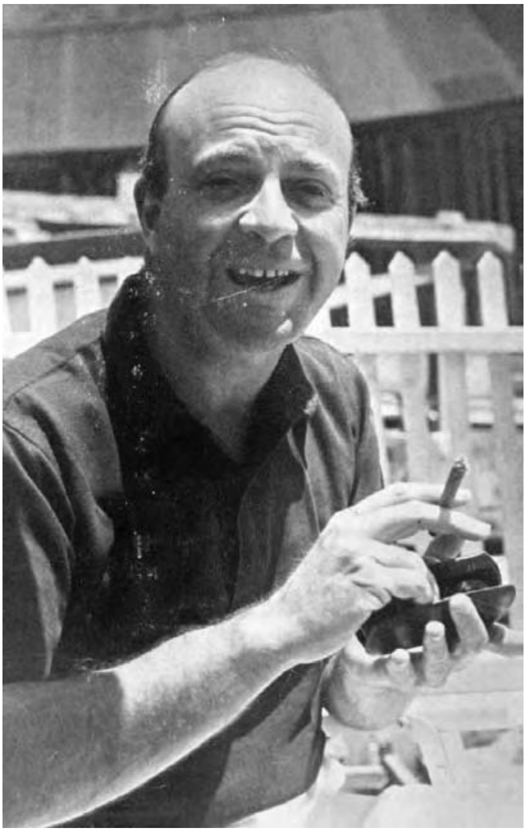
Dos Passos, John (1896–1970)

John Dos Passos was an American poet, essayist, artist, playwright, and biographer, though he is best known for his work as a documentary-style novelist of the 1920s and 1930s. Writing in the social realist style, much of Dos Passos's modernist works examine the changing American society of the early twentieth century, as it becomes captivated by materialistic desires. Much of his work also presents a cynical view of the labor movement, which is characterized as deeply corrupt and in opposition to the interests of the worker.

John Dos Passos was born on January 14, 1896, in Chicago. His childhood was spent in numerous homes across Europe and the United States. As a



American poet, essayist, artist, playwright, and biographer John Dos Passos. Much of Dos Passos's work presented a cynical view of the labor movement. (Library of Congress)

youth, Dos Passos attended various private and boarding schools, both in England and in the United States. In 1912, Dos Passos began his studies at Harvard College.

After his graduation from Harvard, Dos Passos traveled to Europe and in 1917 enlisted as an ambulance driver for France during World War I. His experiences there influenced his bitter critique of the war in his first two novels, *One Man's Initiation* (1917) and *Three Soldiers* (1921). Dos Passos was among the postwar "lost generation" of writers. In 1925, he achieved critical success with his next novel, *Manhattan Transfer* (1925).

Dos Passos's work received acclaim for its social realism, that is, its inclusion of social and political themes. The literary techniques that he used to create such genuine novels were considered groundbreaking. Much of his work wove the fictional tales of his characters among "newsreel" sections, which drew upon pieces of contemporary news stories, popular songs, advertisements, and speeches. Dos Passos also incorporated small biographies of the lives of deceased Americans into his fictional narratives. For example, his novel *The Big Money* provides biographies of (among others) industrialist Henry Ford and the father of industrial engineering, Frederick W. Taylor, to capture the prosperity of the 1920s in which the novel is set (Nanney 1998, 191–193). His most famous work, the trilogy *U.S.A.*, included *The 42nd Parallel* (1930), *1919* (1932), and *The Big Money* (1936). This trilogy examines the lives of his fictional characters amid the grasping forces of a materialist and industrial society. In these works, unions are generally characterized unfavorably as corrupt and racketeering organizations.

Dos Passos underwent a deep transformation in ideology after publishing *U.S.A.*, moving from the political left to the political right. His later fictions were not received with the same acclaim that was garnered by his novels of the 1920s and 1930s, perhaps because of the changed political ideology represented in his work but more likely because of the change in his writing style, which did not use the more innovative literary techniques that he had developed in earlier works. His work in journalism, particularly his coverage of the Spanish Civil War and World War II, was among his more positively received writings after *U.S.A.* His late 1940s contributions to *Life* magazine clarified Dos Passos's cynicism about massive industrial societies and his belief that such societies posed a grave threat to individual liberties. In the novel *Midcentury* (1961), Dos Passos returned to his more acclaimed writing style in a scathing critique of the labor movement, towering business influences, and a consumerist society (Nanney 1998, 201–234). In this well-received work, Dos Passos characterized unions as oppressive, corrupt, and an impediment to the worker's individual freedom. Though John Dos Passos would never return to the level of his earlier successes, he continued to write until his death on September 28, 1970, in Baltimore, Maryland.

Sarah B. Gyarfas

See also Work in Film; Work in Literature

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The Dot-com Revolution

The dot-com revolution refers to the period spanning the late 1990s through the spring of 2000, when Wall Street, corporate America, the general public, and the media caught a wave of euphoria generated by the Internet and the use of high technology for business purposes. Numerous factors all came together to create an "Internet bubble" of market speculation and frenzied investment, primarily small investors who could use Web-based trading sites to buy and sell stocks easily.

The ensuing stock market boom revolutionized the way businesses operated by providing the capital to invest in new technology. Perhaps more importantly, the dot-com revolution fundamentally changed the way people communicated through Internet-based technologies, such as e-mail, message boards, chat rooms, and others. Thus, despite the failure of most dot-com companies, the transformation continues through the use of technology and the Internet for business purposes.

In its broadest sense, the dot-com revolution served as a massive growth engine for the U.S. economy. For the first time in recent memory, the power and mystique of small, entrepreneurial companies dwarfed that of established corporations. Given the public's willingness to invest in Internet-based startups, their valuations soared.

Finally given the chance at riches gained from stock options and participation in initial public offerings (IPOs), workers flocked to dot-coms, despite the risk involved. Added to the possibility for quick riches, the quirky, decentralized culture of dot-com companies drew Generation X workers in droves. The media added fuel to the mass exodus from the Fortune 500 by regaling readers with stories of office foosball tournaments and game rooms, company-sponsored espresso machines, and a constant state of "business casual" clothing. Dot-com entrepreneurs were also able to promote work as a way of achieving a more spiritual or fulfilling state, which appealed to the sullen masses of workers awash in endless rows of drab, gray cubicles in the nation's large companies. Startups were seen as antiauthoritarian and laid-back, mirroring the lifestyle exuded in northern California since the 1960s.

The dawn of the dot-com revolution is most often linked to the premiere of the first graphics-based Web browser in early 1993, developed by Marc Andreessen, a young computer science student at the University of Illinois, and a team of researchers at the school. The Mosaic browser enabled people to surf the Net more easily and removed much of the "computer geek" mentality associated with the medium, which had ironically been created by the federal government in the late 1960s as an alternative means of communication in case of a catastrophic event. Andreessen's innovation married images, graphics, and text on the Internet and vastly improved its popularity. Soon, people began creating personal homepages, and businesses began using the Net to advertise their products and companies.

After Mosaic was released, Internet traffic increased 341,631 percent (Kaplan 1999). In 1994, Andreessen joined with computer industry veteran Jim Clark to form Netscape, one of the Web's pioneering companies. That same year, *Time* ran its first cover story on the Internet. By early 1995, a *Business Week* survey estimated that 27,000 Websites existed, with the number doubling every two months.

In early August 1995, Netscape went public, and Clark's shares were worth $565 million, making him one of the wealthiest men in the United States and coining the phrase "Internet millionaire." By the end of the year, the company's stock reached $170 a share, making it worth nearly $6.5 billion. Netscape's IPO success turned the Internet into the new Wild West, a place where fantastic wealth could be created—a capitalist nirvana on the western edge of the country, just as it had experienced during the gold rush days in the mid-1800s.

Although Netscape helped make the Internet user-friendly, the company most associated with the dot-com revolution is Amazon.com, an online bookseller and consumer goods store based in Seattle. Founded by Jeff Bezos, a former investment banker, Amazon was the first to use the ".com" suffix. Bezos's "get big fast" attitude with little care about profitability embodied the get rich fast mentality of the Internet. The main tenet of the Amazon way was to forget profits; in fact, Bezos spent more than $100 million a year to build the Amazon brand name.

Bezos became the most celebrated "new economy" cheerleader, particularly after being deemed

Time's "Person of the Year," the fourth-youngest individual ever named to the list. His story was considered the quintessential e-commerce fairytale. Amazon's lasting significance may be as a cultural force. By getting on the Web early, Amazon enabled millions of people to get comfortable with the Internet as a purchasing tool.

Based on Amazon's early success, others founded companies to capitalize on the phenomenal growth rate of the World Wide Web. College-aged entrepreneurs were some of the earliest innovators. For example, Stanford students David Filo and Jerry Yang decided that the Web required a directory to organize the plethora of new sites. In response, they founded Yahoo!, the first major portal, which attracted millions of visitors. Another young computer enthusiast, Pierre Omidyar, believed that a Web-based community could use the Net as a giant flea market. He founded eBay so that people could buy and sell collectibles and other goods. EBay is one of the few dot-com companies to become profitable and has since become the crown jewel of the Internet.

Dot-com mania reached a peak in the late 1990s, when venture capitalists started funding dot-coms based on their ability to take the company public, thus cashing in on the IPO shares. Seemingly ludicrous businesses started getting millions of dollars in seed money from a variety of investors, despite having little more than a bright idea to recommend them. The list of now defunct dot-coms reads like a comedy sketch, ranging from fashion site Boo.com, which "burned" through its $135 million investment before declaring bankruptcy, to online toy retailer eToys, online newspaper LocalBusiness.com, and the self-descriptive FurnitureAndBedding.com. Online grocer Webvan may be the biggest failure in Internet history, running through an estimated $1 billion before shutting down.

Soon, large companies started to get in on the rush. Corporations such as America Online, Cisco Systems, Sun Microsystems, and Oracle began publicizing their Net wares and purchasing startups that could add innovative technology to their portfolios. Microsoft, which had been slow to grasp the importance of the Web, debuted Internet Explorer, MSN Websites, and an online service. Fortune 500 corporations also rushed to implement e-commerce capabilities, put up Websites, and searched for methods to sell their products and services online.

The dot-com revolution coincided with and was stimulated by the year 2000 (Y2K) problem that gripped businesses worldwide. The necessity of purchasing and updating computer systems hinged on the belief that computers would not function properly when the New Year changed from 1999 to 2000. Although the switch did not cause global panic, greatly increased expenditures on corporate information technology systems added to the rationale for Internet spending.

The hysteria surrounding the Net, the get big fast mentality, and the quick grab for IPO money preordained that the bubble would burst. On paper, there was little sense in upstarts like Amazon, Yahoo, and eBay having market capitalization exceeding traditional stalwarts that had long lives on the Fortune 500. People (in many cases, really smart people) actually began to think that building a brand name or creating a flashy Website actually meant more than basic business fundamentals. Rather than adapting technology to enhance business, companies were using technology to create IPO opportunities.

The companies that flamed out at the tail end of the new economy bubble were like kindling for the recession wildfire that gripped the United States at the dawn of the new century. Over the course of one month (March 10, 2000, to April 6, 2000), the Nasdaq stock market lost $1 trillion in value. The tsunami destroyed the dreams of many dot-coms in its wake and startled tech investors back to reality. For employees at startups, from the chief executive officer (CEO) on down, stock options ended up "under water," worthless scraps of paper that would never regain their luster.

In retrospect, people should have seen the downfall coming sooner. Flying in the face of multiple warning signs, too many people still sought a shot at Web wealth and glory, unable to pass on the gamble, despite the long odds. Even after Nasdaq crashed in spring 2000, investors rushed in to buy shares of depressed stocks, many of which would rebound slightly before falling for good. The media (fueled by business cable stations like CNBC, which turned Internet CEOs into celebrities, and the plump ad-soaked tech magazines) made folk heroes out of people like Amazon.com's Bezos and Yahoo's Yang. So many Internet legends were tales of rags-to-riches glory or college students coming up with an idea in their dorm room that by focusing on them, the media made it seem easy.

All of a sudden, seemingly intelligent people (doctors, lawyers, and professors) started writing dot-com business plans in their spare time, figuring that they might be able to strike it rich by riding the venture capital wave out of Silicon Valley and into the IPO spotlight. For those who wanted to make money with less elbow grease, countless "angel" investment firms were set up to get people with money into the tech game. With enough cash, anyone could become a venture capitalist in the late 1990s, even if that person had never set foot inside a high tech startup and didn't know the first thing about building a thriving business.

By the end of 2001, thousands of dot-com companies went bankrupt, and tens of thousands of employees lost their jobs. The massive failure of the new economy and the subsequent trickle of new investments in technology companies, combined with corporate governance scandals and the September 11, 2001, terrorist attacks, sparked a recession that plagued businesses in the early years of the twentieth century. High-tech centers, such as Silicon Valley, San Francisco, Austin, Texas, Washington, D.C., and New York City, have been especially hard hit by the failure of the dot-com revolution.

Despite the meltdown, the high-tech revolution continues, though on a much more modest scale, as traditional businesses use e-commerce and the Internet to meld online and physical storefronts. Companies are using Web-based services and technologies to become more efficient and profitable. It is nearly impossible to find an industry that has not been improved through Internet-based technology, whether it is in education and nonprofits or financial services and manufacturing.

The dot-com revolution ended in early 2000, but innovation continues to propel companies into novel areas that mix business and the Internet. Figures released by the United Nations reveal that there are 655 million registered Internet users worldwide in 2002 and that global e-commerce will top $2.3 billion, doubling the figure from the previous year.

Bob Batchelor

See also Amazon.com; E-commerce; Greenspan, Alan; Layoffs; Postindustrial Workforce; Silicon Valley; Stock Options

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Downsizing

Downsizing is a relatively new term that emerged in popular vocabulary following the corporate restructuring of the 1980s. The term is commonly used to describe any layoffs or job losses. However, not all layoffs amount to downsizing. Downsizing refers to permanent reductions in an organization's workforce designed to improve efficiency. It does not apply to layoffs that are carried out in response to a weak economy or a decline in business (Wald 1999; Cappelli 2000).

Although temporary layoffs typically come in response to downturns in the economy, downsizing occurs even when the economy is expanding. The American Management Association, which conducts annual surveys on job creation and elimination in large companies, has found that companies continued to eliminate jobs at a steady rate following the recession of 1990–1991. In fact, nearly half of all firms surveyed were cutting jobs from 1998 to 2000—at the height of the late 1990s boom (American Management Association 2000).

Just as downsizing can occur at any time, so it can affect nearly anyone. Blue-collar, production workers have traditionally borne the brunt of permanent layoffs in the manufacturing sector. During the 1980s and especially the early 1990s, downsizing affected a broad range of industries, from manufacturing to services. It also spread to a wide range of occupations, including managers and other white-collar workers (Cappelli 2000).

The phenomenon of downsizing is closely linked to the waves of corporate restructuring that began in the 1980s. Rising competition, new technologies, more demanding shareholders, and other trends in the marketplace forced companies to become more competitive (Cappelli et al. 1997). In response to these pressures, firms have taken steps to restructure operations and cut costs.

The formula for restructuring tends to be the same. Companies break existing divisions into business units that focus more closely on products, services, and customers. They hand more responsibility, as well as accountability, to units far down in the organization. They reengineer business processes by modifying, outsourcing, or eliminating jobs and entire functions. And they reduce layers of middle managers and staff at corporate headquarters (Cappelli et al. 1997). Restructuring is frequently, though not necessarily, accompanied by permanent job losses.

Companies have pursued three types of strategies when downsizing. The first strategy is reducing the number of employees or the "head count" as quickly as possible to achieve short-run financial goals. Common methods include early retirements, buyouts, attrition, and, of course, immediate layoffs. The second strategy takes more time to implement and focuses on eliminating jobs and units rather than specified numbers of workers. Companies accomplish this goal by merging or eliminating functions and units. The third strategy requires systematic change, which involves long-term adjustments in the mission, culture, and processes of the organization. This approach results in an ongoing drive to simplify and improve every business function (Cappelli et al. 1997).

However implemented, downsizing imposes costs on employees. The impact on workers who are laid off is clear. Research shows that many displaced workers with years of tenure experience large and enduring earnings losses (Jacobson, LaLonde, and Sullivan 1993). They also face difficult transitions to new jobs and new careers. Workers who stay with the organization following the downsizing also face painful adjustments. These so-called survivors tend to experience heightened insecurity, increased stress, and new work demands, all of which depress morale (Cappelli et al. 1997).

The impact of downsizing on firms is more difficult to determine. Research suggests that permanent reductions in the workforce can diminish the quality of services and bottom-line financial performance (Cappelli et al. 1997). However, other studies find that downsizing as part of long-term restructuring can improve performance in some establishments. A recent study strongly suggests that the effects on organizational performance are mixed. Companies experience declining sales per employee, an outcome that hurts performance. At the same time, companies benefit from reduced labor costs as a result of job cuts (Cappelli 2000). Although evidence on its effectiveness is contradictory, downsizing is likely to remain a business practice and part of the U.S. work experience for some time.

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See also Corporate Consolidation and Reengineering; Manufacturing Jobs; Postindustrial Workforce; Recession

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Drucker, Peter F. (1909–)

Peter F. Drucker is one of the top twentieth-century intellectuals who have made significant contributions to the theory and strategy of work effectiveness and work management. For more than half a century, Drucker has served as an intellectual guide to senior business leaders all over the world. For his outstanding contributions, he has often been called the grandfather of modern management.

Drucker was born in Vienna in 1909 and was educated there and in England. Later he came to the

United States and built a distinguished career as a professor of economics and statistics first, then of history and philosophy, and finally of management and social sciences. Although he received his Ph.D. in public and international law, he is well-known for his independent analysis of politics, economics, business, and society. He has written extensively on these topics and has published more than thirty books and many articles.

How work should be organized and managed to produce results has been Drucker's major interest. His most significant contributions in this area fall in four related areas: (1) business strategy, (2) manufacturing strategy, (3) managing for economic performance, and (4) managing in turbulent times.

Business Strategy

Business in the United States experienced serious turbulence in the 1970s and 1980s. Mergers, acquisitions, and downsizing became key strategies for survival. Executives adopted other approaches as well to enhance the bottom line. Drucker stepped forward to observe that although in most cases the right things were being done, they were *not* producing the desired results. Drucker proposed a solution that he called "theory of the business." He argued that failures were happening because the basic assumptions that drove the behavior of the organizations during their period of success were no longer appropriate, because there were significant changes in the business environment and market demands. The theory of the business that Drucker proposed called on leaders to systematically and periodically check their assumptions about the environment, mission, and core competencies of the business. This periodic reevaluation would help a business to change its product and service offerings to meet the current needs of its customers. For example, IBM's decision to play a leadership role in the personal computer (PC) market is an excellent example of the company's response to a shift in the computer business environment.

Manufacturing Strategy

From the days of the Industrial Revolution, the factory has been a center of economic activity and employment. Therefore, the success of the factories has always had an important impact on the success of the economy. In the 1980s, however, technological change and intense competitive pressure caused many manufacturing companies to falter in productivity. Several concepts of manufacturing principles and processes, such as statistical quality control (SQC) or systems design, were proposed, but no coherent strategy had emerged to guide the thinking of the engineers. Drucker provided a cogent analysis of the key processes being followed by different organizations and suggested a synergistic process in an article on the theory of manufacturing. He recommended that management of people and business economics should be integrated into the total manufacturing process to lower cost and enhance quality. Traditionally, they have existed as separate disciplines, receiving varying degrees of importance, depending on the leaders.

Managing for Economic Performance

Throughout his career, whether teaching, writing, or consulting, Peter Drucker has always reminded his students or clients that economic performance (that is, producing results) is the specific function and the fundamental responsibility of a business. Doing so requires a disciplined approach, and Drucker's *Managing for Results* (1964) is the first book to describe a straightforward approach for achieving results. He recommends a simple three-step process to manage for economic performance: (1) understanding business realities, (2) identifying and focusing on opportunities, and (3) engaging in purposeful performance. According to Drucker, there is only one resource that makes a business distinct or provides a niche in the marketplace—knowledge. Other resources, such as money or physical assets, cannot differentiate a business. Therefore, success in business depends on the ability of the business to use knowledge in a creative way to provide value to the customer. Today, almost forty years after Drucker wrote his book, knowledge management has become an important topic of the executive parlor.

Exploiting outside opportunities is key to business success. Yet, much too often, Drucker observed, managers allocate critical resources to solve only internal problems. Such management practices can only lead to poor results. Maximization of opportunities is key to entrepreneurial success. Focusing on the outside—the market and the customer—is a fundamental requirement of good leadership. And leadership, in Drucker's view, is what differentiates one business from the other.

Managing for results requires that managers know how to allocate resources and reduce cost effectively. According to Drucker, 90 percent of resources are frequently allocated to activities that produce only 10 percent of the results, so a great deal of resource allocation simply leads to waste. Furthermore, executives often work on solving or handling problems of the past, when their precious time is needed to prepare the organization to meet the challenges of the future. A process needs to be in place that will engage leaders in continuous reappraisal and redirection as new environmental trends appear on the horizon.

Business earns money by selling a product to a customer, so deciding on what product to sell is a critical decision. But Drucker places equal importance on two other areas—the market and the distributive channel. These two are outside the business and therefore cannot be modified by the business; therefore managers and workers must acquire a thorough knowledge of the market and the distributive channels, although they are outside the day-to-day reality of the organization. Managers must keep in mind that the distributive channel is also a customer of the business. In essence, the Drucker model says that there must always be a good fit between the product on the one hand and the market and the distributive channel on the other. A poor fit will always result in poor economic performance.

Managing in Turbulent Times

The first two decades following World War II saw unprecedented economic growth in the United States and other nations in Western Europe. Multinational corporations dominated business during this period, with a strategy based primarily on financial control. The business environment was fairly stable. The future was planned more or less as a continuation of the past.

Economic and world events brought sudden changes in the mid-1970s. Inflation, productivity challenges, technology shifts, and global competition all hit the business world at about the same time and made the classical planning methods suddenly obsolete. Peter Drucker's 1980 book, *Managing in Turbulent Times,* was perfectly timed to serve as a guide to executives managing complex businesses.

Maintaining productivity is a fundamental requirement of managers in times of chaotic changes, and it has to be done for four key resources—capital, crucial physical assets, time, and knowledge. Successful companies, such as General Electric and Siemens, have beaten their competition by significantly increasing the productivity of capital, Drucker has noted.

Strategic assignment of critical resources is another effective way of managing in turbulent times. Managers need to be smart about choosing areas of potential results and allocating resources accordingly. In chaotic times, there is a natural tendency to use resources to solve current problems, but the top priority should be the areas of potential opportunities. Drucker's maxim in situations like this has been "Feed the opportunities; starve the problems."

Drucker was also influential in convincing managers to avoid working on issues that had been important in the past but not expected to be profitable in the future. An exit strategy needed to be carefully developed so that resources would be allocated to areas with the highest probability of future success for the business. A critical activity that contributed to GE's success during the Jack Welch period of the early 1990s was called the "work out" program. This activity was designed to eliminate work that no longer met the strategic needs of the corporation. Drucker recommended this approach almost a decade earlier, as he had done in so many cases in the past. Stimulating innovation while managing change is a critical managerial competence needed in turbulent times.

Perhaps the most challenging task for managers is to respond effectively to what Drucker referred to as "unique events" that are unanticipated and therefore cannot be planned for ahead of time. The situation becomes more complex when one has to function in a global business environment. Doing so requires leaders to have a good understanding of the shifts in politics, customer expectations, employee values, population structure and dynamics, currency values, economic trends, technology, and other critical factors. Managers must be prepared to lead in this environment of multidimensional changes and prepare their organizations to function effectively while overseeing a transformation of their organizational culture.

Drucker's Impact on Business and Economic Trends

Drucker was the most prolific writer on business during the last half of the twentieth century. His thinking and teaching significantly influenced business and economic outcomes during this period. Perhaps his most influential contribution is the vision of a knowledge society comprised of knowledge business and knowledge workers. Drucker produced this vision almost thirty years before the knowledge society and the knowledge economy became a reality in the 1990s. The knowledge economy also produced, as Drucker had predicted, a new breed of capitalists, the knowledge workers themselves, because they now own the means of production.

Two other important trends followed the creation of the knowledge economy. Knowledge workers need formal and advanced schooling, and therefore the educational strategy needed to build a stronger link between the world of learning and the world of work. Drucker also predicted that the knowledge economy would be global and borderless and that instead of workers migrating to other countries to find work, now work would migrate to other countries where knowledge workers are available. Globalization of knowledge work has indeed become a reality in the twenty-first century. China, India, and several countries of Europe are now attracting Fortune 500 companies to perform their computer work as well as some research and development activities, with a lower price and a high standard of quality.

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See also Core Competencies; Deming, W. Edwards; High-Performance Workforce; Taylor, Frederick Winslow

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Drug Testing and Substance Abuse in the Workplace

Alcohol has been part of working life in America since colonial times, when rum was doled out as part of workers' wages. In the last quarter of the twentieth century, drugs joined alcohol as disruptive forces on the job, increasing safety problems and contributing to lost productivity and increased absenteeism. Drugs entered the workplace with less obvious encouragement since they were generally illegal. The generation of the 1960s brought marijuana to work, and as other drugs like cocaine, PCP (phencyclidine), methamphetamine, heroin, and the like swept various communities, it was inevitable that they found their way into the workplace. The annual costs of alcohol abuse alone are estimated at \$148 billion, almost double the amount spent for purchasing alcohol (U.S. Department of Health and Human Services 2000, 364–371). Employers responded to these costs with drug and alcohol testing many consider invasions of privacy, but Congress has mandated such testing in the transportation industry. Considered a disease by the medical community, drug and alcohol addiction has been the springboard for a growing treatment industry and for a variety of self-help and support group options, of which Alcoholics Anonymous (AA) is the most well known.

Substance-abusing employees are late to work and absent more often than other employees, make more mistakes and have more accidents, produce less, use more sick leave and file more workers' compensation claims, cause increased medical premiums for their employers, and often endanger themselves and their coworkers. Numerous employers find that an employee assistance program (EAP) more than pays for itself. When an employer offers treatment options rather than simply discharging an employee with a drug and/or alcohol problem, the risks and costs to the employer are reduced, and valuable employees are retained (Bureau of National Affairs 1986). Some companies report a 60–85 percent decrease in absenteeism among abusing employees when treatment is offered, along with a 45–75 percent decrease in workplace accidents (Inaba and Cohen 1993, 219–220).

Certain occupations have long been associated with drinking on the job. Drinking was not only accepted but deemed part of the costs of a job. Providing alcohol to workers building the first stone government building in Albany, New York, in 1656 ran almost 6 percent of the total building costs. Drinking bonded workers together in olden days, and in modern times military personnel, journalists, automobile assembly-line workers and building tradespeople retain a reputation for mixing alcohol and work. Professional and managerial employees are often expected to drink at the business lunch (Sonnenstuhl 1996, 3–6). Contrary to popular stereotypes, most abusers and addicts are not living in the streets but are functional members of society, as long as their need for drugs or alcohol is being filled. For many, filling that need involves not only the illegal activity of buying drugs but often criminal activity to raise the money for ever-increasing drug costs.

There is continuing debate about legalizing drugs, partly because alcohol and nicotine are legal, with Prohibition, that experiment in banning alcohol by constitutional amendment (1919–1933), cited as proof of the failure of proscription. Although Prohibition brought about a rise in organized crime as a source of illegal liquor for those who wanted it, it is also true that cirrhosis of the liver declined by almost two-thirds as one of the leading causes of death, domestic abuse went down, and there were fewer automobile accidents (Inaba and Cohen 1993, 145–146). Legalizing drugs would, in the opinion of proponents, allow regulation and remove the criminal aspect with its related violence. Critics of legalization ask if such problematic drugs like crack cocaine and PCP would be included on the legalization list and if the experience with legalized alcohol and nicotine does not suggest that legalization makes use and abuse more attractive? The alcohol industry spends over $1 billion a year on advertising; in a survey of fifth- and sixth-grade children, 59 percent could correctly identify a brand of beer from an edited commercial (U.S. Department of Health and Human Services 2000, 412–423).

In response to growing problems at work, Congress adopted the Drug-Free Workplace Act in 1988, mandating employers to ensure that their workplaces were drug-free. Many employers began testing for drug and alcohol use; court cases and workplace arbitrations have laid out three general areas where testing is legally appropriate: job applicants can be tested if the applicant has been offered the job and if all applicants are treated similarly; testing is allowed in the event of an accident; and testing is allowed in the event of impaired job performance observed by management. Random testing, except as mandated by legislation, is generally viewed as an invasion of privacy by the courts, except where there are critical safety or national security issues. Random testing has been allowed for employees with national security clearances, police and prison officers, and employees at chemical weapons and nuclear power plants (Repa 2000, 18–20 [chapter 6]).

In 1994 Congress adopted drug and alcohol random testing requirements for safety-sensitive employees in the transportation industry. Employees who test “dirty” are evaluated and, if appropriate, offered treatment. If there is no indication of a substance abuse addiction, they may simply be terminated for using prohibited substances. Early concerns about the reliability of tests have faded as newer technology reduces the margin for error.

Treatment for alcohol or drug addiction varies. Expensive hospital-based programs have often been found to be less effective than social-model programs that incorporate the twelve steps developed by AA and applied to many other addictions. Social-model programs are less costly than hospital-based treatment programs and are thus favored by insurers. They often use recovering addicts/alcoholics on their staff.

Some courts, citing AA’s reliance on a “higher power,” have ruled that the AA fellowship is religious in nature. AA has also been criticized for its requirement of total abstinence from alcohol (and Narcotics Anonymous’s requirement of total abstinence from drugs); other programs attempt to turn alcoholics into moderate drinkers.

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See also Outplacement; Stress and Violence in the Workplace

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Dunlop Commission

This influential national commission was formed in 1993 by the labor and commerce secretaries of the United States to address the need for modern, new approaches to labor relations and policy in the United States. Chaired by respected former labor commissioner and Harvard University faculty dean John Dunlop, the commission published a final report in 1995 that addressed the importance of a strong workforce for the United States' economic future and issued ten major recommendations. They included enhancing workplace productivity through cooperation between bosses and workers, reducing unneeded conflict and delay in negotiations between labor and management, and helping to ensure that workplace problems are resolved directly by the parties themselves, if at all possible, rather than the courts or government. Although the report went too far for some in management and not far enough for many in organized labor, it focused policy and public debate on improving equity and productivity in the workplace. The report earned long-standing influence among many officials, managers, union leaders, employers, and experts in the labor management and labor policy fields.

The report made a number of noteworthy recommendations, as judged by their influence over time. The commission supported changing the 1935 National Labor Relations Act (Wagner Act) to encourage greater labor-management cooperation and employee participation in decisions and called for greater employee participation in key workplace topics regulated by public law, such as workplace health and safety. The Dunlop Commission also encouraged unions and professional associations to expand and diversify the services and benefits provided to workers, the approach used in the early twenty-first century by a number of professional and trade unions.

In the area of worker representation and collective bargaining—the process by which unions and professional associations negotiate work standards, pay, and benefits for their members—the report stated its concern about a number of trends. Many new collective bargaining agreements were enacted in a highly adversarial environment, too many workers were discharged or discriminated against for exercising their rights to organize, as many as one-third of workplaces voted to be represented by a union but did not obtain a collective bargaining agreement, and nationally, far more workers would like to belong to a union than were ever offered the chance to join one. The commission recommended a series of steps to address this erosion of worker rights, including increased penalties for violations of law, reductions in delays in the collective bargaining process, stronger protections against employee discharge, and a strong federal presence in the mediation and arbitration of the first union contract in a workplace. Under the Clinton administration, the National Labor Relations Board made progress in shortening the time period from a "yes" vote for a union to the actual contract. The commission also recommended expanded use of mediation, arbitration, and other dispute resolution tools to resolve workplace disputes and widen participation in key employer-worker concerns.

The Occupational Safety and Health Administration (OSHA) and other major regulatory bodies were encouraged to develop guidelines that included greater employee participation. The commission also recommended that more study and investigation take place regarding the growth of part-time and contingent work, among workers who wish to work full-time and enjoy health benefits.

Herbert A. Schaffner

See also Arbitration; Collective Bargaining; Democratic Socialism; Employee Stock Ownership; Fair Labor Standards Act; Job Benefits; Labor Force; Pensions; Workplace Safety

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E

Earned Income Tax Credit

The federal earned income tax credit (EITC) program was developed and established by the U.S. government in 1975 to help low-income families cope with high Social Security and Medicare payroll taxes and decrease poverty. It has enjoyed high marks for effectiveness and enjoys bipartisan political support at the national and state levels. The EITC is often referred to as the "making work pay" policy because it is grounded in the theory that every family that has an adult working full-time deserves to live above the poverty line. Nearly 20 million families and individuals filing federal income tax returns—roughly one tax return in six—claim the federal EITC. Congress and the White House have expanded the income and family criteria three different times since 1975 (in 1986, 1990, and 1993) to allow more working Americans to participate, including those without children. Since 1997, fifteen states have joined the federal government in providing incentives to work by allowing poor families to be eligible for a state EITC in addition to their federal tax credits.

The EITC is refundable at the federal level and in most states. Based on income from employment and family size, a family is eligible for a particular amount of money in credit. If the family's credit amount exceeds their tax liability, the family would receive a refund in the form of a check. Unlike other benefits, the EITC allows families' credit eligibility to increase as income increases, until they reach a specified maximum credit benefit. Once a family's income increases enough to afford them their maximum benefit level, the value of their credit decreases. The family is still eligible for some credit, however, until its earnings reach a particular amount. For example, a family of two or more children in 1999 would have received forty cents per dollar earned until their income reaches $9,540, at which time the family will be eligible for $3,816 in credit. As the income of that family continues to increase, the credit decreases until the family's income is $30,580 at which time the credit is entirely phased out (Center on Budget and Policy Priorities 1999).

Even with minimum wage increases, the regressive nature of most state taxes is enough to push working families into poverty. Although the federal EITC provides help in defraying the cost of federal income taxes, low-income people still pay a disproportionate amount of their income in state and local income taxes. As a response to this problem, fifteen states have supplemented the federal EITC with their own state EITCs: Colorado, the District of Columbia, Illinois, Iowa, Kansas, Maine, Maryland, Massachusetts, Minnesota, New Jersey, New York, Oregon, Rhode Island, Vermont, and Wisconsin. The state EITC can be either refundable or nonrefundable. Nonrefundable EITCs offset a family's tax liability until it reaches zero. If a family's credit exceeds its tax liability, that amount is forfeited, whereas with refundable credits, a family would receive that money in the form of an actual check.

A significant body of research has been conducted on the EITC, largely confirming its economic and social benefits. A 1998 study by Northwestern University economists Bruce Meyer and Dan Rosenbaum found that a large share of the increase in employment of single mothers since the mid-1980s can be attributed to expansions of the EITC. According to their study, *Welfare, the Earned Income Tax Credit, and the Labor Supply of Single Mothers* (1998), expanding the EITC accounted for more than half of the increase in single mothers who went to work between 1984 and 1996, a larger effect than all other factors combined.

A series of reports by a leading poverty think tank show that the EITC is one of the federal government's most effective programs for fighting poverty (Porter, Primus, Rawlings, and Rosenbaum 1998). Because the EITC is targeted to working families with low incomes and because its largest benefits go to working families below the poverty line, it is more likely to lift families out of poverty than programs that provide their largest benefits to families with little or no earnings. Data from the Census Bureau show that in 1998, the EITC lifted more than 4.8 million people in low-income working families above the poverty line. Of this number, more than half—2.6 million—were children. The EITC lifts more children out of poverty than all other means-tested benefit programs (including food stamps and housing subsidies) combined.

During the mid-1990s, some members of Congress and outside organizations publicized concerns about the relatively high rates of error and fraud (20.7 percent) in tax returns requesting the EITC. The Internal Revenue Service (IRS) investigated the rates of error and fraud and found that although a small percentage of returns were prepared fraudulently by individuals seeking to earn a credit who did not qualify, the vast majority of incorrect returns were filled out in error caused by taxpayer mistakes and misunderstandings in filling out the form. Federal laws passed in 1997 contained a series of measures designed to reduce error and fraud that observers to date regard as successful in reducing the error rates.

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See also Minimum Wage; Wage Gap; Wage Tax

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Earnings and Education

An individual's earnings tend to rise with the amount and quality of his or her education. Consequently, education is a highly prized commodity. It is important to the individual worker, who must view his or her decisions regarding how much education to pursue as a fundamental indicator of future earnings. Similarly, education is highly valued by employers, who interpret the educational level of their workforce as an indicator of company productivity and, by extension, profit. The positive relationship between education and earnings offers strong support to arguments for increasing not only the quantity of schooling but also its quality. Finally, education is of tremendous importance to the overall society, for it serves as an investment toward the achievement of enhanced global competitiveness and a higher standard of living.

The wide distribution of earnings in the labor market is explained, in part, by variations in individuals' levels of education. In 1997, the average hourly wage of Americans with less than a high school degree was just $8.23. That is just over one-third of the average hourly wage of Americans with an advanced (graduate) degree, who earn an average of $24.09 an hour. Americans with a high school degree average an hourly wage of $11.03, those with some college receive $12.44, and those with a college degree earn $18.41 an hour (Mishel, Bernstein, and Schmitt 1999, 156).

The positive relationship between earnings and

Americans with a high school degree earn an average hourly wage of $11.03, while those with some college receive $12.44, and those with a college degree earn $18.41 an hour. (Paul Barton/Corbis)

education has received substantial research attention—most notably from such economists as Gary Becker. He explained this correlation between education and earnings within a simple investment framework in his classic text, *Human Capital.* In this work, Becker compared the immediate costs of further education with future gains. With greater quantities of education, an individual's skills are enhanced and so too is his or her productivity. This greater productivity is reflected in higher earnings, and thus the costs associated with obtaining an education are recovered.

One application of Becker's theory of human capital lies in the example of the decision-making process of an individual considering whether to pursue a college education. In this analysis, the primary direct costs of education are the costs of tuition and books, and the primary indirect costs are forgone earnings during the period as a student. If these total costs are less than the expected gains in lifetime earnings from holding a bachelor's degree (in today's dollars), then one would expect the individual to pursue further education. Certainly, other factors, such as values, family expectations, and mental ability, influence an individual's consumption decisions for education. For example, an individual's desire to pursue more education is expected to lessen as he or she reaches higher levels of education because at some point, an individual's productivity gains from education will be limited by his or her inherent intellectual ability.

Jacob Mincer, another pioneer in the development of human capital theory, identified three advantages associated with higher education—higher wages, greater employment stability, and greater potential for pay raises. A more highly educated individual will capture a higher wage, thus making his or her exit from employment more costly. Consequently, more highly educated workers are associated with both more hours on the job and less chance of turnover, making them an attractive candidate to receive job training. Job training, in turn, enhances skills, which increase productivity—further enhancing the return on the initial educational investment.

The *quality* of education is an important determinant on future earnings, more so than the *quantity* of education one receives. A 1998 study by David Card and Alan Krueger found that decreases in the pupil-teacher ratio, an indicator of school quality, are associated with increases in the returns on education (Card and Krueger 1992). Indeed, concerns over poor quality of schooling, particularly in the nation's poorer school districts, have led to grassroots movements across the states for a more equitable financing of public education.

In addition to quantity and quality, the type of education undertaken must also be considered when assessing gains on earnings. For example, returns on education are particularly profitable for students in relatively lucrative fields such as computer science and engineering. Data from the U.S. Department of Education reveal that students in these fields receive a starting salary that exceeds the median starting salary of all college graduates by 35.8 percent (U.S. Department of Education, National Center for Education Statistics 1998).

Human capital theory has a number of implications. First, given this positive correlation between education and earning, a decrease in the cost of education leads to an increased consumption of education. One study has found that an increase in the cost of college by $1,000 leads to a decrease in enrollment by 16 percent (McPherson and Schapiro 1991). Governments, seeking to enhance the quality and productivity of their workforces, have long recognized this simple supply-and-demand effect. Consequently, public policy has been crafted to achieve the desirable effects produced by increased consumption of education—for example, the provision of grants and low-interest student loans. This connection also suggests that the most frequent recipients of high earnings are those who can afford the initial educational investments. The cost of education is greater for those who do not have the funds on hand but instead must seek loans. Thus poorer individuals, who must pay the basic costs of education plus the interest to finance it, pay more for education than wealthier individuals, who avoid the interest cost. Given their comparatively lower costs for education, the wealthiest individuals tend to consume greater quantities of education, further reinforcing the existing income distribution.

Second, applications of the human capital theory are evident in the concentrated consumption of education among the young. Individuals are more likely to consume education in their youth because they will then have a longer period in the workforce during which to make a return on their investment. If an eighteen year old and a sixty-five year old each begin college, the eighteen year old will have a longer career over which to recover the costs of education and, most likely, turn a profit.

Third, given that the return on education is enhanced by the length of time in the workforce, those individuals who expect to have greater continuity in the labor force can expect the greatest return on their education investment. Women's traditional role as caretaker causes great disruption in their labor force participation. Consequently, women tend to have fewer years in the workforce over which to recapture the costs of their educational investment, and thus their return on education can be expected to be less than that of men. U.S. women in their thirties spend more than three times as much time out of the labor force than men in their thirties (Kaufman and Hotchkiss 2000, 380).

Discrimination plays an important role in individuals' investment decisions. If they believe they will be subjected to future discrimination in the labor market, they will likely perceive their return on any educational investment to be lower than that of an unaffected individual. Such diminished future benefits of education may diminish an individual's willingness to pursue further education.

Another explanation for the positive relationship between education and earnings rests on the application of education as a proxy for productivity. Within the screening framework, an individual's productivity is difficult to quantify, and so employers must look instead to educational attainment as an indicator of such desirable worker qualities as intelligence, commitment, and communication. Some research has indicated that although earnings grow with each additional year of schooling, this trend jumps most dramatically for certain important years, such as the completion of year twelve and sixteen, which generally indicate the receipt of high school and college credentials respectively. This finding suggests that gains on earnings can be explained jointly by the human capital theory and the screening method. One study hypothesized that if the theory of human capital were accurate, then two sets of recent college graduates, both majoring in economics but one seeking employment in a related field and another seeking employment in an unrelated field, would earn different starting salaries (Miller and Volker 1984). However, both groups earned similar salaries, suggesting that it was not the specific skills learned in college that determined their earnings but rather their completion of the program that signaled other desirable qualities (most likely, the ability to be trained) to the employers.

Indeed, a 1995 survey conducted by the Bureau of Labor Statistics indicated that employees with higher levels of education were more likely to be the beneficiaries of employer-provided training than lesser-educated employees, thus further concentrating the impact of an individual's earlier education decisions on his or her earnings. The study reported that over a six-month period, employees with a high school diploma or less received 10.9 hours of formal training from their employers. Not surprisingly, employees with a bachelor's degree or more received 16.1 hours of formal training (or 48 percent more than the lower educated group) over the same period (Frazis et al. 1998).

The impact of education on earnings, or the education-earnings premium, has increased in recent decades. One study found that each additional year of schooling yielded an increase in wages of 6.2 percent in 1979, but the same education investment increased earnings in 1993 by nearly 10 percent (Ashenfelter and Rouse 1999). Certainly, Americans in different educational groups have experienced vastly different changes in their real wages between 1979 and 1997. Those with less than a high school degree have seen their real wages decline by 26.2 percent between 1979 and 1997, whereas those with an advanced degree have enjoyed real wage gains of 12.4 percent over the same period. Americans with a high school degree or some college (but no degree) have also experienced declines in their real wages in this period, by 11.7 percent and 8.6 percent, respectively. The only other group to gain in real wages over this period has been Americans with college degrees, gaining 5.6 percent.

The heightened wage vulnerability of the lower-educated groups in the United States has been influenced by a number of factors. First, the advancement of technology in virtually all sectors has increased the need for educated workers, thus driving up the wages of that group and leaving the less educated behind. Second, the sectoral restructuring of the U.S. economy has shifted the lower-educated groups away from high-paying manufacturing jobs and into lower-paying service industry positions. Third, the trend of deunionization in recent decades has hit the lower-educated groups most severely. A falling minimum wage and an increase in import competition has also threatened this group's wages since the 1970s (Mishel, Bernstein, and Schmitt 1999).

The education-earnings relationship is an important foundation of many key social and economic policies in the United States. The government's investments in the education of its workforce (or future workforce) are evident in major investments in public schooling, state universities, community colleges, and the provision of federal student aid, to name a few. The government's deep investment in education speaks, in part, to its recognition of the positive relationship between education and earnings. If education at the individual level increases one person's earnings, then education at the societal level raises a nation's global competitiveness and the standard of living for its citizens.

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See also Education Reform and the Workforce

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E-commerce

Electronic commerce, or "e-commerce," is a term broadly used to describe transactions conducted over the Internet, whether completed by individuals, organizations, or companies. E-commerce is usually used to refer to individual purchases made via the World Wide Web, though it is also applicable for business-to-business applications, such as selling inventory online or general procurement activities.

Before e-commerce could become a phenomenon, the general public first had to become acquainted and comfortable with the Internet. Marc Andreessen and a team of computer scientists at the University of Illinois cleared the first hurdle to mass acceptance in 1993, when they introduced the Mosaic browser. Mosaic married graphics and images to the predominantly text-based World Wide

Web and made usage more easy through point-and-click access.

Based on the tremendous success of Mosaic, Internet users multiplied geometrically. The Web grew so quickly that the potential for commercializing it became a reality. Countless entrepreneurs founded Internet-based startup companies, funded by Silicon Valley venture capitalists. The feeding frenzy for startups reached a peak after several early innovators filed initial public offerings (IPO) and turned their founders into paper millionaires. Corporations also jumped into the mix, funding startups on their own and acquiring technology firms that would expand their capabilities. Internal corporate information technology departments gained power within businesses, and investments in this area skyrocketed.

The company that embodied both the Internet stock market bubble and the promise of the dot-com revolution was Amazon.com. Founded by Jeff Bezos, a former investment banker, the Seattle-based company sold books online and then expanded into other consumer goods, including music, movies, clothing, and much more. Initially, Bezos thought that selling books via the Web would exploit the power of the Internet, since the company would not have to stock inventory.

Bezos adopted a "get big fast" mentality, which emphasized building Amazon's brand name, despite the negative effect it had on earnings. Bezos saw the battle as one of market share, not profitability, and other Web entrepreneurs and investors followed suit. Soon, nearly every industry had Internet-based startups fighting with traditional competitors, and any corporation on the Fortune 500 was suddenly deemed stodgy if it didn't have a viable Web component.

For online businesses, the Internet held several built-in advantages, including a global audience, greater product selection, and focused marketing that could be quickly tailored to individual shoppers. As consumers became more Web-savvy, e-commerce grew rapidly, doubling every year throughout the late 1990s. In 1998, online retailers sold $7.2 billion in merchandise, up 50 percent over the previous year. Amazon alone topped $1 billion in 1998, spurred by a strong holiday shopping season. America Online also generated $1.2 billion in the holiday season. These figures scared traditional retailers into pushing their own online capabilities. The thought was that if a company did not find a way to sell goods and services online, it would be destined for history's dustbin.

Corporations also rushed to establish e-commerce sites in the late 1990s. Business-to-business (B2B) e-commerce, or electronic transactions between companies, was hyped as the future of corporate America. Long the U.S. business bellwether, General Electric (GE) soon grasped the significance of the Internet, despite some early resistance. GE chief executive officer Jack Welch caught e-commerce fever with a vengeance. In early 1999, he demanded the company become an e-business and directed the company's top 500 executives to execute that goal within several months. Adopting the famed GE competitiveness, the plan was dubbed "destroy yourbusiness.com." When he charted out GE's advantages over dot-coms, Welch realized that the company wouldn't have to increase advertising or build warehouses, and GE's Six Sigma quality assurance program already put it ahead of the curve. GE would use its size to its advantage.

Welch understood that large corporations did not want upstart dot-coms getting between themselves and their customers, especially when big companies could build or implement technology on their own. For example, GE Aircraft Engines built a procurement Website by hiring a cadre of 125 programmers, knowing full well that it already had a slew of paying customers. As a result, by December 1999 all 500 of GE Aircraft Engine's suppliers replaced their traditional delivery scheduling and billing with online systems through sites GE programmers built for them.

GE's Global eXchange Services (GXS) assembled online exchanges and auctions. Welch fueled the growth of GXS by investing several hundred million dollars in the unit, which provides software, infrastructure systems, and consulting services to companies that want to build online exchanges. In short order, GXS became the largest B2B community in the world, gaining 100,000 trading partners, including 17,000 suppliers, and handling 1 billion transactions and accounts for $1 trillion in goods and services a year.

By applying technology to its own internal operations, GE realized $150 million of benefits in 2000. GE also took significant steps to sell online, and the revenues easily placed it as one of the top e-commerce companies in the world—if not the top. The company sold $7 billion online in 2000.

In 2000, U.S. Census Bureau analysts showed that B2B e-commerce accounted for 94 percent of all e-commerce transactions. The manufacturing arena alone reported $777 billion in e-commerce shipments for the year. E-commerce is an attractive method for selling goods and services for companies of all sizes because it reduces the overhead costs associated with conducting business transactions. Sending an order online over the Internet is cheaper, faster, and more convenient than completing the same deal via the mail or phone. Even security issues, which initially made companies hesitant to send sensitive data over the Internet, have been greatly alleviated. As a matter of fact, resolving security issues has become an important online business sector.

The economic recession gripping the United States in the early years of the twenty-first century slowed e-commerce, despite its geometric growth in the late 1990s. Some estimates show online retail sales falling for the first time in the third quarter of 2002, basically keeping in line with the sluggish state of the world economy. Online sales for the quarter reached $17 billion, down from $20 billion in each of the first two in 2002. E-commerce stalwarts Amazon and eBay continued to post impressive gains, however. Amazon's quarterly sales reached $851 million, up 33 percent over the same period in 2001, and eBay revenues hit $3.77 billion, jumping 60 percent.

Interestingly, in its quarterly report on e-commerce trends, the U.S. Commerce Department reported that third-quarter 2002 online sales increased 7.8 percent from the previous quarter to $11.06 billion. The government survey concluded that the figure constituted a 34.3 percent increase from the third quarter of 2001, the largest e-commerce year-to-year gain since the first three months of 2001, when sales rose 42 percent.

These kinds of contrasting statistics reveal the inconsistencies inherent in trying to calculate e-commerce revenues. The definition of what constitutes e-commerce is broad, which hinders entirely accurate statistics about its overall impact on the national and global economies. Different analysts use varying methods for calculating total sales, but they estimate that online sales accounted for approximately $50 billion to $60 billion in revenue in 2001. Experts expect the figure for 2002 to top $72 billion, a 41 percent increase from the previous year. E-commerce leaders anticipate that sales will continue to expand through 2007, but at a more measured pace than in the early years of the new century.

For e-commerce to grow faster, companies will have to gain market share in industries where no strong foothold has yet been established, such as new automobile sales. For example, most vehicle buyers still want to visit a dealership to complete the transaction. These kinds of changes, however, will only occur as the buying public becomes more confident in big-ticket purchasing via the Web. Also, since the dot-com meltdown eliminated hundreds of online retailers and other technology companies, heightened consumer suspicion will have to be overcome as well.

Traditional sales dwarf those made online, which account for only 1 to 1.5 percent of total retail sales, but the Internet's percentage of overall retail sales in the United States is increasing. Online retail sales growth rate also outstrips the percentage offline. Companies like Bed Bath and Beyond and Lowe's are melding their online and traditional sales efforts to post significant gains on the Web.

Some of the most successful e-commerce organizations are catalog retailers. With existing warehouses, logistics operations, and call-center locations, catalog companies have the built-in infrastructure that enables them to thrive online. The strongest retail e-commerce markets at the turn of the twenty-first century are book sales, music and video sales, travel, and event tickets.

The Internet is a technological marvel, but as the Web was commercialized, the hype overtook reality. Too many people began viewing the Internet as a way to quick riches, and e-commerce was at the heart of the effort. Rather than use the Web as an additional tool for selling goods and services, startups believed that they were "revolutionizing" business.

Backed by venture capitalists and a general public willing to buy tech stocks, e-commerce companies soon realized that a sustainable business required much more than a jazzy Web site. When the Internet bubble burst, many of these companies were exposed as little more than empty shells. It is little wonder that some of the best examples of how e-commerce has transformed business are from large corporations like GE, Hilton Hotels, and Home Depot. Using size to their advantage, these companies employed e-commerce to squeeze costs out of their infrastructures and make their organizations more efficient.

In the future, e-commerce will remain a vital part of the economy as technological innovations push into new areas. Wireless communications over the Web, nanotechnology, and online gaming are some examples of industries that will necessitate an e-commerce infrastructure. Both new startups and established companies are looking at these opportunities, along with a host of others, to generate new e-commerce business.

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See also Dot-com Revolution; Greenspan, Alan; Layoffs; Postindustrial Workforce; Silicon Valley; Stock Options

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Education Reform and the Workforce

Throughout history, American children have received preparation for the workforce from public schooling. Initially, the U.S. educational system schooled only the elite, leaving children from the poorer classes to look to apprenticeships for their career education. As labor force training became more respected and as business and growing technology began to demand a more highly skilled workforce, apprenticeships gave way to vocational education. This form of schooling, often separate from traditional academic education, served to connect students with the needs of the labor market and train them specifically for entry into careers of their choice. Vocational education has developed over time into a highly funded and regulated means of training future workers. Increasing collaboration among business leaders and training providers has established an expanding system of vocational education in the United States. Recent legislation has both expanded and amended career education in the United States while also changing the way the educational system and workforce interact.

Education and the Workforce in Early America

In American colonial times, education was common only in the elite classes of society. Education was not free or accessible for all persons, and therefore, only a small percentage of Americans had any sort of formal schooling. At that time, education did not respond to the specific needs of the workforce but rather served as a means for enlightening the elite classes of society (Bolino 1973, 21). Instead, it was apprenticeships that provided the practical education that prepared some students for the workforce.

Apprenticeships

Initially, apprenticeship programs were completely separate from formal schooling. An institution distinct from servitude, apprenticeships allowed employers to train workers in exchange for their labor. These apprenticeships provided a particularly advantageous opportunity for children from poor families, since the programs consisted of both training in a particular skill and basic educational skills such as reading and writing. Until the Industrial Revolution, apprenticeships remained the sole source of employee education in the United States. For many disadvantaged children, apprenticeships became the only chance to improve their position in society (Gordon 1999, 4).

The early 1800s brought the Industrial Revolution to the United States, and with it an increasing demand for workers skilled in operating machines. Fewer skilled tradespeople were required in the workforce as society increasingly demanded manufactured goods. Free public education was introduced at this time as well, thus causing the number of apprenticeships to decline. For the majority of children, public education replaced apprenticeships as the major source of education in the United States. In addition, the introduction of machine-based work allowed many workers to learn their trade on the job. Apprenticeships were no longer relied upon to train the nation's workforce (Gordon

1999, 6). As manufacturing jobs increased in number, the need for education in manual labor emerged in the U.S. educational system in order to continue to align education with the needs of the nation's workforce.

Manual Training Education

When businesspeople from Massachusetts visited the 1851 World's Fair in London, they observed the ways in which other countries used the arts and sciences to improve industrial techniques. Inspired by these new advances, U.S. businesspeople began to demand the instruction of technical drawing in public schools, thus sparking a movement toward manual training in U.S. public schools and opening new debate for practical education in the United States (Bolino 1973, 28–29).

Agricultural growth also increased the need for a skilled workforce, thus prompting the proposal of the Morrill Act of 1862 by Senator Justin Morrill (R-VT). It was the first legislation to support vocational and practical education in the United States. The bill set aside 300,000 acres of land per senator and representative for each state. These lands were then sold and profits from the sales used to establish and sustain colleges of agriculture and mechanical arts in each state. These colleges educated agricultural technicians, farmers, and homemakers in the technological advances that would ensure success in the workforce (Gordon 1999, 36–37, 46).

In 1868, the Worcester Polytechnic Institute in Worcester, Massachusetts, became the first school to incorporate the manual labor school movement into its curriculum. The school required all students to perform manual labor in exchange for their education and tuition costs. A combination of theory and practical experience left students immediately prepared to enter the workforce upon completion of their studies (Gordon 1999, 10). Similarly, the Massachusetts Institute of Technology (MIT) incorporated manual instructive techniques into its curriculum in 1877 and observed great success among its students. Graduates no longer needed to complete apprenticeships to supplement their theory-based studies (Gordon 1999, 10–11).

The Debate over Practical Education

Although many viewed the movement toward manual and practical education as a great success, its presence in the U.S. educational system sparked intense debate over the role of education within society. Some argued that the purpose of education was to promote and protect democratic values while also educating young persons in order to preserve American culture.

This school of thought rejected the idea of using education to prepare a stronger workforce, arguing that skills or career-based education would diminish the stature of society (Bolino 1973, 27).

Those advocating for manual training in public schools stressed the development of strong skills that resulted from manual education, pointing out that these skills related to the teachings of the natural sciences. However, their opponents argued that these skills were vocational in nature and thus appropriately taught only through apprenticeships. At the very least, this school of thought maintained, separate schools were necessary for teaching such manual skills (Gordon 1999, 11).

As a result of this debate, early manual training programs were often regarded as separate from the realm of regular academia. Although many public schools did incorporate manual arts into their school programs, manual training was seen as vocational in nature and thus different from academic learning (Bolino 1973, 31; Gordon 1999, 11). At this time, several manual arts–based academies were also created. For example, the Baltimore Manual Training High School was established in 1884 and provided both manual and academic training for its students (Gordon 1999, 11).

Although manual training programs grew in number throughout the country, attacks continued against the usefulness and quality of manual arts curricula. National Education Association president and later U.S. commissioner of education William E. Harris spoke out against the way in which manual arts were taught. Harris argued that current curricula lacked the teaching of intelligence. Men, he charged, needed instruction not just in how to work machines but also in how machines themselves work. He believed that intellectual instruction should take precedence over manual training and that men deserved training in both kinds of education (Bolino 1973, 31–32). In addition to Harris's assertions, others claimed that manual training, although it could be valuable, was not taught properly. Outdated machines were often used to teach students, teachers lacked appropriate knowledge of new advances in technology, and students were not provided proper instruction in their future occupational options (Bolino 1973, 32).

Douglas Commission

In the early 1900s, the Massachusetts legislature established the nine-member Douglas Commission to study the state of manual and vocational training. The commission determined, in accordance with previous criticisms, that the majority of manual training schools were outdated in both their teachings and equipment. Although the commission's report determined that, overall, these training schools provided beneficial opportunities to educate students from poorer classes, even easing social conditions, the fact remained that outdated programs were graduating students ill-prepared to enter the workforce (Bolino 1973, 35).

Wide distribution of the Douglas Commission's report sparked enough discussion that industrial education became the biggest education issue in 1908 (Bolino 1973, 37). Eventually, manual and vocational programs fell out of favor. Students were sent to trade schools when they did not keep up with regular academic classes, thus making trade schools a haven for poor and slow students. Soon these programs were widely seen as undemocratic, since, it seemed, students were not provided with an equal opportunity to learn scholarship (Bolino 1973, 27–28). Eventually, vocational programs became primarily academic programs with a minimal amount of training included (Bolino 1973, 38).

U.S. Businesspeople and Vocational Education

The elimination of actual training in trade schools sparked more debate from U.S. businesspeople as to the need for vocational education in the United States. Business leaders, through the American Manufacturers' Association and the National Association of Manufacturers, contended that a strong vocational education system was vital to the success of U.S. business throughout the world. U.S. businesses, they argued, could not compete with other nations unless a highly skilled workforce emerged (Bolino 1973, 35). The public education system in the United States was filling the needs of the higher-level scientific demands of the workforce but ignoring the need to train skilled workers for shops and factories (Bolino 1973, 27).

Economists and business leaders pointed out that the simultaneous growth of U.S. industry and the decline in apprenticeships made this occupational education an absolute necessity for the success of U.S. industries. Similarly, U.S. labor leaders made the case that, in a democracy, public schools should prepare all kinds of students for all kinds of employment. They claimed that it went against democratic ideals to provide training in college programs while leaving non-college-bound students with few options for the future (Bolino 1973, 38).

Although some dissenters brought up the fact that U.S. industry had grown successfully without including career education in school curriculums, business leaders quickly rebutted their arguments. They pointed out that until that time, skilled immigrants and apprenticeships supplied the workforce for the growing industry. However, since apprenticeships were dying out and skilled immigrants were becoming fewer in number, the nation's businesses needed a new means of supplying educated, skilled workers (Bolino 1973, 34). Economists and businesspeople encouraged the use of public schools to fill this need in the U.S. workforce. Eventually, their arguments won favor in Congress, starting what would be a long line of workforce and education-based legislation.

U.S. Labor Unions and Vocational Education

The historical relationship between labor unions and career education has varied as circumstances surrounding educational and labor issues changed over time. In the late 1930s and early 1940s, trade schools were generally supported by labor unions, which saw training classes as a means for producing acutely skilled workers for the future labor market. During this time, some vocational schools were established to train students to participate in the war effort. Labor unions generally supported the aim of these classes, even though they were separate from the public school system, because they did not train enough workers to flood the market yet provided well-trained future union recruits (Katznelson and Weir 1985, 172).

These independent schools and classes enjoyed far greater support than did the vocational education classes provided in public schools. Labor unionists were left out of the curriculum-building process for many in-school programs and thus regarded them with great skepticism (Katznelson and Weir 1985, 173–174). The formalization of industrial arts classes, moving them more toward the realm of vocational education, was received poorly by many union members. However, in general, the labor union's support or lack of support for vocational education programs varied from city to city depending upon the way the programs were run. The more an occupational education program was enmeshed with the public school program, the less support it got from the labor union. Programs that associated loosely with the public school curriculum, thus allowing more labor union influence over the vocational program, fared better in gaining the support of unions (Katznelson and Weir 1985, 150–151).

Legislation and Major Reports

The 1917 Smith-Hughes Act

In 1917, Congress answered the pleas of U.S. businesspeople and passed the first law to provide funding specifically for career education programs. The 1917 Smith-Hughes Act (or Vocational Education Act of 1917) was created to train non-college-bound students for entry into the workforce (Bolino 1973, 39; Gordon 1999, 67–68, 195). Proposed by Senator Hoke Smith (D-GA) and Representative Dudley M. Hughes (D-GA), the Smith-Hughes Act advocated for the separation of vocational education from the traditional academic curricula in place in most schools (Gordon 1999, 67). The act mandated that in order to get federal funds for vocational education programs, states were required to establish a board of education for vocational programs. Many states created this board of education in addition to and separate from existing state boards of education, thus making an immediate distinction between the business of academic schooling and vocational education (Gordon 1999, 67).

Once the board of education was established, the state was entitled to the $7.2 million annual grant that the act provided for home economics, trade and industrial, and agricultural education (Gordon 1999, 67). Finally, the Smith-Hughes Act established a Federal Board for Vocational Education, consisting of the secretaries of commerce, agriculture, and labor, the commissioner of education, and three appointed citizens. The Smith-Hughes Act remained a grant in perpetuity until its repeal in 1997 (Gordon 1999, 68).

The onset of World War I brought new challenges to the U.S. educational system. The Federal Board for Vocational Education played a significant role in the preparation of troops for war. War classes were needed to train individuals for battle, and the Federal Board for Vocational Education was called upon to oversee this endeavor. New advances in war technology required a highly skilled group of mechanics, technicians, and supervisors. Vocational education, as established by the Smith-Hughes Act, played a significant role in the preparation of these soldiers (Gordon 1999, 49).

The Walter F. George Acts

The success of the Smith-Hughes Act inspired a set of workforce-centered education laws from Georgia senator Walter F. George. Senator George argued that few high school students went on to college, thus making career-based education necessary for the employability of non-college-bound youth (Gordon 1999, 68). After the passage of the Smith-Hughes Act, Senator George sponsored every piece of vocational education legislation proposed throughout the remainder of his term in office. During the Coolidge administration, George cosponsored the George-Reed Act of 1929 with Representative Daniel A. Reed of New York. This legislation provided a national annual increase of $1 million for three years to develop vocational programs in home economics and agriculture (Gordon 1999, 68).

Senator George cosponsored two pieces of legislation during Franklin Delano Roosevelt's administration. The George-Ellzey Act of 1934 was cosponsored by Representative Lawrence F. Ellzey of Mississippi. Renewing and expanding upon the previous George-Reed Act, this legislation provided for an annual increase of $3 million for three years for education in agriculture, home economics, trade, and industrial education (Gordon 1999, 68). George then cosponsored the George-Dean Act of 1936 with Representative Braswell Dean of Georgia. This act authorized $14 million for the expansion of vocational and career education programs. Included in this legislation were programs in marketing occupations and teacher education (Gordon 1999, 68).

Senator George then cosponsored one piece of legislation during the Truman administration. The George-Barden Act of 1946 was cosponsored by Representative Graham A. Barden of North Carolina. This legislation amended the George-Dean Act, calling for the expansion of career education programs to serve the needs of the growing population of World War II veterans in the United States (Gordon 1999, 68).

The National Defense Act of 1958

The late 1950s brought a new issue to bear upon U.S. education. Although international competition had influenced schooling in the past, a new kind of competition marked a time when the education of U.S. students and the resulting success of U.S. workers was linked with the defense of the nation. In 1957, the Soviet Union successfully launched Sputnik I into outer space. This created a rush to reform U.S. education, particularly in the sciences, to ensure that the United States would catch up to and eventually surpass Soviet accomplishments (Gordon 1999, 68–70).

The National Defense Act of 1958 stressed improvements in math, foreign languages, science, and technical competencies (Gordon 1999, 70). Improvement required more intense instruction in these subjects so that students would be better prepared for careers in scientific and technical professions. These reforms were aimed not just at youth but also at adults and older workers (Gordon 1999, 68). Finally, the National Defense Act called for better guidance counseling, improved testing methods, increased funds for higher education, and more effective use of mass media for educational purposes (Gordon 1999, 70).

The Vocational Education Act of 1963

Also known as the Perkins-Morse Bill, the Vocational Education Act of 1963 was unprecedented in terms of U.S. vocational education. The legislation mandated that all persons, regardless of background or financial situation, should have access to high quality vocational training. In this capacity, the act expanded upon existing programs while also establishing a program of part-time employment for students who needed assistance to fund their schooling. Specific funds were also set aside to aid persons from disadvantaged backgrounds who might otherwise be kept from completing vocational education programs (Gordon 1999, 71). Funds from the Vocational Education Act were distributed to states based on the number and type of persons in each state enrolled in vocational education programs. Thus, for the first time, vocational education was planned around the needs of individuals instead of around the needs of the nation's workforce (Gordon 1999, 71).

The Vocational Education Amendments of 1968

A revision of the Vocational Education Act of 1963, the Vocational Education Amendments served to replace all previous vocational education legislation except the Smith-Hughes Act. The Smith-Hughes Act was retained in an effort to honor the nation's first legislation on vocational education (Gordon 1999, 72). The 1968 amendments expanded the way vocational education was defined in the United States, making it more similar to general education programs. In addition, the act introduced vocational education programs into postsecondary schools and furthered the goal of the Vocational Education Act of 1963 to ensure access to vocational programs to students of all ages and backgrounds (Gordon 1999, 72).

The Comprehensive Employment and Training Act of 1973

The Comprehensive Employment and Training Act of 1973 (CETA) replaced the Manpower Development and Training Act of 1962, which granted funds for the training of employees alienated by technological changes in the workforce (Gordon 1999, 70–72). One of the main provisions of CETA served to transfer authority from the federal government to the state and local levels. Those governments were given more power to determine the use of funds and the development of programs for their areas (Gordon 1999, 74). Although CETA did not make changes to traditional U.S. schooling as such, it affected the education of U.S. workers by providing funding for on the job training, classroom training, and employment counseling (Gordon 1999, 74).

The Vocational Education Amendments of 1976

The Vocational Education Amendments of 1976 addressed several issues related to satisfying the needs of all types of workers. The act mandated that states implement a better system of planning their career education programs to attract a more diverse set of outside agencies willing to assist in educating students, which would ensure a wider set of options for students enrolled in vocational education programs. Also, the act stipulated that actions must be taken to alleviate sex discrimination and stereotyping within vocational education programs. The Vocational Education Amendments of 1976 then increased and lengthened the funding established through the 1963 and 1968 vocational education legislation (Gordon 1999, 74).

The Job Training Partnership Act of 1982

The Job Training Partnership Act (JTPA) replaced the Comprehensive Employment Training Act, which expired in 1982. The act served to create programs that would aid youth and unskilled adults in entering the workforce. In addition, the JTPA provided training for individuals having trouble securing gainful employment as a result of their economic situation (Gordon 1999, 76).

The JTPA afforded state governments and private industries a larger role in the development of training programs while also giving them a larger responsibility for the quality of these programs (Gordon 1999, 76). It required a strong relationship between vocational education and job training programs. Overall, the JTPA expanded the role of career education in job training programs and encouraged states to explore a stronger link between private businesses and job training programs. These improved and expanded programs were then offered to more disadvantaged individuals in need of job training or retraining (Gordon 1999, 76–77).

A Nation at Risk: The Imperative for Education Reform

During the Reagan administration, Secretary of Education Terrell H. Bell commissioned a report from the National Commission on Excellence in Education on the condition of education in the United States. The resulting report, *A Nation at Risk: The Imperative for Education Reform,* brought education reform to the forefront of the nation's attention (Bell 1986, 3–4). The report described failing schools, poor test scores, and probably most notably, the fact that children in the United States were not able to compete with students from other countries, who were educated more efficiently in the areas of math and science (Levy 1996, 127).

Prior to the release of *A Nation at Risk,* the Reagan administration had planned to dissolve the Department of Education (DOE). Reagan and other conservatives considered the DOE far too cumbersome and argued that it took too much decision-making power away from states and localities (Congressional Quarterly 1981, 21). However, the resurgence of interest in education policy created by the release of *A Nation at Risk* spurred several new policies aimed at improving the global competitiveness of U.S. students. As a result, education policies during the remainder of the Reagan years focused primarily on the improvement of students' skills and competencies in mathematics and sciences and on adult education (Thomas 1983; Ronald Reagan 1984).

The Carl D. Perkins Vocational Education Act of 1984

The Carl D. Perkins Vocational Education Act of 1984 amended the Vocational Education Act of 1963 and replaced the Vocational Education Act Amendments of 1968 and 1976. There were two main goals of the 1984 legislation, named for Representative Carl D. Perkins of Kentucky, who was a strong supporter of vocational education during his tenure in office (Gordon 1999, 67): it was designed to enhance the skills of labor force participants and to ensure that adults could have equal access to vocational education programs (Gordon 1999, 77). This bill shifted the aim of vocational education legislation from establishing vocational education programs to improving and expanding programs to serve different types of populations not previously considered (Gordon 1999, 77).

The Forgotten Half

The Forgotten Half: Pathways to Success for America's Youth and Young Families, released by the William T. Grant Foundation in 1988, was a two-year study of sixteen to twenty-four year olds in the United States. Non-college-bound youth, the report claimed, were forgotten in the sense that they had one of the highest unemployment rates of any section of the population. Of workers aged twenty to twenty-four in 1988, 6.8 percent of whites, 11 percent of Hispanics, and 20.3 percent of blacks were unemployed, and the real income of these workers was on a ten-year decline (William T. Grant 1988, 2). According to *The Forgotten Half,* employment statistics skewed the view of unemployment and ignored many of the endogenous factors that caused such high unemployment for this age group (William T. Grant 1988, 1–2).

In addition, *The Forgotten Half* argued that as the world changed, the U.S. educational system had failed to change along with it, graduating students who were ill equipped to enter the ranks of the changing workforce. Young families were left to survive on dead-end, low-paying jobs that held them at or below the poverty level (William T. Grant 1988, 3). This inequity, the report argued, was a result of the amount of attention focused on college-bound students over non-college-bound students. According to *The Forgotten Half,* the U.S. educational system became so preoccupied with preparing students who choose to attend colleges that it failed to provide direction for those who did not. These students then graduated unprepared to enter the workforce and unable to participate in society in a productive manner (William T. Grant 1988, 3).

The Forgotten Half made four proposals that invoked a new perspective on the education of non-college-bound students. First, the commission sought a stronger relationship between the youth and adults of the country. More support was advocated for single-parent families to ease the burden of raising children. Businesses and educational institutions were asked to work toward a more flexible system that would serve the needs of these families and encourage strong youth-parent relationships (William T. Grant 1988, 5–6).

Second, the commission suggested more community-based leadership opportunities for young community members. Young people were recommended for involvement in the implementation and development of programs serving their needs and the needs of others. The idea behind this suggestion was to involve youth in their communities so that they would in turn care more about their communities later in life (William T. Grant 1988, 6–8).

The commission's third recommendation was an appeal to state and national government leaders to find a place for these issues on state and national legislative agendas. A number of existing and successful community-based programs served as examples of successful new practices, and the improvement of skills and employment opportunities for area youth provided evidence that these recommendations would work. The call to legislators asked them to encourage businesses and employers to take an interest in educating and training employees and future employees (William T. Grant 1988, 9).

Finally, the commission proposed the Fair Chance: Youth Opportunities Demonstration Act, a piece of legislation that established a national demonstration program to expand admission to training and education programs for postsecondary students. The program would be administered by the state and would provide counseling, academic support, and financial aid (William T. Grant 1988, 10). This piece of legislation would encourage and expand the opportunities for all students for training both during and after high school, providing youth with the accredited skills needed to obtain gainful and steady employment in the workforce.

The National Education Goals

In the fall of 1989, President George Bush met with the National Governors' Association to discuss education policy and to raise awareness of the need for education reform (Greene 2000; Levy 1996, 128). No formal policies resulted from the conference, but President Bush and the nation's governors emerged calling for a system of national standards in the United States (Levy 1996, 128). The six national education goals that emerged from the summit mandated excellence in all U.S. schools. In theory, graduating students needed better preparation for entry into higher education or the workforce.

The Choice: High Skills or Low Wages

The Commission on the Skills of the American Workforce presented the *America's Choice* report in June 1990. According to the report, the working poor were getting larger in number, and productivity was growing more slowly as the nation approached the final decade of the twentieth century. Income levels for the lowest 70 percent of salary earners had steadily decreased since the late 1970s; only income levels for the top 30 percent of salary earners had steadily increased. To combat these problems, the commission recommended a more employment-ready system of education. This new system would mandate an educational standard of excellence that all students should meet by age sixteen (Commission on the Skills of the American Workforce 1990). Successful students would then receive a certificate indicating proficiency in a number of different subject areas and training programs, thus proving to employers that they were hiring a more highly skilled worker. The aim was to give non-college-bound students a direction about which they could feel proud, similar to the technical programs for youth that already existed in Europe (Foster 1990, 8).

A team of twenty-three executives, along with the U.S. Department of Labor, came together to produce *America's Choice* and spent eight months researching the training techniques of different industries in countries around the world. A comparison of these programs and those in the United States showed that in the United States, "the lack of any clear, direct connection between education and employment opportunities for most young people is one of the most devastating aspects of the existing system" (Foster 1990, 8). Similar to the findings in *The Forgotten Half,* the commission found that youth were entering the workforce lacking both the necessary skills to gain long-term employment and the skills to keep the United States competitive in the global economy. *America's Choice* also made a plea for action, in the form of financial incentives for companies to retrain their workers for high-productivity work (Foster 1990, 8).

The Carl D. Perkins Vocational and Applied Technology Education Act of 1990

The Carl D. Perkins Vocational and Applied Technology Education Act of 1990 (familiarly called Perkins II) amended the Carl D. Perkins Vocational Education Act of 1984 and brought new prominence to the need for a highly skilled workforce in a world growing more technologically advanced (Gordon 1999, 79). Perkins II emphasized a three-tiered approach to establishing a more prepared workforce. The first tier dealt with the incorporation of vocational education into academic education. Perkins II intended to better integrate these two traditionally separate forms of schooling (Gordon 1999, 79). The second tier mandated more efficient communication among different types of training programs, and similarly, the third tier mandated more efficient linkages between educational programs and the needs of the workforce. This law deviated from past legislation that perpetuated the separation of vocational programs from traditional academic curricula (Gordon 1999, 79).

The Secretary's Commission on Achieving Necessary Skills (SCANS)

The Secretary's Commission on Achieving Necessary Skills (SCANS) released its initial report, *What Work Requires of Schools,* in June 1991. In this report, the commission determined the skills necessary for students to become successful employees while also outlining the teaching methods that educators might use to ensure that students achieve these skills. The report determined what kinds of employees businesses need in order to become high-performance workplaces and then made recommendations as to how schools can help students to obtain those skills. The objective of the report was to encourage high-paying jobs for highly skilled workers in a highly productive workplace (SCANS 1991).

The report also emphasizes the interpersonal skills that employees must have to be successful employees and encourages the development of these skills within the realm of public education. The main point of the report was to emphasize a three-part academic foundation necessary for the success of all students and future employees, as well as the five most important workplace competencies that SCANS determined are necessary for employees in a highly productive workforce (SCANS 1991). Teachers and organizations helping to develop stronger curriculums for schools now often use the foundation recommended by the SCANS report as a reference for change. Subsequent SCANS reports built upon the initial report and continue to encourage the teaching of skills that will help to develop a successful U.S. workforce.

The School-to-Work Opportunities Act of 1994

The School-to-Work Opportunities Act of 1994 (STWOA) revised the national framework for vocational education. Under the act, states received seed money for the formation of programs that assisted youth in acquiring vocational skills for gainful employment. Individual states applied for federal grant money to start each program, indicating how they would finance the program after federal grant funding discontinued. States and communities then formulated and implemented school-to-work systems in their areas (U.S. Senate 1993). Proponents of the act expected states to establish links between secondary and postsecondary education, in the process giving students the chance to engage in a "career major" in an occupational field of their choice (Fuhrman 1994, 85). The intention of this legislation was to provide non-college-bound students with a more secure direction, allowing them to gain high-paying, long-term employment.

The details of how to implement the initiative were left up to individual states, and consequently school-to-work (STW) programs looked different in each state. The act provided funds for state STW projects and articulated three broad-based activities that states should pursue: work-based learning, school-based learning, and connecting activities (Erlichson and Van Horn 1999, 1). Thus, an unusual opportunity was left for states to set their own STW goals and the means by which they wanted to achieve those goals. However, this discretion served as an impediment for implementation in many states that found themselves stuck in battles over local and state control over education reforms.

The National Skills Standards Act of 1994

The National Skills Standards Act of 1994 established the National Skills Standards Board to encourage the development of a national voluntary system of standards and assessments for skill attainment. The aim of the legislation was that this new system of standards and assessments would help to enhance the skill level of the nation's workforce. The board would also serve as a liaison among prospective employees, training providers, and prospective employers. Thus, the board would ensure that training providers were kept aware of the changing needs of current employers, and current employers would be made aware of the highly skilled workers emerging from training programs. The board would also call upon employers to accept a role in the development of training programs and to provide employees with portable credentials and skills that would enhance their job security. Finally, the National Skills Standards Board would assist in the overall enhancement of the national workforce by overseeing successful transitions from school to the workplace and secondary and postsecondary vocational and technical education (U.S. Department of Education 2002).

Goals 2000: Educate America Act

The Goals 2000: Educate America Act was proposed by the Clinton administration in 1994. The most notable section of Goals 2000 put forth a set of national education goals that required a system of standards and assessments for schools throughout the nation. Student achievement, school readiness, adult literacy, math and science, teacher education and professional development, and parental participation were just some of the categories defined in the legislation as marked for improvement. Other sections of the bill called for the funding of programs to aid parents and states in achieving systemic reform in their local schools (Thomas 1994). This legislation sparked widespread debate over the use of standards and assessments in the U.S. educational system. Although perhaps not directly related to workforce preparation, these new education goals served to promote more efficiently educated students for entry into the labor market and the world of global competition.

The Carl D. Perkins Vocational and Technical Education Act of 1998

The Carl D. Perkins Vocational and Technical Education Act of 1998 (familiarly known as Perkins III) amended and extended Perkins II. The act further promoted the training of students in ways that would ensure their preparedness for work. Perkins III recognized the reforms taking place in U.S. schools and encouraged the realignment of vocational and technical education programs with the changing nature of academic programs. Along with provisions stipulated in the Workforce Investment Act of 1998, Perkins III was involved with workforce training programs within state "one-stop" centers for education and workforce development (U.S. Department of Education 2002).

Perkins III lifted several previous restrictions, granting more flexibility to states, postsecondary institutions, and school districts. This flexibility was allowed so that training providers would be able to design better programs that were more specific to the needs of their local populations. Perkins III also called for greater accountability from training programs and providers. Annual reports were required to encourage continual improvements from training programs. Finally, Perkins III sponsored the continued use of work-based learning programs and encouraged stronger linkages among businesses, training providers, and labor organizations so that students could benefit from the collaborative programs they developed (Department of Education 2002).

The Workforce Investment Act of 1998

Title I of the Workforce Investment Act of 1998 (WIA) established the development of one-stop centers for employment services to provide a central location where clients could access multiple resources that aid in the attainment of gainful employment. Information resources, education, and training services were provided at one-stop centers for individuals who wish to advance in or pursue longtime careers (McNeil

1999, 1). Under the WIA and Perkins III, training programs can provide services in these comprehensive one-stop centers. Training providers covered under both Perkins III and WIA are required to provide certain core services at local one-stop centers in place of or in addition to the programs offered at their regular place of training (McNeil 1999, 3, 8). However, grantees of WIA and Perkins III have several options for using their funds, including, but not limited to, professional development programs, curricula development, and programs geared toward underserved populations (McNeil 1999, 4). Finally, programs funded through WIA and Perkins III are required to provide certain performance data to ensure quality and continued improvement within the training programs (McNeil 1999, 5).

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See also Comprehensive Employment and Training Act; Earnings and Education; E-learning; Job Training Partnership Act; Lifelong Learning; Workforce Investment Act

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Elder Care

Elder care is the care of older adults as they face disability and health issues brought on by aging. It is provided in institutional or community settings or in the home. The provision of elder care will be affected by several trends over the next fifty years. The number of older Americans is increasing as the baby boom generation ages. Two of the major government programs funding elder care, Social Security and Medicare, are facing possible insolvency, partially because the number of working adults in the labor force who pay for these programs cannot keep up with the increasing number of retirees. Costs for health care, which are intimately related to the costs of elder care, continue to rise. Corporations, although responding to the needs of workers who are caring for an elderly relative, are cutting back in their contributions to health insurance for both pensioners and current employees. There is a shortage of elder care workers, including nurses, home health aides, and nursing assistants. Increasing their numbers may require improving salaries and benefits to attract workers, which in turn will further increase elder care costs. Providing and funding elder care will be a major concern for workers, employers, and the government as the effect of these trends is felt across the country.

Historically, families cared for older relatives. Elder care evolved as people lived longer and families moved apart. The first old-age homes were established in the late nineteenth century, as well as some retirement communities (Brown 2002). Many elderly without families lived in poorhouses. The rise of private, for-profit nursing homes is often linked to the Social Security Act of 1935, which limited the flow of social security dollars to public institutions. Elderly living on their own became more prevalent as a result of the income available through the Social Security program. Home health care and visiting nurse associations, which were set up in the late nineteenth century, grew as the elderly lived longer on their own. The Older Americans Act of 1965 established federal money for community-based elder care. Medicare and Medicaid were also established in 1965, bringing the federal government solidly into the role of financing health care for the elderly.

Elder care in the United States currently consists of a combination of institutional and community-based services. Nursing homes provide short-term and long-term care for those who have intensive needs and can do little for themselves. Assisted living facilities and continuing care retirement communities provide a range of services at various levels of intensity, offering older adults the opportunity to maintain an independent life but the safety of having more intensive medical care available. Frail elderly are also cared for in their own homes by relatives, visiting nurses, and other home health care workers. Some 85 percent of frail elderly are cared for by their friends or family (Seki 2001, 91). The number of adult day care facilities is growing across the nation, and these programs offer more intensive services for the frail elderly on a daily basis, providing respite for caregivers or caring for an elder while a caregiver is at work. Other community services include nutrition programs like Meals on Wheels, which delivers food to older adults in their homes, and senior centers, which provide social and nutritional opportunities for older adults who can travel to the centers.

Many who work in the field of elder care advocate a continuum of care, providing the appropriate level of services to meet changing levels of health and independence as older adults age. This continuum would include affordable housing options that allow people to age in place and possibly receive services in their homes. It is generally predicted that elder care services are underprovided in the United States, particularly in relation to the aging of the population over the next half century.

Elder care can be expensive to provide, particularly in terms of long-term care for the frail elderly. There is debate over whether community-based programs will allow financial savings by helping older adults remain independent and in their own homes for as long as possible. Federal and state governments currently provide funding for both community-based care and institutional care, but levels of funding are extremely varied. Medicaid and Medicare, both public health insurance programs that support health care–focused elder care services, are beginning to look at ways to fund community-based services, but in general most of the funding for elder care from these two sources goes to acute or long-term care. Some, like the National Council on Aging, argue that funding patterns create a preference for institutionalized care, which may not be cost-effective or preferred by older adults (National Council on Aging 2001). Medicare will only pay for home health care if it is ordered by a medical doctor and provided by a skilled nurse or physical or occupational therapist. Thus Medicare only usually supports home health care after an older person suffers a major health problem, and its funding for home health care is generally short-term and for only a few hours a week.

The Older Americans Act (OAA), which became law in 1965, governs the federal provision of elder care services and does support some community-based care. OAA created the Administration on Aging (AOA), housed in the federal Department of Health and Human Services. The AOA supports community programs that allow older adults to avoid institutionalization and remain in their homes. Funding distributed by AOA provides for services such as transportation, nutrition, senior centers, disease prevention, case management, and in-home services for the frail. The OAA's reauthorization in 2000 focused on the needs of low-income and minority elderly. New in the 2000 reauthorization was a caregiver support program to provide counseling, information, and respite care for those tending a relative. Appropriations under the OAA totaled $1.1 billion in 2001 (Consolidated Appropriations Act 2001).

Although it does not directly support elder care services, Social Security is another way that the government participates in the care of the older population. Workers pay into this system and after a certain age can begin to receive monetary payments, the amount of which is determined by income level. Many older Americans are heavily dependent on Social Security to survive, with 63 percent of those over sixty-five years of age depending on Social Security for 50 percent or more of their income (Seki 2001, 91). Social Security faces possible bankruptcy in 2040 because fewer numbers of younger workers will be paying into the system and large numbers of older Americans will be dependent on the system.

The government also provides health insurance for adults over sixty-five through the Medicare program. All adults who paid Medicare taxes while working, or whose spouse did so, are automatically enrolled in Medicare Part A when they turn sixty-five. Medicare Part A covers hospital stays and other intensive health needs. Adults over sixty-five also have the option of purchasing Medicare Part B, which provides insurance coverage for outpatient health care. Neither Medicare Part A nor Medicare Part B provides for long-term care, though Medicare Part A may pay for a short-term stay in a nursing facility if a patient requires skilled nursing or rehabilitation services (Kaplan 2001, 66). Older adults can also buy Medigap coverage to help with needs, such as prescription drugs, that Medicare does not cover. Some rely on either Medigap coverage or an employer-sponsored health plan to which they continue to subscribe to provide additional benefits, but many struggle to pay for medications.

As with Social Security, the future of Medicare is in jeopardy because of the decreasing ratio of working-age Americans to retirees. According to the National Bipartisan Commission on the Future of Medicare, the Medicare trust fund, which finances most Medicare expenditures, will disappear by 2008. Without that funding, costs to Medicare beneficiaries will rise. The portion of elder care that Medicare currently supports will have to be provided by another source, and whether most retired older adults can afford to support their own health care needs is a serious question.

Older Americans who qualify based on their income are also eligible for Medicaid, the government health insurance program for the poor, which does cover long-term care. Over three-quarters of Medicaid spending on the elderly goes to long-term care (Liska 1997, 2). Older adults who enter long-term care facilities often spend all assets and then depend on Medicaid. Researchers have found that 67 percent of those in nursing homes spend all assets within a year of entering and that Medicaid pays for 38 percent of all nursing home care in the United States (Seki 2001, 91).

As the population in the United States becomes older, the demand for elder care will increase. The baby boom generation is aging, and the labor force will be smaller in comparison to the number of older retired adults. In the year 2000, there were 35 million people aged sixty-five and over, but the Census Bureau projects that by 2016, 47 million Americans will be sixty-five and over (Federal Interagency Forum on Aging-Related Statistics 2000). By 2050 almost 82 million Americans will be over age 65 (Federal Interagency Forum on Aging-Related Statistics 2000). The population over eighty-five is the fastest growing segment of the older population as life spans increase (Federal Interagency Forum on Aging-Related Statistics 2000).

The older population will also become more ethnically diverse over this period, with the percentage of whites among those over sixty-five expected to drop from 84 percent to 64 percent between 2000 and 2050. The Hispanic elderly are the fastest-growing older population, growing from 2 million in 2000 to over 13 million by 2050. Women are expected to continue outnumbering men among older adults, especially among those over eighty-five. By 2050, women will comprise 61 percent of the over-eighty-five population (Federal Interagency Forum on Aging-Related Statistics 2000). Responses to elder care needs will have to take these demographic realities into account.

Other demographic trends also shape elder care. Like child care, elder care responsibilities once fell largely to women. Traditional methods of elder care are no longer available following the mass entrance of women into the labor force during the last half of the twentieth century. Two-income families must look to other ways to care for their elders or juggle elder care while working, causing concern for employers whose workers may be facing difficult elder care problems that affect productivity.

The government and corporations are both beginning to create programs and services that assist workers caring for frail relatives. The Family and Medical Leave Act of 1993 allows employees to take up to twelve weeks per year of leave, with job protection, to deal with a family or medical situation. Such leave can be taken in larger units or for as little as a few hours. This law can help employees cope with elder care issues. Companies are also helping employees handle the care of an elderly relative through such means as seminars, newsletters, handbooks, referral services, and personnel policies that allow for flexible schedules and time off (Scharlach, Lowe, and Schneider 1991, 61–85).

As increasing numbers of people live longer, the need for expensive long-term care will increase. The rise of chronic diseases, such as Alzheimer's, also contributes to the increased demand for and cost of long-term care. Long-term care insurance is one option to help older adults and their families cover high costs. It is beginning to gain more attention but continues to be fairly expensive and includes many limitations because the ultimate cost of the care is substantial. Some people see continuing care communities as a type of long-term care insurance, and insurance companies have actually partnered with continuing care communities to provide coverage for people who move into the community when they are independent and relatively healthy, for any future long-term needs they may have (Sherwood et al., 7).

The increasing demand for elder care means a greater need for workers who will provide such care. Some researchers have gone so far as to call the need for long-term care workers a crisis (Stone and Weiner 2001). The Bureau of Labor Statistics predicts that home health work will be a high-growth occupation, growing by 21 to 35 percent between 2000 and 2010 (Bureau of Labor Statistics 2003). With the sharp increase in population over sixty-five during the next half-century, this demand will only rise. The majority of such jobs are for paraprofessional workers, including home health workers and nursing assistants, are not well respected, pay poorly, and have extremely high turnover. Many do not provide benefits, including any career development opportunities that may help workers remain in the field. Under many government workforce development programs, training for such positions may in fact be ignored because starting salaries are below requirements for the programs (Stone and Weiner 2001). The nation also faces a critical shortage of registered nurses, and hospitals have begun extensive recruiting campaigns to attract nurses (Janofsy 2002). This workforce shortage, combined with the considerable concerns about the funding of long-term care and the solvency of Medicare and Social Security, means that elder care will rise to the forefront of public policy agendas and necessitate a response both from the government and from employers because of the impact of these pressures on the entire workforce.

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See also American Association of Retired Persons; Family and Medical Leave Act; Health Insurance; Medicaid; Older Workers; Social Security Act

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E-learning

Recent technological advances have resulted in a learning revolution that revolves around the concept of e-learning, defined by the Commission on Technology and Adult Learning as "instructional content or learning experiences delivered or enabled by electronic technology" (Pantazis 2001). E-learning appears in various forms, including online learning, computer-based training, information and learning technology, and virtual learning. This new type of learning, used by both corporations and academia, has raised numerous questions about its validity; although the key to a quality education may once have been hands-on exercises and face-to-face feedback in the physical classroom, the opportunity to learn online and receive feedback by both asynchronous (interaction between learner and instructor via communication such as e-mail) and synchronous communication (interaction between learner and instructor in "real time" or live chat sessions) is a new avenue for exploration. The "just-in-time" nature of e-learning, as well as the changing nature and needs of twenty-first-century learners, has revolutionized the concept of both learning and instruction.

E-learning is in its infancy in the twenty-first century. The terms *e-learning* or *online learning* have become catchwords to refer to courses that cover marketability in the corporate world, for example, or courses in fields such as history or business for those individuals interested in beginning or completing a degree program.

The self-directed nature of e-learning has encouraged individuals to learn at their own pace and to choose courses that interest them. Leslie Darling, chief learning officer at Element K, an online learning portal, contends that e-learning "forces participants into a needs analysis role; they're expected to bring something back, so they try to be more efficient with their time" (Salopek 2002, 73). Ideally, the combination of work and e-learning in the workforce challenges individuals to accomplish more in both the work environment and in the classroom. E-learning, however, involves the creation of high expectations; the instructor needs to set boundaries on the first day of the class and maintain control of the classroom. The focus in the corporate e-learning environment is on the specific nature of an individual's job, which, in turn, facilitates the transfer of what had been learned online into the workplace.

E-learning has resulted in a revolution in methodology; the question of how information and communications technology can be used to enhance and strengthen human interaction is at the forefront of the e-learning field. Although formal learning has always been associated with time and location, e-learning can occur at the discretion of both instructor and student. Simon Mauger of the National Institute of Adult Continuing Education noted that e-learning "require(s) a smart environment. This involves not simply the delivery of materials online with some online support from competent online tutors. It needs a supporting cast of other staff who understand what is going on for the learner and who are themselves e-functional" (Mauger 2002, 12). For e-learning to be effective, there must be some sort of evaluation system in place, as well as training and support for both learners and instructors. The "smart" environment to which Mauger refers is one that must refer to the "outcome end" of an e-learning system, or one that is results-oriented and retention-focused.

For corporations that buy into the e-learning environment, the emergence of e-learning portals marked the beginning of an e-learning industry. The Masie Center, which evaluates new educational venues, ranks the emergence of e-learning portals as the second most important innovation in corporate America. However, as is often the problem with new innovations, corporate buyers may have

E-learning appears in various forms, including online learning, computer-based training, information and learning technology, and virtual learning. (Getty Images)

a somewhat unsophisticated interpretation of the e-learning environment, particularly of the somewhat transient nature of some e-learning portals. Various networking solutions can provide flexibility and affordability to a company since most of the services offered allow consumers to avoid disabling firewalls on their computers. E-learning portals such as Click2learn.com; Learn2.com; Knowledge Planet.com, THINQ, Headlight.com, and eMind offer a wide variety of learning opportunities. Yet one of the downfalls of e-learning portals and the e-learning environment in general is the sheer volume of available course material. Often, the information is not consistently updated, and depending on the vender, the same type of course could offer different information. Corporate spending on e-learning is expected to increase to an estimated $18 billion by 2005, more than four times the current spending. E-learning is also advantageous because corporations can cut travel budgets by not sending employees to training conferences, as in the case of International Business Machines (IBM), which saved $350 million in 2000 by not spending money on a training budget.

Not necessarily only a corporate advantage, e-learning has become a controversial part of academia. A combination of profit and not-for-profit ventures, e-learning in academia can lead to associates, bachelor's, master's, or even doctoral degrees. The University of Phoenix, the largest for-profit university in the United States, saw an increase in revenue by 76 percent for the fiscal year 2000–2001, to $181 million, with an increase in profits of 82 percent to $32 million. The U.S. Army offers degree-based courses through ArmyU, and students receive a free laptop and printer, as well as free tuition; as a result, the army expects enrollment to hit 80,000 by 2005 (Symonds 2001, 76). Approximately one-half of the nation's colleges and universities offer courses over the Internet toward a degree or at least use the Web to enhance on-campus courses. Estimates show that the numbers of students taking online courses could increase to approximately 5 million by 2006, more than double the estimated 2 million students currently involved in e-learning (Symonds 2001, 77). Nearly half the distance education population are adult learners with one or more children, and most are employed, so the ease and convenience of the online environment allows them to pursue their degrees.

Those who doubt the efficacy of online learning contend that the online environment lacks quality and cite situations in which students dropped out of online classes because of an inability to manage time well. Many colleges that offer both traditional and nontraditional venues for learning struggle with just how much time faculty should devote to e-teaching, and many schools, including Harvard University, feel that the preparation for the online environment is more hassle than it is worth. However, many schools, such as those sponsored by the test-preparation corporation Kaplan, including Kaplan College and Concord Law School, are primarily devoted to online learning, with a few students taking the traditional route. Yet accreditation is essential, and many students look for an accredited school in which to take classes. Those schools that lack both name recognition and accreditation have to work harder to attract more students. Capella University took five years to gain accreditation; Concord Law School allows its students to sit for the California Bar Exam, although the American Bar Association has yet to grant it accreditation. Online programs can also be costly; for example, Duke University's Fuqua School of Business offers the opportunity to earn a master's in business administration (M.B.A.), but for an estimated cost of $90,000 for the program, versus approximately $60,000 for the traditional residential M.B.A.

Economic considerations, particularly of the cost for the individual or the corporation, are essential. However, the economic cost advantage depends on the future of e-learning and the reliability of and variability in course offerings. As a potential tool for reducing the cost of workplace education (as in the case of IBM, mentioned earlier), e-learning has promise. With the advantage of offering all that the Internet (or intranet) can provide, e-learning offers a process of continuing improvement. Yet, there are problems with this medium and its development, primarily because of its relative state of infancy and the lack of good business practices or even industry models. Therefore, e-learning is in a constant state of reevaluation. As Elisabeth Goodridge noted, "Companies know that e-learning is no longer just about immediate cost savings but about increasing worker productivity, driving operational efficiencies, and streamlining corporate training" (Goodridge 2002, 64). The American Red Cross made a seven-year deal worth more than $10 million with Plateau Systems in April 2002, and Toyota Corporation plans on its partnership with Vuepoint Learning System saving the company $11.9 million over the average five-year spending period. In addition, General Motors also developed a partnership with Thomson Corporation to offer an M.B.A. program to its managers, which was formulated by schools such as Carnegie Mellon, Columbia University, and the London School of Economics.

Standards are essential when evaluating the efficacy of e-learning programs. Those who purchase relationships with e-learning portals expect a promising return on their initial investment, and the companies that invest in e-learning partnerships want to reuse courses from the online environment. To encourage both, the Department of Defense and the White House Office of Technology created the shareable content objective reference model (SCORM) in early 2000, in part because of the need for reusable content. Yet there are no e-learning standards; each institution or e-learning portal provides its own. However, as Kevin Oakes, the chief executive officer of Click2learn noted, "The ability to reuse content pieces will enable companies to create high-quality courses more quickly and update their curriculums more easily. With e-learning standards, buyers should eventually have the flexibility to mix course content from different publishers" (Oakes 2002, 70).

Two essential problems with e-learning have been identified, including poorly designed e-learning courses and insufficient focus. In the former, traditional courseware is often just reformatted for the online environment, without real consideration for the difficulties with integration into the online environment, thereby creating limited learning and no real hope for learning transfer. In the latter, course creators do not focus on the environment of the entire learning system to ensure a change in work performance, primarily for the better; they do not grasp that learning on its own will not guarantee a change in performance. It is the application of those skills that is most essential for e-learning to be effective. Relying on a single learning solution to create a change in performance only creates more problems.

Considering the emphasis on the outcome, the question of e-learning reliability and permanence remains. A Michigan State University study released in March 2002 demonstrated that onsite employee education programs offered better results than online education programs. Economics professors Carl Liedholm and Byron Brown discovered that students in a virtual education program fared worse on examinations than their traditional counterparts, a problem the professors traced to the inability to develop complex analytical skills. Liedholm argued, "These classes are not the huge success stories that they're touted to be"; employees are often "used to classroom experiences in high school and college, where they absorb material in a more hands-on way. That's what you're missing in an e-learning environment" ("Poor Grade for E-Learning" 2002). The study, based on thirty-seven questions related to the subject material for the classes the students were taking, did not result in a consensus that e-learning should be eradicated but that more emphasis should be placed on motivation and the use of live classroom environments. The study also found that female students performed better in the online environment than in the traditional environment; female students scored an average of 6 percentage points lower than their male counterparts in the traditional classroom ("Poor Grade for E-Learning" 2002).

The e-learning industry of the early twenty-first century has been characterized by a wide variety of course offerings, yet barriers to widespread adaptation remain. In 2000, classroom training accounted for 77 percent of corporate training, but experts predict that by 2004, traditional classroom training will occur about one-third of the time. The customer service industry has begun to rely on e-learning; since the service department is often the customer's first point of contact, corporations such as First Union have employed e-learning to strengthen their call center employees' customer service skills. In 1995, for example, customer service representatives handled fewer calls than at present and did not have to deal with numerous product lines, but once First Union consolidated its over sixty toll-free numbers into one main toll-free number, used at its five call centers, service representatives were taking calls regarding more than just checking accounts. The 6,000 call service representatives needed to be trained by a uniform method, so First Union called on the e-learning portal Cognitive Arts to organize a training program. After spending $350,000 to train the first half of its 6,000 agents for the pilot test, training time decreased by 16 percent, and the graduates were found to make 20 percent fewer errors than before.

Despite their infancy status in the early twenty-first century, e-learning programs are beginning to promote more productivity in the corporate environment. The public and private partnerships in the conduct of research on the results of e-learning will dissipate some of the barriers between public and private academic and business environments. Much of modern society is knowledge-based, and as Donnee Ramelli, president of General Motors University, noted, "the faster you can ship it around, the more value to major companies" (Goodridge 2002, 65). Current research suggests that e-learning, both in the corporate world and in academia, will continue to strengthen and gain accreditation, making it a viable resource for public and private partnerships in education and in the corporate world.

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See also Computers at Work; On-the-Job-Training

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Employee Retirement Income Security Act (ERISA) (1974)

The Employee Retirement Income Security Act (ERISA), enacted in 1974 and amended a number of times since, is the primary federal law regulating employee benefit plans, which include both pension and welfare plans. Although ERISA does not require employers to establish a plan, any plans that are created must meet certain minimum standards. ERISA is divided into four sections: Title I deals primarily with the protection of employee rights; Title II amends the Internal Revenue Code to provide favorable tax treatment for contributions to qualified plans under ERISA (plans that satisfy ERISA's standards are referred to as "qualified plans"); Title III divides the enforcement of ERISA among the Department of Labor (DOL), the Internal Revenue Service (IRS), and the Pension Benefit Guarantee Corporation (PBGC); and Title IV establishes a system for plan termination insurance that provides benefits to participants in a plan that is unable to meet all its benefit obligations. ERISA is a complicated law that is extremely difficult to understand and interpret.

Employers had provided employee benefit plans for employees long before the passage of ERISA. These plans were largely unregulated for many years, however, and employees' expectations were often dashed when they did not get the benefits they expected. For example, at an assembly plant in South Bend, Indiana, in the 1960s, employees were given numerous assurances that their pension benefits were secure. Then, in 1966, the plant closed, and many employees—some of whom had spent their entire working lives at the plant—discovered that they would actually collect considerably less than they had been led to believe. In another case (*Hablas v. Armour and Co.,* 1959), an employee had worked for more than forty years for a company but lost all of his pension rights because he was fired one year before retirement, even though he was fired *for no apparent reason.* After stories such as these caught the attention of several prominent members of Congress, ERISA was introduced and championed by Senator Jacob Javits to regulate these plans.

ERISA covers virtually any employee benefit plan maintained by an employer or union. According to the act, the two types of employee benefit plans are pension plans and welfare plans. A pension plan is any program that provides employees with postretirement income; a welfare plan is a program that provides any other type of income or benefit to employees or their beneficiaries (for example, medical benefits, vacations, training, education, or unemployment income). There are more rules governing pension plans than there are for welfare plans. For pensions, ERISA rules govern reporting and disclosure, fiduciary responsibilities, civil enforcement provision, funding and participation, and vesting. Welfare plans are subject to ERISA reporting and disclosure provisions, fiduciary responsibility provisions, and civil enforcement provisions but not to ERISA participation, vesting, or funding rules.

ERISA has extensive disclosure provisions. First, it requires the person who oversees and administers the benefit plan (the plan administrator) to report certain plan information to the IRS, the DOL, and the PBGC and to cooperate with surveys made by the General Accounting Office. Perhaps more importantly, administrators must provide a great deal of information about benefit plans to all plan participants (some information must be provided automatically, and other information must be disclosed upon request). These rules are designed to ensure that anyone who participates in a benefit plan has access to all the information about the plan.

ERISA designates certain people who are involved with benefit plan administration as "fiduciaries." They are persons who have discretionary authority or control with respect to plan administration or plan assets. In other words, persons who have authority over other people's money or benefits are considered fiduciaries. Since fiduciaries have control over other people's money and benefits, they are subject to strict rules regarding what they may and may not do. First, ERISA has a detailed list of "prohibited transactions" rules. These rules make it illegal for fiduciaries to engage in certain specific behaviors (for example, to borrow money from the plan). Also, the act states that all fiduciaries are required to adhere to a general standard of care and loyalty.

The disclosure rules and fiduciary responsibilities just discussed apply to both pension and welfare plans. ERISA has even more rules governing pension plans. In the pension plan area, ERISA distinguishes between "qualified" and "nonqualified" plans. Qualified pension plans meet tax qualification requirements established by the Internal Revenue Code and offer substantial tax advantages to both employers and employees. To achieve these tax advantages, however, a pension plan must follow extremely complex rules governing issues such as the percentage of the firm's employees that must be permitted to participate in the plan, the age at which an employee must be allowed to participate in the plan, when a participant's benefits under the plan become "vested" (that is, nonforfeitable), and so on. In fact, a firm must spend a great deal of time and money to establish a qualified plan and more money to maintain that plan, since the requirements are so numerous, detailed, and complex.

There are two types of pension plans that can be qualified under ERISA: defined contribution pension plans and defined benefit pension plans. In a defined contribution pension plan, the employer makes contributions to accounts established on behalf of individual employees. The retirement benefits of each employee depend entirely on the value of that employee's account. Thus, the employee bears the investment risk, because the value of the employee's final benefit depends on the investment choices made by the employee. A defined benefit pension plan includes any other type of pension plan. Essentially, a defined benefit pension plan promises to pay a dollar amount at retirement, based upon a formula specified in the plan. In other words, when the employee retires, he or she gets a benefit based on things such as age, years in the plan, salary at the time of retirement, and so on.

Among the biggest problems facing workers before ERISA was passed was the number of people who expected to receive a pension benefit upon retirement, only to receive nothing when they did retire because there was no money left in the plan to pay the benefits to which they were entitled. ERISA attempts to protect benefits due under defined benefit plans in a number of ways. With defined contribution plans, there is always a possibility that plan participants will receive nothing upon retirement, but this outcome is of less concern under ERISA because participants have some control over what they receive. Participants' contributions to the plan are guaranteed, and if they make appropriate investment choices, they will receive benefits upon retirement. With defined benefit plans, ERISA has several mechanisms to ensure that participants receive plan benefits upon retirement. First, there are minimum funding rules that require the plan sponsor (the employer who established the plan) to contribute enough money to the plan to reduce the risk that there will not be enough money to pay the benefits that come due. In addition, the PBGC provides a type of insurance for defined benefit plans. The PBGC collects insurance premiums from employers whose plans are covered by PBGC insurance and pays out benefits to participants who would otherwise receive little or nothing in the way of promised plan benefits because the plan does not have sufficient funds to pay the required benefits.

Finally, ERISA has broad preemption provisions, which means that any benefit plan that is covered by ERISA has to satisfy ERISA's requirements only; the plan need not satisfy any state laws that would apply if ERISA were not in effect. In other words, if a plan is covered by ERISA, the sponsor of the plan may be able to avoid satisfying other laws that would apply if the plan were not covered by ERISA. Many critics of ERISA find this to be a major flaw with the statute, especially in the area of welfare plans. These critics believe that the regulations ERISA imposes on welfare plans are insufficient to protect these plans adequately. Further, there may be state laws that would better protect these plans. Because of ERISA's broad preemption provisions, however, the plans need not satisfy the state laws and can get away with satisfying ERISA's less stringent requirements.

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See also American Association of Retired Persons; Defined Benefit/Defined Contribution Plans; Job Benefits; Older Workers; Pensions; Retirement

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Employee Stock Ownership

At the end of 2002, 24.1 million U.S. employees owned approximately $395 billion worth of stock in 11,561 companies where they were employed. There are six principal forms of employee stock ownership in the United States. Many of these forms are defined contribution retirement plans, in which employees or companies make contributions to a retirement benefit plan that invests in certain assets. Upon retirement, the employee receives the then current value of these investments. Many employers have multiple plans. The estimates that follow indicate the total employee ownership of all types in companies with a specific dominant plan.

The first type is the employee stock ownership plan (ESOP), a defined contribution retirement plan that allows an employer to concentrate virtually all the assets of this retirement plan in company stock. In 2002 6,431 corporations offered pure ESOPs to 3.4 million workers; those plans contained $58 billion of total employee-owned stock of all kinds (Blasi, Kruse, and Bernstein 2003, 249). ESOPs were created by the Employee Retirement Income Security Act of 1974 (ERISA), when Senator Russell Long (D-LA) introduced the idea of the San Francisco investment banker Louis Kelso into law. Kelso had elaborated on the theory of ESOPs in his 1958 book, *The Capitalist Manifesto,* written with philosopher Mortimer Adler.

In an ESOP, companies make contributions each year to fund stock for employees, or they borrow money to buy company stock on behalf of employees. In the first case, called a "nonleveraged ESOP," companies contribute cash or stock to an ESOP on behalf of employees. This is similar to a stock bonus plan. Company contributions allow the ESOP to slowly accumulate company stock year after year. In the second case, called a "leveraged ESOP," a company borrows funds from a lender to purchase stock for employees. In a leveraged ESOP, a large block of stock can be purchased in one single transaction. Thus, a company can use a leveraged ESOP to transition from little employee ownership to significant employee ownership in a very short time.

When a company uses a leveraged ESOP to create employee ownership, both principal and interest payments on a loan to buy company stock for employees are deductible from the company's income for tax purposes. In the 1980s, Congress provided an additional tax benefit. Owners of private companies were excluded from capital gains taxes on the sale of more than 30 percent of their firm to a broad group of employees. The combination of these incentives spawned thousands of largely employee-owned firms from 1980 to 2002. Other tax incentives followed. In general, corporations whose stock is publicly traded on the three stock markets (New York Stock Exchange, American Stock Exchange, and NASDAQ) have ESOPs holding less than 15 percent of the company's common stock, whereas corporations that are closely held tend to have larger employee ownership and represent most of the ESOPs that hold stakes in excess of 51 percent. Some of these firms are entirely employee-owned. Employees do not use their savings to buy stock in an ESOP. The ESOP benefit generally adds compensation on top of the typical compensation an employee would receive. The exceptions are the small number of cases in which unionized employees trade wage and benefit and work rule concessions for ESOP stock, as was common in the steel and airline industries in the 1980s and 1990s.

The second type of employee ownership is the KSOP, a combination of an ESOP and a 401(k) plan. In 2002, a total of 1,397 corporations employing 4.8 million workers provided KSOPs, holding $174 billion worth of employer stock (Blasi, Kruse, and Bernstein 2003, 249). A 401(k) plan is a retirement plan in which employees make pretax contributions to an individual account that are invested in stocks, bonds, and money market funds. Employers often match these contributions in company stock and also encourage employees to use their savings to purchase more company stock. When an ESOP is combined with a 401(k) plan, the employer adopts a leveraged ESOP to borrow funds to buy a large block of employer stock that is used over a number of years to match employee contributions to the 401(k) plan. Such plans are common in large publicly traded corporations. To the extent that an employee uses a KSOP to accumulate company stock solely as a result of the stock that the company provides to match the employee's retirement contributions, the KSOP provides a low-risk opportunity to invest in company stock. However, when employees also choose to invest their own individual retirement contributions in purchasing additional company stock, the KSOP can become a source of personal risk.

The third type of employee ownership is the 401(k) plan that is not combined with an ESOP. There are 2,813 corporations that have employer stock in pure 401(k) plans, covering 13.6 million workers and holding $147 billion of employer stock. As noted, a 401(k) plan is a defined contribution retirement plan in which employees make pretax contributions to an individual account that are invested in stocks, bonds, and money market funds. Employers match these contributions in company stock and also encourage employees to use their savings to purchase more company stock. A common match is for an employer to offer an employee a fifty cent company contribution for each dollar of employee contribution. Like KSOPs, 401(k) plans can also become a source of personal risk to employees.

The fourth type of employee ownership is the deferred profit-sharing trust. A total of 174 corporations provide profit-sharing plans that hold employer stock, covering 0.9 million workers and holding $12 billion worth of employer stock (Blasi, Kruse, and Bernstein 2003, 249). In a deferred profit-sharing trust, the employer agrees to share profits with employees according to a set formula, or discretion, on an annual basis. These profits are typically paid into the retirement plan that is a defined contribution plan. In some plans, these profits are partly or wholly invested in company stock. In addition, employees may make additional individual contributions that they can use to buy more company stock. Deferred profit-sharing trusts were far more common before the 1970s. In fact, many companies had made liberal profit-sharing contributions to their employees in most years that constituted a significant proportion of their annual compensation. However, after the rise of 401(k) plans, the federal government mandated certain ceilings for employer contributions to all retirement plans. Many employers determined that they could not afford to make meaningful profit-sharing contributions and also fund employer matching contributions to employee contributions to the increasingly popular 401(k) plans. As a result, many profit-sharing plans were converted to 401(k) plans, and authentic profit sharing fell into abeyance in many companies.

The fifth type of employee ownership is the employee stock purchase plan (ESPP). There are 746 corporations that have ESPPs, in which 1.4 million workers own $4 billion worth of employer stock. In an ESPP, the employer gives employees the opportunity to contribute funds from their regular paychecks to purchase company stock during certain buying periods. Typically, the stock is offered at 15 percent below the market price, and the employer absorbs brokerage costs. ESPPs are entirely based on employee savings, with the exception of the stock discount. However, some employees use ESPPs like short-term stock option plans. They accumulate payroll savings to buy stock but only purchase the stock in a buying period when they are assured of a clear profit. They also take advantage of the 15 percent discount. They sell the stock, pocket the profits, and do not hold large proportions of their portfolio in company stock on an ongoing basis.

The sixth form of employee ownership is individual market purchases. Employees can purchase stock in their companies on the open market through a broker. At present, there are no reliable estimates of the extent to which U.S. citizens own their company stock through such individual purchases that are unconnected to organized company retirement or benefit plans. However, it is widely observed that many companies have a "culture of employee ownership" that encourages such purchases.

KSOPs, 401(k) plans, profit-sharing trusts, and ESPPs became controversial in the 2000–2002 recession because some employees used their personal savings to purchase quite large personal holdings of their company stock. Whatever the motive or level of company encouragement for the practice, some employees clearly went way beyond the rules of diversified investing, maintained such holdings over a number of years, and allowed these holdings to represent a large proportion of their retirement portfolio. When the stock market crashed and some companies failed (for example, Enron, Worldcom), many employees experienced devastating losses. In addition, many employees reported that they were prevented from selling their shares in Enron's 401(k) plan as the shares' value fell, even as higher-level managers were able to bail out of their shares. After much public debate about whether the 401(k) form of employee ownership should be curtailed, the Bush administration issued new regulations in 2002 that gave employees added protections.

Another public policy issue surrounding employee stock ownership is whether stock should be purchased mainly by employees with their savings and retirement assets or whether it should be provided as a benefit on top of regular pay and benefits. Before 1929, many corporations strongly encouraged employees to use their savings to purchase company stock. Most of these holdings were wiped out by the stock market crash. In the 2000–2002 stock market correction, it is estimated that employees lost $261 billion in the value of employee ownership stock from March 2000 to August 2002, which again raised the problem of excessive risk in employee ownership. These concerns were resolved in several ways. Employees were encouraged to distinguish between forms of employee ownership not based on the use of personal savings, such as ESOPs and company stock matches in 401(k) plans, and those based exclusively on personal savings. ESOPs and company stock matches are usually offered in addition to normal pay and benefits. In the late 1980s and early 1990s, many companies in the technology industry began to offer stock options to rank-and-file employees as a way to gain the benefits of employee ownership without the excessive risk of tying up personal savings. Options allow employees the opportunity for the upside gain in the stock without the risk of losing capital if the share price goes down. During the 1990s, more and more nontech companies began to adopt this approach. As a result, a form of employee equity began to emerge at the beginning of the twenty-first century that emphasized less risky stock options and the low-risk ESOP and company stock matches. Employees and companies were encouraged to educate employees to take care that company stock bought directly with their savings represent only a modest and reasonable proportion of their overall portfolio.

There is extensive evidence that broad employee ownership can result in better corporate performance over the long term. In general, empirical research using large samples of corporations and adequate statistical controls suggests that broad-based employee ownership can result in one-time but sustainable increases in total shareholder return of 2 percentage points and productivity of 4 percentage points. Some studies suggest that returns on equity go up 14 percent, returns on assets rise by 12 percent, and profit margins go up by 11 percent (Blasi, Kruse, and Bernstein 2003, 153–184; Kruse 2002). A number of studies strongly suggest that these effects are the result of combining employee ownership with a participatory and team-oriented corporate culture.

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See also Compensation; Defined Benefit/Defined Contribution Plans; Profit Sharing; Stock Options

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Employment and Training Administration (ETA)

The Employment and Training Administration (ETA) was established in February 1963 and acquired its current name in 1975. When the agency was created, John F. Kenney was president and W. Willard Wirtz was secretary of labor. Just nine months before, the Manpower Development and Training Act, the first major piece of manpower legislation since 1946, had been enacted. The Kennedy administration and members of Congress developed this legislation to address concerns about continuing unemployment and the impact of new technologies and automation on the U.S. workforce.

One of nearly twenty agencies comprising the U.S. Department of Labor (DOL), ETA was reorganized into its present structure as a requirement of the Workforce Investment Act of 1998. The national office includes four program offices focusing on adult, youth, employer/labor services, and workforce security. Each of six U.S. regions has a parallel structure. The principles guiding the work of ETA include encouraging business growth through creation of an "agile workforce," equipping individuals with career information and skills, helping the less fortunate to make sound economic decisions, administering a workforce system that partners with the education system, and combining youth training programs and education. The primary programs and activities of ETA include youth education, training, and apprenticeship programs; the Senior Community Service Employment Program (SCSEP); management of the U.S. Employment Service; responsibility for the federal side of the unemployment insurance system; management of the labor market information system; and many adult programs, including welfare-to-work, training, one-stop centers, and programs for Native Americans and migrant and seasonal farm workers.

From its inception, an important goal of ETA was to build a quality workforce capable of adapting to the changing economic and technological conditions of the times. At any given moment, how the agency seeks to achieve this goal is influenced by the particular federal legislation in force and the priorities of the presidential administration in office. For example, from 1982 through 1997, the Job Training Partnership Act (JTPA) was a central element of the legislative framework within which ETA worked. JTPA mandated a core of employment and training services to be provided for specific groups of economically disadvantaged or dislocated adult workers and youth. Although the requirements of JTPA had much to do with ETA's agenda, under the Reagan administration in the mid-1980s, the long-term competitiveness of the U.S. workforce and the dislocation of workers by technology were also key concerns that helped shape ETA's activities. Under President George H. W. Bush, the agency developed a "New Century Workplace" plan emphasizing youth apprenticeship programs; an overhaul of the Job Corps program for youth; job training for the homeless; training, job readiness, and unemployment insurance for dislocated workers; and workplace literacy programs.

Soon after President Bill Clinton took office in January 1993, amendments to JTPA took effect, and the DOL and ETA declared their intention to focus on "preparing workers to meet the demands of increasingly complex and challenging workplaces" (U.S. Department of Labor 1996, 3). An important goal was to enhance both the basic and higher-level skills of workers available to U.S. companies. ETA sought to consolidate and reform workforce education and training programs around two core concepts: school-to-work (for youth) and "one-stop" workforce development centers.

The 1998 Workforce Investment Act (WIA) required a major realignment of delivery of job training, education, and employment services so that both employers and individuals needing information or services would have a single point of contact (one-stop center) in a local neighborhood area. Individuals ("customers") were to be given more choice about the services they might use, and "individual training accounts" were to be established to pay providers for the services chosen by customers. Three separate funding streams were created for adults, dislocated workers, and youth. Certain core services (for example, job search and placement assistance, assessment of skills and needs) were to be available to *all* adults, with no eligibility restrictions. More intensive services (including the possibility of skill training) were to be provided to those who could not find a job using core services.

The WIA became fully effective in July 2000. Early implementation came in a strong economic climate at the end of the Clinton administration. The national unemployment rate in early 2000 was under 3.5 percent. ETA quickly moved to develop its strategic plan for fiscal years 1999–2004 (U.S. Department of Labor 2000), outlining agency reorganization plans and establishing goals and strategies for development of a national workforce investment system. Despite the events of September 11, 2001, and an economic downturn in 2001–2002 (the unemployment rate reached 5.4 percent in October 2001), the new administration of George W. Bush retained and continued to build on the one-stop center concept. According to the ETA 2003 Performance Plan, a key ETA focus is on "business as a principal customer of the workforce system" (U.S. Department of Labor, Employment and Training Administration 2002, 2). Agency priorities include reform of the unemployment insurance system, improving adult and dislocated worker services provided by one-stop centers, increasing the accountability of service providers, and generally tightening many aspects of the services and programs under ETA oversight.

The Workforce Investment Act will be up for congressional reauthorization at the end of the program year that begins July 2003. Although there appears to be consensus among most interested parties that the concept of one-stop centers should be retained and developed, several aspects of WIA have been criticized. For example, states and localities are finding it difficult to develop and sustain one-stop centers without funding specifically allocated for that purpose. In addition, critics note that the emphasis on job placement over training and the tiered system of access to services exclude many people from programs. There are also concerns about efforts by the Bush administration to cut funding for youth programs and to overemphasize the role of businesses in local policy development and program management.

In August 2002, President Bush signed the Trade Adjustment Assistance Reform Act of 2002 (TAA Reform Act), which extended the TAA program and repealed the North American Free Trade Agreement (NAFTA)–TAA program. This legislation targets workers affected by the movement of production to other countries or by increased imports and requires greater coordination of services between the WIA and TAA programs. It also allows employers more flexibility to determine the types of on-the-job and custom training that might be needed by workers. The Alternative TAA Program for workers fifty years and older and provision of health insurance benefits represent new features of the TAA program that will be implemented during 2003.

As ETA looks to the future, a vital theme in its plans is the maximization of use of information technology and resources to achieve both program and management goals. ETA is revamping its automated performance management systems and has developed a sophisticated website (http://www.doleta.gov) that offers a wide range of user-friendly information and resources. Here, one can access up-to-date information and news about ETA, descriptions and links to the network of one-stop centers and other workforce development partners, details about the programs and activities for which ETA carries responsibility, and many links to other organizations and information. In addition, the researcher can tap into a workforce security research database, the full text of policy and research reports from 1983 to present, workforce security research publications from 1997 to 2002, and other policy and research papers and materials.

Finally, ETA is also participating fully in the federal government's "e-government" initiative, which seeks "the transformation of public sector internal and external relationships through Internet-enabled operations, information technology, and communications that optimize government service delivery, constituent participation, and governance" (U.S. Department of Labor, Employment and Training Administration 2001, 2). The agency has created a website (http://www.egovernment.doleta.gov), where its strategies for becoming digitally based and fully Internet-accessible are outlined and a forum for discussion has been established.

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See also Comprehensive Employment and Training Act; Job Training Partnership Act; Occupations and Occupational Trends in the United States; Trade Adjustment Assistance Program; Workforce Investment Act

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Employment at Will

Employment at will is the legal doctrine that wage-earning or salaried employees may be terminated for good cause, bad cause, or no cause at all. Although it lacks a statutory basis, it was codified in U.S. common law (that is, case law or the accumulated precedents of court decisions) in the late nineteenth century and reflects that era's commitment to laissez-faire economic principles. In theory, barring an express contract, employment may be ended freely at any time, by either employer or employee, without liability or injury to either. Thus, exceptions to the at-will doctrine have consisted of that minority of the U.S. workforce working under contract or collective bargaining agreements.

For decades, employers' right to terminate at-will employees on any grounds was essentially absolute. Yet, by the mid–twentieth century, influential lawyers and others were challenging the structural imbalance and potential for abuse in the at-will doctrine. These critics felt that the courts had erred in treating the employment relationship as one in which firms and employees had equal bargaining power, and they began to question both instances of what might be considered wrongful discharge and appropriate remedies by which employee interests might be protected. In this effort, much of the impetus came from the example of postwar union contracts in which "just cause" for termination, forms of progressive discipline, and grievance procedures (such as arbitration) were detailed (Getman and Pogrebin 1988, 213–215). Similarly, the more pro-labor governments of postwar Europe had enacted protections against wrongful discharge, leaving the United States alone among the industrialized nations in its laissez-faire stance (see Summers 1976). However, there was no collective voice calling for statutory protection. At-will employees were not an organized force. Employers formed a well-organized lobby against interference with management's prerogatives, and unions had a stake in arguing that employees must seek unionization to protect themselves against unjust termination. Legal specialists argued that changes to the common law doctrine must emerge from within the courts themselves (see Blades 1967).

Indeed, beginning fitfully in the 1950s, accelerating in the 1980s, and continuing into the present, employment at will has been successfully challenged in numerous court cases. Employers' right of discharge has been curtailed by three important exceptions (see Muhl 2001). The most widely adopted has been the public policy exception, which does not allow an employer to fire an employee in violation of public policy (such as terminating someone who refuses to break the law at the employer's behest). The second major exception involves an implied contract (such as an employee handbook that promises adherence to just-cause guidelines). Finally, courts in a few states have recognized a covenant of good faith and fair dealing as the basis for any employment relationship, thereby eliminating the employer's unilateral right to fire with bad or no cause.

Many employees rely for protection on state and federal statutes covering specific employment situations, such as prohibiting discrimination (as by age, sex, or race) or retaliatory discharge of whistleblowers. However, though draft law exists in the Model Employment Termination Act (requiring a showing of "good cause" for discharge), comprehensive legislation overturning the principles of the at-will doctrine has not been forthcoming. Indeed, the challenges to employment at will, though impressive, have resulted in a patchwork of legal interpretations across the states. Much remains in question, such as what may be considered "public policy." Similarly, firms have found it relatively easy to avoid providing an implied contract for jobs, simply by rewriting employee handbooks. Enforcement of statutory and judicial protections is uneven (see Hananel 2002; Henry 1989), even as conservative objections to interference with "markets" have become insistent and well articulated (see Reynolds and Reynolds 1995).

At this time, employment at will remains the doctrine affecting most U.S. employees. Most courts continue to favor employer rights under the at-will doctrine, and few employees can meet the legal tests or afford the legal battles to define their situation as protected by law. Further, those protections leave untouched broad areas of ordinary employment experience. For instance, people fired for "business necessity," even if top executives reap millions from the firm's downturn, are not protected from at-will presumptions (see Greenhouse 2002). Nor are those fired for commonplace reasons ranging from personality conflicts to technological change.

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See also Arbitration

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Equal Employment Opportunity Commission (EEOC)

The Equal Employment Opportunity Commission (EEOC) is the primary federal administrative agency that deals with employment discrimination. The EEOC has enforcement authority over several federal discrimination laws: Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act (ADEA), Titles I and V of the Americans with Disabilities Act (ADA), the Equal Pay Act (EPA), and Sections 501 and 505 of the Rehabilitation Act of 1973. The commission's authority differs from statute to statute, however. In other words, the EEOC is involved with each of the laws just mentioned in slightly different ways.

The EEOC is headquartered in Washington, D.C., and has fifty offices throughout the country. It is composed of five persons who are appointed by the president with the advice and consent of the Senate. Members of the commission serve for five-year terms, and no more than three members of the commission can be from the same political party.

The EEOC was created by Title VII of the Civil Rights Act, which also gave the commission certain enforcement powers with respect to Title VII. When it was first created, the EEOC had no enforcement authority over the ADEA or the EPA, however. Enforcement powers over the EPA and the ADEA were transferred to the commission in 1978, and the ADA delegated enforcement responsibility to the EEOC when the law went into effect in 1991.

The EEOC has five primary functions: charge processing, litigation, interpretation of federal discrimination laws, adjudication of complaints by federal employees, and resolution of complaints by state governmental policymakers. Employees wishing to enforce rights created by Title VII, the ADEA, or the ADA must file a charge of discrimination with their local EEOC office (charges are not required by the EPA or Section 501 of the Rehabilitation Act). A lawsuit may not be filed unless the individual first files a charge and then lets the EEOC's administrative process run its course (this is referred to as exhausting the "administrative remedies"). Once a charge has been filed, the commission will investigate the matter.

In connection with its investigation, the EEOC has broad powers to obtain a wide variety of documents from any party to the charge. The commission will often hold an administrative hearing in an attempt to resolve the charge as well. At the conclusion of its investigation, the EEOC will reach a determination as to whether the discrimination alleged in the charge actually occurred. If it determines that the alleged discrimination did not take place, it will notify the charging party of its decision and send a "right-to-sue letter" to that person. A right-to-sue letter notifies the charging party that he or she has ninety days to file a lawsuit against the employer in federal court. In other words, even if the EEOC believes that the employer did not discriminate against the person who filed the charge, that person can file a lawsuit in court anyway.

If the EEOC determines that the discrimination complained of did occur, it will notify both parties and attempt to settle the matter. The commission meets with everyone involved and tries to help them reach an out of court settlement. The EEOC cannot force either party to settle, however. If the EEOC believes that discrimination occurred but its conciliation efforts fail, it will do one of two things. It is authorized to commence lawsuits against private (that is, nongovernmental) employers. In other words, if the commission believes that discrimination took place but the employer is unwilling to settle, the EEOC may bring a lawsuit against the employer on behalf of the complaining party. This

Senator Hillary Rodham Clinton (D-NY) speaks outside the U.S. Capitol, June 12, 2001. Clinton called for working women to receive equal pay and for increased penalties and enforcement of the Equal Pay Act. (AFP/Corbis)

action makes it unnecessary for the complaining party to file his or her own suit. In actuality, however, the commission files suit in only a small percentage of these cases. If the EEOC decides not to commence a lawsuit against the employer, it will send the charging party the same right-to-sue letter mentioned above. Again, the charging party then has ninety days to file a lawsuit against the employer.

When an employee of the federal government sues under Title VII, the process works slightly differently. Federal employees file their discrimination charges with their own employing agency (that is, their own employer), not the EEOC, and the employing agency investigates the matter. The person who filed the charge may request an EEOC officer to serve as a neutral fact finder, and a hearing in front of an EEOC officer may be requested. The ultimate decision about whether discrimination occurred is made by the federal agency, not the EEOC. If the individual is not satisfied with the agency's decision, however, he or she may demand a full adversarial hearing before the EEOC. If such a hearing is requested, the commission does reach a formal decision. Then, if the individual is dissatisfied with the EEOC's decision, he or she may file suit against the employing agency in federal court. The individual does not have to have a hearing in front of the EEOC, however. He or she may bypass the EEOC entirely and file suit in federal court immediately after receiving the agency's determination.

Section 321 of the 1991 Civil Rights Act provides protection against discrimination for persons chosen by an elected state or local government official to serve in what are referred to as "personal staff" positions, for appointees at the "policymaking level," and for those serving as an "immediate advisor with respect to the exercise of the constitutional or legal powers of the office" (Civil Rights Act 1991). Such employees are required to proceed with a complicated process of mediation and conciliation that does not involve the EEOC. If that process is unsuccessful, however, the complaining party is authorized to file a complaint with the EEOC. The commission will hold a hearing to determine whether a violation exists, issue a decision and order, and provide for appropriate relief if a violation is found. Although the commission's orders in these cases may be appealed to federal court, the grounds for overturning its orders are quite limited.

The EEOC has issued many interpretations of discrimination law, known as guidelines, in accordance with the formal regulatory process that must be followed whenever a federal agency issues guidelines of this type. Its guidelines are maintained in the Code of Federal Regulations, where all federal regulations are kept. Unlike guidelines issued by certain agencies (for example, the Securities and Exchange Commission), those issued by the EEOC are not legally binding. The U.S. Supreme Court has held that the commission's guidelines are entitled to "great deference," however, meaning that employers take great risk in ignoring them (*Albermarle Paper Co. v. Moody,* 1975). The commission also issues numerous less formal statements referred to as "policy statements" that deal with the law and maintains a Web page (http://www.eeoc.gov) with a great deal of advice and information about the laws it enforces.

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See also Affirmative Action; African Americans and Work; Equal Pay Act; Glass Ceiling; Work and Hispanic Americans

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Equal Pay Act (EPA) (1963)

The Equal Pay Act (EPA) was enacted as an amendment to the Fair Labor Standards Act in 1963. The act makes it unlawful for an employer to discriminate on the basis of sex in the payment of wages for jobs that require equal skill, effort, or responsibility and are performed under similar working conditions, except where the differential is justified by one of four statutory defenses. The act protects the majority of employees working in the United States.

The EPA was the culmination of years of crusading by women's groups for the goal of "equal pay for equal work." In the congressional debates leading to the passage of the act, there were detailed hearings on the specific problem of relatively depressed wages earned by women, and this testimony was supported by volumes of statistics detailing how women were paid less than men, even if they were doing the same jobs.

The EPA was not the first attempt to legislate a requirement of equal pay for equal work. In 1870, Congress enacted legislation that, among other things, adopted the principle of equal pay for equal work in the federal civil service. This principle was not generally implemented, however, until the Classification Act of 1923, when Congress established a uniform system of job grades and salaries. This early legislative response to sex-based pay discrimination was largely limited to the federal sector, however, although two states (Michigan and Montana) enacted broad equal pay laws in 1919 that applied to private employers.

The first major application of the concept of equal pay for equal work in the private sector did not occur until World War II, when the National War Labor Board approved wage increases that were designed to correct gross inequities based on sex, race, or age. Their guiding principle was this: "If it shall become necessary to employ women on work ordinarily performed by men, they must be allowed equal pay for equal work." This principle was reaffirmed by the National War Labor Board on November 24, 1942, in General Order No. 16, which stated, "Increases which equalize the wage or salary rates paid to females with the rates paid to males for comparable quality and quantity of work on the same or similar operations . . . may be made without approval of the National War Labor Board" (National War Labor Board 1943).

Based on the experience of the War Labor Boards, a comprehensive federal equal pay bill was introduced in Congress in 1945. At that time, there were six states with similar legislation, and there was substantial support from both the government and the public for a federal bill. As proposed, the 1945 bill, S. 1178, provided, "It shall be an unfair wage practice for any employer . . . to discriminate between the sexes—(a) by paying wages to any female employee at a rate less than the rate at which he pays or has paid wages to male employees for work of comparable quality and quantity." The 1945 legislative effort failed, however, and, although similar bills were introduced in every subsequent session of Congress, it was not until 1963 that an equal pay bill was finally approved.

The bill that eventually became the EPA would have prohibited sex discrimination in compensation for "work of comparable character on jobs the performance of which requires comparable skills," but the act was approved only when the sponsors of the legislation agreed to change the language in the bill from "work of comparable character on jobs the performance of which requires comparable skills" to "equal work on jobs the performance of which requires equal skills." This change greatly narrowed the types of wage discrimination that would violate the act (Equal Pay Act 1963).

To proceed successfully with an EPA claim, an employee must show that a male and a female employee who work in the same establishment are paid different wages, on the basis of sex, for equal work (although most EPA cases are brought by females, the act protects males as well). The plaintiff has the burden of showing that the work involved was equal. According to the act itself, the term *equal* means that the jobs require "equal skill, effort, and responsibility" and that they "are performed under similar working conditions." A plaintiff's burden of proof in this regard was made much less onerous by *Shultz v. Wheaton Glass Co.* (1970), which held that the word *equal* in the EPA does not require that jobs be identical but only that they be "substantially equal." Further, it is the actual content of the work that is important. The fact that two jobs have the same title does not mean that they will be found substantially equal for purposes of the act, and the fact that two jobs have different titles does not foreclose the possibility that they will be found equal under the act.

If the plaintiff succeeds in proving that he or she was paid less than a person of the opposite sex despite the fact that he or she was doing equal work, the employer will be able to avoid liability by proving that the wage differential is due to one of four statutory exceptions in the act itself: "(i) a seniority system; (ii) a merit system; (iii) a system that measures earnings by quantity or quality of production; or (iv) a differential based on any other factor other than sex" (Equal Pay Act 1963). The first three defenses are fairly straightforward, but much litigation has taken place concerning whether an employer can justify sex-based wage differentials because they are "based on any other factor other than sex." As the wording suggests, this is a catch-all exception. The words "a differential based on any other factor other than sex," could embrace an almost unlimited variety of possible factors. Among the factors employers have used to justify different wages paid to the opposite sexes are temporary assignments (that is, a higher-paid employee is temporarily assigned to a normally lower-paid job but continues to be paid at the higher rate), training programs (employees receive different pay rates while they are going through a training program), shift differentials (employees working more difficult shifts are paid more than employees working easier shifts), market forces (an employee is paid more to lure him away from another, higher-paying, job), and education or experience (employees are paid more because they have more education or experience than other employees). The list just mentioned is not exhaustive, and in fact, any of the factors just enumerated might be unsuccessful in any given case.

An employee wishing to sue for discrimination under the EPA can file his or her lawsuit in federal court. The administrative procedures required by Title VII are not applicable to the EPA. The EEOC also has the authority to file its own lawsuits under the EPA, even if no charge has been filed. If a violation of the EPA is established, the employer is required to compensate the plaintiff in several ways. First, the defendant must raise the pay rate of the lower-paid employee to that of the employee receiving the higher rate. (It is impermissible for the employer to reduce the wages of the higher-paid employee.) In addition, the defendant must pay the plaintiff the difference between what he or she earned and what the higher-paid employee earned as "back wages." Finally, the defendant must pay the plaintiff "liquidated damages" in an amount equal to the back wages mentioned in the previous sentence, unless the employer can prove that it acted in good faith and that it had reasonable grounds for believing that its actions were lawful.

Finally, it should be noted that many people contend that the Equal Pay Act is too narrow and does not do nearly enough to rectify the compensation discrimination suffered by women. One criticism of the law is that it does not cover a lawsuit based on the theory of "comparable worth." Comparable worth proponents argue that it should be illegal for employers to discriminate in compensation if two jobs are "worth" the same (that is, equal in value), even if the jobs themselves are different in content. Currently, the act does not support such a claim; the jobs themselves must be equal.

Legislation was introduced in the 1990s to amend the act and prohibit a broader class of claims. The Paycheck Fairness Act would correct weaknesses in the Equal Pay Act by amending it to prohibit employers from penalizing employees for sharing information about their salaries, to make it easier to file class action suits, and to allow compensatory and punitive damages. (Compensatory damages make the person "whole," or place that person in the position he or she would have been in without the discrimination, and cover both monetary losses and nonmonetary losses, such as pain and suffering. Punitive damages may be awarded to punish the employer and deter it from future discriminatory conduct.) The Paycheck Fairness Act would also direct the Department of Labor to develop and distribute information, such as voluntary pay guidelines for implementing pay equity.

The Fair Pay Act would amend the Equal Pay Act by requiring employers to pay equal wages to employees in equivalent jobs. The act would apply to both public and private employers. In addition, the Fair Pay Act requires employers to submit reports to the EEOC with wage information and prohibits retaliation against employees or others who discuss wages or pursue their rights under the act. The Fair Pay Act and Paycheck Fairness Act, introduced in Congress in 1999, have not passed the House or the Senate.

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See also Comparable Worth; Equal Employment Opportunity Commission; Glass Ceiling; Pay Equity; Pink Collar; Women and Work

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Ergonomics

Ergonomics is the science of designing the work process and environment to correspond to the natural movements of the worker. It is also known as "human factors" or "biotechnology." Its goals are to improve employee efficiency, productivity, and morale; enhance the quality of work; and limit avoidable injuries, illnesses, and stress on the job that often result when workers are forced to contort themselves to meet the regimented requirements and pacing associated with standardized work processes. Ergonomics studies the relationship between work and human factors such as the musculoskeletal system, the nervous system, and variations in body weight and size; the impact of heavy work, handling loads, fatigue, stress, boredom, and improving job design to avoid monotonous, repetitious tasks; the impact of natural and electric lighting on vision; the relation of noise and vibration to stress; and the effect of environmental factors such as climate, ventilation, indoor air pollution, colors, and music on the mood and effectiveness of the worker and the work environment.

Poorly designed work processes and stations often result in work-related repetitive strain illnesses (RSIs), which are progressive illnesses affecting the muscles, nerves, tendons, ligaments, joints, cartilage, and spinal discs caused by repeated motions in awkward positions. There are more than twenty types of RSIs, including bursitis, carpal tunnel syndrome, DeQuervian's syndrome, epicondylitis, ganglions, lower back pain, synovitis, tendonitis, and tenosynovitis. RSIs are also known as "cumulative trauma disorders" and "musculoskeletal disorders." Although many repetitive motion jobs are performed by women, work stations and machinery are usually designed with men in mind. This helps to explain why women suffer a disproportionate percentage of RSIs (Kome 1998, 5; Mogensen 1996, 15).

The problem of RSIs in the workplace resulting from poorly organized work processes were recognized by the Italian physician Bernardino Ramazzini, the father of occupational medicine, in his pioneering 1700 work, *De Morbis Artificum Diatriba* (Diseases of workers). Observing the unnatural motions and postures of scribes and notaries, he wrote that "certain morbid affections gradually arise from some particular posture of the limbs or unnatural movements of the body called for while they work" (Franco 1999, 859). Cumulative trauma disorders were also observed in shoemakers, telegraphers, clerical workers, writers, seamstresses, farmers who milked cows, and others during the nineteenth century. Today, a wide range of workers suffer from RSIs, including meatpackers, poultry cutters, food processors, assembly line workers, warehouse and delivery workers who must repeatedly lift and move heavy loads, construction workers (especially jackhammer operators), clerks using price scanners, textile workers, and office workers typing on computer keyboards (Pascarelli and Quilter 1994; Mogensen 1996; Kome 1998).

The modern study of ergonomics evolved out of the effort to redress the deleterious impact of the Industrial Revolution's one-size-fits-all production techniques on workers' health. Ergonomics began to be taken seriously as an applied science during World War II, when engineers and planners realized that taking the variability of human factors, such as body type, height, and weight, into account when designing military machinery and equipment resulted in improved efficiency, operation, and morale. After the war, it became readily apparent that ergonomic principles could be applied to a wide variety of industrial work processes and environments (Dembe 1996).

Ergonomics has grown in importance as the computerization and automation of work processes have resulted in the increase of repetitive work processes and the number of work-related RSIs, which have been the fastest-growing occupational illness in the United States since the 1980s. According to the U.S. Bureau of Labor Statistics (BLS), RSIs account for approximately 60 percent of all reported occupational illnesses—up from only 18 percent in 1981 (Mogensen 1996, 14). As the RSI problem became widespread during the 1990s, the Occupational Safety and Health Administration (OSHA) declared it to be "the most important occupational safety and health problem in the United States today" (Dainoff 1992, 27).

The economic and social costs of RSIs are enormous. They are the largest single cause of workplace injury in the United States. The BLS reports that more than 1.8 million U.S. workers suffer from RSIs annually, one-third of which are serious enough to force workers to miss at least one workday. Workers who are afflicted with carpal tunnel syndrome lose an average of thirty-two workdays. Some observers maintain that these figures are low because many workers are unorganized and afraid to report injuries for fear of losing their job or because they haven't been properly educated about the causes and symptoms of RSIs. The economic cost to society of RSI-related injuries in terms of workers compensation claims, lost work time, and lost productivity is estimated to be $50 billion a year, and RSI-related costs account for one-third of all workers compensation expenditures (National Academy of Sciences 2000; National Institute for Occupational Safety and Health 1995, 7).

In the early 1980s, the enormous scope of the problem led to calls by organized labor, women's groups like 9to5, the National Association of Working Women, and local committees for safety and health such as the New York Committee for Occupational Safety and Health for a federal ergonomics regulation to limit the human damage done by RSIs. The resulting political battle with capital has lasted for twenty years and is still going strong. Throughout the 1980s, organized labor petitioned OSHA, whose mission it is to protect workers from preventable hazards on the job, to promulgate an ergonomics rule designed to prevent RSIs. The Reagan and Bush administrations, computer manufacturers, and other corporate interests that were opposed to safety and health regulation of their industries were successful in blocking labor's proposal until RSIs, especially in the meatpacking industry, reached crisis proportions and could no longer be ignored. In August 1990, OSHA issued a proposal for an ergonomics rule and embarked on the long and complicated path of rule making. OSHA's proposed ergonomics regulation would require employers to examine their workplaces for the existence of five "signal risk factors" that are commonly associated with the onset of RSIs: performance of the same motion or motion pattern for a specified period of time, use of vibrating or impact tools, use of forceful hand exertions over a set period of time, unassisted frequent or heavy lifting, and fixed or awkward postures for more than a certain number of hours.

In large part because of intense opposition on the part of corporate interests and the Republican Party, OSHA spent ten years developing the ergonomic standard. Corporate opposition was led by the National Coalition on Ergonomics, an alliance of more than 300 corporations and trade associations formed by the National Association of Manufacturers. Together with the U.S. Chamber of Commerce, the National Federation of Independent Business, the Labor Policy Association (over 225 business members), and the Small Business Survival Committee (40,000 members), they constitute a formidable lobbying alliance in Washington. Corporate-financed think tanks such as the Heritage Foundation and the Cato Institute have played important roles in defining the policy agenda along corporate lines. Eugene Scalia, a corporate lawyer and son of U.S. Supreme Court justice Antonin Scalia, illustrates the linkage between corporate interests and think tanks. He lobbied to defeat the OSHA ergonomics rule for his corporate clients, including United Parcel Service, Anheuser-Busch, and the National Coalition on Ergonomics; and he wrote position papers opposing the ergonomics standard for the Cato Institute. He is now the solicitor general in President Bush's Labor Department.

Corporate interests opposed the ergonomics regulation on three grounds. First, they claimed that the RSI crisis was essentially an employee "comfort" problem that is best dealt with by employers on a voluntary basis, not a serious public health problem that needed government regulation. Second, they claimed that it would be too expensive to implement. These arguments are rebutted by the aforementioned data that showed RSIs to be an enormous occupational health problem that is largely being borne by injured workers and their families. Finally, they claimed that ergonomics is not a science. Scalia criticized ergonomics as "junk science," writing that "OSHA wants to entrench the questionable science of ergonomics in a permanent rule" (Scalia 2000). But Scalia's claim was without merit. In their attempt to discredit and defeat OSHA's proposed ergonomic standard, congressional Republicans twice asked (in 1997 and 1998) the prestigious National Academy of Sciences (NAS) to evaluate whether or not it was based on sound science. Both times the NAS found that it rested on a solid foundation of over 2,000 soundly conducted scientific studies of workplace conditions (Mogensen 2001, 4–5).

Although corporate opponents were unable to derail the ergonomic standard on scientific grounds, they did succeed in delaying its release until the 2000 presidential election. Republicans, who controlled Congress at the time, threatened to shut down the federal government if President Bill Clinton issued the ergonomics regulation before the election. Clinton responded by issuing the ergonomics standard on November 14, 2000, after Congress recessed for the election. It took effect on January 16, 2001, just four days before George W. Bush was sworn in as president. More than 27 million workers were to be covered under the standard in approximately 6 million workplaces.

Although it was long in the planning, the ergonomics standard was short-lived. George W. Bush's first official act as president was to issue an executive order freezing all pending regulations, but since the ergonomics standard had just gone into effect, another tactic was necessary to stop it. Corporate interests urged Republican leaders to utilize the previously unused Congressional Review Act (CRA) of 1996 to repeal the ergonomics standard. The CRA gives Congress and the president the power to overturn regulations without lengthy debate, amendment, Senate filibusters, or other parliamentary delays. On March 7–8, 2001, Congress used the CRA to pass a "resolution of disapproval," and on March 20, President Bush signed it, repealing the ergonomics rule. Under the CRA's stringent provisions, OSHA is prohibited from promulgating it again without congressional approval.

However, California, North Carolina, and Washington have established their own ergonomics standards. Washington and California take an education and implementation approach, whereas North Carolina takes the enforcement and citations approach.

In the eventuality that a new ergonomics rule is promulgated, policymakers should take into account that ergonomic studies have demonstrated that giving workers more control over the work process can reduce stress and prevent injuries. For safety and health regulations to be effective, workers must be included in the design of the work process. Not only do they have firsthand experience with work problems that many managers lack, but OSHA has found that workers are more likely to follow ergonomic instructions if they are included in their preparation.

This finding also has important political implications for the health of our democracy. Citizens are forced to check many of their democratic rights at the door when they enter the workplace, but prominent political theorists such as Carole Pateman and Benjamin Barber stress that a strong, vibrant, democracy requires citizens who are empowered in the workplace as well as the civic culture. Workplace ergonomics may, therefore, be a means of promoting both safety and health and participatory democracy.

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See also Black Lung Disease; Occupational Safety and Health Act; Stress and Violence in the Workplace; Workers' Compensation; Workplace Safety

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Estate Tax

Estate taxes facilitate the transfer of wealth, and such taxes have existed in the United States for the past 200 years. Controversy regarding estate taxes has existed for nearly as long. Proponents' arguments regarding the societal fairness of wealth redistribution from the rich to those less fortunate clash sharply with opponents' dislike of taxes in general (they derisively refer to estate taxes as a "death tax") and a distrust of government intervention in the workings of capitalism.

Early in U.S. history, estate taxes were designed to raise revenue, not to redistribute wealth, and the chronology of the estate tax follows a path of enactment and repeal. One of the first estate taxes to be implemented by the nascent U.S. government was enacted in 1898 to defray the costs of the Spanish-American War. Four years later, this tax was repealed. It was not until 1916 that estate taxes became a more permanent fixture of the U.S. tax code. But since the estate tax applied only to transfers at death, many wealthy taxpayers adroitly avoided paying the tax by giving away their wealth before they died. In 1924, Congress amended the tax law (in the form of a "gift tax") to blunt this practice. The gift tax was later repealed in 1926, but, in the midst of the Great Depression, President Franklin Delano Roosevelt and Congress reenacted the gift tax in 1932.

Roosevelt was the first U.S. president who viewed the estate tax as a remedy for the unequal distribution of wealth (Bartlett 2000). President Roosevelt supported very high estate taxes (up to 70 percent) to circumvent the dangers he saw inherited wealth posing (the Founding Fathers saw a similar danger in inherited power and government). With the introduction of the concept of fairness as an argument in favor of estate taxes, battle lines were drawn between proponents and opponents that exist to this day. Traditionally, Democrats are in favor of estate taxes, but Republicans are vehemently opposed to them.

Our current system of estate and gift taxes took form in 1976, with the unification of the two systems in the Tax Reform Act of 1976. In 1976, the estate tax exemption was $120,667. Since that time, various tax reform acts have gradually raised the exemption rate, to $225,000 in 1981 (Economic Recovery Act), $600,000 in 1986 (Tax Reform Act), and $1,000,000 in 1997 (Taxpayer Relief Act). Partial marital deductions, instituted in 1948, are unlimited under the current tax code (that is, a spouse can be given unlimited wealth without incurring estate taxes. However, when that wealth is passed onto children or other beneficiaries, the whole amount over the exemption is subject to estate taxes).

The most recent tax reform gradually increases the estate tax exemption amount, from $1 million in 2002 to $3.5 million in 2009. In 2010, if current legislation remains unchanged through several congressional sessions, the estate tax will be repealed. It remains to be seen which side will win the battle of the estate tax.

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See also Federal Unemployment Tax and Insurance System; Great Depression; Wage Gap; Wage Tax

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Export-Processing Zones (EPZs)

Export-processing zones (EPZs) are industrial and assembly areas in lesser developed countries (LDCs), where foreign investors and employers pay low-skill, low-wage labor to assemble, process, or manufacture goods for export while enjoying tax and regulatory incentives and a favorable labor market.

EPZs soared in popularity since the 1980s (and have been used since the 1960s in Mexico) but have come under intense criticism for exploiting human labor and degrading natural resources for the benefit of low-cost western consumer goods. EPZs have been discussed interchangeably with terms such as *industrial free zones, free trade zones,* or *maquiladoras.* Although the broad concepts underlying these trade instruments are the same—primary materials are imported tax-free; goods are assembled or manufactured in labor-intensive processes and then exported for consumption in developed countries—the World Bank has strictly defined the EPZ as an industrial area, usually fenced-in, that specializes in manufacturing for export and offers free trade conditions and a liberal regulatory environment (Madani 1997). By the late 1990s, there were at least 500 EPZs worldwide by this strict definition, and more than 2,000 when including related entities such as export-processing firms and other facilities enjoying tax and export incentives. The International Labor Organization estimates EPZs and related "free trade" areas employ about 27 million people worldwide (van Heerden 2002). Nations throughout East Asia, the Indian subcontinent, Central and Latin America, and Africa have implemented EPZs. As an example, the Cavite Export-Processing Zone located near Manila, Philippines, is a 682-acre walled-in facility employing 50,000 workers at 207 factories producing goods strictly for the export market (Klein 1999).

EPZs became influential economic development tools for three leading reasons, most experts agree. Nations hoped to expand their foreign exchange earnings, create jobs, and attract new foreign direct investment that would fund technology development, policies that reflected dominant neoliberal economic development models that emphasized export-led growth. Although the willingness of western firms to seek low-cost, low-oversight facilities for manufacturing is well-documented, what benefits do EPZs bring to host countries? Zones do create nontraditional jobs, particularly for women and younger workers (World Bank 1998). Although these workers receive some job training, the vast majority of new jobs are low-skilled and low-tech. EPZs are a catalyst for host nations to build basic industrial infrastructure, such as roads and plumbing, in the immediate area of the EPZ. Typically, host countries have sought "linkages" between EPZ activity and increased growth of production and services in local economies, but most EPZs remain enclave economies with few tiebacks to the host nation's economy. And although EPZs increase foreign exchange earnings, these earnings do not always recapture physical investments and opportunity costs for the host nation.

EPZs and related free trade zones have received strong criticism. Within many EPZs, labor unions and other forms of labor organizing are banned. Most EPZs fight unionization at any cost. Advocates have accurately documented widespread poor working conditions within the zones, including mandatory overtime, lack of health care, discrimination against and harassment of pregnant workers, and lack of adequate housing and food. It should be noted that across the developing world, young women are favored for EPZ employment because they have higher turnover rates and therefore tend not to get involved with unions, they are paid less, and they are viewed by many employers as more diligent and dexterous than males. However, zone employers have been found to discriminate against pregnant women and mothers. Human Rights Watch found that women applying for jobs in Mexican maquiladoras were routinely given pregnancy tests; other studies have documented these and other abuses.

As noted in Naomi Klein's landmark book *No Logo,* a 1998 study of brand-name manufacturing in the Chinese special economic zones, found that more than ten U.S. brand-name companies were paying only a fraction of the 87 cents an hour labor experts say would be a living wage for Chinese workers. During the late 1990s and early 2000s, the National Labor Committee in Support of Worker and Human Rights and other advocacy groups publicized and sought changes in work conditions at the Bangladesh Beximco factory in the Dhaka Export-Processing Zone, among a number of EPZs. Investigators found young women sewing clothing for Wal-Mart were paid just 20 cents an hour, while their helpers were paid just 9 cents an hour. These wages were far below the regulation wage set for the Dhaka Export-Processing Zone, which itself was far below subsistence levels. In addition, investigators found that the young workers were forced to work twelve-hour shifts seven days a week, women were cheated out of maternity benefits, and worker savings were misappropriated. There were almost no health services available for workers. Wal-Mart and its contractor pay no taxes whatsoever; the low wages and rents they pay are their sole contributions to Bangladesh. Reformers called for Wal-Mart to work with the contractor at the site to improve conditions, rather than withdraw their contracts and eliminate the jobs, thereby turning the workforce back onto the street.

Most experts agree that the continuing rise of globalization increases competitive pressure for the "EPZ dollar," fueling yet another race to the bottom for developing world governments seeking western investment. This competition will tempt EPZs into further weakening of labor and regulatory standards in hopes of attracting the EPZ investment dollar.

Herbert A. Schaffner

See also Manufacturing Jobs; *Maquiladora* Zone; North American Free Trade Agreement

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F

Fair Labor Standards Act (FLSA) (1938)

The Fair Labor Standards Act (FLSA) is the U.S. law that establishes a federal minimum wage, overtime pay requirements, and restrictions on child labor. Most employees are currently entitled to the minimum wage of $5.15 per hour (2002) and overtime pay at a rate at least one and one-half times their regular rate of pay after forty hours of work in a week. The child labor provisions place restrictions on dangerous working conditions and the numbers of hours some youths can work. The FLSA also mandates a minimum level of record keeping by employers.

The FLSA was enacted in 1938 during the troubled economic decade of the Great Depression. Many believed that corporate power created sweatshop conditions of low wages and long hours and contributed to the high unemployment levels and continued economic depression of the 1930s. The FLSA was intended to combat these conditions and create basic standards of protections for employees. Along with the 1935 National Labor Relations Act (Wagner Act), the FLSA established a new legal and philosophical framework for government regulation of employment that continued with the Civil Rights Act (1964), the Occupational Safety and Health Act (1970), the Family and Medical Leave Act (1993), and other laws.

All employees covered by the FLSA must be paid at least the mandated hourly minimum wage. If employees are not paid on an hourly basis, such as salaried workers or those paid on commission, the employee's pay divided by hours worked must equal at least the minimum wage. There are minimum wage exceptions that can apply to disabled workers, students, tipped employees, and others.

Employees who are not exempt from the FLSA are also entitled to an overtime premium of one and one-half times their regular rate of pay for hours worked in excess of forty hours in a week. A workweek is seven consecutive twenty-four-hour periods starting on any day. There are a number of regulations on determining hours of work—questions can arise, for example, pertaining to sleep time, meal periods, or travel time. The most significant issue for many employers and employees, however, is exempt status.

Professional, executive, and administrative employees are exempt from the overtime provisions of the FLSA. Some jobs may fit clearly into these categories or be clearly excluded, but for many there can be questions. A number of clarifying regulations have been issued, and in broad terms, individuals are exempt if they have the authority to hire and fire or make recommendations affecting other employees or they regularly exercise independent judgment in their work. Some salespersons and other occupations are also exempt. Exempt employees are usually salaried, but making someone a salaried employee does not by itself make him or her exempt.

The child labor provisions prohibit individuals under the age of eighteen from working in seventeen

Spindle boys working in a Georgia cotton mill, ca. 1908. The Fair Labor Standards Act set restrictions on child labor, regulating the number of hours children can work and protecting children from dangerous working conditions. (Bettmann/Corbis)

hazardous nonfarm jobs. Examples of these jobs include mining, meatpacking, roofing, demolition, excavation, and working with explosives and various forms of power-driven machinery. Youths sixteen and seventeen years old may work unlimited hours in nonhazardous jobs, but fourteen and fifteen year olds face additional restrictions. In particular, fourteen and fifteen year olds may work, outside school hours, in nonmanufacturing, nonhazardous jobs up to three hours on a school day, eighteen hours in a school week, eight hours on a nonschool day, and forty hours in a nonschool week These young workers can also work only between 7:00 A.M. and 7:00 P.M., except during the summer, when they can work until 9:00 P.M. All states also have child labor laws that in some cases may be stricter than the FLSA. For example, a number of states also restrict the hours of sixteen and seventeen year olds during the school year.

The effects of the FLSA, especially the minimum wage requirement, have been widely debated and researched. Standard economic theory implies that if employers are forced to pay higher wages, employment levels will fall. Recent research, however, does not always find strong evidence that increases in the minimum wage hurt employment. The required overtime premium is intended, among other things, to encourage work sharing, that is, to cause employers to hire new workers rather than pay overtime to existing employees. The FLSA's effectiveness in promoting work sharing, however, is questionable.

The FLSA is enforced by the Wage and Hour Division of the U.S. Department of Labor's Employment Standards Administration (http://www.dol.gov/dol/esa/public/whd_org.htm). The Department of Labor and individual employees can sue to recover unpaid minimum wage and overtime compensation. Willful or repeat violators can also be subject to fines and criminal prosecution. The FLSA covers many workplaces, but small businesses are exempted. Most states, however, have similar laws that cover workplaces not covered by the FLSA. Employers must comply with the state law if it is stricter than the FLSA.

When the FLSA was enacted in 1938, the minimum wage level was set at 25 cents per hour, and the standard workweek was set at forty-four hours. The workweek was reduced to forty hours in 1940. The minimum wage has been increased about twenty times since 1938. In the early twentieth century, some states passed minimum wage laws for women and children, but the Supreme Court ruled in 1923 that they were unconstitutional because they violated individual freedom to enter into contracts without government interference. Legal sentiments changed during the Great Depression, though not universally, and the FLSA was ruled constitutional in 1941.

In recent years, the FLSA has come under attack for being antiquated in today's economy. The regulations pertaining to exempt employees were developed long before jobs such as computer programmers emerged. Provisions pertaining to the calculation of overtime payments predate recent increases in employers' use of incentive bonuses and stock options for nonexecutive employees. Recent bills in Congress have also considered revising the FLSA to allow employees to receive time off instead of cash compensation for overtime hours and to allow employers and employees to develop more flexible work schedules (such as eighty hours over two weeks rather than forty hours per week). Although employers would be prohibited from coercing their employees from making a certain choice about their workweek or form of overtime compensation, opponents argue that abuses would still occur and that effective labor standards are still needed.

John W. Budd

See also Child Labor; Compensation; Health Insurance; Job Benefits; Minimum Wage; National Labor Relations Act; Overtime and the Workweek; Pensions

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Family and Medical Leave Act (FMLA) (1993)

The Family and Medical Leave Act of 1993 (FMLA) allows workers to take unpaid leave from work when they or someone in their family needs medical care. The law covers individuals who have worked for the same company for at least twelve months, have worked for at least 1,250 hours in the past year, and work for a company with at least fifty employees. The law allows employees to take unpaid leave if they are having or caring for a new baby; adopting a child or getting a foster child; are very sick or unable to work; or have a very sick parent, child, or spouse. Under FMLA, workers who meet these conditions are eligible to take a total of twelve weeks off without pay. The leave may be used all at once, intermittently, or as part of a reduced work schedule. Employees are also guaranteed the maintenance of their health coverage during the time off as well as the ability to return to their old job or a job with equal pay, status, and benefits after the leave. FMLA requires employers to keep records of leave and protects employees who request such time off. Unlike most federal laws, FMLA does not preempt state laws in this area. The act requires that the employer follow the more generous leave policy and the least burdensome procedures for obtaining leave.

Approximately two-thirds of the U.S. labor force work for employers covered by FMLA, and more than 35 million Americans benefited from taking family and medical leave between 1993 and 2000 (Cantor et al. 2001). Prior to passage of the Family and Medical Leave Act, employees had access to leave only under voluntary employer policies, those set by collective bargaining, and state laws. According to the Department of Labor, only about one-quarter to one-third of formal employer policies matched FMLA in scope.

FMLA established the bipartisan Commission on Family and Medical Leave to study the impact of the new policy on workers and employers. This commission administered surveys to workers and employers in 1995 and again in 2000. The 2000 surveys revealed that the number of individuals who took leave in the previous eighteen months for FMLA reasons had increased since 1995 to about 16.5 percent of the labor force. Of those eligible workers who claimed they needed to take leave but did not take it, the most common reason was "lack of money." Although FMLA does guarantee a worker's job position and health coverage during the time off, it does not require employers to provide pay for this period. Furthermore, although employees are not receiving a paycheck, they must still pay for their health insurance premiums during their time off. According to employee surveys, 88 percent of those who needed leave but did not take it said they would have taken leave if they had received some pay.

Knowledge of eligibility under FMLA is also a barrier to employee use of its benefits. Reports show that very few employees in covered establishments are aware of the law, although under the act, covered employers are required to notify their employees of their rights for unpaid leave.

FMLA supporters have long argued that with the increasing number of dual-earner families and working mothers, FMLA provides the opportunity for workers to care for their family medical needs without the fear of losing their job. Indeed, the benefit has been accessed widely by employees with young children. According to the Family and Medical Leave surveys, three-fourths of covered female employees with young children and almost one-half of covered male employees with young children took advantage of the benefits in the eighteen months prior to the survey.

Although government is considering expanding the law to cover employees in establishments with twenty-five or more employees, employers not currently covered under the act are increasingly offering unpaid leave as well. In addition to expanding the scope of coverage, the law has had some effect of removing the stigma of requesting family leave, even for men, who represent one out of every eight employees requesting time off to care for a new baby or adopted child (Wilcox 2000).

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See also Fair Labor Standards Act; Glass Ceiling; Pay Equity; Women and Work

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Federal Mine Safety and Health Act (1977)

The Federal Mine Safety and Health Act (Mine Act) became public law on November 9, 1977, to promote safety and health in the mining industry and prevent recurring disasters. The legislation expanded two previous acts, the Federal Metal and Nonmetallic Mine Safety Act of 1966 and the Coal Mine Health and Safety Act of 1969, to expand the rights and entitlements of miners and to amend the Coal Mine Health and Safety Act to include coal and noncoal mining. The legislation transferred the functions of the Mine Enforcement and Safety Administration (MESA) from the Department of Interior into the Department of Labor. It also established a Mine Safety and Health Administration (MSHA) in the Department of Labor. The purpose of MSHA is to enforce the rules and regulations of the Mine Act and to provide technical service to mine operators.

The first federal legislation that governed coal mines was passed in 1891. That law established minimum ventilation requirements and prohibited mine operators from employing children under twelve. By the time the 1966 act was passed, there were nearly twice as many metal and nonmetal employees working as coal miners and nearly three times as many nonmetal mines as coal mines as in the 1890s.

Although mine work has played a significant role in the development of the United States, it is considered one of the world's most dangerous occupations. Miners face numerous diseases and health hazards in the workplace. One of the primary diseases that afflicts coal miners is black lung disease, which is caused by an accumulation of coal dust particles in the lung. It can lead to disability and premature death. Mine workers also are at risk of developing silicosis, a respiratory disease, from inhaling crystalline silica dust when drilling rock. Workers who develop either of these diseases may be eligible for federal aid.

Although mine work has played a significant role in the development of the United States, it is considered one of the world's most dangerous occupations. Miners face numerous diseases and health hazards in the workplace. (Library of Congress)

Mining disasters can occur in ore or copper mines or in rock quarries in the forms of floods, fires, explosions, or roof cave-ins. When the Mine Act was introduced in the 1970s, the chance of a mine worker getting killed on the job was much greater than that of a worker in the manufacturing industry. Mine workers in the United States have faced high health and safety risks—and numerous fatalities—since the late 1800s and the early 1900s. One of the most disastrous coal mining accidents occurred in 1907, when explosions in two mines in Monongah, Virginia, resulted in 362 deaths. Thirteen days later, 239 died in Jacobs Creek, Pennsylvania (Graebner 1976, 15). The Monongah mines were considered well-equipped and safe; the company controlling the mines had a reputation for safety. The *United Mine Workers Journal* challenged that belief, however, stating faulty mine inspection was responsible for the accident and that the mines were operated without two openings. This disaster spurred scientific research on coal-mining safety, and it also led to public awareness and the passage of the Organic Act of 1910, which established the U.S. Bureau of Mines (USBM).

In 1942, there were 71,035 accidents, of which 1,471 were fatal (U.S. House 1947, 5). By 1945, the coal industry was experiencing declining fatality rates. Regulation and mechanization brought about a significant drop in death rates. In the Rocky Mountain states, 157 miners died in major disasters from 1934 through 1945 and 183 in all explosions (Whiteside 1990, 173). In 1946, the Bureau of Mines found more than 90,000 safety code violations among twenty-seven government-operated mines. Two of the twenty-seven mines were found to have complied with the Federal Mines Safety Code (U.S. House 1947, 13).

Numerous deaths among coal miners led to passage of the bill that governs mine workers today. In 1972, the Sunshine silver mine fire killed several workers in Kellogg, Idaho. This tragedy led the Department of the Interior to spot weaknesses in safety programs for metal and nonmetal mine workers. The U.S. Bureau of Mines identified nine major factors that led to the deaths.

The 1977 Mine Act was established to direct the secretary of health, education, and welfare and the secretary of labor to develop mandatory health and safety standards for all mines. Each U.S. mine must have an approved worker-training program in health and safety issues. Each program must include at least forty hours of basic safety training for new miners in surface mines. The training provides instruction about respiratory devices, escape routes, ventilation, and first aid and promotes awareness of various hazards. Each miner also must receive at least eight hours of refresher safety training every year. MSHA conducts classes on health, safety, and mining methods. Mining machinery manufacturers also offer courses in machine operation and maintenance.

The Mine Act also required that each mine operator and each miner comply with health and safety standards and that every state develop and enforce health and safety programs. The law also was established to improve and expand research and development and training programs aimed at preventing accidents and occupational diseases.

Besides MESA and MSHA, other agencies investigate occupational hazards. The 1970 Occupational Safety and Health Act created the National Institute for Occupational Safety and Health (NIOSH) and the Occupational Safety and Health Administration (OSHA). NIOSH investigates hazardous work conditions, and OSHA sets safety regulations. USBM investigates hazards and promotes accident prevention and mine rescue. These agencies have mandated physical changes in the workplace such as improved ventilation and dust suppression in mines, safer equipment, safer work practices, and improved training of health and safety professionals.

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See also Black Lung Disease; United Mine Workers of America

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Federal Reserve Board

The Federal Reserve (often called the Fed) is a federal banking system established by the U.S. government in 1913 to regulate the money supply of the nation and to place some control on banking activities. The Federal Reserve provides the nation with a more stable and secure financial and monetary system. In fact, the Federal Reserve is the central bank of the United States, which establishes banking policies, interest rates, and the availability of credit. It also acts as the government's fiscal agent by regulating the supply of currency.

The main supervisor, regulator, and administrator of the Federal Reserve is the Board of Governors, which has a staff of about 1,700 people located in Washington, D.C. The seven members of the board are appointed by the president of the United States and confirmed by the Senate. From the members of the board, the president appoints a chairperson and a vice chairman, which the Senate then approves. Both the chair and the vice chair serve four-year terms; other board members serve fourteen-year terms, which expire on January 31 every even-numbered year. They are long enough to prevent day-to-day political pressures from influencing the formulation of monetary policy and the supervision of the operations of the regional reserve banks. The board is audited annually by a major public accounting firm and is also subject to audit by the General Accounting Office (GAO), an arm of Congress. Monetary policy, which is exempt from audit by the GAO, is monitored directly by Congress through written reports prepared by the board.

The Board of Governors is responsible for conducting the nation's monetary policy by influencing the money and credit conditions in the economy. It supervises and regulates banking institutions to ensure the safety and soundness of the nation's banking and financial system. In addition, it provides certain financial services to financial institutions, the public, and foreign official companies. The overall duties of the Board of Governors include keeping the wheels of business rolling with currency, coin, and payments services, such as electronic funds transfer and check clearing. It also administers banking- and finance-related consumer protection laws.

All these activities the Federal Reserve Board of Governors executes through the central bank and twelve Federal Reserve districts, or regions, throughout the United States. Regional headquarters are located in Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco. Additionally, there are branches of reserve banks in twenty-five other cities. Each of the twelve reserve banks has a board of nine directors. The president of each bank is appointed by its board of directors and approved by the Board of Governors in Washington, D.C. Reserve bank directors oversee the operations of their bank and are subject to the overall supervision of the Board of Governors. The nine directors of each reserve bank are evenly divided into three classes, designated A, B, and C. Class A directors represent commercial banks that are members of the Federal Reserve system. Class B and C directors represent the public interest and cannot be officers, directors, or employees of any bank. They encompass the broad economic interests of the Federal Reserve district, including industry, agriculture, services, labor, consumers, and the nonprofit sector. Class A and B directors are elected by member commercial banks in the district. The Board of Governors appoints class C directors.

Each of the twenty-five Federal Reserve branches has its own board of directors of five or seven members, depending upon the size of the branch. A majority of the branch directors are appointed by the district reserve bank of the branch. The Board of Governors appoints the remainder.

National banks chartered by the federal government are, by law, members of the Federal Reserve system. State-chartered banks may choose to become members of the Federal Reserve system if they meet the standards set by the Board of Governors. Each member bank is required to subscribe to stock in its regional Federal Reserve bank, but holding Federal Reserve stock is not like holding publicly traded stock. Reserve bank stock cannot be sold, traded, or pledged as collateral for loans. As specified by law, member banks receive a 6 percent annual dividend on their Federal Reserve bank stock; member banks also vote for Class A and B directors of the reserve bank.

The Federal Reserve Board of Governors also has responsibilities for writing rules and enforcing a number of major laws that offer consumers protection in their financial dealings. Federal Reserve regulations govern such areas as truth in lending, equal credit opportunity, home mortgage disclosure, community reinvestment, and electronic fund transfer. Truth in lending regulations ensure that accurate information about the cost of credit is available to consumers. Equal credit opportunity prohibits discrimination in lending. Home mortgage disclosure requires depository institutions to disclose the geographic distribution of their mortgage and home improvement loans. Community reinvestment encourages depository institutions to help meet the credit needs of their communities, including low- and moderate-income neighborhoods. Electronic fund transfer identifies the rights, liabilities, and responsibilities of consumers and financial institutions for electronic transfer services, such as automated teller machines (ATMs).

The most crucial role of the board is to keep the economy healthy through the proper application of monetary policy. The objective of monetary policy is to influence the country's economic performance to promote stable prices, maximize sustainable employment, and balance economic growth. Thus, the Federal Reserve's monetary policy actions affect prices, employment, and economic growth by influencing the availability and cost of money and credit in the economy, which in turn influences consumers' and businesses' willingness to spend money on goods and services.

To influence the availability and cost of money and credit, the Federal Reserve Board of Governors uses three monetary policy tools: open market operations, the discount rate, and reserve requirements.

Open market operations are a tool of monetary policy for buying or selling government securities. The Federal Open Market Committee (FOMC) sets the Federal Reserve's monetary policy, which is carried out through the trading desk of the Federal Reserve Bank of New York. If the FOMC decides that more money and credit should be available, it directs the trading desk in New York to buy securities from the open market.

The discount rate is the interest rate a reserve bank charges eligible financial institutions to borrow funds on a short-term basis. Unlike open market operations, which interact with financial market forces to influence short-term interest rates, the discount rate is set by the boards of directors of the Federal Reserve banks, and it is subject to approval by the Board of Governors. Under some circumstances, changes in the discount rate can affect other open market interest rates in the economy. Changes in the discount rate also can have an announcement effect, causing financial markets to respond to a potential change in the direction of monetary policy. A higher discount rate can indicate a more restrictive policy, whereas a lower rate may be used to signal a more expansive policy.

Reserve requirements are the requirements that are imposed on financial institutions by the Federal Reserve Board of Governors. Reserve requirements compel the financial institutions to set aside a percentage of their deposits as reserves to be held either as cash on hand or as reserve account balances at a reserve bank. Such financial institutions comprise commercial banks, savings banks, savings and loans, credit unions, and U.S. branches and agencies of foreign banks. Altering reserve requirements is rarely used as a monetary policy tool. However, reserve requirements support the implementation of monetary policy by providing a more predictable demand for bank reserves, which increases the Federal Reserve's influence over short-term interest rate changes when implementing open market operations.

Until the twentieth century, the United States was without a central bank, although there were two attempts to establish one in the early 1800s. A poorly regulated banking system and the lack of a flexible money supply caused bank failures, business bankruptcies, and economic downturns. Lacking a money manager, the nation's financial system was like the nation itself—diverse and subject to uneven growth. Consequently, there were frequent economic depressions and financial panics. The Bank Panic of 1907 finally convinced the public that a central bank was necessary to balance the financial needs of the country. Reform was difficult. Business leaders in the more established eastern cities wanted to create a national financial system, but small businesses and farmers in the West and South feared that idea. They worried that it would not provide enough easy credit to support their developing economies. However, on December 23, 1913, after considerable debate, President Woodrow Wilson signed the Federal Reserve Act, and Congress passed it. Since then, Congress has set forth the Employment Act of 1946, and the Full Employment and Balanced Growth (Humphrey-Hawkins) Act of 1978. Over the years, deficiencies in the original act have been addressed in further legislation. The Humphrey-Hawkins Act included an update of the objectives of the Federal Reserve. The update was designed to achieve economic growth in line with the economy's potential to expand, a high level of employment, stable prices (meaning stability in the purchasing power of the dollar), and moderate long-term interest rates.

Since its founding, the Federal Reserve has expanded in size and function. It continues to affect the economic and financial decisions of virtually everyone—from a family buying a house to a business increasing its operations or to a consumer choosing a sound financial institution. However, the monetary policy cannot target specific industries or regions within the country but affects the overall level of prices, economic growth, and employment as a whole. Stable prices help create jobs and raise incomes, whereas fluctuating prices distort consumer and investment decisions, thereby adversely affecting employment and growth in the economy. Therefore, the Federal Reserve influences short-term interest rates in the economy to achieve its goals of stable prices, maximized sustainable employment, and steady economic growth. Besides, global interdependence, fostered through international trade, investments, and exchange rate fluctuations, compels the Board of Governors to consider economic conditions in other countries in its monetary policy. In the global economy, the actions of the Federal Reserve have significant economic and financial effects not only inside the country but also around the world.

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See also Bureau of Labor Statistics; Council of Economic Advisers; Greenspan, Alan

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Federal Unemployment Tax and Insurance System

The Federal Unemployment Tax Act (FUTA) imposed an excise tax upon employers that is used to fund the federal unemployment program. The tax is calculated as a percentage of wages the employer has paid to the employee. Unlike Federal Insurance Contributions Act (FICA) taxes, the federal unemployment tax is charged only to the employer and not to the workers themselves. This program confers monetary benefits to workers during temporary periods of unemployment. Benefits ordinarily consist of twenty-six weeks of partial wage replacement for workers, with extensions of the benefit period under certain select circumstances. Although the amount a worker previously earned plays a role in determining the amount of benefits paid out under the system, financial need is essentially irrelevant under the unemployment insurance system. The triggering event is involuntary job loss, which happens to workers at all income levels and with varying amounts of savings. The purpose behind the program and thus the tax is to provide a safety net for those who find themselves unemployed through no fault of their own (workers fired for cause do not receive compensation).

There was interest in a federal unemployment compensation program early in the twentieth century and especially during the depression of 1914–1915, but a strong momentum did not build behind unemployment insurance legislation until the beginning of the Great Depression. Franklin D. Roosevelt's pledged, as part of his presidential platform, a thorough study of unemployment insurance. During the early 1930s, unemployment insurance legislation was introduced in as many as twenty-five states and the District of Columbia. No legislation was passed, presumably because state legislatures feared the comparative disadvantage such legislation would impose upon their economies. If one state led the way in establishing an unemployment compensation fund, with an accompanying tax on employers, that state assuredly faced some degree of alienation of business interests and employers' flight to other states with no unemployment tax obligations. Those in favor of unemployment insurance recognized the paralyzing effect that interstate competition would have on the establishment of state-based unemployment insurance programs. Thus, they took their plight to Congress, seeking a federal unemployment insurance program. In response, Congress passed Title III of the Social Security Act of 1935, which included FUTA.

Congress was unwilling to establish a national unemployment insurance program, preferring that the states themselves institute and manage such programs. To force states to do just that, FUTA established an unemployment compensation system that is jointly administered by both the federal government and state governments. Under FUTA, states are "permitted" to create their own unemployment legislation. All states have done so, in no small part because states failing to establish systems in conformance with the mandates of the FUTA risk losing federal administrative funds and paying higher payroll taxes for state businesses. The U.S. Supreme Court upheld the constitutionality of the federal unemployment insurance tax scheme in 1937, explaining that without federal imposition of such requirements, individual states were highly unlikely to establish such programs on their own because of the comparative disadvantages inherent in doing so.

The federal government funds the unemployment insurance program by imposing an excise tax on all employers based on the wages they pay to their employees. An "employer" is defined as any person who paid wages of $1,500 or more or who employed at least one individual for twenty weeks during the relevant calendar year. By statutory definition, "wages" under the federal unemployment tax refers to only the first $7,000 paid to an employee. For wages paid in the calendar years 1988 through 2007, the rate of the federal unemployment tax is 6.2 percent. The tax rate drops to 6.0 percent for wages paid in and after the year 2008. Thus, for each employee that earned over $7,000 per year from 1998 through 2007, the employer must pay $434 in federal unemployment taxes.

Under this federal-state unemployment insurance system, employers are required to pay taxes to both the federal government and the state government. State tax rates vary from state to state. If the state's unemployment system conforms to the requirements set forth in FUTA and related regulations, the state's unemployment compensation program will be certified by the Department of Labor, a determination made annually by the secretary of labor. The employer receives a credit on his or her federal unemployment tax liability for certain contributions made to certified state unemployment compensation funds. Additionally, the employer may enjoy lower tax liability depending upon his or her "experience rating." The experience rating is a measure of the degree to which the employer maintains a stable work force or, conversely, the extent to which the unemployment compensation system has faced claims from an employer's former employees. The maximum credit permitted to each employer is 90 percent of the federal tax. For the years between 1998 and 2007, that means the employer could pay as little as $43.40 per employee per year in federal unemployment tax.

Although the federal government imposes the federal unemployment tax, it does not directly handle unemployment claims. States administer unemployment insurance programs under a variety of different departmental designations, and the federal government allocates the funds collected under FUTA to the states. The federal legislation allows each state a wide measure of discretion in how to administer unemployment insurance programs, including how to define and decide whether claimants are eligible for compensation, whether they are disqualified from receiving benefits, the amount of benefits to award, and the number of weeks to award benefits. Typically, state programs provide for a maximum of twenty-six weeks of benefits. Though a claimant may in fact need benefits beyond that period, eligibility for unemployment benefits is determined without reference to financial need.

In 2002, Congress enacted the Temporary Extended Unemployment Compensation Act as part of the Job Creation and Worker Assistance Act. This temporary legislation provided up to thirteen weeks of federally funded unemployment insurance benefits to workers in all states who had exhausted their state unemployment compensation benefits. In addition, the legislation provides for thirteen more weeks of federally funded benefits to workers in states with especially high unemployment rates.

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See also Job Security; Layoffs; Unemployment Rate

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Flood, Curt (1938–1997)

This 1960s-era star outfielder for the St. Louis Cardinals baseball club changed the course of labor and race relations in major league sports by mounting a legal challenge to the control over labor relations given to baseball team owners by the "reserve clause" of player-team agreements. Flood's crusade came at great personal cost and set a precedent for economic change that required courage many compare to that of Jackie Robinson.

Curt Flood played in an era that may be difficult for many younger people to understand. Owners ruled their organizations with near-dictatorial powers; every major league baseball player was "owned" by his team, who could trade, waive, pay, or not pay the athlete entirely as management saw fit. Only the most celebrated stars enjoyed any leverage in negotiating a contract. Discrimination against black and Latino players was often accepted and in the open, with de facto limits for the numbers of minority players on major league rosters.

Flood was a special player, a three-time All-Star and seven-time winner of the Golden Glove for his defensive excellence in center field. He hit more than .300 six times during a fifteen-year major league career, largely spent with the St. Louis Cardinals. He also was a painter, writer, and entrepreneur. Despite Flood's central role in helping the Cardinals win three pennants and two World Series in five years, the Cardinals traded Flood to the Philadelphia Phillies after the 1969 season, a decision Flood heard about from a newspaper reporter first. Infuriated by the decision and motivated by a strong intellect, sensitivity to the struggle for civil rights, and opposition to the war in Vietnam, Flood believed he had the right to exercise some control over his career. To win some self-determination and dignity, Flood took on 100 years of precedent in labor-management relations in professional sports. He would initiate a court challenge to baseball's infamous "reserve clause," arguing that the stricture violated the federal antitrust laws written to limit monopoly power. The reserve clause bound the player, one year at a time, in perpetuity to the club owning his contract. As Flood wrote in his extraordinary autobiography, *The Way It Is:*

> Required to negotiate his contract in individual, eye-to-eye discussion with the general manager, without the helpful presence of a lawyer or a talent representative, the ordinary player is outgunned. His inexperience as a bargainer is only one of his disadvantages. The know-how of the general manager is another. But the fundamental handicap is baseball's reserve system, the iron provisions of which make individual negotiation a mockery. The player who refuses to sign on the employer's terms remains bound to the club. He can be forced to work at reduced wages without signing, unless he chooses to abandon his career altogether. No other team can hire him until his official owner clears the way by selling or trading his contract, which then becomes the exclusive property of the new owner.

With the backing of the nascent Baseball Players Association and Arthur Goldberg, a former U.S. Supreme Court justice, Flood took his lawsuit against the reserve clause the entire way to the Supreme Court, which ultimately ruled against him. Flood's first letter to Baseball Commissioner Bowie Kuhn stated the heart of his case: "After 12 years in the major leagues, I do not feel that I am a piece of property to be bought and sold irrespective of my wishes. I believe that any system that produces that result violates my basic rights as a citizen and is inconsistent with the laws of the United States and several states." Flood's crusade helped to change public opinion and open the way for the emergence of free agent rulings and activism of the Baseball Players Association in the 1970s.

Flood's courage inspired many of his fellow players, but he paid enormous financial and emotional costs for his crusade. The stress and exhaustion of the legal fight crippled his ability to play the major league game, leading to his retirement shortly after his return to baseball. He left baseball to travel to Europe, where he spent much of his time painting and writing. He died in 1997 of throat cancer, at the age of fifty-nine. Advocates, economists, observers, and journalists have praised his courage for confronting baseball's owners over fundamental inequities in labor-management relations.

Herbert A. Schaffner

See also Arbitration; Collective Bargaining

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Food Stamp Program

Without the federal food stamp program, millions of children, elderly, and poor Americans would likely go to bed hungry—many in households where an adult works. Administered by the U.S. Department of Agriculture (USDA) in partnership with state and local governments, the food stamp program reaches low-income Americans regardless of age, family status, or health, although changes in the 1996 welfare law made many legal immigrants ineligible for food stamps. Historically, a large number of working poor Americans have relied upon food stamp assistance to provide an adequate diet for their families. Researchers and analysts in the nonprofit, academic, and government sectors have published numerous detailed studies showing the effectiveness of the food stamp program in helping low-wage working families meet their needs in a cost-effective manner. For decades, substantial bipartisan support and the advocacy of skilled experts and public interest groups led the way to the expansion of food stamps into a sophisticated, well-run government benefit program. However, the congressional drive to reduce and reform welfare and other safety net programs during the 1990s generated substantial controversy over the funding, administration, and work requirements of the food stamp program.

How the Food Stamp Program Works

In an average month during fiscal year 2000, the food stamp program provided benefits to more than 17 million people living in 7.3 million households across the United States, according to USDA figures (U.S. Department of Agriculture 2001). The total cost of the program over fiscal year (FY) 2000 was $17.1 billion, $15.0 billion of which went for food stamp benefits. Food stamp benefits are funded by the U.S. government, and administrative costs are shared by federal, state, and local levels of government.

The average monthly food stamp allotment provided in FY 2000 was $158 per household. Stamp benefits are provided in books or as cash value through electronic benefit transfer cards. In FY 2000, slightly over half of all food stamp participants were children, 39 percent were nonelderly adults, and 10 percent were elderly. About 68 percent of the children in food stamp households were school age, and 70 percent of adult participants were women.

In 2000, nearly 90 percent of food stamp households lived in poverty, and about one-third of food stamp recipients lived in the poorest U.S. households (U.S. Department of Agriculture 2000a). Historically, federal studies have shown that for single-parent families earning the minimum wage for example, food stamps can provide from 25 to 40 percent of that family's total purchasing power (U. S. Department of Agriculture 2000b).

Food stamp participation fell dramatically during the 1990s, however, not only as a result of a growing economy. The USDA has shown that participation in the program declined from more than 27 million recipients per month in 1994 to 18 million per month in 1998 and 17 million in 2000; only part of this decline is attributed to economic conditions (U.S. Department of Agriculture 2001). As the economy slowed in 2001 and 2002, however, food stamp participation increased moderately.

Households needing food assistance either seek it or are directed by case workers to local food stamp offices, where detailed applications for benefits are reviewed and certified. As of 2001, families generally had to have gross incomes before deductions of no more than 130 percent of the federal poverty line ($1,848 per month for a family of four). Their net incomes could be no more than 100 percent of the poverty line ($1,421 per month for a family of four) to receive stamps.

Evolution of the Food Stamp Program

The federal government first provided food stamps to low-income individuals during the 1930s, when it issued orange stamps that individuals purchased dollar-for-dollar to buy retail food items; with those stamps, people also received free blue stamps that could be used to purchase surplus food commodities. By 1942, the two-stamp program was available in about half the counties in the United States. As noted by James Ohls and Harold Beebout in *The Food Stamp Program* (1993), the initiative had drawbacks: "Requiring households to purchase a substantial proportion of food stamps with their own money placed heavy emphasis on encouraging food consumption, but it also significantly reduced access to the program, particularly among very poor households."

The food stamp pilot program was phased out as the Eisenhower administration placed a new emphasis on distributing free commodities, to help low-income Americans, to be sure, but also to reduce growing stockpiles of unsold agricultural goods. The commodities program would continue for decades. Food stamps were reintroduced by the Kennedy and Johnson administrations in a new initiative that went nationwide in 1964. With the passage of the Food Stamp Act, families paid a fraction of the base value of the stamps, through a formula based on income. Food stamps were made available as an alternative to commodities distribution nationwide, but counties were not required to offer either program. The food stamp program expanded dramatically during the 1960s, as more and more localities dropped direct commodities distribution in favor of food stamps.

By the late 1960s, the influence of civil rights activism and related social consciousness, disquiet over the war in Vietnam, and greater social mobility combined to spark a national outcry over hunger and poverty in the United States. New cadres of committed public interest activists such as Ralph Nader had become more influential in Washington, D.C., and within the national media, leading to the formation of a loose antipoverty lobby in Washington. The Nixon administration felt the public pressure and worked with factions in Congress, agriculture, and public interest groups to expand benefits and access to food assistance. Although the food stamp issue was swept up in acrimonious battles over federal welfare policy, eventually a new food stamp law was passed in 1971 that substantially expanded the program and incorporated elements of the program still in force today: uniform income and asset eligibility standards, a federal obligation to pay 50 percent of the program's administrative cost, indexing of benefits, and standard maximum benefits (Ohls and Beebout 1993, 15). The program grew rapidly, with more than 16 million Americans receiving benefits by 1975.

By the late 1970s, Congress required all states to serve all eligible people who applied for food stamps—making the program essentially an entitlement. The Food Stamp Act of 1977 eliminated the food stamp purchase requirement. Instead of paying cash for a portion of the value of the food stamps received, households would receive fewer food stamps for the full value of their subsidy, without any cash changing hands. The dollar value of the subsidy remained the same, but households no longer had to pay anything out of their own pocket to obtain stamps.

The food stamp program expanded dramatically between the early 1970s and mid-1990s, serving 28 million people in 1994. This low-income nutrition safety net generally received stronger political support than other entitlement programs such as welfare, for a number of reasons. Providing "in kind" food assistance to hungry people has wider public support than cash assistance. In addition, because food support ultimately sells more agricultural commodities and produce, the food stamp program found political leverage among rural southern and midwestern members of Congress and senators, who often allied with urban politicians to forge coalitions on agricultural policy and food stamps. Finally, food assistance policy was shaped and influenced by an extremely effective network of public interest and advocacy groups, as well as cadres of government experts, resulting in highly sophisticated, detailed regulations and administrative procedures. Food stamps are widely regarded as an efficiently run government program.

The Politics of Food Assistance during the Reagan, Bush, and Clinton Administrations

The presidency of Ronald Reagan brought profound changes in the political and media climate surrounding federal spending and policy. Elected by a landslide in difficult economic times, President Reagan's stated goal to "get government off the backs of the American people" included treating low-income "welfare" assistance programs as fair game for budget reductions. Although ultimately Reagan allowed federal deficits to increase over the long-term rather than forgo new tax cuts or confront Congress over deeper spending reductions, he undoubtedly enjoyed a gust of political momentum and public support for cutting social programs. During the 1980–1982 budget cycles, the Reagan administration cut food stamp benefits somewhat, delayed inflation adjustments, reduced deductions for earned income (which allowed households that were working but still poor to discount some of what they made in qualifying for food stamps), and reduced first-month benefits. Other rule and administrative changes also were enacted to reduce costs and benefits.

The consequences of these decisions had a discernible impact on the well-being of low-income families and served to galvanize the loose confederation of public interest and advocacy lobbyists, experts, and groups to protect the program. Jeffrey Berry noted in his 1984 analysis of food stamp politics and advocacy, *Feeding Hungry People:*

> The second reason for the growing hunger problem is the reduction of funding levels for the government nutrition programs. These reductions . . . restricted eligibility and reduced benefits. The Reagan Administration's rhetoric aside, the savings have not been accomplished largely through administrative belt tightening or by eliminating fraud and waste. In fiscal year 1982, over $3 billion was cut from government nutrition programs. As noted earlier, the food stamp program alone has lost approximately $11 billion for fiscal years 1982–1985 from the cuts made (earlier). (Berry 1984, 132)

The deep 1980s recession brought a public opinion backlash against cutting benefits for poor families. Combined with effective lobbying and renewed congressional interest in food assistance, the public mood helped swing the legislative pendulum back by the mid-1980s to increases in benefits and access to food stamps. Congress restored cuts in maximum benefit levels and passed a comprehensive food stamp employment and training program that required and supported training and job search activities for able-bodied food stamp recipients. During the administration of George H. W. Bush, a major bipartisan effort to increase food stamps benefits in 1990 eventually fell apart in the face of mounting budget deficits.

When Republicans gained control of Congress in 1994, led by House Speaker Newt Gingrich, the ground was set for another major confrontation over "reform" and reduction of social and entitlement programs targeted at low-income people. The new law that would replace Aid to Families with Dependent Children (AFDC)—the system commonly known as "welfare"—was titled the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). This new sweeping national welfare law was also intended and did indeed affect federal nutrition programs in several ways. The Food Stamp Program was substantially scaled back through adjustments in the Thrifty Food Plan, a low-cost food budget used to calculate food stamp awards; elimination of benefits to most legal immigrants; creation of time limits for benefits to able-bodied adults without dependents; and changes in eligibility and income criteria for families. The new law also mandated that all states convert benefit awards from paper coupons to electronic benefits transfer (EBT) systems by 2002. In subsequent legislation, Congress restored some benefits to selected populations and gave states options to restore benefits and provide work and training opportunities to able-bodied adults without dependents and other populations excluded from the federal program.

Participation in the food stamp program declined until 2001, when rolls began to increase with the slowdown of the economy. In an USDA report published in 2001, *The Decline in Food Stamp Program Participation in the 1990s,* the authors noted a number of factors contributing to declines in food stamp enrollment. States were given wider mandates to set their own rules. They included reducing food stamp benefits as a "sanction" for households failing to comply with public assistance rules, setting requirements for job search activities before permitting applications for welfare benefits, and offering applicants lump-sum "diversionary" payments to forestall applying for benefits for some time period. In three states, the USDA identified specific practices intended to deter potential food stamp recipients from signing up for the program. In New York City, low-income applicants were forbidden from applying for food stamps during their first visit to a social agency. However, the 1996 law and its aftermath did shift the terms of legislative debate to making "work first" a cornerstone of social policy, and many advocates and experts noted that food stamps provide essential in-kind income for working poor families. In looking toward the next decade, virtually all policy analysts and officials concur that the food stamp program will continue to receive wide political support and play a role in reducing hunger in the United States, which remains widespread among tens of millions of adults and children across the land.

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See also Earned Income Tax Credit; Living Wage; Welfare to Work

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Food-service Industry

Since the first tavern was built, Americans have enjoyed eating out. A 2002 exhibit at the New York Public Library entitled "New York Eats Out" traces the history of dining in that city, from the opening of Delmonico's, the first real restaurant in the United States, in 1827, to the rise of popular dining following Prohibition. Although "high-style" restaurants such as Delmonico's served a wealthy clientele, ordinary people flocked to a varied assortment of eating houses, including oyster cellars, cafeterias, street carts (serving such interesting items as coconut milk and roasted sweet potatoes), and the earliest Chinese and other ethnic restaurants. Prohibition, the Depression, and the war eras eclipsed both popular and fine dining, but Americans enthusiastically returned to both in the following years. Today, with almost 850,000 eating and drinking establishments in the United States to choose from (up from 491,000 in 1972), Americans are eating out more than ever.

More than 11 million people are employed by the food-service industry (National Restaurant Association 2001). At the same time, nearly everyone has eaten in a restaurant, cafeteria, school lunchroom, or snack bar, and millions of Americans do so on a daily or weekly basis. According to the 2001 National Restaurant Association's (NRA) "Restaurant Industry Operations Report," based on an analysis of the Bureau of Labor Statistics's Consumer Expenditure Survey, the amount consumers are spending on food away from home is increasing. In 1998, the average American household spent $2,030, or $812 per person, on food away from home. In 1999, that figure rose to $2,116, or $846 per person. The restaurant industry's share of today's food dollar is 46 percent, compared to only 25 percent in 1955. That number is expected to rise to more than half by 2010, when the NRA predicts consumers will spend 53 percent of every food dollar on food eaten away the home. As a result, the food-service industry has grown into a billion-dollar industry that generates millions of dollars a day in restaurant sales and sales in related businesses such as agriculture, transportation, wholesale trade, and food production. It also employs millions of people. To satisfy the nation's growing demand for "away from home" food service, the labor market in the food-service industry has grown dramatically in recent years.

Millions of Americans have been on the service end of the food-service industry. For many, work at a restaurant, snack bar, or fast food joint was their first job. According to the National Restaurant Association, one-third of all adults in the United States have worked in the restaurant industry at some time during their lives. The combined workforce in the nation's quick-service (fast food) restaurants, full-service restaurants, caterers, snack bars, commercial cafeterias, bars, and taverns makes the food-service industry one of the nation's largest private sector employers, generating sales equal to 4 percent of the U.S. gross domestic product. Food service involves millions of workers, even more consumers, and a dizzying array of products and venues.

The "typical" employee in a food-service occupation, according to the National Restaurant Association, is a young woman (58 percent) under the age of thirty (59 percent), who is single (71 percent) and is living in a household with two or more wage earners (80 percent) while working part-time, averaging 25.5 hours a week. This typical worker has a range of options when considering a job in the food-service industry.

The food-service industry is very labor-intensive, with sales per full-time-equivalent employee at $44,656 in 1999, notably lower than other industries (National Restaurant Association 2001). Workers in the food-service industry fill a wide variety of positions, including restaurant managers, chefs and kitchen staff, snack bar attendants, caterers, bartenders, and wait staff. Food-service occupations have education and training requirements that range from entry-level (busboys, waitresses) to high-skilled (executive chefs). For some positions, such as restaurant managers and operators, a college or business degree is required or preferred. Chefs require specialized culinary training. Food preparation staff, waitresses, and busboys require little or no specialized training, although prior experience is often necessary or preferred. Some high-end establishments offer wait staff special training in areas such as wine service.

As a rule, pay is relatively low throughout all sectors of the food-service industry for both salaried and nonsalaried workers, except at the very top of the career ladder (that is, executive chefs, restaurant owners) or in high-priced, high-status restaurants, where full-time wait staff can make more than $60,000 a year. Many establishments, particularly those in tourist areas or associated with season-dependent activities (such as summer resorts or ski areas), provide employees with seasonal job opportunities that may create hardship in the off-season. Tips make up the majority of some food-service employees' wages. Benefits for entry-level workers are rare.

Labor shortages are a constant challenge for all sectors of the food-service industry. Turnover is substantial in a field where job-hopping is common among all occupation levels, as wait staff, bartenders, managers, and food preparers jockey for position among the top-paying posts at the most lucrative establishments. In addition, for many workers, the food-service industry is not a full-time, permanent career. High school students looking for summer jobs, college students looking for part-time work, and people needing a temporary source of income regularly move in and out of the food-service job market.


More than 11 million people are employed in the food-service industry nationwide. (Jeff Zaruba/Corbis)

Work conditions in the food-service industry are such that many workers soon look for other employment. The flexible hours offered in many food-service venues benefit students, homemakers, part-time workers, and others who cannot or prefer not to work a traditional 9-to-5 schedule. However, this benefit is offset by the late night, weekend, and holiday work that food service demands. Hours can also be unpredictable, depending on the season, the type of establishment, and the state of the economy. In addition, the work in the food-service industry is often physically demanding. Chefs, cooks, and kitchen staff work in kitchens that, with multiple, industrial-size ovens, can reach 115 degrees in the heat of the summer. Wait, bar, and bus staff spend the majority of a shift on their feet, often lifting heavy trays of food or dishes. Finally, the work itself can be onerous. Food-service employees must interact daily with a public that can be demanding and often irate. Bars and restaurants with smoking sections are often smoke-filled. The pace of many food-service jobs is brisk, even breakneck, particularly during certain rush hour times. Food preparation and cleanup is often unpleasant. The uniforms are almost always polyester-based and unattractive. However, despite these drawbacks, the food industry employs millions of people in a wide range of jobs.

At the top of the food-service industry hierarchy are the managers. According to the U.S. Department of Labor's (DOL) Occupational Outlook Handbook (2000–2001), restaurant and food-service managers held about 518,000 jobs in 1998. Most managers are salaried, but about one in six are self-employed. Most work in restaurants or private food-service companies, and educational institutions, hospitals, and nursing and personal care facilities employ a smaller number.

Managers perform a wide range of duties ranging from menu planning to bookkeeping. Good communication, customer service, and organizational skills are important, as well as a knowledge of food preparation and service. To attain these skills, many colleges offer degrees in restaurant, hotel, and food-service management. According to the DOL, the median earnings of food-service managers were \$26,700 in 1998, with the lowest-paid 10 percent earning \$14,430 and the highest-paid 10 percent earning over \$45,520. In addition, managers, as salaried staff, typically receive health benefits.

Food-preparation positions range from executive chefs in the nation's most expensive and highly regarded restaurants to fry cooks in the local fast food franchise. According to the DOL, more than 20 percent of food-preparation employees are between sixteen and nineteen years old, and about 35 percent work part-time. Almost one-third (33 percent) of chefs/cooks and 40 percent of kitchen and food preparation workers work part-time, compared to 16 percent of other workers. More than 3.3 million food preparation and kitchen workers are employed by the food-service industry, with 60 percent working in restaurants, 20 percent in institutions, and 20 percent in the remainder of food-service establishments. Food preparation employees vary by establishment and skill attainment and include institution chefs and cooks who work in places such as businesses, hospitals, and schools; restaurant chefs and cooks; short-order cooks in diners and coffee shops; and fast food cooks. Culinary school or other advanced training (including apprenticeships) is required for most chefs, but short-order cooks may have little or no experience before being hired. Not surprisingly, the career ladder for highly trained chefs is the most developed in the industry, with many chefs advancing to high-level jobs that pay up to six-figure salaries. However, the median hourly earnings in 1998 of restaurant cooks were $7.81 and $6.12 for short-order and fast food cooks, respectively.

On the front line of the food-service industry are the food and beverage service workers, the waitresses, waiters, bartenders, and busboys who wait on tables and work behind counters, take orders, and serve the food and drinks. Restaurants, coffee shops, bars, and other retail eating and drinking places employ the overwhelming majority of food and beverage service workers. Others work in hotels and motels, country clubs, schools, and other institutions.

Food and beverage service workers derive their earnings from a combination of hourly wages and customer tips. Earnings vary greatly, depending on the type of job and establishment. For example, fast food workers and hosts and hostesses usually do not receive tips, so their wage rates may be higher than those of waiters and waitresses and bartenders, who may earn more from tips than from wages. Hourly wages may also vary according to shift, with those working less lucrative shifts earning a higher hourly wage. In many restaurants, tip earners share a portion of their earnings with those staff, such as busboys, who do not earn tips but are people the wait staff need to do their job.

According to the DOL, food- and beverage-service workers held over 5.4 million jobs in 1998. Waiters and waitresses held about 2,019,000 of these jobs; counter attendants and fast food workers, 2,025,000; dining room and cafeteria attendants and bartender helpers, 405,000; bartenders, 404,000; hosts and hostesses, 297,000; and all other food preparation and service workers, 280,000.

In 1998, median hourly earnings (not including tips) of full-time waiters and waitresses were $5.85. The middle 50 percent earned between $5.58 and $6.32; the top 10 percent earned at least $7.83. For most waiters and waitresses, the bulk of their earnings are their tips (usually between 10 percent and 20 percent of the customer's check). As such, competition to work in busy and/or expensive restaurants can be fierce (some people argue that service should be built into the check and wait staff should be paid appropriate salaries, a common practice in European countries). Full-time bartenders had median hourly earnings (not including tips) of $6.25 in 1998. The middle 50 percent earned from $5.72 and $7.71; the top 10 percent earned at least $9.19 an hour. Like waiters and waitresses, bartenders employed in public bars may receive more than half of their earnings as tips. According to the DOL, median weekly hourly earnings (not including tips) of full-time dining room attendants and bartender helpers were $6.03 in 1998. The middle 50 percent earned between $5.67 and $7.11; the top 10 percent earned over $8.49 an hour. Again, tips make up a significant portion of wages.

Full-time counter attendants and fast food workers, except cooks, had median hourly earnings (not including tips) of $6.06 in 1998. The middle 50 percent earned between $5.67 and $7.14, and the highest 10 percent earned more than $8.45 an hour. Counter attendants at snack bars sometimes earn extra wages in the form of tips, but fast food workers, as a rule, do not.

In establishments covered by federal law, most workers beginning at the minimum wage earned $5.15 an hour in 1998. However, the law provides employers with a variety of ways to circumvent the minimum wage, such as including tips as part of the employee's wages. Employers have the option of deducting the cost of meals and uniforms from an employee's paycheck, but many food-service establishments do provide each shift with a free meal, and some cover the cost of the uniform. Some workers in the food-service industry receive benefits, particularly full-time staff and workers in institutions such as hospitals, schools, and corporate establishments. However, the majority of part-time employees do not, and even many full-time wait and service staff are not offered benefits. In some large restaurants and hotels, food and beverage service workers are unionized and are members of either the Hotel Employees and Restaurant Employees International Union or the Service Employees International Union. However, union membership among food-service workers is not the norm.

For many, work in the food-service industry is temporary. High school students working a summer job, college students working their way through school, graduates (and actors) waiting for a "real" job to come along know that this job is a transition to a career in their chosen field. For 11 million others, serving or preparing food is their career. As Americans eat out in ever-increasing numbers, the food-service industry will continue to be an important part of the nation's economy and a significant portion of the labor force.

K. A. Dixon

See also Blue Collar; Contingent and Temporary Workers; Job Benefits; Minimum Wage; Part-time Work; Summer Jobs; Women and Work

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Ford, Henry (1863–1947)

From how Americans work and socialize to where they live, few have changed the American landscape as much as Henry Ford. Although he did not invent the automobile or originate assembly line manufacturing, his innovations in manufacturing and marketing made the automobile into a true mass consumer item and the assembly line into the hallmark of mass production. Ford was also hailed as a visionary for his announcement in 1914 of the Five Dollar Day—in reality, a base wage with incentives added on for qualifying employees—at the Ford Motor Company. Although his stance against U.S. entry into World War I, the obvious anti-Semitism of the Ford-owned *Dearborn Independent,* and the company's violent opposition to labor unions eventually dimmed Henry Ford's reputation in his later years, he remained a hero to many Americans for the sheer magnitude of his accomplishments. Generations after his death, the company that Ford established remains one of the largest corporations on earth.

Although Ford later liked to emphasize his humble origins as a Michigan farm boy, he was born into the relatively prosperous family of William and Mary (Litigot) Ford in the then village of Dearborn on July 30, 1863. After immigrating from Ireland in the 1840s, William Ford had worked as a railroad carpenter before establishing considerable land holdings in Dearborn, where other members of his family had already settled. Ford passed along his mechanical aptitude to his first surviving son, Henry, who made extra money as a child by repairing neighbors' watches. Although he later considered opening up a watch-making business, Ford's encounter as a youngster with a steam-driven engine used for threshing and sawing proved pivotal in his aspirations. With his mechanical aptitude already obvious, Ford left home in 1879 to work in the Flower and Brothers Machine Shop in nearby Detroit. After a few months as an apprentice, Ford then worked at the Detroit Dry Dock Company's engine works until 1882, when he returned to his family's Dearborn farm.

Between 1882 and 1891, Ford derived much of his income as a mechanic and operator of a portable steam engine for farmers around Dearborn. After marrying Clara Bryant on April 11, 1888, the couple built their own home on an 80-acre site in Dearborn. The Fords welcomed their only child, son Edsel, in 1893. By that time the family had relocated back to Detroit, where Henry Ford obtained a position with the Detroit Illuminating Company. Eventually, Ford rose to the position of chief engineer with the power company while teaching mechanical courses at Detroit's Young Men's Christian Association (YMCA). All this time—inspired by the self-propelled vehicle he had witnessed years earlier and his own experience as a farm mechanic—Ford experimented with gasoline-powered internal combustion engines. By June 1896, Ford was ready to test out his first automobile. Christened the Quadricycle—its structure resembled two bicycles harnessed together with an engine—the machine was too large to be brought out the door of Ford's tool shed where he had constructed it with the help of some colleagues. Knocking out the door and a portion of the wall, Ford and his friends took the Quadricyle for its first successful run in the early morning of June 4, 1896.

Although Ford was not the first person to make a successful automobile run in Detroit, his connections to the business establishment of the city paved the way for the establishment of the Detroit Automobile Company in August 1899. With Ford serving as mechanical superintendent, the company was the first automobile company to be established in Detroit. Like numerous other early auto companies, however, the Detroit Automobile Company closed just a year after it had set up shop. Undaunted by the failure, Ford regained his reputation in an auto race held at Grosse Pointe, Michigan, on October 10, 1901. Although he was not favored to win—and in fact trailed in the early stages of the race—the mechanical soundness of Ford's car proved to be decisive. After winning the race, Ford once again had ready access to capitalize another car company. The Henry Ford Motor Company was duly established on November 30, 1901, although Ford's tenure there was brief. After a series of disagreements with the company's investors, Ford left the company in March 1902. Renamed the Cadillac Motor Company, the company that Ford had once led later became part of the rival General Motors Corporation (GM).

Ford's third try at entering the automobile business was far more enduring than his previous attempts. Established on June 16, 1903, in Detroit, the Ford Motor Company produced moderate-priced automobiles at the rate of twenty-five cars per day. Using carriage bodies made by the Dodge Brothers and other parts from its suppliers for the final product, the first Ford factory on Mack Avenue was more of an assembly plant than a manufacturing operation. Under Ford's guidance, however, the company's debuting Model A offered a number of innovative mechanical features, including engine cylinders that operated vertically—and with more power and less friction—instead of horizontally. With 658 Model A cars sold in the 1903–1904 season, the Ford Motor Company was profitable from its very first year. In 1905 Ford also established a separate Ford Manufacturing Company to produce engines, gears, and other components; not only

Henry Ford, leaving the White House after calling on President Calvin Coolidge, 1927. (Library of Congress)

would the division ensure timely delivery of quality parts, but it would also increase Ford's share of the company, a cause for concern on the part of his fellow investors. In 1919 Ford ended years of bickering among his partners by buying out the other shareholders.

The Ford Motor Company added other automobiles to its lineup in its early years, although it remained focused on the midpriced market. Against the conventional wisdom of the day—which predicted that a move into the luxury car market would be more profitable—Ford decided around 1906 that the future of the automobile industry lay in the lower-priced automobile market. Refining the company's Model N with the use of lighter and stronger vanadium steel and a powerful four-cylinder engine, the company offered the car for the price of $600 in 1907. Following Ford's new approach, sales topped $4.7 million on 8,243 Model N automobiles that sales season, and the Ford Motor Company cleared more than $1 million dollars in profit. The following year, the Model T—even lighter, stronger, and more innovative than the Model N—passed the 10,000 sales mark at a price of $825.

With more orders than could possibly be filled for the Model T after its introduction, Ford opened a new factory in Highland Park, Michigan, in December 1909. The factory utilized every aspect of Ford's decade of experience in the automobile business as well as his knack for simplifying the mechanical aspects of automobile production. Although the assembly line production of the Highland Park plant was not the first time such a setup had been used, Ford's routinization of each step in the process and use of machinery instead of skilled, hand labor as much as possible throughout the factory set a new standard for industrial mass production.

Ford's simplification of the assembly process and use of machines deskilled much of the labor needed in the Highland Park plant, but the rapid speed of the assembly line and routine nature of much of the work meant that the new factory was plagued by a high turnover rate among workers. By 1913, after the Highland Park operations had been further mechanized and routinized, daily absenteeism reached 10 percent of the work force, and the yearly turnover rate approached 380 percent. Although unskilled workers performing assembly line work did not require much training, replacing them on such a scale nevertheless represented a significant cost to Ford's production.

To stabilize his work force, Ford came up with an incentive pay plan that carried his name around the world as a visionary of labor relations: the Five Dollar Day. Although the new wage scheme kept the basic daily wage rate at $2.34, profit-sharing incentives allowed Ford workers to earn far more than the typical unskilled industrial worker for an eight-hour day. The fact that the bonus would be paid only to workers with six months of service and after investigations of workers' home lives and moral conduct by the Ford Sociological Department did not stop thousands of prospective workers from streaming to the Highland Park plant immediately after the announcement of the Five Dollar Day. Although his contemporaries predicted economic disaster for the Ford Motor Company, the move proved decisive in setting a pattern for the automotive industry. Although job security and workplace safety remained elusive for most workers in the era before labor unions, the high wages alone were enough to keep many on the assembly line in spite of its frenzied pace. Seeing the measure of stability achieved by the Five Dollar Day, other industrial manufacturers eventually caught up with Ford's wage. The era of mass consumerism had begun.

Between 1908 and 1927, the Ford Motor Company sold over 15 million Model T automobiles. Although it faced competition in its low-priced market segment from the Chevrolet division of GM, it still held 57 percent of the U.S. car market as late at 1923. The introduction of the Model A in 1927 revitalized the company for a brief period, but after 1930 Ford ceded its dominance to GM. GM surpassed Ford not only because of its annual style changes and innovative marketing tactics but also for its willingness to allow purchasers to buy its cars on credit. Further, Henry Ford's attentions were increasingly divided as his company reached maturity. Although he expanded the Ford Motor Company's vertical integration of automobile manufacturing—buying up iron ore supplies and building blast furnaces at the company's giant River Rouge complex in the 1920s, for example—Ford's public role took him far afield from automaking. Arguing against U.S. entry into World War I, Ford participated as a delegate on a so-called Peace Ship that traveled to Oslo to foster negotiations to end the war. The trip was a failure, and Ford soon took on lucrative war contracts that aided the United States after it entered the war in 1917.

Far more controversial was Ford's ownership of the *Dearborn Independent,* a newspaper he bought in November 1918. Soon after the purchase, the paper began running a series of articles alleging an international conspiracy for control of U.S. business, political, and cultural arenas on the part of the Jews. From 1920 through 1927, the *Dearborn Independent* ran numerous such articles, until a lawsuit for libel—and possibly, Ford's own plans to run for national political office—brought the open anti-Semitism of the paper to an end. Ford issued an apology and considered the matter finished, but it came back to haunt him later, when the Nazi Party championed the automaker's former views to legitimize its own anti-Semitic program in Germany.

A staunch individualist, Ford's opposition to labor unions also tarnished his reputation in the

1930s. The violent tactics of the company's Service Department under Ford lieutenant Harry Bennett against the nascent United Auto Workers (UAW) at the Battle of the Overpass at the Rouge Plant on May 26, 1937—in addition to its routine brutalization of workers suspected of supporting the union—caused a public uproar at a time when the other major auto manufacturers had already signed agreements with the union. Ford resisted unionization until June 1941, when the company suddenly reversed its course and entered into collective bargaining with the UAW.

Although Edsel Ford had gradually assumed managerial control of the Ford Motor Company in the 1930s, his untimely death in 1943 brought Henry Ford back as the leader of the company he founded. In declining health himself after a stroke in 1938, Ford's stewardship of the company lasted until his grandson, Henry Ford II, took over as president in 1945. Henry Ford died on April 7, 1947, at his Fair Lane estate in Dearborn, its grounds adjacent to the Greenfield Village historical site and museum that he had established in 1928.

Timothy G. Borden

See also American Federation of Labor and Congress of Industrial Organizations; Automotive Industry; Collective Bargaining; General Motors; Industrial Revolution and Assembly Line Work; Manufacturing Jobs; Productivity; Strikes; Taylor, Frederick Winslow; United Auto Workers Union

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Fortune

Fortune has been at the forefront of the business press for almost seventy-five years. It is recognized as one of the most powerful magazines in the United States, in part because its standing in the publishing world grew rapidly during the 1990s, in the face of a booming national economy and an insatiable demand for information on business issues and the people that shape them.

The magazine's strength and influence is built on several factors. It benefits from the marketing and financial resources that come with being a part of the largest magazine holding group in the world, AOL Time Warner. The group's holdings include *People* and *Time.* Yet *Fortune*'s editorial strength comes from other factors as well. Its editorial product is sophisticated and well produced, effectively targeting upper management with a mix of compelling yet informative articles. The per capita wealth of its readership, in fact, allows *Fortune* to secure disproportionately high advertising revenues compared to its circulation. The magazine consistently places in the top ten of all publications in terms of revenue, but it doesn't rank among even the top 100 magazines in terms of circulation.

The magazine's strength also stems from its impressive pedigree. It is the brainchild of publishing magnate Henry Luce, who is largely responsible for creating the Time, Inc., empire and using its publications to advance his own largely conservative political and social beliefs. *Fortune* claims its own place in Luce's advance. It was created at the outset of the Great Depression in an effort to lionize "America's new royalty—businessmen and industrialists—and the engine of power that they commanded," William A. Swanberg wrote in *Luce* (1972, 75). Little wonder that the magazine's first suggested name was *Power.*

Fortune immediately began to assert its influence with a landmark series in 1932 on the Soviet Union, which although acknowledging the nation's achievements under communism, left little doubt of Luce's lowly opinion of Russia, the Russian people, and totalitarianism. Yet Swanberg is quick to point out that although *Fortune* hailed the achievement of capitalism and business leaders, it provided a wider range of opinions than its more conservative counterpart *Time.* During the 1930s—a period of enormous economic and political upheaval—*Fortune* at times would run articles critical of conservatives like Herbert Hoover and complimentary of liberals such as Franklin D. Roosevelt.

The magazine's contemporary focus is less opinionated and runs the gamut of business issues. One of its greatest coups came more than a decade ago, when it was at the forefront of breaking information regarding insider trading scandals in the mid-1980s. Despite this, unlike many of its competitors, *Fortune*'s trademark is its "terrifically memorable features" rather than its breaking news stories, as one former managing editor noted.

In line with its evolution, the magazine's editorial effort has increasingly been directed toward workplace issues. The magazine has leveraged its strength in publishing top-grade business features to constantly explore a range of workforce subjects, such as the impact of stress, technology, and employee education and input on the workplace. This coverage has also touched on employment trends and emerging workplace motivational tactics. Admittedly, these subjects are usually presented from a management perspective. However, *Fortune* supports its efforts with substantial data to drive home its points.

For all its editorial strength and financial muscle, the magazine's greatest fame comes not from the words written on its pages but rather from the rankings of companies and individuals it produces. The business world completely understands the significance of being identified as a Fortune 500 company or, better yet, a Fortune 50 enterprise. The magazine's rankings also cover where international firms stand with the "Global 500" ranking, as well as listings for "America's Most Admired" and "Washington's Power 25." The listings also designate the "100 Best Companies to Work For" and the "50 Best for Minorities," which identify companies that not only compensate employees well but create working environments that promote worker morale.

Fortune has repeatedly been named among the country's best magazines by *AdWeek* and *AdAge.* Consequently, it is considered to be one of the most influential business magazines in the country. "Perhaps the most influential magazine journalism is being produced by business magazines such as *BusinessWeek, Fortune,* and *Forbes,* which cover financial news authoritatively and aggressively," Leonard Downie Jr. and Robert Kaiser wrote in *The News about the News* (Downie and Kaiser 2002, 24).

Like its main rivals, *BusinessWeek* and *Forbes,* *Fortune*'s growth mirrors the general rise in the U.S. economy during the 1990s. Its revenues soared during this time. Unfortunately, the downturn in the economy undercut a large portion of these gains. In fact, all business and technology magazines suffered severe decreases in revenues in the early 2000s, well outstripping the setbacks seen in other sectors of the magazine publishing industry. But *Fortune* held up better than *BusinessWeek* and *Forbes* because its coverage and advertising base were less tied to companies involved in the dot-com boom and bust. *Fortune,* however, faced other challenges in the early 2000s. Most specifically, it had to deal with management changes and the uncertain impact of the AOL Time Warner merger. The combination of these information-centric groups forced all the properties involved to come to grips with how various media—print and Internet—can be used to market, distribute, and drive revenue streams for all AOL Time Warner products. The resolution of this issue is especially critical to mainstream magazines, such as *Fortune,* which may no longer be able to count on traditional revenue streams such as print advertising and subscriptions.

John Salak

See also *BusinessWeek; Wall Street Journal*

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Full Employment Act (1946)

The Full Employment Act of 1946 was established during the organized labor movement as a result of the high rate of unemployment in the United States in the 1930s. President Harry S. Truman signed the act into law February 20, 1946, after approval by an overwhelming majority of both parties in Congress. The act was created to direct lawmakers to pursue policies to reduce joblessness, to create and maintain full employment (zero unemployment), and to reduce inflation or to keep price levels stable. It was originally introduced as the Full Employment Bill of 1945, after President Franklin D. Roosevelt outlined an economic bill of rights in his State of the Union address. The 1945 bill called for the federal government to even out the business cycle by doing the following: (1) establish the principle of the right to work and the government's obligation to ensure full employment, (2) place responsibility on the president for seeing that the economy be analyzed from time to time, (3) commit the federal government to enact safety measures when faced with economic challenges, and (4) commit Congress to enact full employment (or zero unemployment) policies.

Before the bill was introduced, economist John Maynard Keynes had already theorized about employment in his 1936 work, *The General Theory of Employment, Interest, and Money.* Keynes attempted to explain why economies became depressed. His ideas gained influence among policymakers who had tried to increase employment opportunities by stimulating business. Keynes believed that government had to intervene when individuals and businesses could not. Economists and policymakers believed Keynes's theory was a guarantee to sustain economic growth as well as full employment.

The employment act promoted close cooperation between the federal government and industry, agriculture, labor, and state and local governments in pursuing its objectives. In addition to committing the government to keep the U.S. economy on the path of economic growth, the Full Employment Act of 1946 instructed the federal government to intervene and use resources to ensure economic stability. The passing of the 1946 act also meant that a means existed to determine the level of unemployment and employment. The law would require information on the number of jobs needed to accommodate those unemployed and attempt to find a remedy to the nation's unemployment status.

As head of the executive branch, the president is responsible for fulfilling the objectives of the Employment Act. It commits the federal government to create and maintain conditions for individuals to seek useful employment opportunities, including self-employment. The bill is known to have provided ten presidents with a charter for economic policy (Weidenbaum 1996, 880). During the first few years of the law's existence, certain policies contributed to the adoption of anti-inflationary measures, as well as to measures aiding in recovering from a recession.

Government work programs were created during the 1930s to create jobs for the unemployed. Some of those initial programs included the Federal Emergency Relief Administration (FERA), founded in 1933; the Civil Works Administration (CWA), founded in 1933; and the Works Progress Administration (WPA), founded in 1935. Later, other work programs aided the unemployed. They included the Public Employment Program (PEP) and Public Service Employment (PSE), which were begun in the New Deal era and reintroduced by President Nixon through the Emergency Employment Act of 1971; the Comprehensive Employment and Training Act (CETA, 1973); and the Job Training Partnership Act (JTPA, 1982). PSE was incorporated as a title of CETA as a key element of the program and eventually eliminated through the formation of JTPA after a firestorm of political criticism.

The Full Employment Act of 1946 also established two institutions—the Joint Economic Committee (JEC) and the Council of Economic Advisers (CEA)—to monitor the overall performance of the U.S. economy. The CEA tends to be the more visible and influential body. It informs the president, Congress, and the public on economic problems and policies; gives the president the economic advice needed to anticipate and avoid future recessions; and aids him or her in writing the annual economic report, which includes analyses of economic issues and the latest data on production, prices, purchasing power, money, credit, and monetary policy. It also is used by members of Congress, economists, and businesspersons to promote economic understanding and stability. The JEC holds hearings on the president's economic report and issues findings. Some of the hearings and committee reports have been influential in generating public and congressional support for reforms in monetary and fiscal policy, international economics, defense procurement, taxation, and budget matters.

Today, economists and theorists continue to debate to what extent the federal government should continue to emphasize full employment at the expense of economic growth and efficiency.

Cynthia E. Thomas

See also Comprehensive Employment and Training Act; Humphrey-Hawkins Act; Job Training Partnership; New Deal; Workforce Investment Act

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G

Garment/Textile Industries

The garment and textile industries have been among the most important industries in the United States throughout much of its history. Yet at the same time, these industries have been the most difficult for those who work in them. As the garment and textile industries have developed throughout U.S. history, they have become the industries in which it is easiest to drive down wages and to export jobs overseas, owing largely to the continuous subdivision and deskilling of what had begun as skilled crafts, especially garment trades. The textile industry is fairly broadly drawn and may be defined to include the garment industry, which is primarily concerned with the manufacture of clothing, sometimes including hats, furs, and leather goods. Beyond clothing, however, textiles include a wide range of products, ranging from cloth itself to linens, furniture upholstery, and rugs. The textile industry has also historically been subdivided into different stages of production, such as spinning, weaving, and dyeing, although these components have become increasingly integrated. Although synthetic textiles have gained importance in the second half of the twentieth century, the largest and most important branch of the nongarment textile industry has always been cotton cloth manufacturing.

Throughout much of U.S. history, the garment trades have been primarily located in major cities on the Eastern Seaboard and in the Midwest. The primary center of the garment trades has been New York City, but other centers of note include Chicago, Baltimore, Philadelphia, and St. Louis. Textile manufacturing, by contrast, has been identified with small towns and regions rather than cities. For most of the nineteenth century, the majority of textile manufacturing was located in New England and only from the early twentieth century onward made a broad regional shift to the South. The South has subsequently remained the primary locus of the U.S. textile industry, until recent decades when garment and textile manufacturing, along with other U.S. manufacturing industries, has increasingly moved overseas.

The development of the garment and textile industries in the United States go back nearly to the founding of the American nation. Even after the success of the American Revolution, Britain sought to dominate the new nation economically, especially through its domination of the U.S. textile market. Textiles were initially homemade, but home manufacturing was largely displaced by the early nineteenth century. Although the first cotton cloth factory appeared in Beverly, Massachusetts, as early as 1787, it was in 1790 that Samuel Slater, popularly known as "the father of American industry," engineered a new, efficient textile mill in Pawtucket, Rhode Island, that established the cotton industry. In more than one way, however, the U.S. textile industry was truly born in Lowell, Massachusetts, with the building of the first factory at Wameset Falls in 1813.

The garment and textile industries have been among the most important industries in the United States throughout much of its history, but they have become the industries in which it is easiest to drive down wages and to export jobs overseas.(Corel Corporation)

The Lowell Mills are justly famous in U.S. history, not only because they were the largest textile outfit of its time that produced the most and employed the most workers, but also for the workforce it attracted and for decades maintained. The young women who worked for the Lowell Mills generally came from rural New England and found working at the mills to be an attractive way to work for a few years and save money before marrying. The mills offered these women an opportunity to live away from their families, in the carefully supervised boardinghouses the company provided for its employees. The attractive community that the Lowell Mills provided came at the price of long hours and eventually speed-ups and pay cuts, however. As early as 1834, the women workers organized as the Factory Girls Association and by the late 1840s had allied themselves with the New England Workingmen's Association. By that time, the management began increasingly to replace "native-born" women with immigrants who worked under less pretense of benign paternalism. Other centers of the nineteenth-century New England textile industry included Lawrence and Fall River, Massachusetts.

As the textile industry grew during the nineteenth century, the garment trades emerged from the home comparatively slowly, with the work of independent tailors and dressmakers long preceding mass production, especially in the women's garment trade, which only began to emerge following the Civil War. Many of the early clothing manufacturers were German Jewish immigrants who arrived in the wake of the 1848 revolution that helped create the nation of Germany. Between the 1860s and the 1880s, the manufacturing outfits grew in scale and, paradoxically, began increasingly contracting out work from "inside shops" to small subcontractors with low overhead. During this period, the growing workforce in the garment factories changed from primarily "native-born" women and girls to men, initially Irish and German American, and then increasingly Eastern European Jewish immigrants. It was during this period that an increasing division emerged between the all-male minority of cutters (following the invention of the cloth-cutting knife) and the majority of mostly female workers, whose tasks became increasingly subdivided and deskilled.

It was from the late 1880s through the first decade of the twentieth century, the period of the greatest expansion of both the garment and the textile industries, that its workforce was subject to some of the worst abuses. Workers were required to work longer hours and to tend increased numbers of machines in what became known as the speedup-stretchout. As garment manufacturing was increasingly subdivided, pay was often on a piecework basis, with fines for mistakes and losses. During this period, workers were also charged for the cost of needles, thread, power for the sewing machines, and even for the rental of their chairs and lockers.

Urban garment employers frequently played different groups of immigrant employees against each other, encouraging ethnic divisions as a way of preventing the formation of class solidarity. Similarly, the New England textile industries increasingly exploited immigrants, predominantly from Eastern and southern Europe, and made use of language barriers and ethnic prejudices to keep workers divided. The situation of predominantly white Anglo-Saxon textile workers in the U.S. South, however, was hardly better. As the South rebuilt economically after the Civil War, it became the new center of the U.S. cotton textile industry, owing to the immediate availability of raw materials as well as of cheap labor. The Southern mill owners brought in poor white tenant farmers to work in the mills, with promises of a better life in exchange for unquestioning loyalty to the mill. The mill owners sought to maintain control over their workforce through the creation not only of company housing but also company towns, where the mill owners controlled even schools and churches. The few African Americans who were hired worked the most menial jobs and were paid the least of what were already abysmally low wages. As in the U.S. garment industry, inhumanely long hours and child labor were both rampant in the U.S. textile industry.

The earliest efforts at organizing the textile industries North and South coincided with the rise of the Knights of Labor (KOL) in the 1880s. Most of the early organizing efforts during this period were on a craft basis, with little in the way of successful mass organization until 1885. The first effort to organize textile workers on an industrial basis was the socialist-leaning National Union of Textile Workers (NUTW), founded in 1891, and affiliated with the American Federation of Labor (AFL). The AFL, however, provided little support for the strikes that took place during the early years, and by 1901, the NUTW was absorbed into the United Textile Workers (UTW), which was more tightly controlled by the AFL and its craft philosophy. During this same period, in the garment centers, Jewish, Italian, and other garment workers began fomenting strikes and other job actions that tended to die out once the immediate objective was achieved; the first sustained garment trades union was the United Garment Workers (UGW), founded by immigrant tailors in 1891 and quickly dominated by "native-born" skilled workers. By 1900, however, a broader-based garment trades union movement began to achieve sustainability with the founding of the International Ladies Garment Workers Union (ILGWU) in New York City.

The early decades of the twentieth century were a period of pitched battles and dramatic progress, especially in the garment trades. The first successes were the "Uprising of the 20,000," a fourteen-week strike conducted by predominantly female shirtwaist workers, followed by the "Great Revolt" of New York City garment workers in 1910, that resulted in the establishment of the "Protocols of Peace," the first serious effort to achieve fair labor standards in the garment industry. The following year, 1911, however, saw a fire at the Triangle Shirtwaist Factory that resulted in the death of 146 workers, mostly immigrant women. The factory had previously resisted ILGWU organizing efforts. The general outcry over the fire resulted in a movement for new protective laws and spurred further organizing. At the 1914 convention of the United Garment Workers in Nashville, Tennessee, urban immigrant workers in the men's clothing trade, having been increasingly ignored by the UGW leadership, held a breakaway convention to found what would become the Amalgamated Clothing Workers of America (ACWA). In 1919, the ACWA achieved its first successful settlement from the Chicago men's clothier, Hart, Schaffner, and Marx.

During this period, textile workers were hardly quiescent either, whether in New England or the South. The 1912 "Bread and Roses" strike in Lawrence, Massachusetts, which brought together 20,000 working men and women of several nationalities, drew national attention (Cahn 1977, 9). And even as textile mills increasingly migrated South to take advantage of the lack of unionism, workers managed to keep up a sporadic struggle that included a failed 1914 strike in Atlanta, led by the Industrial Workers of the World, and the first "legitimate" strike in Anderson, South Carolina, in 1919. Despite this activism, however, by the late 1920s, factors ranging from the red scare to the rise of corporate welfare led to the decline of union activity in both the garment and textile industries. Additionally, both the established clothing and textile unions experienced competition from rival left-led unions that further divided the ranks.

The onset of the Great Depression decimated union membership in all industries, but the arrival of the New Deal brought labor reforms that contributed to a resurgence in both organizing and activism. For example, in 1934, textile workers throughout the South staged the largest industrial strike in U.S. history. Nonetheless, as wages and conditions improved for garment workers and northern textile workers throughout the New Deal and war years and as prosperity increased after World War II, the wages of southern textile workers visibly lagged below the national average, and the labor pool decreased as textile workers, both black and white, took better jobs in other regions and industries.

Efforts to organize southern textile workers persisted, however, with the formation of the Textile Workers Organizing Committee (TWOC) by the ACWA in 1937 and then the founding of the Textile Workers Union of America (TWUA) in 1939. Although the northern textile industries declined during the postwar decades, efforts at organizing in the South remained an uphill battle, including the long-drawn-out effort to organize the J. P. Stevens textile mills, which was immortalized in the 1979 movie *Norma Rae.* In 1976, the TWUA merged with the ACWA to form the Amalgamated Clothing and Textile Workers Union (ACTWU).

By the 1970s, however, the gains of textile and garment industries were reversed, as manufacturers fighting unionization began to move overseas, a trend that has continued to the present day. By the 1990s, sweatshops were also reappearing, not only overseas, but also in New York City, now staffed by illegal immigrants. The textile industry fared somewhat better, with organizing successes at resistant companies such as J. P. Stevens and Fieldcrest Cannon. Even then, as the unions have continued to consolidate, culminating in the 1995 merger of ACTWU and the ILGWU to form the Union of Needle Trades, Industrial, and Textile Employees (UNITE!), stemming, let alone reversing losses has remained an uphill battle, causing UNITE! to "go global" in focus with efforts such as the 2001 inauguration of the Global Justice for Garment Workers Campaign.

Susan Roth Breitzer

See also American Federation of Labor and Congress of Industrial Organizations; Globalization and Workers; Homework; Immigrants and Work; Lowell Strike: Piecework; Socialism; Strikes; Sweatshops; Triangle Shirtwaist Fire

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Gays at Work

Historically, gay, lesbian, and bisexual workers have experienced extreme hardship because employers and coworkers discriminated freely against anyone suspected of being gay. This discrimination can be traced back to the earliest periods of U.S. employment history, when almost all gay workers were forced to keep their sexuality hidden for fear of termination and harassment. Beginning in the 1950s and 1960s, gay activists began making concerted efforts to gain civil rights. The right to be free from employment discrimination was one of their demands, and they were able to achieve some success. For example, in 1967 the American Civil Liberties Union formally opposed the federal government's ban on hiring gay employees for federal jobs, after lobbying from gay rights organizations such as the Matttachine Society. This ban was enacted in 1953 by the U.S. government because officials argued that gay people were emotionally unstable and susceptible to blackmail. After the Stonewall riots of June 1969, in which gay individuals resisted a police raid at the Stonewall bar in New York City and protested for equal treatment, gay issues became more visible. By the mid-1970s, thirty municipalities in the United States had passed nondiscrimination laws. Progress for gay and lesbian workers continued throughout the 1980s and 1990s, but the struggle for equal rights for gay workers still continues.

Today gay, lesbian, and bisexual employees are becoming increasingly more visible but still face challenges in the workplace. Studies have estimated that approximately 10 percent of the U.S. population is gay, lesbian, or bisexual. Based on this percentage, gay individuals are working in almost every workplace and contributing to the overall productivity of the labor force. Many gay individuals, however, do not feel comfortable openly expressing their sexual orientation, or "coming out," in the workplace because there is no federal legislation that protects workers from employment discrimination or harassment based on sexual orientation.

Coming out at work is often one of the most difficult challenges for gay, lesbian, and bisexual workers. Gay individuals may choose not to announce their sexual orientation at work because they fear that their employers and managers will begin discriminating against them once they know they are gay. This employment discrimination could involve denial of promotion, unequal pay, or intentional firing. Besides employment discrimination, once gay employees enter a workplace or come out at work, they often face harassment from both coworkers and managers. Verbal abuse and physical violence directed at gay employees can result, which causes gay workers to feel threatened and uncomfortable in their workplaces. Some even decide to voluntarily leave the hostile workplace. Not having the assurance that one's workplace will be safe and accepting creates yet another challenge for gay workers. Some occupations and industries have proven to be more accepting of gay workers, such as: the health care industry, college and universities, and libraries. Other occupations and industries have proven to be more hostile to gay workers, such as: manufacturing work, construction, and public school teaching. As a result, gay and lesbian workers may feel limited in where they can choose to work than do heterosexual workers, who do not have to fear workplace harassment because of their sexual orientation.

Employment discrimination and workplace harassment against gay individuals frequently goes undetected or unreported because many gay workers fear publicly addressing their sexuality and choose not file a complaint when they do face discrimination. Still, there are numerous accounts of gay employees being treated unfairly after their sexual orientation becomes known at work. The Human Rights Campaign has been collecting accounts of discrimination based on sexual orientation in U.S. workplaces. It documented 130 cases and found that discrimination against gay workers occurred in every region of the county and in a variety of jobs and occupations.

In attempts to avoid discrimination and harassment in the workplace, gay, lesbian, and bisexual workers may decide not to come out at work. Others in their workplaces then often assume that they are heterosexual. To maintain these assumptions, gay individuals often must avoid discussing their private lives with coworkers, which creates social tension for gay workers because they may feel isolated. They might also be excluded from social networks formed at work because they do not feel comfortable spending time with coworkers outside the workplace. The lack of social connection for gay employees could also leave them excluded from networks within the workplace, making them less connected to information and support, which in turn might hurt their chances for career advancement.

Unequal treatment for gay workers also exists in the distribution of workplace benefits, including health care insurance, pensions, and family leave. Because gay individuals cannot legally marry, the partners of gay and lesbian employees do not have access to benefits provided by employers. Married partners of heterosexual employees do, however, have full access to benefits. Benefits often account for 40 percent of an employee's wages, so not giving gay workers equal access to employer-provided benefits for their partners leads to unequal pay based on sexual orientation. Some employers have implemented domestic partner benefits or spousal equivalent benefits for their unmarried employees. Domestic partner benefits extend the same benefits available to married spouses of heterosexual employees to the partners of gay employees. (In some workplaces, domestic partner benefits may also be provided to the partners of unmarried heterosexual employees.) A 1997 survey found that only 13 percent of employers extend health care benefits to domestic partners, but that the number has steadily been increasing (National Gay and Lesbian Task Force 1997).

To combat employment discrimination based on sexual orientation, gay and lesbian workers have in some cases formed gay employee groups or caucuses in their workplaces. Corporations such as American Telephone and Telegraph (AT&T), Boeing, Chevron, Eastman Kodak, Hewlett-Packard, Levi Strauss, Microsoft, Motorola, Polaroid, United Airlines, Walt Disney, and Xerox all have gay and lesbian employee groups. These groups enable workers to discuss ways to promote the equal treatment of gay employees in their workplaces. Their activities may involve employees lobbying or bargaining for domestic partnership benefits. They may also pressure the employer to pass a nondiscrimination policy that prohibits discrimination against gay, lesbian, and bisexual workers. This is often the first step toward equality for gay individuals in a workplace and may lead employers to pursue more efforts to promote equality for gay employees.

A majority of the American public believes that discrimination against gay workers is wrong. Polls have found that more than 75 percent of voters in the United States oppose workplace discrimination because of one's sexual orientation, and 83 percent of Americans believe gay individuals should have equal job opportunities. Despite public opinion, employment discrimination directed at gay and lesbian individuals is not legally prohibited by federal law. Unlike other minority groups (women, racial minorities, and the disabled), there is no federal antidiscrimination law for gay, lesbian, and bisexuals, making them a particularly vulnerable group. Twelve states, the District of Columbia, and 229 cities and counties throughout the United States include sexual orientation (or a similar term) in their antidiscrimination employment legislation. (The states are California, Connecticut, Hawaii, Maryland, Massachusetts, Minnesota, Nevada, New Hampshire, New Jersey, Rhode Island, Vermont, and Wisconsin.) Most Americans (62 percent of the U.S. population) are not covered by these state or local laws, leaving them unprotected from employment discrimination based on sexual orientation. The Employment Non-discrimination Act (ENDA), a bill that would have protected gay and lesbian workers against discrimination in the workplace, failed to pass Congress in 1996. The effort to pass ENDA, however, has not ended, and gay rights and gay labor activists have placed the passage of this bill at the top of their agenda.

Even with the challenges gay employees face at work, many gay individuals do make the decision to come out at their workplaces. In recent years, the number of openly gay, lesbian, and bisexual employees has been increasing. If more gay workers continually choose to come out in their workplaces, the progression toward an end to sexual orientation–based employment discrimination may begin to accelerate. Then employers and the government might begin to recognize the true presence of gay workers in the U.S. workforce and adopt policies and laws to protect the rights of gay individuals at work.

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See also Domestic Partner Benefits

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General Agreement on Tariffs and Trade (GATT)

An international body for regulating world trade, the General Agreement on Tariffs and Trade (GATT) was initially drawn up as a provisional trade agreement in 1947 during a session of the preparatory Committee of the United Nations Conference on Trade and Employment. Twenty-three countries participated. From its inception, the GATT's main purpose (later incorporated into the World Trade Organization, or WTO) was to promote "freer trade" as well as help construct the least restrictive and the most stable trading environment by reducing trade barriers and dismantling protectionist policies.

The GATT was intended to be a short-term, single round of negotiations to provide a forum for the first multilateral tariff-reduction negotiations in 1948 and, more importantly, to draw up a transitional set of rules during the drafting and ratification of the International Trade Organization (ITO) treaty, as Donald Beane has noted (2000). The ITO treaty, including the GATT, was drafted in the spirit of the Bretton Woods meetings, discussions, and organizations that also chartered the World Bank and the International Monetary Fund. The principles embedded in these institutions and agreements were oriented toward establishing a stable international economic order to avoid the financial chaos that preceded World War II. More specifically, ITO's purpose was to promote trade liberalization policies and reduce the impact of domestic protectionist policies. However, when the ITO treaty was not ratified by the United States, who was its biggest proponent, the ITO was effectively dead. Consequently, the mere transitional organization GATT took its place since legally it was not a treaty requiring ratification but rather an executive agreement that could be implemented without legislative support.

From 1948 to the early twenty-first century, negotiators have held eight rounds of negotiations involving growing numbers of countries (called "contracting parties"). There are presently over 100 member countries in the WTO. Most of the rounds have dealt solely with tariff reduction, with a few exceptions. The Kennedy Round (held in Geneva from 1964 to 1967) produced an agreement on antidumping and dealt with problems of developing nations. The Tokyo Round (1973–1979) was intended to extend and improve the system overall. It dealt with nontrade barriers such as subsidies and countervailing measures, technical barriers to trade, import licensing procedures, government procurement, and other nontariff areas of concern. The most recent as well as most comprehensive round of negotiations was the Uruguay Round (1986–1994). The Uruguay Round agreements expanded the GATT Agreement on Trade in Goods by adding the General Agreement on Trade in Services (GATS), the Agreement on Trade-Related Aspects of Intellectual Property (TRIPS) and three other agreements pertaining to agriculture.

Most importantly, it was during this round that the World Trade Organization was established as a legal institution to replace the provisional GATT. The creation of the WTO was prompted by the contracting parties' belief that although each of the previous "rounds" successfully further reduced trade barriers, the increasing complexity of international economy required a more formal, powerful international trade regime. Consequently, the WTO was created to be a permanent organization that would be imbued with much greater powers to settle trade disputes than its predecessor, which was not a recognized international body. Furthermore, as a body of law, the WTO encompasses the GATT 1994 agreements, as well as others. (Now that the updated version of the GATT agreement—GATT 1994—has been incorporated into the new WTO agreement, the older version is called GATT 1947.)

In addition to increasing the scope of trade covered, the WTO also differs from the GATT in two other ways that specifically reflect the desire of negotiators to enable the WTO to address a much broader agenda. The first is the elimination of a special class of membership known as de facto membership. De facto membership was only open to independent countries that were former territories of a contracting party. De facto members benefited from reduced trade barriers on their exports but did not have to pay for the operations of GATT. Under the GATT 1947, contracting parties could be selective in the GATT provisions they implemented, a practice often called "GATT a la carte," but under the newly created WTO, member countries are required to accede to all major GATT provisions. The second difference is the authority of the WTO to settle trade disputes, a power not given to the GATT.

The two basic principles that govern the GATT philosophy are most-favored-nation (MFN) status and nondiscrimination. The MFN principle states that a contracting party cannot restrict or promote imports of certain goods from country "A" if it does not do so from country "B, C, D . . . Z." In other words, all countries' imports must be treated the same way. The nondiscrimination principle says that once a good has entered the country, it must not be treated differently than a domestically produced good. The other guiding principles that drove GATT agreements were to protect tariff concessions against nontariff barriers (NTBs), to establish a code of trade conduct, to institute consultation procedures and joint action to carry out the basic purposes of the agreement, and lastly, to create a waiver exception-exemption-escape process to promote survivability and flexibility of the agreement against the stringency of the code of conduct (Beane 2000, 63). Furthermore, contracting parties are called upon to work for the steady reduction of trade barriers and the elimination of quotas; member nations agree any concession granted to any one member must be granted to all and that a tariff concession once made cannot be rescinded without an agreed-upon compensation (Beane 2000, 21). The four major provisions of GATT reflect these principles. They deal with tariff and MFN status, quantitative restrictions, trade and development, and a set of smaller provisions covering procedural matters and concealed protection.

Since GATT was intended to be only a transitional agreement, its initial structure was ad hoc and less defined than the structures of other multilateral organizations. For one, its administrative body belonged to the never-ratified ITO. Additionally, its general agreement was also contained in that nonexistent organization. Yet, despite its ad hoc nature, it has evolved beyond a loose negotiating structure into a complex trade organization.

There are a number of explanations for GATT's survivability and expansion. It is primarily argued that GATT has remained viable by adherence of the member countries to the aforementioned set of principles, as well as the system's emphasis on process over structure, policy over institution, and pragmatism over idealism (Beane 2000, 270). This adherence is crucial since the system exists only at the discretion of the member countries. In other words, there is no mechanism or enforcement capability to prevent a country from withdrawing from the system. It is assumed that a common desire for international economic stability among member countries that simultaneously allows each to pursue its own economic goals has worked to ensure some degree of adherence to the system's basic principles. GATT succeeded in retaining its members. It has also attracted new members who believe either that "freer" trade is economically optimal or simply that it is more advantageous to be part of the system than outside it. For instance, some argue that developing nations have joined GATT in the belief that it would help them gain access to the markets of larger industrialized countries, such as the United States and the European Union, as well as assist in developing their domestic markets.

The GATT's successful evolution into the world's leading trade organization may also be attributed to its pragmatic nature as embodied in its exceptions, exemptions, waivers, and the escape clause. The waivers and exceptions process allows for a series of exceptions to reciprocity (that is, MFN status) and nondiscrimination. For example, Article 21 states: "Nothing in this agreement shall be construed" to negatively affect what any nation defines as a risk to its own security. Furthermore, in Article 24, allowances are made for certain kinds of discrimination, that is, the establishment of regional trade alliances that exclude other members (for example, the European Union, Association of Southeast Asian Nations, etc.). The contracting parties all vote to decide who is granted exceptions, waivers, exemptions, and exercise of the escape clause. This procedure allows for behavior that may undermine the GATT's/WTO's other constituting principles. Since its survival is dependent on its members, the WTO accommodates such disruptive actions. Consequently, the form and structure of WTO has been built on actual practices instead of prior directives. The decisions to reduce tariffs or to allow an exception are only reached through collective negotiations. All members meet to negotiate a self-governing agreement. Also, WTO operates on a one-country, one-vote rule. Thus, each and every contracting party, regardless of its share of global trade, has one vote.

Although it is generally believed that GATT/WTO has contributed to the growth of the global economy, it has also been criticized for a number of shortcomings. The most vocal WTO critics include groups concerned with democracy and the environment, as well as labor organizations and Third World countries. Such critics argue that the neoliberal model promoted by the WTO undermines health safeguards and environmental and labor regulations while providing transnational corporations (TNCs) a cheap labor source. First, the WTO has been reproved for not dealing adequately with worker rights, which is illustrated by the absence of a provision in the agreement to protect workers' rights such as safety standards, living wages, and reasonable working hours. Furthermore, unions such as the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) have criticized the WTO for lacking effective programs to assist workers dislocated by or adversely affected by trade. However, in 1996 during the WTO's first summit, steps were taken to create standards regarding worker rights. These standards were not made binding because many developing world nations opposed standards that would reduce their wage-cost advantage in the global market.

Second, since international concern about the relationship between trade and the environment has been steadily growing, the fact that WTO also lacks a provision regarding the environment has made it a focal point in the debate over free trade and the environment. This concern is further highlighted by the fact that to date, every credible environmental and public health challenge made to WTO agreements has been found to violate the WTO agreements. Environmentally minded citizen groups and politicians also decry the fact that since trade negotiations are conducted in secrecy, business groups have far greater access to the trade negotiating table than do either environmental groups or public interest groups. They believe that without measures in international trade agreements to protect environmental standards and regulations, economic growth created will be unsustainable and impose heavy costs on an already burdened environment.

A third set of GATT/WTO detractors believe that an international agreement on trade seriously weakens the functioning of democratically elected bodies across the globe. They fear that world governments are relinquishing the power of democratically elected bodies over decisions regulating commerce and setting labor, health, and environmental standards to a secretive and unelected global organization. Last, many critics believe the WTO largely carries out the agenda of wealthy industrialized nations at the expense of developing ones. Although most developing nations are in favor of liberalizing trade policies, many are also in opposition to WTO policies that they believe discriminate against developing economies. Such countries believe that the WTO agenda reflects only the industrialized countries' desire to gain even greater access to markets in the developing world without any interest in ensuring that the most pressing concerns of these nations are addressed.

Although, historically, the United States has been one of the most enthusiastic supporters of free trade and economic liberalization, its championing of free trade has not always garnered domestic political support, as is evident in recent debates over legislation granting the president trade promotion authority (TPA) and China membership in the WTO. Proponents of the TPA legislation (formerly known as fast track authority), such as U.S. trade representative Robert Zoellick, argue that TPA is necessary to ensure that the United States will not be left out of international trade agreements and thus unable to reap the economic benefits of free trade. The bill renewing TPA was eventually passed in September 2002, despite some resistance from Democrats in both chambers of Congress, who opposed its constraint on their ability to amend trade agreements and called for provisions to ensure that other nations uphold minimum labor and environmental standards.

U.S. domestic opposition to granting China membership in the WTO has been more successful, however, than criticism of the TPA. Many economic sectors in the United States advocate China's inclusion into the WTO to gain access to an untapped market for U.S. products. Yet objections to China's inclusion by groups expressing concern over China's poor human rights and environmental record have also had sway in Congress. The debate over TPA and China's membership to the WTO demonstrate that domestic pressures, not only in the United States but across the globe, will affect the deepening and widening of free trade agreements and the future of the WTO.

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See also Trade Adjustment Assistance Program; World Trade Organization

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General Motors

Long the largest of the Big Three U.S. automakers, General Motors (GM) ushered in the age of mass consumerism with its installment buying and credit programs for car buyers in the 1920s. Coupled with its expansive lineup of cars—from the humble Chevrolet to the mighty Cadillac—and yearly style changes, GM's approach to selling cars was adapted throughout the industry as the standard for mass marketing durable goods to the U.S. consumer. Although it posted record profits in the 1980s, GM came under criticism for its failure to adapt to changing consumer tastes and competition from foreign automakers. It remained among the largest corporations in the world but was no longer held up as the model of corporate planning and efficiency.

In an era of fierce competition among numerous small, fledgling automakers, the idea of grouping together different automobile companies had been discussed by numerous investors in the early 1900s. After William C. Durant, a major shareholder in the Buick Motor Car Company, failed to convince Henry Ford and Ransom E. Olds to join him in such an organization, Durant decided to form his own holding company, General Motors, in the fall of 1908. Within a year, GM added the Oldsmobile brand to its lineup, with the Oakland (later renamed Pontiac) and Cadillac divisions included by the following year. From the start, Durant's vision was clear: in contrast to Henry Ford's approach of developing one leading automobile, GM would offer a spectrum of cars at different price levels. Longtime GM chairman Alfred P. Sloan later described the strategy as "a car for every purse and purpose," a dictum that remained at the heart of GM's mission years later. The company also pioneered the use of credit buying for its products through its General Motors Acceptance Corporation; by facilitating consumer spending, the company not only expanded its market but benefited from the additional revenue that the interest payments brought in.

For all of Durant's vision, the rapid and sometimes chaotic growth of GM led to his ouster in 1910; he returned to the company from 1916 to 1920, but he had effectively lost control of the company to its investors, including the Du Pont family, which controlled about 30 percent of GM's stock through the 1950s. Durant's successor, Alfred P. Sloan, instituted rigorous financial and planning controls, and his rationalization of GM's operations led to a then-record corporate profit of $235 million in 1927. Although GM suffered a downturn during the Great Depression, it nevertheless enlarged its market share and after 1930 was ranked as the nation's largest carmaker, ahead of rival Ford Motor Company and the Chrysler Corporation.

After a series of sit-down strikes in its plants during the winter of 1936–1937, GM became the first automaker to enter into collective bargaining with the United Auto Workers union. In 1950, the two parties signed an agreement hailed as the Treaty of Detroit: in exchange for a five-year contract, GM granted a 20 percent wage hike and established a pension plan and partially paid health insurance plan. The contract also included a cost-of-living adjustment for workers' wages, the first such agreement in the auto industry. In an era of almost uninterrupted economic expansion, however, the guarantee of labor stability was well worth the price. GM increased its share of the domestic auto market to 60 percent, and the company was often invoked as the symbol of the modern U.S. corporation for its planning, efficiency, and profitability.

Publicity surrounding a series of hearings on the safety of GM's 1964 Corvair model, however, called into question GM's corporate decision making. After consumer advocate Ralph Nader published *Unsafe at Any Speed* in 1965, which alleged that GM knowingly put the Corvair out even after it was aware of its design defects, the company's reputation was tarnished. Even worse for the bottom line, GM's product lineup in the early 1970s increasingly veered away from consumer tastes that favored smaller and more fuel-efficient cars, often made by foreign automakers. Because compact cars offered GM less profit per sale but cost just as much to push through product development, the company continued to design and manufacture cars that fell out of step with the times. Although the company remained the largest of the Big Three automakers, it gradually lost its market share. In 1980, the company held 46 percent of the domestic market, but by 1994, the figure had slipped to 33 percent. The company also suffered from the negative publicity generated by the documentary film *Roger & Me,* made by Flint, Michigan, native Michael Moore. Taking aim at GM's decision to close its operations in Flint, Moore criticized GM's diversification strategy—including its purchase of Hughes Aircraft and Electronic Data Systems—as a shortsighted one.

Although GM remained a profitable company in the 1980s—with a record profit of $4.5 billion announced in 1988—the company remained plagued by internal conflicts among its divisions, which often acted in their own interests at the expense of GM's general economic health. Despite a reorganization attempt by chairman Roger Smith in 1984, the company continued to struggle for a long-range plan to counter increased competition by foreign automakers and more efficient manufacturing processes and better marketing strategies by its rivals in the Big Three. With the creation of a new GM division, Saturn, which started operating in 1992, GM hoped to regain both its market share and its reputation for organizational innovation. Based on a cooperative labor management style that fostered a partnership between workers and the company, Saturn generated reams of good publicity for GM after its debut. However, it was questionable whether the new emphasis on quality circles, profit sharing, and customer satisfaction had transformed GM as a whole. As the company approached its centennial, it remained under fire for its perceived lack of focus, organizational reform, and long-range planning.

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See also American Federation of Labor and Congress of Industrial Organizations; Automotive Industry; Collective Bargaining; Industrial Revolution and Assembly Line Work; Manufacturing Jobs; Productivity; Quality Circles; Strikes; United Auto Workers

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GI Bill

The Serviceman's Readjustment Act of 1944, better known as the GI Bill, provided returning U.S. veterans of World War II educational, housing, and unemployment benefits, thus helping to encourage the growth of higher education and the middle class in the postwar era. The bill, authored by the American Legion among others, supported by President Franklin D. Roosevelt, and passed by Congress with little opposition, was arguably the greatest expansion of the U.S. welfare state in the postwar era. Designed to avoid problems with readjustment and economic reconversion, as well as potential social unrest among unemployed veterans, the GI Bill enabled millions of veterans of working-class background to join the growing postwar suburban middle class.

The Serviceman's Readjustment Act, signed by President Franklin Roosevelt in June 1944, provided approximately 16 million veterans with education and training; loan guarantees for the purchase of homes, farms, and businesses; unemployment insurance; and job-finding assistance. Soldiers that had served at least 90 days and had been honorably discharged were eligible for all benefits. As early as the fall of 1943, Roosevelt had called for liberal unemployment, Social Security, and educational benefits for veterans. After a series of unsuccessful bills, the American Legion, a veterans' interest group, proposed an omnibus measure in January 1944 that later became known as the GI Bill of Rights. It sailed through the Senate unanimously in March 1944 but tripped temporarily over the issue of race in the House, where Mississippi congressman and chair of the Committee on World War Veterans Legislation John Rankin worried about the generosity of benefits to black veterans. Nonetheless, the GI Bill passed the House in June 1944, representing a tremendous victory for the American Legion, which had lobbied heavily for the law, and for a larger and better-funded Veterans Administration (VA) (Polenberg 1972, 96–97).

Higher education as well as job training was made available through the VA, which in addition to providing a monthly stipend of up to $50 a month, paid educational institutions directly for tuition. All qualified veterans received at least one year of full-time training or education, plus a period equal to their time in service (Nash 1992, 154). By the time the program ended in July 1956, the VA had spent $14.5 billion to educate and train nearly 8 million veterans. Continuing and expanding the policies of the Federal Housing Administration (FHA), created in 1934, the VA also agreed to insure mortgage loans to veterans so that they could purchase homes, businesses, and farms. Nearly 4 million veterans purchased homes under the law (Sherry 1995, 109). The bill provided veterans with $20 per month of unemployment benefits for up to fifty-two weeks and gave them job-finding assistance as well as hiring preferences.

Historians who study the GI Bill and its effects struggle to separate the reasons for its passage from its eventual impact, much of which was unanticipated. It is generally acknowledged that the law passed because of a sense of obligation to those who served, a fear of postwar depression and unrest, and the need for a well-trained and broadly educated postwar work force. The public pronouncements of political leaders tended to emphasize the bill's provisions as a reward to veterans from a grateful American public. President Roosevelt argued that the GI Bill gave "emphatic notice to the men and women in the armed forces that the American people do not intend to let them down" (Nash 1992, 154). Administration officials described the law both as a reward for deserving citizens and a means to maintain morale among the troops. Veterans who took advantage of the opportunities the law provided eventually came to see it as a kind of entitlement, as did much of the American public; indeed, the bill played a critical role in the growing perception of middle-class Americans in the postwar era that the opportunity for home ownership and higher education were rights to which all were entitled.

Although the desire to provide veterans with a just reward undoubtedly motivated many of the legislators who voted for the law, the GI Bill was also passed out of fear of those same veterans and the possible social and economic consequences of flooding the postwar labor market with 16 million untrained service people of largely working-class background. Many U.S. legislators and voters had keen memories of 4 million demobilized World War I veterans sleeping under bridges and standing on street corners during the unrest and depression of 1919, as well as of the infamous "Bonus March" of veterans to Washington in 1932. Wartime surveys indicated a deep anxiety among both citizens and soldiers about the postwar economy and a possible return to depression. The precedent of the previous war aside, the worry was not unfounded; by the end of 1947, the federal government had paid nearly $2.5 billion to unemployed veterans (May 1988, 77). A massive strike wave and housing shortage at the end of the war, as well as the rapid growth of socialist politics among veterans in Europe, provoked fear of unemployed and potentially radical soldiers in the United States. It was hoped that the educational and home loan provisions in particular would prevent both the flooding of the labor market and the growth of unrest and political radicalism (Sherry 1995, 112).

Finally, the bill was driven by the perceived need for a better-trained and educated workforce. As early as 1942, the federal government initiated plans to anticipate the problems of the postwar economy and society. The National Resources Planning Board studied manpower needs and in June 1943 recommended programs for the education and training of demobilized soldiers. This study provided a model for the American Legion, when it authored the basic framework of what would become the GI Bill the following year. In particular, it was hoped that retraining veterans in new skills like aviation and electronics would strengthen not only the economy but U.S. military might as well (Sherry 1995, 109).

Of all the provisions in the GI Bill, the education and homeownership provisions had by far the greatest impact, both in the long term and the short term. Both benefits were used by many more veterans than had been anticipated when the measure was passed. Based on surveys of servicemen, the federal government expected that 7 percent to 12 percent of veterans would take advantage of job training and college aid, with perhaps 700,000 going to college over a period of years. Indeed, given the large percentage of veterans of both working-class and immigrant background, university officials worried about the effect the law's educational provisions would have on academic standards. Stunningly, over 2.2 million veterans attended colleges and universities under the bill, with over 1 million in attendance in 1946 and 1947 alone. In 1947, veterans accounted for 49 percent of all college enrollment, helping to greatly accelerate a century-long expansion in higher education attendance generally. A 1988 congressional study later estimated that 40 percent of those who went to colleges and universities under the GI Bill would not have otherwise done so. Although most Americans associate the GI Bill with helping veterans go to college, far more veterans utilized the benefits to attain job training or to attend other kinds of educational institutions (May1988, 77). The success of the GI Bill's educational provisions led to the creation of similar measures for the veterans of the U.S. wars that followed. Although it is difficult to determine just how many who attended college under the law actually graduated—the VA didn't keep such statistics—its impact on the opportunities of veterans and their descendants is undisputed. It was indispensable to the rapid growth of the middle class in the postwar era and also played a critical role in the assimilation of immigrants and their children into the mainstream of American life (Baritz 1982, 185).

Section 505 of the GI Bill underwrote the economic risk inherent in the construction and finance of low-cost homes for veterans by insuring their mortgages. The program also allowed veterans to borrow the appraised value of a home without a down payment. A massive housing shortage after the war—Senate investigations found veterans living in garages, trailers, and barns in 1946—provided a strong incentive for veterans to make use of this benefit (Wright 1983, 242). By 1948, 1.4 million had taken out guaranteed loans to buy houses. By insuring home loans to veterans, the bill encouraged private investors to enter the housing mortgage market by reducing their financial risk. Federal tax benefits for homeowners made Section 505 especially attractive. Housing starts went from 114,000 in 1944 to nearly 1.7 million in 1950 (Jackson 1987, 231–232). Suburban real estate developers like William Levitt argued that homeownership would help to domesticate the veteran and create social and political stability. Historians have generally concurred that the rapid growth of single-family suburban homeownership in the postwar era has not only expanded the U.S. middle class but has increased the extent to which Americans identify themselves politically and culturally as middle class (Hayden 1984, 41–42). The GI Bill played a critical role in ending the postwar housing shortage and greatly accelerating the growth of suburbs in the United States, as well as the flight of the white middle-class from older northeastern and midwestern cities (Baritz 1982, 185).

Unfortunately, even though the GI Bill aided millions of U.S. veterans, it did not aid all of them. African American veterans, particularly in the South, had a difficult time claiming and making use of the law's entitlements to improve their socioeconomic condition. Importantly, Section 505 continued the practice initiated in the 1930s by the Home

Owners' Loan Corporation (HOLC) and the Federal Housing Administration of showing a strong bias for the purchase and construction of single-family homes largely in suburbs and against insuring loans in urban areas. This attitude had the unfortunate consequence of encouraging the flight of white families, jobs, and capital out of cities. It also had the unfortunate consequence of largely excluding black veterans from GI Bill mortgage benefits because black families were prevented both by law and custom from living in suburban areas throughout the country. Until 1948, for example, black veterans were legally excluded from Levittown, New York, the quintessential postwar veteran suburban development, because of the insertion of racially restrictive covenants into home property deeds. As a result, the buildup of home equity that vaulted so many white veterans and their families into the middle class did little for black veterans or for the prosperity of U.S. cities. In this sense, perhaps the greatest and most effective piece of social legislation in U.S. history had the effect of reinforcing, rather than eliminating, racial inequality.

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See also Earnings and Education; Education Reform and the Workforce; Federal Unemployment Tax and Insurance System; Labor Force; Labor Market; Levittown; New Deal; Roosevelt, Franklin Delano; Veterans

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Glass Ceiling

Glass ceiling is a phrase often used to refer to "invisible barriers" that prevent women and minorities from assuming positions at the top of corporate hierarchies in the United States. Although the term *glass ceiling* currently refers to invisible barriers that impede *any* underrepresented group from advancing, the phrase was first used in reference to women. The glass ceiling was first mentioned in an article that appeared in the *Wall Street Journal* on March 24, 1986, and subsequently has appeared in the 1991 Civil Rights Act and in a number of reports issued by different federal agencies.

On March 24, 1986, a special report appeared as a cover story in the *Wall Street Journal,* entitled "The Corporate Woman." The subtitle to the report was "The Glass Ceiling: Why Women Can't Seem to Break the Invisible Barrier That Blocks Them from the Top Jobs." The report discussed the fact that women had failed to reach top positions in most U.S. corporations, gave both statistical and anecdotal evidence of the glass ceiling phenomenon, and proffered reasons why the glass ceiling existed. The *Wall Street Journal* story received a great deal of notoriety.

In 1989, the Department of Labor (DOL) set out to investigate the glass ceiling. Nine Fortune 500 firms were selected for review, and the findings from the department's investigation were published in a report released in 1991, entitled *A Report on the Glass Ceiling Initiative.* The essential finding of the report was that there was a point beyond which minorities and women have not advanced in some companies, with minorities reaching plateaus lower than those reached by white women. The definition of glass ceiling that the Department of Labor reached was that the term encompassed artificial barriers that built upon biases and attitudes within organizations that prevent qualified individuals from advancing into management-level positions (U.S. Department of Labor 1997).

On August 11, 1992, the DOL issued a follow-up report on barriers to advancement in the workplace, entitled *Pipelines of Progress: An Update on the Glass Ceiling Initiative.* This report reviewed the past year's efforts to eliminate barriers to job advancement and identified ongoing and innovative efforts in various corporations to promote women and minorities to higher levels. The report noted that, although corporate America had become increasingly diverse, inquiries made by the DOL showed that women and minorities who had advanced to upper-level management jobs remained an exception to the rule. *Pipelines of Progress* also focused on steps companies could take to remove glass ceiling barriers.

The findings of the DOL's investigations led to the inclusion of the Glass Ceiling Act of 1991 as Title II of the 1991 Civil Rights Act. The act created a twenty-one-member commission known as the Glass Ceiling Commission "to conduct a study and prepare recommendations concerning: (1) eliminating artificial barriers to the advancement of women and minorities; and (2) increasing the opportunities and developmental experiences of women and minorities to foster advancement of women and minorities to management and decisionmaking positions in business." The act required the commission's report to be delivered to the president and the appropriate congressional committees within fifteen months.

The commission released two reports as a result of its investigations. The first, released in March 1995 and entitled *Good for Business: Making Full Use of the Nation's Human Capital,* was an "environmental scan" that presented the findings of the commission. The commission's report "confirm[ed] the enduring aptness of the 'glass ceiling metaphor'" (U.S. Department of Labor 1995). The overall conclusion was similar to those that had been reached in other glass ceiling reports: few women or minorities had reached positions in the highest levels of corporate America and, even if they had reached such positions, their compensation was lower.

The commission's second report, released in November 1995 and entitled *A Solid Investment: Making Full Use of the Nation's Human Capital,* was a "strategic plan" that presented the commission's recommendations based on its findings. Recommendations were made for businesses to dismantle barriers within corporate structures; for government to do its part to break glass ceiling barriers; and for society to enlist schools, media, community organizations, and other institutions to break the glass ceiling.

Finally, in June 1997, the Office of Federal Contract Compliance Programs (OFCCP) released a report entitled *The Glass Ceiling Initiative: Are There Cracks in the Ceiling?* This report was a further follow-up to *A Report on the Glass Ceiling Initiative* and consisted of fifty-three reviews conducted in 1993 and 1994. The first conclusion this report reached was that a glass ceiling does exist. It went on to note, however, that "there are cracks in the glass ceiling." In other words, there were increases in the proportion of both women and minorities in corporate management.

Apart from these governmental initiatives, the glass ceiling phenomenon induced discussion, commentary, and empirical research as well. In the January–February 1989 issue of *Harvard Business Review,* Felice N. Schwartz, president and founder of Catalyst, a not-for-profit group that works with corporations to foster women's careers, published an article entitled "Management Women and the New Facts of Life." Schwartz's article contained a number of provocative ideas, including the assertions that it costs companies more to employ women than men because women have greater turnover than men in similar management positions and women's careers are often interrupted—or ended—when they have children.

Schwartz's ideas were dubbed "Mommy track" because Schwartz suggested that corporations should create a two-tiered system for women employees, one for career-oriented women and one for those who divide their attentions between home and work. For the former group, Schwartz suggested that all obstacles to advancement should be cleared. For women who are both career- and family-oriented, Schwartz argued that companies must become more flexible to make the best use of these employees. They must plan for and manage maternity better, provide greater workplace and work-hour flexibility, and make high-quality day care available.

Schwartz's article generated a great deal of criticism from women's rights advocates and other feminists who believed her work would be used as ammunition by companies seeking any excuse to avoid hiring and promoting women. These critics argued that corporations would use Schwartz's article to justify all types of discrimination against women (for example, women would be paid less, given less important jobs, promoted less frequently). Schwartz countered her critics by pointing out that her goal was merely to make things easier for women by inducing corporate America to recognize and be sensitive to the many different motivations that could be important to women.

Finally, the glass ceiling idea has generated academic research as well, as researchers have sought to identify causes of the glass ceiling phenomenon. For example, in 1989, Belle Rose Ragins and Eric Sundstrom developed a model of over thirty unique factors that potentially could affect sex segregation patterns at three different levels: individual, interpersonal, and organizational. Other research looked at whether there might be biological and/or cultural differences between the genders that would help explain the glass ceiling. These studies found differences between the genders (or races, etc.) that would account for different performance on the job.

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See also Comparable Worth; Mommy Track; Pay Equity; Pink Collar; Wage Gap; Women and Work

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Globalization and Workers

Globalization is a process of growing mutual dependence between countries that links nations together economically, socially, and politically. People interact through free trade, capital flow, migration, and exchange of information. Although globalization is not a new phenomenon, by the end of 1990, it became a hot topic of widespread debate. The dispute has divided the public into proponents of globalization and its opponents.

Most economists highlight the net benefits of free trade to national economies, such as lower prices for consumers, greater efficiency in the overall economy, and an improvement in the total welfare of citizens. Besides, they argue that globalization has brought about higher wages, better working conditions, more jobs, and access to education and technology. They cite many countries of Asia, where internal market-oriented labor policy improved job opportunities for millions of working people and left them far better off. Yet those economists also agree that trade liberalization reduced the income of some producers and workers. In other words, the distribution of the benefits from free trade—across industries, occupations, regions, and ultimately individuals—is unequal.

Even workers in the United States are concerned over the gigantic steps of globalization that in some instances leave them worse off. The highly visible nature of job loss, along with the failure of current federal adjustment programs to compensate workers for their losses, weakens popular support for the view that economic integration brings widespread global benefits. Many Americans clearly feel that U.S. workers are getting short shrift in the process of growing international trade. Opening to trade with low-wage countries encourages U.S. companies to relocate outside the United States in low-wage countries, thus taking away jobs and directly affecting U.S. workers. For instance, despite the promises of politicians and heads of industry that U.S. jobs would be safe after the North American Free Trade Agreement (NAFTA) entered into force in January 1994, far more jobs have been created in Mexico than the United States, where median wages remain stagnant for workers. On the contrary, with cheap labor abroad and NAFTA trade agreements smoothing the way, many U.S. workers have seen their jobs exported or have been forced to agree to wage and benefit reductions to save their employment. U.S. workers are forced to compete more directly with foreign workers, which has a globally equalizing effect that disadvantages the former. The actual shift of capital abroad and the use of the external option to drive hard bargains at home has weakened labor. In addition, deliberate government policies of tight money and restrictive budgets to contain inflation, which have reduced unemployment, have also weakened organized labor.

Even many of globalization's leading enthusiasts acknowledge that the outsourcing of production from the United States to facilities around the world has created downward wage pressures for U.S. workers. But the damage done by this defining feature of globalization is widely thought to be confined to the economy's low-wage, low-skill sectors. Public opinion on this issue is also divided. Some argue that skilled workers in a relatively high-skilled country like the United States would benefit from trade liberalization. Unskilled workers, however, would suffer real wage losses. The survey data reveal that skilled workers in the United States are more likely than unskilled workers to support trade liberalization because since the 1980s, the U.S. labor market has been characterized by stagnant real wages of lower-skilled workers and increased wage inequality. This division between high-skilled and low-skilled U.S. workers adds heat to the progressing debate over the benefits and costs of globalization. Workers blame the global economy for the relatively poor performance of less-skilled workers in the labor market over the last three decades of the twentieth century.

Moreover, the observed pattern of preferences toward trade policy reflects recent trends in the U.S. labor market. The view that losers from trade and globalization are economic losers is heard most often in connection with U.S. trade with low-income, Third World countries. Usually, these countries are recognized as major competitors for U.S. workers in labor-intensive industries such as apparel, textiles, toys, auto parts, and electronics assembly. Likewise, U.S. jobs have been lost in industries such as automobiles, steel, textiles, footwear, and consumer electronics, as goods produced abroad have increasingly come into competition with domestically produced items. At the same time, the growth of foreign markets through exports has benefited other industries, including aircraft, computers, entertainment, and finance.

Another issue that causes disputes is income distribution. Economists from the World Bank have noted that income inequality has risen considerably both within and between countries. The gap between the richest 20 percent and the poorest 20 percent worldwide grew from 30 to 1 in 1960 to 82 to 1 in 1995, and Third World conditions have in many respects worsened. Per capita incomes have fallen in more than seventy countries since the 1980s; some 3 billion people—half the world's population—live on less than $2 a day; and 800 million suffer from malnutrition. In the United States, despite a 35 percent increase in productivity between 1973 and 1995, the median real wage rate was lower in the latter year. Inequality rose to levels of seventy years earlier, along with underemployment, job insecurity, and benefit loss. Moreover, some Americans believe that the growth of international trade has increased the gap between rich and poor in their country and that U.S. policymakers are not adequately addressing the needs of U.S. workers. These Americans want government to help workers adapt to international trade through retraining and education.

Therefore, those who reject further globalization have gained considerable ground. Serious opposition was demonstrated during the 1999 World Trade Organization (WTO) ministerial conference in Seattle and the 2000 meetings in Washington of the World Bank and the International Monetary Fund (IMF). The protesters opposed the negative outcomes of globalization brought about by liberalization of trade, increased foreign investment, and rising immigration. The demonstrators particularly disproved of the activities of three main institutions that govern globalization, the IMF, the World Bank, and the WTO. Each of these organizations has its own mission and role to play on the international arena. The IMF, for instance, was created to facilitate the expansion and balance growth of international trade and contribute thereby to the promotion and maintenance of high levels of employment and real income. The World Bank and WTO were created to advance liberalization of the trade regime and capital markets and to promote imports and exports. The overall objective is to open the economies of the Third World (and now the transitional economies such as those of the former Soviet Union and Eastern Europe, including Bulgaria, Hungary, and Romania) and enable the corporations of the developed world to sell their goods and services in the markets of the developing countries.

Other institutions that influence the expansion of the globalization include the United Nations, the International Labour Organisation (ILO), and the World Health Organization (WHO). ILO promotes its agenda around the world under the slogan "decent work." WHO is concerned with improving health conditions in the developing world. In addition, many other institutions play a role in the international economic system. They include a number of regional banks, smaller and younger sisters to the World Bank, and a large number of UN organizations, such as the UN Development Program or the UN Conference on Trade and Development (UNCTAD). These organizations often have views that are markedly different from those of IMF and the World Bank. The ILO, for example, worries that the IMF pays too little attention to workers' rights, and the Asian Development Bank argues for "competitive pluralism." According to the views of the general American public, as well as political analysts and economic specialists, not all of these institutions have worked perfectly. The promises of more jobs, higher wages, and better opportunities were not fulfilled, at least in some parts of the world.

Numerous public opinion surveys through the late 1990s and early 2000s indicate that Americans are concerned about the impact upon jobs and incomes within the United States of continued liberalization of trade, foreign direct investment, and immigration. This view has been commonly characterized as reflecting the interests of small groups whose diverse agendas have very little connection, if any, to the economic consequences of policy liberalization. However, one recent study of U.S. public attitudes show that a broad section of U.S. workers are concerned about the trade's effects on workers, because most Americans are either working or are being supported by someone who works. At first glance it seems obvious that Americans are concerned with the effects of globalization, but that does not necessarily mean that all Americans feel personally threatened by it. Despite the voices of protest and criticism, globalization is continuing at a rapid pace.

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See also Export Processing Zones; North American Free Trade Agreement; Trade Adjustment Assistance Program; World Trade Organization

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Gold Watch

The presentation of a gold watch has become a symbolic memento of retirement from one's career. As a custom, its origins are unclear. It has been attributed to the presentation of a railroad conductor's watch to retiring railroad workers, who were among the first U.S. workers covered by any sort of pension or retirement program.

From the 1900s through the 1950s, the practice spread to other industries and companies. The watch was seen as a source of recognition for the retiring employee's long-term contributions and loyalty to his or her employer. Typically, the award was personalized with the recipient's name and corporate logo, hopefully strengthening the symbolic bond between the employer and employee.

However, the meaningfulness of the gold watch to the retiree has declined precipitously since then. Employees no longer spend their entire careers with only one or two employers, nor are their lives defined by their employment. Contemporary workers are understandably more concerned about their own economic welfare after retirement than the symbolic recognition afforded by a watch.

For some retirees, the "gold watch" presentation—or plaque or gift purchased by their coworkers—along with their 401(k)s and retirement programs, are the only symbols of the end of a workaday career. However, for some senior level executives, the recognition is considerably more expansive: use of corporate jets, lifetime income, lucrative consulting contracts, office and secretarial expense, cars and drivers, forgiveness of loans, and other lavish perks continue well into retirement.

Although clearly not the norm, these once unquestioned arrangements between the board of directors and the retiring executive have drawn much criticism, particularly from shareholders, as these arrangements have been exposed in the popular press in the wake of Enron, WorldCom, Tyco, and other corporate scandals of 2001 and after. One retired chief executive officer of a major U.S. corporation publicly renounced them (once they were made known), and others have followed suit.

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See also American Association of Retired Persons; Retirement

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Great Depression

The Great Depression was a period of economic, political, and social change in the United States, initiated by the stock market crash of September 1929, reaching its peak in 1932 and 1933, and lasting until economic recovery and the nation's entry into World War II in 1941. Numerous events contributed to the "Great Crash" that was connected to and exacerbated by worldwide changes of the era. Legislative, policy, and social responses to the Great Depression reshaped the ways that Americans think about unemployment and the role of their government in enduring ways.

After the end of World War I in 1918, the United States experienced a brief postwar depression, and then the economy began to grow at an unprecedented rate. Prior to 1929, the Federal Reserve Board made credit increasingly available, created more than $500 million in new money (Kelley 1990, 595), reduced interest rates and lowered taxes, and enforced little trade or antitrust regulation. As a result, money poured into the stock market from millions of investors in the United States and Europe, creating record profits and growth. Many investors purchased stock "on the margins"—with less than 10 percent down—and by 1929 almost 2 million Americans had invested in the volatile and largely unregulated securities market (Kelley 1990, 594).

In September 1929, the Bank of England raised its rediscount rate to 6.5 percent, reducing the flow of capital to the United States and causing many U.S. and European investors to slow their U.S. purchasing, sell out, and protect themselves. Confidence in the market began to wane. Wall Street was deluged with "sell orders," and prices began to tumble. A selling panic resulted, and within a month of "Black Tuesday" (September 29, 1929), the total value of stocks listed on the New York Stock Exchange had dropped by $26 billion (with a total loss of $16 billion), or to 40 percent of their former value (DeLong 1997, 3).

Despite the shock of the economic crash of 1929, a recession had in fact already been underway. In 1928, production outpaced consumption, and many factories shut down operations and laid off workers. Some analysts have sited underconsumption as the principal cause of the Depression, positing that an increasing disparity in income prohibited working Americans from consuming the huge overproduction of the nation. Other observers argued that the wages of the period were more evenly distributed than they had been at any earlier period. Thus the potential demand for goods was still high, and the federal government could have used its existing resources to stop the downward economic spiral of the Great Depression.

An idle man dressed in a worn coat, lying on a pier in the New York City docks, c. 1935. During the Great Depression, unemployment rates increased from about 3.2 percent in 1929 to 24.9 percent in 1933. (U.S. National Archives)

Analysts also single out a failure on the part of the Federal Reserve Board as a cause of the Great Depression. Prior to the crash, the Federal Reserve Board fueled speculation by responding to demands for more funds, not by regulating but by increasing the ease with which investors could secure credit. Then, after the stock market crash, the board made borrowing money more difficult by raising the discount rate and sharply decreasing the money supply, in an attempt to curtail the amount of capital leaving the United States. Both actions proved disastrous.

In response, consumers slowed their rates of consumption from $203.6 billion annually in 1929 to $141.3 billion in 1933, and business reduced its investments from $40.4 billion annually in 1929 to $5.3 billion in 1933 (New Deal Network 2002, 1). The Dow Jones average of industrial stock prices fell from 381 to 41 between 1929 and 1932. Simultaneously, workers were laid off; unemployment rates increased from about 3.2 percent in 1929 to 24.9 percent in 1933 (Kelley 1990, 596). Six months after the crash, some 3 million Americans were unemployed, and by 1933 the number had reached almost 14 million (Kelley 1990, 590; DeLong 1997, 2).

From 1929 to 1933, thousands of banks were dissolved, approximately 110,000 businesses closed down, and aggregate corporate profit was reduced from almost $8.5 billion to $3.4 billion (Kelley 1990, 617; New Deal Network 2002, 1). Within one year, from 1929 to 1930, industrial production was reduced by 25 percent, and two years later, it had dropped by 50 percent (Kelley 1990, 618). These stark statistics scarcely convey the distress of the millions of Americans who lost their jobs, their homes, and their savings during the Depression.

President Herbert Hoover framed the events of the market crash and ensuing economic, social, and cultural instability, as a "temporary disequilibrium" about which the government could do little. Rather, he encouraged the business community to be "unselfish," asked citizens to have "faith in the system," and informed Americans that he had no intention of interfering with private enterprise.

Hoover and the Republican Congress did cut the prime interest rate (from 6 percent to 4 percent), expanded the money supply, softened antimonopoly legislation, and revised the tariff upward to further exclude foreign producers from the U.S. market. His objective was to allow government to equalize the costs of production, but the result was that the Hawley-Smoot Tariff Act of 1930 increased rates on more than 1,000 imports and decreased international trade. In 1930, under a newly Democratic congress, several legislative actions, including the passage of the Federal Employment Stabilization Act, had little impact on a depressed economy and people. Finally, in 1931, when it was clear that the Depression would not correct itself on its own, Hoover called for the establishment of a Reconstruction Finance Corporation that would attempt to save collapsing banks and industry by lending money. Met by much criticism, the measure was nevertheless passed, allocating $500 million in capital to more than 5,000 companies in 1932 (Kelley 1990, 597). Still, in 1930 the gross national product fell a record 13.4 percent, unemployment rose to 23.6 percent, banks continued to fail, capital gains investments and international trade were reduced, and industrial stocks continued to lose their value at alarming rates (New Deal Network 2002).

President Hoover became known as "heartless Hoover" and was chided for caring more about his principles of political theory than he did for the fate of his own people. In the elections of 1932, Franklin D. Roosevelt was easily elected president. Roosevelt responded to his most pressing challenge by enacting the 1933 Emergency Banking Relief Act, empowering the federal government to assess all the banks in the nation and delivering additional funds to the Federal Reserve Bank. In doing so, he put the word of the federal government behind banks in an attempt to regain public trust in the system as a whole.

Roosevelt next proposed sweeping initiatives in the spring of 1933, during which time Congress enacted reform legislation dealing with banking, the gold standard, work and relief programs, mortgages, the stock market, industry, and agriculture. Hoover's Reconstruction Finance Corporation was reshaped by President Roosevelt. In addition to lending out more than $8 billion, the corporation was also used to fund state and local relief programs, public works, homeowner loans, public housing construction, rural electrification, and even support for public schools (Leuchtenburg 1963, 18). These actions illustrated Roosevelt's commitment to using the federal government to reverse the economic depression.

In his "Second New Deal for America," in 1934, Roosevelt crafted legislation dealing with banking, social supports, and organized labor. Congress authorized the creation of the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission. The Securities and Exchange Act and the Trade Agreement Act were also passed. Roosevelt's Banking Act of 1935 increased the federal government's power to regulate the money supply. In 1935, he additionally supported legislation that created the Social Security Act, establishing matching federal and state old-age pension insurance; unemployment and public health insurance; and support to mothers with dependent children, the blind, and the disabled.

Finally, Roosevelt addressed the issue of labor and union protection. In the 1920s, aggressive, often violent, antiunion crusades were launched, and by the early 1930s, 36 million workers, or only one in ten Americans, belonged to a union (Bernstein 1970, 12). The 1930 Norris-LaGuardia Anti-injunction Act had allowed workers the right to organize, but these laws were seldom enforced, and violent "class warfare" had caused much antiworker sentiment. National policy changed dramatically when Roosevelt created the National Labor Relations Board and supported the 1933 National Industrial Recovery Act, which provided for collective bargaining. Moreover, the 1935 National Labor Relations Act (Wagner Act) guaranteed not just the right to organize but also the right to fair and equitable collective bargaining conditions. From 1935 through 1940, the National Labor Relations Board handled over 30,000 cases, settled 2,000 strikes, and organized and supervised 24,000 elections. As a result of this change in legislation and sentiment, labor spies and antiunion propaganda were prohibited, and peaceful picketing was protected by law, as was the establishment of closed union shops (Kelley 1990, 618).

Under the National Recovery Administration, "fair trade" codes were established regulating prices and production and creating new minimum wage and maximum working hours restrictions. Within weeks of Roosevelt's plan, some 2.5 million employers had signed codes regulating labor standards, so that 16 million workers came under the program's protection (Kelley 1990, 611). Although the codes were critiqued and ignored by many, they did establish the idea of workers' protections and reframed the public's view of vigorous federal regulation.

Roosevelt's second New Deal also included programs designed to aid tenant farmers and migrant workers. Farms had been overworked, which had caused disastrous farming conditions, exacerbated by dry land farming practices and natural disasters. In the 1930s, farm income stood at about one-third of what it had been prior to the market crash, and prices had dropped by more than 50 percent (Brownlee 1979, 118). The parity ratio (the ratio of prices received versus prices paid for manufactured farm goods) had also fallen from 89 in 1929 to 55 in 1932 (Kelley 1990, 611). In response, Roosevelt created the Agricultural Adjustment Administration, to raise farm income to 100 percent of parity by restricting production. As a result of compulsory crop controls, gross farm income rose by 50 percent in 1935 (Kelley 1990, 611). The benefits of this program were shared unequally; the poorest farmers, and especially tenant farmers, lost farms and were expelled by farm owners.

The Great Depression and ensuing New Deal also led to the creation of the Works Progress Administration (WPA), designed to employ 3.5 million people and to stimulate the economy. In 1941 the WPA spent more than $11 billion on small construction projects, building hospitals, schools, air fields, and playgrounds (Leuchtenburg 1963, 18). The programs employed writers and artists creating publications, recording history, and fostering a national working-class culture. The project also supported an ambitious Rural Electrification Project.

As a result of much of this legislation, the U.S. economy did begin to recover from the Great Depression. From 1933 to 1937, national productively soured to an astounding 12 percent a year. In 1937, real income was higher than it had been in 1929; per capita income reached the 1929 level in 1939; half of those without jobs in 1933 had work in 1937. In 1939 the country borrowed and spent about $1 billion to build up its armed forces, the gross national product rose 7.9 percent, and unemployment fell to 17.2 percent (Kelley 1990, 621).

Although successful, the New Deal did not solve all of the economic problems of the poor and minority workers. For example, the WPA did not provide assistance to the poor. In 1936, about 60 million people (close to half of the U.S. population) lived below the poverty level (Bernstein 1970, 126). Depression-era policies set the stage for further economic stratification. By 1929, the richest 1 percent of the population owned 40 percent of the nation's wealth. Despite the fact that worker productivity rose during this period, the bottom 93 percent of the working population experienced a 4 percent drop in their per capita incomes (Bernstein 1970, 202).

WPA programs also failed to address the employment needs of women and minorities. By 1932, approximately half of all African Americans were out of work, discrimination in employment and social support programs was rampant and sanctioned by law, and racial violence was common (Kelley 1990, 623).

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See also African American Women and Work; African Americans and Work; Federal Reserve Board; New Deal; Roosevelt, Franklin Delano; Social Security Act; Unemployment Rate; Women and Work

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Green Cards

Green card is the common name for the permanent resident card (Form I-551 or I-151), a form of identification issued by the U.S. Immigration and Naturalization Service (INS) that indicates the holder's authorization to live and work permanently in the United States. The term *green card* originated with the issuance of the green alien registration receipt card (INS Form I-151) in 1951, which bestowed similar benefits on its holder. Despite the fact that the color of the card has changed several times since this original card was issued, the term *green card* has remained the popular name for the card.

Green cards are generally available to the immediate family members of U.S. citizens, refugees and persons seeking political asylum, investors, green card lottery winners, educated professionals, and individuals with employment offers for certain positions that are in demand by U.S. employers. In addition to gaining the right to reside and work permanently in the United States, individuals who are issued green cards will eventually be able to apply for U.S. citizenship, a process referred to as "naturalization."

Precursors to the green card developed during a time when the United States was concerned with increasing the number and scope of immigration laws in general, in an attempt to better classify and track foreign visitors, immigrants, and other noncitizens within its borders. At the beginning of the twentieth century, most immigration laws were solely concerned with those defining conditions, such as physical and mental illness, that were used to deny entry to certain persons. Several laws passed in the early part of the century, such as the Naturalization Law of 1906 and the Immigration Act of 1921 (also known as the First Quota Law), however, attempted to limit immigration based on other factors and to track the number and types of immigrants seeking entry into and already living within the United States. Increasing needs to classify groups of immigrants necessitated the development of identification cards for some types of individuals, such as "border commuters," who worked in the United States or visited often but whose official residence was in Mexico or Canada.

As a result of the Alien Registration Act of 1940, the first standardized immigrant identification card, the white Form AR-3, was created. Designed as a national defense measure, the act required all aliens (non-U.S. citizens) within the United States to register with the U.S. government at post offices. After processing, a receipt card (Form AR-3) was mailed to each registrant as proof of his or her compliance with the law. The Alien Registration Act, however, did not discriminate between legal and illegal alien residents. All were registered, and all received AR-3s in return. Therefore, the AR-3 represents a precursor to the green card, insofar as it was the government's first attempt to produce a standard form of identification for immigrants. However, this card did not carry with it the same benefits or level of security normally associated with the green card.

In 1951, however, the Security Act of 1950 produced the original green card, the green alien registration receipt card (Form I-151). This card was created to provide some classes of legal immigrants the permanent right to live and work in the United States. By 1952, the Immigration and Nationality Act required that the card, now also referred to as INS Form I-551, be carried by all eligible immigrants. This card represented security to its holder and was recognized as a standard form of permanent resident status identification by government officials and employers. Therefore, the term *green card* came to refer not only the card itself but also to the official permanent resident status desired by so many individuals.

In fact, the status that the green card conferred became so desirable that the Immigration and Naturalization Service began to experience serious counterfeiting problems. To deal with this issue, between its introduction and the present, the INS issued a series of different designs for the card in various colors. The color of the form was first changed from green to another color in 1964,when the card became a pale blue. The permanent resident card, the latest version of the green card, is pink and was issued in 1997. Regardless of color or design, however, the I-151 and I-551 continue to carry the benefits associated with the term *green card.*

In 1998, the INS granted permanent resident cards to over 660,000 immigrants, a 28 percent decrease from 1996 levels and the lowest number since 1988. This decline is attributable to a sharp increase in the number of pending immigration status adjustment applications. A notable spike in the number of persons receiving green cards occurred between 1989 and 1992, when over 2.6 million former illegal aliens were granted permanent resident status under the Immigration Reform and Control Act of 1986.

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See also Globalization and Workers; Immigrants and Work; Immigration Reform and Control Act

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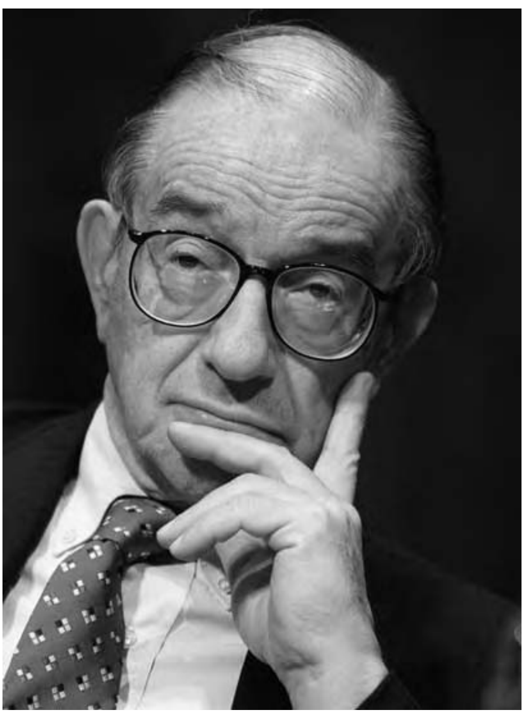
Greenspan, Alan (1926–)

Since his appointment as chair of the U.S. Federal Reserve Board, Alan Greenspan has elevated the position to one of unprecedented visibility. A larger-than-life figure, Greenspan is a hero to some and a scourge to others. Ronald Reagan first appointed him in 1987, in a noticeable break from his strict laissez-faire ideology. As Federal Reserve chair, Greenspan's job, strictly speaking, is to adjust short-term interest rates, the rates at which banks may loan money to each other. Yet Greenspan, perhaps more than any previous Federal Reserve chair, has created an image of the job as one of safeguarding the health of the U.S. economy in general and protecting it against inflation in particular.



Alan Greenspan, chairman of the Board of Governors of the Federal Reserve (Corbis)

Alan Greenspan was born in New York City on March 6, 1926. His early interests included music, which he studied briefly at the Juilliard School. After receiving his bachelor's and master's degrees from New York University, he enrolled in the Ph.D. program in economics at Columbia University. During his years in the program, which he eventually left without finishing, he was greatly influenced by the writings of Ayn Rand, which shaped his views on capitalism and the role of government in regulating the economy. After leaving Columbia in 1954, Greenspan began his career as a partner in a private economic consulting firm, where he remained until his appointment as Federal Reserve chair in 1987 and where he developed his impeccable reputation as an economic forecaster. Prior to his appointment as Federal Reserve chair, he had also served as the chairman of the Council of Economic Advisers in the Nixon and Ford administrations and as chair of the National Commission on Social Security Reform in the 1980s.

As Federal Reserve chair, Greenspan first received acclaim for his handling of the stock market crash of 1987. Taking over as chair in what had already become an unsound economy, he was able to minimize long-term damage by drastically lowering interest rates and creating liquidity in the financial system. Since that time, Greenspan has made a name for himself by adjusting the short-term interest rates in response to a speedup or a slowdown in the economy. Although his efforts have hardly been without controversy, he has generally been credited with the simultaneous economic expansion and curbing of inflation in the 1990s. Few would disagree that Greenspan has never wavered from his view that keeping inflation under control has been the key to maintaining the overall health of the economy.

Greenspan has tenaciously clung to this view in the face of political pressures from numerous quarters. Despite the controversy that surrounds him as a result, he has enjoyed a level of renown unparalleled by any Federal Reserve chair in history through the Federal Reserve's seemingly contradictory accomplishments of job growth and price stability under his leadership. The financial world and free market conservatives have lionized him for it. His reputation among liberal thinkers and working people, by contrast, has been notably more mixed, given the attention he gives the stock market and his concern for the effects of wage increases on inflation.

So is Allan Greenspan the friend or foe of the working man and woman in the United States? Despite his image as being solely concerned with the needs of investors, Greenspan has been keenly aware of and concerned with the effects of the changing economy on the U.S. worker.He believes, however, that the solution to worker displacement in the new economy is increased education and job training and has further argued that keeping inflation under control will ultimately improve the economic situation for *all* Americans. In reality, however, although the boom of the 1990s brought prosperity to increasing numbers of Americans, the gap between rich and poor also visibly widened and continues to do so.

In any case, Greenspan is well aware of the myth surrounding him and how it obscures the actual limits of what he—or the Federal Reserve—can do to influence the direction of the U.S. economy. He is even aware of how the effect of his public utterances can spread well beyond the Federal Reserve to influence the market, as was the case with his public warning against "irrational exuberance" and the overvaluation of stocks. This statement, which was not an official announcement but merely part of a speech at the American Enterprise Institute for Public Policy, became the stuff of public legend and was blamed for the subsequent drop in stock prices worldwide. Although incidents like these have not deterred Greenspan from publicly airing his views when he deems it necessary, in matters of policy, he remains guarded enough to resist outside pressure not to adjust rates one way or another but simply to announce that he is going to do so. This careful managing of his public statements and persona, therefore, is part of what has made Greenspan so effective in guiding the U.S. economy between the Scylla of inflation and the Charybdis of recession to what he has termed a "soft landing."

As the economic boom of the 1990s receded, he remained Federal Reserve chair into the George W. Bush administration, despite fears that his popularly perceived omnipotence could be turned against him. He still remains widely respected as an economic forecaster, known both for gathering all necessary information before making pronouncements and for his willingness to take politically risky measures, such as raising interest rates even when the danger of inflation does not appear to be imminent. Greenspan, therefore, shows remarkable staying power in U.S. finance for the foreseeable future.

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See also Capitalism; Consultants and Contract Workers; Council of Economic Advisers; Federal Reserve Board; Wall Street

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Guilds

Guilds are a means of structuring businesses so that workers hold ownership of industries, thus abolishing the use of wages for payment (Carpenter 1922, 1–2). Proponents of guilds argue that workers should have "collective ownership" over the means they employ to do their work. Without this collective ownership, employees are cheated out of the total value of the industry in which they work. This, proponents claim, establishes an unequal distribution of profits between management and laborers (Carpenter 1922, 1; Hutchinson 1998, 134).

Guild socialists (those who advocate for a guild system) propose the decentralization of authority and power to create a more democratic structure of industry (Hutchinson and Burkitt 1997, 14). As a movement, guild socialism marks the desire to return to times of medieval "gilds," in which working conditions and pay were regulated for all workers in a given trade (Hutchinson and Burkitt 1997, 15). Guild socialists often pit themselves against capitalism, viewing it as a force that serves to enslave workers (Hutchinson and Burkitt 1997, 16).

Modern industrialization was viewed negatively by guild socialists. The mechanization of industry marginalizes the art of craftsmanship in which guild workers once took great pride. It turns attention away from the individual creativity at the core of trade occupations toward the mass production of goods. This economic shift demoted craftsmanship from an art into mere tasks that any person can perform (Hutchinson and Burkitt 1997, 15).

Main Arguments for the Guild Structure

Four main arguments were generally used by guild socialists to advocate for the establishment of a guild work structure: the moral/psychological argument, the aesthetic argument, the political argument, and the economic argument. The moral and psychological argument held that wage systems encouraged the "commodification" of employees (Carpenter 1922, 143). Guild socialists contended that wage systems served to characterize workers as objects or servants that could be bought and sold and used to achieve a particular end, rather than as humans working toward a common goal (Carpenter 1922, 143; Hutchinson 1998, 132).

The aesthetic argument forwards the notion that industrialization has led to a system in which monetary gain drives decision making in business. Guildspeople purport that quality work and pride in workmanship have declined seriously since management began to dictate to employees what and how they must create their products (Carpenter 1922, 146). Crafters are no longer able decide what to create based on their own intuition but are instead dictated to by managers who make decisions according to potential monetary gains. Thus workers are unable to take pride what they produce.

The political argument says that servitude leads to apathetic citizens. When workers cannot think for themselves in the workplace, this oppression carries over into their political behavior. Guild socialists argue that commodified workers participate less in the democratic processes to which they have access (Carpenter 1922, 146–7; Glass 1966, 18).

There are two strains to the economic argument for guild work structures. The first, known as the Marxian analysis, stresses the idea that managers make profits based on what workers produce and pay workers their wages based on what they think their labor is worth. The manager, according to Marxian principles, is afforded an enormous amount of power in that he or she determines what workers are paid based on the eventual profits he or she wishes to make (Carpenter 1922, 150; Hutchinson 1998, 132). In effect, capitalism gives managers the opportunity to pay workers less than they are worth to increase their own profits.

The second strain of the economic argument relies upon the Douglas-Orage analysis, which states that economic democracy is only possible when the majority are able to set policy priorities. A capitalist system thwarts true economic democracy because a small few hold decision-making power over the larger majority (Carpenter 1922, 151).

The Fall of Guild Socialism

The eventual fall in the popularity of guild socialism is largely attributed to impractical goals within the movement. First, the guild system required that all employers and business owners either be driven out of authority or voluntarily give up the control they held over industry for so long. Second, the guild movement required the unlikely support of white-collar workers before guilds could be instituted in place of capitalism (Glass 1966, 58). Third, after overcoming these first two obstacles, the movement would still need to convince the government that capitalism should be derailed in favor of a system ruled by worker control (Glass 1966, 58–59). The decline in the guild movement is attributed to the failure of guild socialists to accomplish these necessary goals.

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See also Democratic Socialism; Industrial Revolution and Assembly Line Work

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Hawthorne Plant Experiments

Conducted at Western Electric's Hawthorne Works in Cicero, Illinois, between 1924 and 1933, the Hawthorne Plant experiments changed the direction of labor-management relations as they influenced generations of management experts with their findings. In the age of assembly line production through the 1920s, scientific management had emphasized the routinization of tasks to increase efficiency. In the wake of the Hawthorne experiments, however, a more complex set of variables was viewed as equally, if not more, important in increasing worker productivity. The most important conclusion of the experiments pointed to the social interaction among workers and between workers and managers as a significant factor in affecting productivity levels. When worker satisfaction was improved through active participation in structuring the work environment, productivity levels also increased, even if work conditions were made worse. In the decades since the findings were publicized, scholars have criticized the study for its methodological flaws and the subjective interpretation of the data that researchers invoked. The study has even given rise to the term *Hawthorne effect* to denote a study that leads to increased (yet short-lived) levels of worker productivity based on employees' gratification for being chosen to participate in the project. Despite these critiques, however, the conclusions of the Hawthorne Plant experiments continue to echo through contemporary labor-management theories, including participatory decision making, quality circles, and total quality management.

First built in 1905 by American Telephone and Telegraph's (AT&T) Western Electric (WE) division, the Hawthorne Works in Cicero, just west of Chicago, Illinois, employed 12,000 workers by World War I. As the primary site of AT&T's manufacture of telephones and telephone switching equipment, the plant expanded its operations to employ over 22,000 workers in the massive factory site by 1927. Known for its welfare capitalism measures, WE instituted a number of programs in the Hawthorne Works to foster satisfaction and company loyalty among the workforce. In addition to offering medical care onsite and educational courses after working hours, WE sponsored numerous sports teams and social programs for its employees. It also instituted numerous efficiency measures in the Hawthorne Works to improve productivity. Like other manufacturers, these efforts typically focused on the scientific management of the workplace to simplify production tasks and make each worker's job more routine and easier to perform.

As part of its efforts to study how work conditions affected job performance, WE agreed to sponsor an experiment to determine the effects of lighting levels on assembly line workers' productivity. Begun in November 1924, the lighting experiments were cosponsored by the National Research Council of the National Academy of Sciences, a federal agency that undertook the project after being lobbied by several manufacturers of industrial lighting equipment, and foundations supported by the Rockefeller Family. Although the researchers hypothesized that reduced lighting would lead to similar reductions in output by workers, there proved to be no correlation between the amount of lighting on the assembly line and worker output. Even as the amount of lighting decreased to dismal levels, productivity actually continued to increase. Although the results from the first experiments were inconclusive, researchers tentatively concluded that factors other than lighting were influencing productivity.

After the National Research Council withdrew from the studies, Clair Turner and George E. Mayo joined the research team in conjunction with the Harvard Business School in April 1928. Intrigued by the outcome of the first study, the research group set up another set of thirteen experiments with a group of five women assembly line workers. Once again changing a number of variables such as lighting, rest periods, and the length of the working day and week, the researchers found no specific correlation between the variables and productivity, which increased a total of 46 percent over the five years of the subsequent studies. From these observations, the researchers concluded that factors such as increased participation by employees in managing the workplace were more important than incentive pay schemes or physical conditions in improving productivity. From this early conclusion, WE followed up the experiments by conducting over 10,300 interviews with its employees to discuss their opinions about their work environment. The experiments themselves continued until they were curtailed as an austerity measure in 1933, as the Great Depression unfolded.

The emphasis on employee participation instead of scientific management of work conditions made an immediate impact on the fields of industrial and labor relations after the researchers' studies began to appear from the late 1920s onward. Elton Mayo in particular became the leading expert on industrial human relations and psychology, although it was not long before significant critiques of his work appeared. To many scholars, it was clear that Mayo and his colleagues were far from objective in their interpretation of the data and often ignored workers' statements about their motivations and satisfaction. With an ideological bias that argued against worker self-organization and in favor of managerial prerogatives, Mayo's subjectivity also seemed to predict the conclusions he drew from the evidence. In one instance, Mayo labeled a worker he deemed troublesome as a "Bolshevik," even though there was no evidence that the woman had demonstrated any political leanings. The woman was quickly replaced as a test group member, and the experiments continued.

By suggesting that worker satisfaction—and therefore, productivity—could be improved by a more participatory management style, the Hawthorne experiments nonetheless ushered in a new age of labor-management relations for many employers. Even those who criticized the conclusions agreed that the experiments were a breakthrough in terms of treating the workplace as a complex social environment. Although the results of the Hawthorne experiments did not completely replace the scientific management school in the arena of industrial relations (which held that in-depth mathematical and motion analysis provided the key to worker productivity), they did mark an innovation in the theory and methodology of industrial management studies and their implementation. The contemporary interest in cooperative decision making through practices such as quality circles demonstrates the continuing influence of the Hawthorne experiments.

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See also Blue Collar; Bonuses; Consultants and Contract Workers; High-Performance Workforce; Industrial Revolution and Assembly Line Work; Manufacturing Jobs; Productivity; Quality Circles; Taylor, Frederick Winslow

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Haymarket Square Incident

The Haymarket Square Incident of 1886, traditionally known as the Haymarket Square Riot, was a local event that quickly gained national significance. Both the event itself and the trial and execution that followed had enormous impact on the history of Chicago and on U.S. labor history in general. Subsequent views of the Haymarket Square Incident have changed noticeably, both in scholarship and in popular thought. For example, the "consensus" school of historical writing regarded the event at Haymarket Square as a deviation from the social order, whereas the "conflict" school viewed it as the outcome of an unjust social hierarchy.

There is ample historical evidence to suggest that the Haymarket Square Incident was an example of both, as well as conflicting ideas about the place of work and workers in the social order. By the late 1880s, Chicago had rapidly grown from a frontier outpost to an urban industrial power and was full of the increasing social stratification that accompanied such a change. The growing socialist and anarchist movements, as well as the eight-hour day movement and the nascent labor unions, were increasingly trying to address the growing social and economic inequality, often experiencing violent repression in return. Just prior to the Haymarket Square Incident, the McCormick Harvester strike was just the latest in a series of incidents in which management responded to worker protest with police and privately hired guards.

So perhaps it was not surprising that what began on the evening of May 4, 1886, as a peaceful meeting ended in a bloody confrontation between workers and police with dead on both sides. The meeting in Haymarket Square, though poorly planned and starting late, was unusually well attended thanks to the official approval of Chicago mayor Carter H. Harrison, who also was present for much of the meeting. By 10:00 P.M., seeing that the meeting, peaceful throughout, was almost over and that people were dispersing, Harrison ordered Police Captain John Bonfield to send the police guard present at the meeting home. Instead, Bonfield, taking advantage of the progressive Harrison's absence, sent 170 police troops to the meeting, where on arrival, Captain William Ward ordered the remaining crowd to disperse "immediately and peaceably." When Samuel Fielden, one of the organizers of the meeting, countered that the meeting *was* peaceable, Ward simply repeated his order. Then, an unknown person suddenly threw a homemade bomb into the crowd, which wounded several people and killed police officer Mathias Degan when it exploded. The explosion, in turn, sent the policemen on a rampage of shooting and clubbing, during which time they managed to shoot several of their own men, as well as many in the fleeing crowd. The event left seven policemen and an unknown number of civilians dead. There were soon citywide calls for revenge against the perceived anarchist violence.

The following morning, May 5, the police arrested hundreds of people in a series of raids on meeting halls, printing offices, and even private homes. The police issued no warrants, and people were harassed and interrogated into confessing to crimes they didn't commit and to serving as states' witnesses against others. Of the eight who were finally brought to trial, anarchist leader Albert Parsons voluntarily turned himself in from the safety of Wisconsin. The ensuing trial made little pretense of fairness. To begin with, the accused, Parsons, Samuel Fielden, August Spies, Louis Lingg, Adolph Fischer, George Engel, Oscar Neebe, and Michael Schwab, were tried as a group, increasing the sensational nature of the trial and making it impossible to render fair judgment on each individual. Furthermore, the jury selection process was purposefully skewed to select jurors with admitted biases against the defendants. The chosen trial judge, Joseph E. Gary, skewed the proceedings even more by allowing the prosecution vastly greater latitude in the case than the defense, in terms of line of questioning and introduction of evidence. Finally, State Attorney Julius Grinnell went so far as to admit that the eight accused were on trial for their ideas rather than their actions, proclaiming to the jury that they had been selected by the grand jury and indicted because they were the leaders. Grinnell urged the jury to convict the men and to make examples of them. Predictably, all eight were convicted and seven sentenced to hang, with Neebe receiving fifteen years with hard labor.

Wood engraving (ca. 1886) of the Haymarket Square Incident in Chicago—a homemade bomb exploding among the police (Library of Congress)

Their sentences were not carried out without public protest. Although the hanging was delayed because of an appeal to the Illinois State Supreme Court (it was later unsuccessfully appealed to the Supreme Court), trade unions across the United States mounted protests and published petitions against the sentence. This in turn inspired protests in Europe and by many prominent Americans outside of the labor movement to speak out. The day before the execution, American Federation of Labor president Samuel Gompers personally made a final appeal to Illinois governor Richard Oglesby. Although Oglesby agreed to commute the sentences of Schwab and Fielden to life imprisonment, the others remained sentenced to hang. The morning of the hanging, November 11, 1887, Lingg killed himself with a smuggled dynamite capsule. The remaining men shouted final declarations from the gallows; concluding with Parsons's "Let the voice of the people be heard!" Two days later, a funeral parade of thousands of workers marched and bore the bodies to Waldheim Cemetery, where the executed men's defense attorney, Captain William P. Black, eulogized them as martyrs.

In the months and years following the execution, public opinion slowly shifted to recognize the unjust nature of the trial and execution. Nonetheless, when the newly elected Governor John P. Altgeld decided in 1892 to pardon Fielden, Schwab, and Neebe, the ensuing controversy cost him reelection. Although the Haymarket Square incident had an immediate dampening effect on labor and radical movements in Chicago, it failed to permanently halt the growth of organized labor. The worldwide attention the incident, trial, and execution drew furthermore spurred the growth of May Day, a workers holiday observed today mostly outside the United States.

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See also Immigrants and Work; Knights of Labor; Socialism

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Health Insurance

Health insurance enables avoidance of large unforeseen medical expenses: in exchange for an annual insurance premium from members of a group, the insurer pays all or most of any medical expenses that any of the members of this group may incur over the year. Based on reports from the National Center for Health Statistics, about 16 percent of the population under sixty-five years of age, or close to 40 million people, were uninsured during the1990s. About 70 percent of the population under sixty-five years of age had private insurance, and 90 percent of these had coverage through their workplaces. About one-fifth of those sixty-five and older were covered by private insurance in addition to Medicare. The Medicaid program, which pays for health insurance coverage for the poor, paid for close to 10 percent of the population younger than sixty-five and about 8–9 percent of the population aged sixty-five and older through the 1990s. (Note that an individual can have more than one form of coverage at any time.) In practice, those who have no insurance coverage are eligible for emergency care because emergency rooms cannot legally turn away anyone just because of inability to pay. Access to health insurance, however, usually ensures access to preventative care that might circumvent the need for some of these emergency room visits.

Employee group plans, the most common source of health insurance in the United States, are tax-sheltered employee benefits that are sponsored and maintained by an employer or a union for employees of the firm and possibly their dependents, and retirees. The federal government provides health insurance to the elderly and the disabled through the Medicare program. State governments provide health insurance to poor families through the Medicaid program and to children of families ineligible for Medicaid through the State Children's Health Insurance Program (SCHIP). Those who are not covered by any of these sources have the option of purchasing insurance privately from an insurance firm. Premiums on individually purchased insurance plans are typically more expensive than premiums under employee group plans. Some associations offer the option of purchasing individual insurance through them at discounted rates. For example, universities offer students, who are too old to be covered under their parents' medical plans, the opportunity to purchase individual insurance. Some states maintain plans for people who have a poor health history and are ineligible to purchase health insurance on the open market; the state, therefore, bears the burden of the risk.

Origins

Health insurance made its earliest appearance in the late 1800s, in the form of accident and disability insurance. However, until the early 1900s, most health insurance plans were still restricted to compensation of lost wages for illness. Modern health insurance originated with the hospital insurance plan for schoolteachers of Dallas public schools at Baylor University Hospital in 1929. In exchange for a monthly payment, the schoolteachers were guaranteed some hospitalization services if needed.

All modern health insurance plans have some combination of indemnity insurance and service benefits. Indemnity insurance reimburses plan members for some proportion of medical expenses incurred. Most physician services and out-of-hospital expenses are treated as indemnity insurance. Service benefits pay for the entire cost of a service, as is typical with hospital expenses.

During the 1930s, several hospitals began to offer insurance plans similar to the one at Baylor University Hospital, and these plans were brought together within the framework of the American Hospital Association (AHA) and eventually evolved into the Blue Cross Association, which was independent from the AHA. The Blue Shield plans were similar insurance plans that paid for physician services. The first of these plans originated in California in 1939, and over the years, the physician payment plans came together to form the National Association of Blue Shield Plans. State level legislation allowed them to act as nonprofit corporations and thereby enjoy tax-exempt status and freedom from regulations imposed on other insurance firms. In 1982, the two merged to form the Blue Cross and Blue Shield Association that exists to this day.

Employer-Provided Health Insurance

Employer-provided health insurance made its appearance during World War II. Increases in the monetary component of the wage were prohibited by a wage freeze. Therefore, employers attracted workers by offering health insurance coverage. Commercial, for-profit insurance firms were spurred on by the success of the Blue Cross and Blue Shield plans to expand their offers of health insurance. Employer contributions to health insurance were exempt from payroll tax and from personal income tax, which made them a very attractive component of compensation packages.

For a given set of benefits, the cost of insurance per covered person is lower in an employer-provided group health insurance plan than the premium on privately covered insurance. The premium is the price paid for the insurance coverage, and the rate is contracted for a specified period, for example, one year or one month. The actual premium consists of a pure premium component and a loading charge. The pure premium is the average cost per group member of all expenses paid out by the insurance firm. The administrative costs, marketing costs, and any profit margin that the insurance company takes for itself make up the loading charge. The pure premium component is calculated in one of two ways: by experience rating or community rating. Experience-rated premiums are set at the average expected medical costs of the group that is being insured, and these expected costs are based on past experience and any other observed characteristics of the population. Community-rated premiums are set at the expected average medical costs of the entire community of which the beneficiary is a part, for example, everyone in that age cohort living in the state.

The difference in premium between employee group plans and individual plans occurs for two main reasons. Health insurance, like many other nonmonetary benefits provided by the employer, is exempt from personal income tax. The second advantage is associated with the health status of the enrollee mix in employee plans. In the case of insurance plans sold to individual purchasers, the people who buy health insurance are more likely to be the ones who need it the most, in other words, those who expect to have above-average medical costs. The presence of such people in the group raises the average cost of insuring the entire group. This phenomenon is called the "adverse selection problem." If premiums are experience-rated, or based on the average costs of the insured group, the adverse selection of enrollees into the group raises premiums for the group. In contrast, employee group plans cover the entire group of employees, not just the ones with the greatest need. Therefore, the insured group does not have higher-than-average risk of medical expenses, and the employee group avoids the adverse selection problem. Since the employee group is healthy enough to work, the group probably has lower-than-average costs. As a result, the per-employee premium costs that the firm incurs are lower than the cost that an insurance firm incurs when selling insurance to an individual purchaser.

Large establishments tend to self-insure. In other words, the firm assumes the risk of unexpected medical expenses for its employees. In doing this, the firm might save on loading charges and can often avoid the legislative restrictions that are imposed on insurance firms, such as restrictions on preexisting condition exclusions. Some self-insuring firms might avail themselves of administrative services only (ASO) contracts with third parties to handle the administrative details of the plan and to manage the employer's funds and pay claims. Smaller firms do not find it convenient to self-insure because they are more vulnerable to fluctuations in costs than larger firms. They purchase insurance from insurance firms that are regulated, and the insurance firms pass on their costs to the firms purchasing insurance from them. Consider two firms A and B with the same expected probability of a catastrophic claim per employee, say 1 in 1,000. But firm A has 1,000 employees, and form B has 100 employees. Therefore, we expect firm A to have one catastrophic claim per year, and firm B to have one every ten years. However, if any one employee in firm B incurs a large medical expense in any year, the burden placed on the firm is very great. This expense might be large enough that it is impossible for firm B to afford to provide insurance to its employees in the following year. With larger firms like firm A, the occurrence of such an expense in any year is spread across a large group of plan members, and the average premium per employee does not fluctuate as much.

Managed Care

National health spending increased rapidly through the 1970s and 1980s. Rising costs, which made it increasingly difficult for many firms to offer health benefits to their employees, were partly caused by the development of new and expensive medical procedures and partly by the institutional structure of health insurance.

Most insurance plans in the 1970s and early 1980s were traditional fee-for-service plans, such as those provided by the Blue Cross and Blue Shield. Under these plans, the insurance firm paid for all but a fraction of the cost of procedures, without much restriction on the services or health care providers used. The physician and patient alone made the decisions regarding what services should be provided to the patient. The patient only bore a small fraction of the costs and therefore had no incentive to be cost-conscious. Health care providers were paid for all administered procedures. The physician was the beneficiary of any service for which the patient decided to opt and was an adviser to the patient on what procedures to undertake. With these conflicting interests, physicians had an incentive to encourage patients to go in for expensive procedures, even if they were not absolutely essential. Such an incentive system naturally led to an annual growth rate of 13.5 percent in per capita private health expenditures (Eberhardt et al. 2001).

The need for cost control led to the growth and popularity of managed care plans. Managed care coverage provides insurance with intervention in either services or providers used or both, in an attempt to contain costs. A managed care plan may be administered like a fee-for-service plan, with utilization review and prior authorization for large expenses, such as hospitalization costs. At the other end of the spectrum, the patient could be in a health maintenance organization (HMO), which requires patients to be restricted to a closed panel of physicians and to pay all or a large percentage of any expenses incurred from physicians outside the network. There is usually a primary care physician who coordinates all the care that a patient needs. Some HMOs charge a fixed capitation fee per customer for a time period for coverage and provide any service that might be required during that time period. Since that payment does not depend on the services provided, there is less of a tendency for physicians to overprescribe specialized tests that are expensive. Physician compensation packages in HMOs may be designed with incentives that encourage cost-consciousness. In addition to these, there are preferred provider organizations (PPOs) that are less restrictive than HMOs but more restrictive than traditional fee-for-service plans. PPOs allow patients to choose from a panel of providers. The insurer reviews utilization in some cases and uses financial incentives, such as lower copayments, to induce patients to use PPO providers. The insurer controls costs by negotiating lower fees with PPO providers in exchange for a guaranteed volume of patients. The growth of these plans appears to have made the provision of health insurance more affordable for employers. Participation in HMOs increased rapidly in the 1990s, from 19 percent of the population in 1989 to 28 percent in 1998 (Eberhardt et al. 2001).

Another institutional development in response was the emergence of flexible benefit, or cafeteria, plans. With an increase in the number of dual-earner families, most families had double coverage. The overlapping coverage was an unnecessary expense for most firms. Therefore, firms started offering flexible benefit plans that allowed employees to pick any combination out of an array of benefits. These plans took some time to become popular. They originally emerged in the 1970s and slowly gathered popularity through the 1980s and the 1990s.

It is important to note that although managed care providers may offer increased access to care, they have also been accused of paying little or no attention to the quality of care. Although fixed payments discourage overprescription of unnecessary treatments, they also leave little incentive for the physician to provide quality care. Under traditional fee-for-service plans, physicians competed in terms of the quality of care since insurance companies paid for all services rendered, and concerns of employers and policymakers centered on the skyrocketing costs. In contrast, increasing complaints regarding the low quality of managed care have sparked debates regarding the necessity for consumer protection in managed care.

Legislative Protection to Beneficiaries

The Employee Retirement Income Security Act (ERISA) was enacted in 1974 to protect the interests of participants and beneficiaries in these private benefit plans. ERISA set minimum standards for these plans, ensured disclosure of plan information to the beneficiaries, and established processes for addressing grievances and appeals from beneficiaries.

The Consolidated Omnibus Benefits Reform Act (COBRA) of 1986 was an amendment to ERISA. COBRA enabled health insurance beneficiaries to keep their employment-based insurance benefits for up to eighteen months after they ceased to be eligible for them. The beneficiary had to pay for these benefits, but he or she paid the employee group rate as opposed to the individual rate. Most typically, COBRA covered employees whose employment had been terminated, but it also extended to dependents who lost their coverage because of death of a spouse or divorce.

The Health Insurance Portability and Accountability Act (HIPAA) of 1996 was another amendment to ERISA. HIPAA further facilitated continued insurance for individuals and dependents between jobs and guaranteed coverage to some small businesses and individuals. Insurers were no longer permitted to refuse issuance or renewal of coverage to an individual or a group based purely on health status. Since small firms are usually at a disadvantage in their ability to provide insurance to their employees, this was an important policy development for them. In addition to federal statutes, states passed their own mandates through the 1980s and 1990s to protect the rights of small groups. These mandates specified service obligations for insurance firms and regulated managed care networks.

Many insurance plans deny or limit coverage for medical conditions that the person had prior to purchasing the insurance coverage. These types of exclusions are called preexisting condition exclusions. Typically, such conditions are not covered for the first few months of uninterrupted coverage with the insurer, during which time the patient is liable for the entire expense associated with the preexisting condition. HIPAA restricted the duration for which a preexisting condition could be excluded from coverage to twelve months. Current legislative efforts are geared toward establishing a patient's bill of rights to determine the extent to which consumers are protected.

Public Health Insurance

After extensive debate during the 1950s and 1960s, Congress passed legislation in 1965 establishing Medicare and Medicaid programs as part of the Social Security Act to provide health care to the elderly (persons age sixty-five or older) and the poor, respectively. In 1973, Medicare extended coverage to some individuals with a disability or end-stage renal disease.

Medicare traditionally consists of two main parts: Part A, or hospital insurance (HI), which pays for hospitalization expenses, and Part B, or supplementary medical insurance (SMI), which pays for physician and other services. HI is primarily funded through a mandatory federal payroll tax. SMI is financed partly through premium payments from beneficiaries and partly through contributions from the general fund of the U.S. Treasury. Since 1998, a third part, Medicare+Choice, has been available to beneficiaries who want to expand their options for participation in private-sector health care plans.

Medicaid pays for hospitalization, physician and other medical services, and prescription drugs for the poor. The program is administered by state governments within guidelines established by federal statutes, and the federal government partially reimburses states for their costs. In 1997, the State Children's Health Insurance Program was created with federal funding to enable states to offer health insurance coverage to children from families with incomes that were too high to be eligible for Medicaid but too low to be able to afford private health insurance coverage.

The Politics of Health Care

Health care reform or, in particular, the provision of universal health insurance has been a highly visible public policy issue in the political process of the United States, particularly in most of the elections of the 1990s. For instance, Clinton successfully ran for the presidency on a universal health care platform in 1992, the failure of the same cost the Democrats control of Congress in 1994, and several segments of the debate featured in the 1996 and 2000 presidential elections as well.

In the U.S. health care system, several interest groups represent a diverse array of interests, and the current system is the outcome of a constant bargaining process among them. Employers and unions that provide health insurance to their employees and members have faced rising medical costs through most of the last decades of the twentieth century. Since employers have to offer health insurance to stay competitive in the market for workers, they lobby for policy aimed at keeping expenses down. Physicians and hospital associations favor proposals that result in increased demand for medical services, resist management of costs and patient care by nonphysicians, and oppose cutbacks in government payments for Medicare and Medicaid. (Most private payers follow Medicare guidelines in determining payments to physicians; hence, Medicare payments are an important focal point for lobbying efforts by health care providers.) Health insurance firms favor any plan that retains the system of private health insurance. Large insurers favor reforms like portability of coverage when employees switch jobs; small insurers oppose them because these reforms add to their costs. Health insurance firms favor nationally established technology assessment panels to establish the cost-effectiveness of experimental procedures and seek protection against malpractice suits in the context of patients' rights legislation. The elderly seek Medicare reform in the form of prescription drug coverage. The middle class, which is mostly covered by employer-provided insurance, seeks continuous coverage with minimal restrictions and low out-of-pocket payments but is predominantly unwilling to vote for additional taxes to pay for universal coverage. With the interaction of such a diverse array of interests, most changes in health policy tend to be slow and incremental as opposed to sweeping and large scale.

The Structure of Health Insurance

In any insurance plan, the patient is liable for a deductible and a copayment, and the insurance company pays for the rest of the expenses. The deductible is a fixed dollar amount for which the patient is liable. One could have a zero deductible plan or have a deductible only for some types of expenses, such as hospital bills. For indemnity insurance plans with a deductible, say $500, the patient pays the first $500 of expenses during the year. The insurer is liable for any expenditure in excess of the deductible. The deductible exists to ensure that insurance claims are reserved for the truly large expenses, or catastrophic claims, leaving the patient to pay for most of their smaller expenses that arise in any year. Plans with higher deductibles typically cost less than plans with no deductible. The copayment, or coinsurance, is the amount that the patient pays every time a medical service is used; the insurer pays for the rest of the bill for the service. Stop-loss is a clause in indemnity insurance that pays 100 percent of expenses, once the sum of deductible and copayment reach a prespecified maximum for the patient. The stop-loss clause protects the patient from unlimited liability.

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See also Compensation; Domestic Partner Benefits; Employee Retirement Income Security Act; Job Benefits; Medicaid; Social Security Act

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High-Performance Workforce

The concept of a high-performance workforce comes from research on high-performance work systems (Nadler and Tushman 1988; Nadler and Gerstein 1992). Although these production systems go by many names, such as high-commitment work systems and high-involvement work systems, they all share some common elements. Essentially, a high-performance work system is a bundle of human resource and job design practices implemented to maximize worker productivity.

This topic has received a great deal of academic and practitioner coverage since the 1970s. By some estimates, firms that engage in the activities believed to lead to high-performance workforces outperform their industry counterparts by as much as 50 percent, after controlling for all other differences between firms.

History

For the first half of the twentieth century, the dominant paradigm for human resources and job design was based on the work of Frederick Taylor. Taylor believed that there existed a "one best way" to perform every job, and if smart engineers studied those jobs, this way would be discovered. Once this way of doing things was discovered, these engineers would design narrow and specialized jobs for the employees to perform.

This method of job design had a number of implications. Jobs would be mechanized as much as possible, using tools like Henry Ford's assembly line. Also, since these "smart engineers" had already figured out the best way to do things, employees were given little, if any, discretion over how to perform their jobs. This method also led to the separation of production and quality assurance, away from the employees making the product. The unfortunate assumptions were that employees were either stupid, lazy, or both, and the natural implication was that they had to be told specifically what to do and be extensively monitored in their work (Taylor 1911).

The human relations and human resources schools laid the early foundation for high-performance work systems by challenging these basic assumptions and asserting that employees wanted to do a good job and that there were rewards for good work beyond monetary compensation (see, for example, Herzberg 1987; Herzberg, Mausner, and Snyderman 1959; McGregor 1960; Hackman and Oldham 1980). Researchers at the Tavistock Institute of Human Relations undertook the first fundamental steps in high-performance work systems. Rather than studying individual jobs, these researchers focused on the entire productive system. Sociotechnical systems theory, as it is now called, was first applied in British coal mines. Instead of the normal narrow and highly controlled jobs, these workers were placed into semiautonomous work groups, with some discretion over how they performed their jobs. In addition, these workers often interchanged their roles, what is now more formally called "job rotation." These coalminers dramatically outperformed those who worked under a more traditional organizational design.

Components

The theory of high-performance work systems is broad and open-ended, with a great deal of leeway in the design of the production system. Most scholars emphasize that the bundle of practices must be internally consistent and fit with the organization's goals (MacDuffie 1995). Although there is some disagreement over the exact composition of a high-performance work system, they generally include most of the following characteristics.

Employee Participation

This practice may be as simple as an employee suggestion box but is generally taken much farther in the design of most high-performance work systems. These participation programs have also taken on many names, such as "quality of work life," "*kaizen,*" or continuous improvement programs. The basic element remains the same; the employees that will be performing the work are given a great deal of voice in how the work is designed, organized, and carried out.

Open Systems Designed with the Environment in Mind

High-performance workforces and work systems are designed to be one activity in a chain of events. A high-performance work system design is not an insular design that takes only the firm or the individual production center into account; it begins with the customer. Such systems are also designed for smooth connection to the firm's suppliers and the entire value chain. The system must be flexible enough to react to new customer needs or to new technological or logistical developments in the firm's supply chain. To better see the signs from the environment, all buffers (for example, inventory, slack time) should be removed. This goal is at the heart of the lean manufacturing movement (Womack, Jones, and Roos 1990).

Minimal Design, Developing over Time

To make effective use of employee input and meet the needs of customers, only the essential elements of a production system should be designed in advance. Sociotechnical theorists call this "minimal critical specification," and scholars of HPWS state that this essential level is all that should be specified in advance, with the rest allowed to develop over time. As the employees learn about the system, their roles, tasks, and responsibilities are further defined and codified. Minimal design at the beginning does not imply that the production system is loose or unspecified. On the contrary, the procedures of high-performance work systems are often just as tightly controlled as traditional work systems, sometimes even more so. For example, the Toyota production system was refined over many years and is now considered the most strictly controlled production line in the automobile industry (Adler 1993).

Integration of Social and Technical Systems

This principle follows directly from the work at the Tavistock Institute. People and equipment are inextricably linked in production, and thus compatibility between the machinery and the workers is emphasized. The entire facility must be designed with this principle in mind. A firm should not just experiment with small pockets of high-performance work systems; rather the entire facility must be converted, or in the case of a newly built factory, high-performance work systems must be implemented across the entire new plant.

Control of Variance at the Source

Variances are unexpected events, for example, quality problems. When they are handled close to their source, employees are able to receive key feedback about their performance, allowing them to learn better ways to perform their jobs. In addition, employees develop a heightened sense of responsibility, which often leads to a decreased need for management supervision as well as higher performance.

Autonomous Work Groups

Teams are an essential element of a high-performance workforce. The autonomy granted to these teams varies a great deal among organizations, from minimal autonomy (for example, scheduling activities and routine maintenance) to fully self-managed teams that have responsibility for hiring and termination decisions, discipline, promotion decisions, and work assignments. These teams are most often assigned a "complete" task, such as the assembly of a full subsystem, or the delivery of a complete service, such as the processing of an insurance claim.

Boundary Control

Closely related to the control of variance and the deployment of autonomous work groups is the need to define and defend clear boundaries. Empowered employees who are expected to control their own variances need to be clear on what is and is not within their sphere of control. It is important to ensure that complementary and/or interdependent tasks fall within the group's boundary. Doing so will allow the group to function effectively, with less need for outside intervention and less need to disturb other work groups.

Enriched Jobs

The theory of enriched jobs states that correct job design can increase worker motivation. J. Richard Hackman and Greg R. Oldham (1980) demonstrated that jobs high in task variety, task identity, and task significance (the importance or impact of the end product) were more motivating than more narrow jobs. Although the task significance is related to the product itself and is difficult for the firm to control, other management practices can affect task variety and task identity. By allowing employees to use and develop multiple skills, the job becomes more motivating.

Task identity is often achieved by having an employee or group of employees responsible for the whole process. Higher levels of task identity also create a learning environment in which employees feel a heightened sense of responsibility for their output, which also increases motivation. These enriched jobs lead to more committed and motivated employees, contributing to the environment of a high-performance workforce.

Associated Practices

There are some additional modifications to human resources systems that often go along with a high-performance work system. Arguably, the most important is careful employment screening. A highly empowered work environment is not for everyone; many employees do not like the added responsibility and the heavy workload that is often associated with a high-performance workforce. Careful preemployment screening will assist with successful implementation. In addition, there are often compensation changes that come along with a high-performance work system. Often, pay for performance or pay for knowledge schemes replaces traditional salary-based plans for workers. This allows a firm to ensure that the skills required for effective functioning of the work system are in place in the workforce. Finally, since a high-performance workforce is expected to continually improve the work process, many firms pursuing a high-performance workforce have adopted some form of job security provisions so that employees do not feel that they are going to design themselves out of a job by continually improving the work process.

Problems with High-Performance Work Systems

Even though they have been shown to be successful, high-performance work systems have their drawbacks. Because organizations that have implemented these types of systems generally eliminate many layers of management, traditional career paths are not available to ambitious employees who want to "advance" to management roles. If paying for skill acquisition becomes the norm, then what happens after all "skills" are learned? Management needs to be certain that there is always room for advancement. Finally, there are often boundary disputes regarding the role of the team and the role of management. As teams become more autonomous, they tend to become less tolerant of what they view as inappropriate management intervention. There may be increased resistance to any new rule that company management tries to implement. Also, as noted above, a high-performance workforce is generally a high-stress environment.

Scott A. Jeffrey

See also Automotive Industry; Baldrige Awards; Compensation; Job Skills; Lifelong Learning; Profit Sharing; Quality Circles; Taylor, Frederick Winslow; Total Quality Management

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Home Economics/Domestic Science

Home economics—also known as "scientific housekeeping," "sanitary cookery," and "domestic science"—is one of the most influential and far-reaching movements in women's labor history. From the mid-1800s to the present, the leaders of domestic science have sought to reshape the fundamental nature of women's unpaid work in the home—in essence, the food production, cooking, cleaning, sewing, and child rearing that have occupied women since the beginning of written history. Though home economics has had many factions and phases, its overarching theme has been to free women from "drudgery," mainly by educating them to go about their domestic labors with scientific knowledge. Once properly educated, the theorists believed, women would apply order, up-to-date technology, cleanliness, labor-saving efficiencies, and higher standards of health to their homes. In the process, they would improve themselves, their families, and the nation at large. Millions of American women have received home economics education—either formally in classrooms across the nation or informally through women's guides and magazines.

Home economics traces its roots back to "domestic economy," which became a national concern during the first decades of the new republic. Fresh from the revolution, the former colonies faced the awesome task of building a nation, and most U.S. leaders agreed that education would be essential to achieving a great citizenry. A public school system slowly emerged for boys, at first on a local basis. By the 1820s, a few schools opened for girls as well, and with them came public debate over what sort of education was appropriate and whether it made sense to provide schooling for females. Some progressive female seminaries emphasized academics, others the practical skills of housewifery. Many encouraged a combination of both. In any case, there was a growing sense in the United States that women needed to be more intelligent so that they would run better homes and raise better sons.

During this era, Americans were in love with science and its possibilities for improving the world, and women wanted to share in the trend. By the 1840s and 1850s, cookbooks and household guides were appearing with increasingly intellectual and scientific content, such as the biological functions of the body, detailed charts showing chemical analyses of food, and diagrams of mechanical systems in the family home, including stoves, furnaces, and chimneys.

Most historians consider Catharine Beecher to be the first great visionary of domestic science. In her enormously popular household guides—*Treatise on Domestic Economy* (1842) and later her 1869 book *American Woman's Home* (coauthored with her famous sister, Harriet Beecher Stowe, best-selling author of *Uncle Tom's Cabin*), Beecher derided the irrational methods of housekeeping taught by old-fashioned mothers and grandmothers. Instead, she called for the professionalization of housework, with dramatically higher standards of cleanliness, order, and beauty—all achieved by a dogged devotion to details aided by enlightenment of science. With nitty-gritty, step-by-step instructions, she outlined a job description for the middle-class housewife, one that covered such diverse topics as how to heat and ventilate a house; build an "earth closet" (a toilet); clean rooms and keep away bugs; care for the aged, infants, and children; garden; organize the laundry closet; and decorate, entertain, and cook healthful meals.

Such high levels of performance approximated those previously attainable only by the wealthy. Now, Beecher suggested that all women in the United States could achieve fine homes if they sought professional instruction in schools. And so she set about establishing several seminaries where women could learn such skills and gain social status as competent housewives and managers of their own homes.

Beecher's prescriptions (and those of other domestic writers of the era) codified housework for the masses and held wide appeal for a new generation of women seeking to leave behind traditional rural life and enter the middle class. And so, as industrialism transformed the world, domestic science transformed women's work—from that which met the biological and economic needs of a family to that which achieved social and emotional goals, such as middle-class respectability, upward social mobility, morality, personal happiness of children and husbands, and in some cases, morality, Christianity, and ideal womanhood. The mother of the Christian family, Beecher insisted, should become a "self-sacrificing laborer" in her home. A woman's "great mission is self-denial" (Beecher and Stowe 1994/1869, 18, 19).

The great popularity of domestic science cannot be separated from larger forces at work during the

A group of young girls posed in a home economics class in Washington, D.C., ca. 1899 (Library of Congress)

nineteenth and early twentieth centuries. Domestic science existed because of and contributed to the emergence of a market economy, the growth of the professional class, U.S. faith in science, the fervor of Protestant reformism, and of course the "doctrine of separate spheres," in which women replaced men as the chief authority of the home once industrialism pulled husbands to distant clerical and factory jobs. Historians such as Jeanne Boydston (1990) have noted that the rising standards of housework for women enabled men to go more willingly to paid workplaces and therefore made the rise of capitalism possible. Indeed, proper home life became a symbol of social status—achieved by unpaid and seemingly invisible female labor.

After the Civil War, domestic science gained immense national momentum. Many middle-class U.S. women now wanted a larger part of public life, and a new generation sought university degrees and careers. This transition to higher education and paid work seemed easier and more socially acceptable when women went into positions that did not veer too far from their traditional roles as helpers, healers, and feeders of the human race. U.S. women embarked on the Progressive era, their well-known period of social activism and charity.

Like teaching, nursing, and social work, domestic science offered middle-class women some of their first paid jobs helping those less fortunate. Indeed, it was a time of vast human suffering and one that called for answers. Freed slaves needed education and housing. Displaced Indians had lost their homes. Millions of foreign-born immigrants flooded U.S. cities, living impoverished lives in unsanitary tenements.

The white, Anglo-Saxon majority in the United States widely believed that these people suffered from poor diets and poor living habits because they came from uncivilized cultures and their women did not know how to run proper homes. If lower-class girls—future mothers of their races—could be taught to create order and better work habits in their own homes, so the theory went, they would uplift their families from poverty and ignorance. Domestic science teachers were particularly concerned about the inferior diets of the lower classes, whom they believed ate too much starch and not enough meat or milk.

During the 1870s, three hugely successful cooking schools opened, providing early training grounds: the New York Cooking School, the Philadelphia Cooking School, and the Boston Cooking School. The original mission of all these enterprises was to teach poor and working-class girls about proper nutrition and cleanliness and how to cook with scientific rigor. But eventually, all of them offered classes to middle-class women as well. Many housewives and young women wanted to do a better job at their daily labors and sought self-improvement. Others wanted to become teachers of the subject.

Many colleges began admitting women and established domestic science curricula. Some offered highly practical vocational classes on how to cook and preserve foods. Others took a more academic approach, requiring theoretical classes in chemistry, biology, and bacteriology. Always, the goal was to lighten the burdens of housework through efficiency, science, and the use of new kitchen gadgets, products, and tools.

As the domestic science movement continued, thousands of U.S. women were graduating each year from cooking school courses and degreed programs that qualified them to teach domestic science. And so they spread across the nation like an army.

Many were hired by the nation's growing public education system, which embraced domestic science for its girls, setting up kitchen "laboratories" in elementary and high schools from coast to coast. There were jobs to be found, also, at hundreds of settlement houses across the nation, many of which offered immigrants some form of cooking classes or domestic science. The goal was to convert newcomers to the foods and expectations of American life.

Former slaves and their children also received this training. After the Civil War, the Freedmen's Bureau (a federal agency), the American Missionary Society, and various churches set up training institutes and colleges throughout the South. Almost always, these schools included kitchen laboratories and a domestic science curriculum for girls, just as boys almost always learned agriculture. One of the most famous of these schools was the Tuskegee Institute, founded by former slave Booker T. Washington. Some critics, such as W. E. B. Du Bois, assailed Washington for teaching a vocational curriculum rather than a liberal academic education. According to Du Bois, places like Tuskegee were creating better-educated field hands and servants. Instead, he believed that blacks needed liberal academic education and should agitate for power.

Domestic science teachers also found jobs on Indian reservations as far away as Alaska. Federally funded Indian schools systematically sought to strip thousands of native children of their cultures, religions, and economies. Domestic science was a useful tool in this endeavor. Teachers scorned the hunting, gathering, and outdoor cooking labors of Indian women. They disdained traditional homes and native diets of whole grains and roots and buffalo. Domestic science classes taught young Indian girls how to set a table with European style utensils; bake yeasted bread; and cook roasts, puddings, and cakes according to middle-class protocol.

Domestic science had a phenomenal reach that went far beyond classroom education and reform efforts for the poor. In fact, its most ardent supporters were probably middle-class women who were willing to spend money on cookbooks, household guides, and new products that would save them labor. Cooking school teachers such as Juliet Corson, Maria Parloa, Mary Lincoln, and later Fanny Farmer became household names, churning out cookbooks, household guides, and magazines that sold by the millions. *The Boston Cooking-School Cook Book* by Fanny Farmer, a principal of the Boston Cooking School, would sell 4 million copies. Many of the great culinary women of the era endorsed commercial food products and appliances.

In this way, domestic science was a remarkable vehicle for transforming cooking—one of the most ancient of women's domestic labors. Across the nation, women began, most remarkably, to cook according to the exact specifications of proven formulas—that is, written recipes, rather than tradition, taste, and culture. Instead of learning housewifery from the oral traditions of mothers and grandmothers, they turned to outside authorities and experts for advice. This led them to compute calories and protein grams when planning meals, to embrace new gadgetry and appliances, to put extra efforts into making foods that looked dainty and pretty on the plate, and to buy instead of make essential ingredients. All these principles were essential in almost all domestic science curricula and have remained a guiding focus of women's work in the home to this day.

The mass appeal of domestic science became abundantly clear at the 1893 World's Fair in Chicago—one of the first great marketing events in U.S. history. Cooking lectures and demonstrations were prominent throughout the fairgrounds, as the nation's most famous cooking teachers gathered for the first time to spread their doctrine of scientific cookery. The power of this message seemed irrefutable amid the dazzling presentations of science and technology. Most marvelous of all were Thomas Alva Edison's displays, including a futuristic electrical kitchen of the future. Hundreds of thousands of women attended these exhibits, taking home pamphlets and new ideas.

These events ultimately led to the founding of the American Home Economics Association six years later at a conference in Lake Placid, New York. At this historic event, the nation's foremost nutritionists and domestic science teachers formally established a new academic discipline called "home economics" (the term *euthenics* was almost chosen). They founded a scholarly journal, *The Journal of Home Economics,* and curriculum standards for elementary, secondary, and college education. Ellen Swallow Richards was elected the first president of the association in 1908. She was distinguished as the first female graduate of the Massachusetts Institute of Technology (MIT), a champion of women in science, a pioneer in ecology, the founder of a public kitchen to help the poor, and the author of texts like *The Chemistry of Cooking and Cleaning* (1882).

If all this were not remarkable enough, by 1914, the federal government got in the domestic science business when it passed the Smith-Lever Act, which required that all the nation's "land-grant" colleges "extend" their agricultural and home economics knowledge to local communities. The U.S. Department of Agriculture's home economics department hired women to write books and pamphlets on nutrition, cleanliness, sewing, and all other aspects of efficient housework. Land-grant colleges sent economists home to rural communities as "extension agents" to teach efficient methods of cooking and housekeeping. They found an eager audience. In the early part of the twentieth century, farmers' wives still carried out immense physical labors in isolated homes—they were expected to bake bread, cook large meals, preserve garden produce, and manufacture clothing and housewares. Many were thrilled to have the opportunity to gather with friends and neighbors to learn labor-saving techniques for canning, butchering, mattress making, and home decoration to make their lives easier.

With academia, the federal government, and public school systems behind it, home economics now offered women a bona fide field of their own, one with a body of professional expertise and nationally recognized academic credentials. This prestige opened many new doors. During the twentieth century, women trained as home economists got paid jobs in universities, food businesses, publishing, and government. Through home economics, women got Ph.D.'s and developed national standards for child care. They pioneered the earliest school lunch programs and demanded pure food and a cleaner public milk supply. Home economists also developed the first vitamin-fortified cereals and, as the century moved on, encouraged the inclusion of more fruits and vegetables in the U.S. diet. Their advice was greatly needed when during two world wars and the Great Depression, food and material shortages demanded that all women in the United States economize and carry out extra labors in their homes.

But home economics claims a mixed historical legacy—one that has drawn criticism from scholars. As we have seen, the movement overtly sought to Americanize and erase the ethnic foodways of immigrants. Famous home economists promoted convenience foods and commercial products that ultimately deskilled future generations of cooks. By the middle of the twentieth century, feminists charged that home economics training in public schools was a conspiracy to limit the career options of women. In addition, food critics have blamed the field for creating a bland American diet, featuring gray sodden roasts, gelatin molds, overboiled vegetables blanketed in white sauce, and far too much trust in food factories that promised technological progress.

Certainly, the early home economists wanted to create a national palate and lighten women's burdens. These goals overlapped conveniently with the goals of companies interested in developing mass markets and selling products. As consumer goods and appliances exploded during the 1920s and then again during the 1950s, home economists acted as mediators between U.S. women and companies. On radio and television shows, in paid advertising, and in women's magazines and product brochures, home economists demystified new products and goods, teaching women how to use new inventions such as refrigerators, electric stoves, toasters, chafing dishes, Pyrex, blenders, and unusual new products like biscuit mixes, self-rising flour, gelatin, and a unique new invention known as shortening. In many ways, the original domestic scientists accomplished their goals. Homemaking required less arduous physical labor and more emotional and intellectual attention. Middle-class American homes now lay claim to some of the highest standards of cleanliness and technology known in the world.

Ironically, by the 1970s, these achievements enabled women to leave the home and abandon homemaking as a full time pursuit. Feminism and a new economy drew many mothers, wives, and daughters into new fields of paid employment. Women's domestic labor once again underwent vast readjustments, responding to and contributing to dramatic social change.

On the surface, home economics, per se, now seems less present in public education and universities and daily life than it was 100 years ago. But this may be, in fact, because the values of the movement were long ago woven into American life. Indeed, the home economics agenda is still alive and well under many names and venues—and in some ways with even larger breadth and scope.

Today dozens of universities and colleges across the nation continue to teach home economics under the old and various new monikers, such as human ecology, dietetics, health and human sciences, and family and consumer sciences. Home economists continue to work in university extension programs and in 4-H clubs, teaching baking and sewing in rural areas. All across the United States, a wide variety of human service programs teach low-income families to adopt healthy diets and manage food budgets, and all schoolchildren today still learn lessons of health and food.

Millions of middle-class U.S. women and a growing number of men expend immense amounts of labor, time, and money on cookbooks and household guides to help them achieve perfect homes. Cooking institutes have surged in popularity. Magazines and newspapers of all sorts continue to advise women on how to declutter their homes and cook meals with nutrition as the primary guide. Manufacturers promise less mess and labor with convenience products, which have been embraced by Americans. Domestic gurus such as Martha Stewart tell us how to better our families through expert housekeeping and step-by-step guides remarkably reminiscent of *The American Woman's Home* by Catharine Beecher. With expert help, women entertain and decorate in ways that bring social respectability and upward mobility.

As during the nineteenth century, a heady but small intellectual wing of the movement exists with a national agenda to advocate for higher standards in U.S. homes and educate professionals who will elevate women's traditional work. In 1994, the American Home Economics Association was renamed the American Association for Family and Consumer Sciences (AAFCS). According to the organization's Website, it helps "professionals develop, integrate and provide practical knowledge about the things of everyday life—human growth and development; personal behavior; housing and environment; food and nutrition; apparel and textiles; and resource management—that every individual needs every day to make sound decisions which contribute to a healthy, productive, and more fulfilling life" (AAFCS 2003). Among other things, the AAFCS advocates for high-quality child care for working mothers, environmental issues, pure food, the primacy of family relationships, and the application of scientific research to solve problems in daily life.

Laura Schenone

See also Housework; Mommy Track; Pink Collar; Servants and Maids; Women and Work

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Homestead Strike

The deadly strike at the Homestead steel plant in Pennsylvania embodied the class struggle endemic to the late-nineteenth-century United States. Working-class men and women confronted perhaps America's leading industrialist on the banks of the Monongahela River. Workers used the tools at their disposal—a strike and violence—but the vast forces arrayed against them—capital and the national government—proved too much for the workers.

In 1882, Andrew Carnegie purchased the Homestead steel mill. Seven years later, the Amalgamated Association of Iron, Steel, and Tin Workers union went on strike and secured union recognition, a pay raise, and a three-year contract. Immediately after losing this labor battle, Carnegie plotted to undermine the union and made Henry Clay Frick chairman of his steel company. The two industrial leaders did not agree on ways to bring the union to heel. Carnegie favored locking out workers until they capitulated, whereas Frick preferred using force.

The cover of Frank Leslie's Illustrated Weekly, *depicting the 1892 strike at the Homestead steel plant in Pennsylvania (Library of Congress)*

In 1892, the union's contract expired. The slowing of railroad construction burst the steel boom and weakened the union's position at the bargaining table. As it prepared for another strike, Carnegie left the United States for Scotland and gave Frick unilateral control over the labor situation. Frick proposed lower wages and longer hours to Amalgamated, and when the union refused and issued a strike notice, Frick closed the mill. He fortified the complex and announced that no more unions were welcome at Homestead. Two days later, workers stormed the mill and cordoned off the town to prevent strikebreakers from entering. On July 6, Frick hired a squad of Pinkerton detectives to restore order. Striking workers, their families, and sympathetic townspeople attacked the Pinkerton's boat with rifles, dynamite, and fireworks left over from the Fourth of July. In the ensuing gun battle, three Pinkertons and seven workers perished. The Pinkertons surrendered, and the workers forced them to run a gauntlet of protestors.

The workers' famous victory proved ephemeral. Days later, 8,500 members of the Pennsylvania National Guard arrived in Homestead to protect private property and preserve law and order. They occupied the town for ninety-five days. The presence of the National Guard allowed Frick to open the plant with strikebreakers. Police arrested 167 Homestead residents on charges of murder, rioting, and conspiracy for their role in the attack on the Pinkertons. Few of these men were tried, and no one was convicted for his participation. On July 23, 1892, Alexander Berkman, a Russian anarchist, shot and stabbed Frick in his office, but the redoubtable Frick survived the assassination attempt. Workers received renewed support in early fall, when prominent members of the Democratic Party campaigned in Homestead, but by election time, the strike had weakened considerably. In October, strike leaders declared the strike over. The result of the strike was a complete loss for the union and its workers. Frick slashed tonnage rates, imposed longer hours on workers, and decreased the number of breaks workers could take, and the increasing mechanization of the plant slashed jobs. Carnegie and Frick also employed a hierarchical management system, thereby curtailing workers' control over the production process.

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See also American Federation of Labor and Congress of Industrial Organizations; Solidarity; Steel/U.S. Steel

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Homework

Homework, paid labor that is performed within the employee's home, includes a wide range of occupations with a variety of working conditions. Farmers, professionals pursuing careers at home through telecommunications, and individuals performing clerical and industrial piecework in their homes are all categorized as "homeworkers" by the Department of Labor. Historically, however, homework has been an important source of income for immigrant and working-class women, who have toiled under difficult, if not illegal conditions.

Since the 1980s, growing public demand for flexible, family-friendly work schedules has led numerous businesses to promote homework as the perfect solution for working mothers. Company brochures often portray homework with pictures of compliant toddlers resting quietly beside mothers who work undisturbed, sewing window treatments, typing envelopes, or reviewing insurance claims.

The reality is far less idyllic for women and minority homeworkers, who are disproportionately employed in low-paying, low-status jobs such as clerical and industrial piecework. Industrial textile and apparel homeworkers are almost exclusively women, and growing numbers of legal and illegal immigrants perform homework for these industries. Industrial homeworkers are often paid by the piece. This system enables employers to avoid paying full-time salaries. Though employers rarely provide overtime compensation, low piece-rate wages often require homeworkers to toil long hours to make ends meet. Homeworkers hired as "independent contractors" are denied health insurance, unemployment compensation, paid vacations, and Social Security. Homework also transfers the overhead costs of machinery, electricity, floor space, heating, and air conditioning to the employee. For workers paid by the piece, these numerous expenses erode often small, undependable paychecks. Finally, most female homeworkers retain primary responsibility for child care and housework. As a result, they lengthen their workday to fulfill multiple roles.

Although sometimes described as a modern innovation, the combination of wage and domestic work within the home has long been a practice of working-class families and a strategic form of employment for manufacturers. Eighteenth-century households often depended on female family members' wages, and homework, known then as the "putting out system," was a primary form of female employment. During industrialization, homework was supported by a domestic ideology that celebrated the home as a haven of personal, nonmarket relations. Deemed "natural" caretakers, women were expected to stay home and care for their families and households. Necessity forced many working-class and immigrant women to seek paid labor, however. In a time when limited occupational opportunities existed for women outside the home, many found employment as homeworkers.

Nineteenth- and early-twentieth-century industrial homeworkers helped their families eke out a living through long hours weaving and spinning, rolling cigars, fashioning artificial flowers, sorting nuts and coffee beans, and setting teeth into carding combs. Wage-cutting and withholding and underpayment were just a few of the notorious ills endured by struggling homeworkers, whose isolation within their homes made organized redress difficult. Despite the vigorous efforts of union leaders and philanthropists anxious to rid the domestic sphere of sweatshop labor, homework remained a necessary evil for thousands of urban poor who were offered few other realistic options for family survival.

Katie Otis

See also Consultants and Contract Workers; Immigrants and Work; Piecework; Telework/Telecommuting; Women and Work

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Housework

The term *housework* is generally used to signify unpaid work predominantly performed by women in and around a home. The broadest definition of housework includes many different forms of unpaid labor done to maintain a family and home—cleaning, child care, repairs, yard work, shopping, planning, cooking, serving, and sometimes subsistence farming or gardening and volunteer work. Wages for Housework, an international advocacy group, estimates the value of housework done in the United States at $1.4 trillion per year, if it were paid work (Wages for Housework 2001). In the twentieth century, in western industrialized countries like the United States, housework is generally used to denote cleaning, cooking, child care, and shopping. Whatever activities are included under housework, three things are clear: this work is by definition unpaid, it is generally held in low esteem, and it is predominantly performed by women.

Because most housework is generally maintenance work (it does not produce an original product), is unpaid, and is done within the privacy of the home, it is a type of work that is largely invisible. Housework is often viewed as a labor of love—it is not seen as work having a direct bearing on the economic systems of countries or family units. Under this view, housework is done on behalf of society, children, and families, not on behalf of capitalism or patriarchy, and women tend to do it because it is the natural or proper role of women to do the nurturing and maintenance work that families and homes require.

Yet a number of theories have emerged that attempt to make housework more visible as a form of labor, many of which are inspired by Marxist analyses of paid labor. A number of Marxist feminists (for example, Heidi I. Hartmann) have attempted to apply Marxist analyses to housework and often begin with the notion that the work that women tend to do within the home is reproduction (as opposed to production, which is done in the industrial workplace). This reproductive work includes bearing and raising children and tending to the daily bodily and emotional needs of household members that is necessary to maintain the laborers who work outside the home for wages. In this way, women serve capital just as much as men paid to labor outside the home do, just in a different way. This labor is not generally considered production in the classical Marxist sense because it does not directly produce a distinct product. Exceptions to this are gardening, if it produces food for the family, and the trend by which consumers are increasingly made to do more of the work that producers and shopkeepers used to do—self-service, self-checkout, or self-assembly. In this way, it is argued, consumers become unpaid workers for capital. But most housework processes are transformative rather than productive, turning materials (baking goods and cloth) into usable forms, or are maintenance work—cleaning, repairing, or restoring.

Reproductive work done by women does not just reproduce and maintain the labor force but also reproduces traditional (heterosexual, nuclear) family forms. Wives become necessary to do this work within the home while husbands are necessary to earn money. The necessity of reproductive work to maintain a paid labor force leads Marxist accounts to note that when an employer pays wages to one person, he or she is generally purchasing the work of another laborer, this one invisible, within the home. This system may allow employers to keep wages low, lower than if the paid employee would have to pay fair market prices for someone to cook, clean, and tend to any children.

Marxist feminist theories of housework posit that the definition of housework is to a large extent historically and geographically specific. To suggest this is to recognize the evolutionary processes in industrialized, western countries that led up to housework in the form in which we know it. Although work has always been done to maintain homes and families, householders, even those with little or no property, often had servants do it for them in the early stages of developing capitalist societies. As capitalism has advanced, historically, the material base that maintained a servant class whose services could be bought cheaply has been eroded away. Although there are still many today who either employ domestic servants or work as domestic servants, the middle and lower middle classes are no longer able to purchase these services to the same extent as was previously possible. Instead, the housewife or homemaker has emerged as a new historical phenomenon. Martha Gimenez describes the housewife as the lady of the house and the servant all rolled up into one, when previously there would have been two separate people filling these roles. Housework, now, is the set of tasks she performs without wages.

Marxist accounts of housework go far to explain a phenomenon that many other theories of labor do not take seriously, yet there are still questions that a Marxist analysis alone cannot answer easily. For instance, why is it specifically women who tend to do housework? Even when women hold paid jobs outside the home, if they are married or partnered to a man, on average they will still spend twice as many hours on housework as their spouse or partners (Robinson and Godbey 1999, 100). Is housework only done for capitalism, or are there other social values attached to it that Marxist-inspired analyses do not account for well? Can the "social reproduction" performed through the rearing of children really be understood through such economic analyses? What explains the roles of the church, state, and civil society in the valuation of housework and its gender specificity? Because of these questions, some feminist theorists have come to the conclusion that capitalist social relations alone cannot explain the phenomenon of gender oppression through the undervaluation of housework and the women who predominantly do it.

A WPA poster created for the Illinois State Employment Service promoting jobs for women and girls as domestics (Library of Congress)

Even when women hold full-time jobs, they still bear the primary responsibility for housework and child care. This is the phenomenon often referred to as the "double day" or the "second shift." The feminist approach to housework recognizes this fact as a barrier to women's equality in society and posits that this sexual division of labor ensures male superiority or patriarchy in social relations. To eradicate women's inequality, feminists argue that widespread, perhaps state-funded child care services are needed, as well as generous family leave policies that would allow both women and men to hold jobs and care for family members. Within the home, feminists argue the sexual division of labor needs to change; men need to assume equal responsibility for housework if women are to achieve equality in society. Not only would these changes ensure a more equitable view of what "women's work" is, but it would also allow women to participate more fully in paid labor and achieve more economic independence.

Social scientists of all theoretical persuasions who study housework note that it seems to have a sort of elasticity about it. Marxist feminist analyses note that when paid wages decline in value, many household units compensate by intensifying work done around the house—more meals are cooked at home rather than bought at restaurants, and clothes are mended and handed down rather than replaced. Yet there is another form of elasticity about housework in that it seems to expand to fit the time available. Feminists have long noted that the advent of new, supposedly time-saving appliances eventually do little to reduce the hours spent by women on housework. Instead, the standards of cleanliness seem to rise with every new piece of technology or cleaning product available, so that women using these devices still put in just as many hours on housework as they did previously.

Concomitant with this phenomenon is the historical deskilling of the housewife. Part of her work may include time spent buying clothes, but today she is less likely to have the skills to make them herself, even though a tailor can make a living wage with this skill. The same is true for meals—more and more items in grocery stores are at least partially processed so that the person who prepares them is required to heat or cook them but may not know how to turn raw materials into finished products from beginning to end anymore, though a person who finds work as a chef can be paid for this type of knowledge. This deskilling can have serious consequences for a woman who was once a housewife but who later finds herself having to support herself and children with her own wages. Additionally, when a housewife has more skills, she is able to maintain a family if the primary wage earner becomes unemployed without having to purchase goods and services if she can perform them herself. These skills serve as a buffer for the family in the case of a loss of a job; as these skills are lost, cash is increasingly needed to purchase goods and services elsewhere.

The fact that women tend to do most of the shopping for families is often overlooked when people consider housework. Yet women are estimated to buy 80 percent of all goods and services (Greer 1999, 146). The links between "women's work" and the economy are such that women are vitally necessary as consumers. Although this important role would suggest that women should have a good deal of political leverage over producers and sellers, Germaine Greer points out that the political action most likely to be taken by a consumer is boycott. Although boycotts can be very effective if they are launched on a massive scale, they require more time and more money spent by women to accomplish their shopping for their families. Alternative products may be hard to find or more expensive. Boycotts actually require a lot of effort by a lot of people, whereas a protest drawing media attention could be more effectively staged by fewer people and last only a few hours or a day. She argues that the political tool most associated with consumers, the boycott, is comparatively the most laborious and least effective form of political action, requiring the coordinated efforts of huge groups of people. An individual consumer or a small group of consumers with a concern is unlikely to have much effect on the producers and sellers of the products they buy.

Feminist accounts of housework around the world often make links to environmental concerns. In part, this connection has to do with the waste produced in the consumption that women do on behalf of families and with the types of household chemicals they are expected to use to accomplish their housework. With new products and new technologies available, the expectation has grown that bathrooms and kitchens be surgically sterile. Yet there is concern that bleaches and detergents can have harmful effects both on the people who come directly into contact with them through daily use and on ecosystems, once these chemicals are drained out of homes. Additionally, as more and more women are expected to buy products needed for the maintenance of their families (rather than produce things on a much smaller scale for their own use) concerns with factory farming techniques and the production of goods on a mass level leave many feminists concerned with the effects of consumerism on environments around the world.

For decades, feminists around the world have been arguing that governments should include the value of unpaid housework in calculations of gross national product (GNP). They argue that including the monetary value of this unpaid work in these national statistics requires governments to recognize the contributions women make to nations. With this recognition, it is argued that women will be able to establish their entitlement to welfare benefits, higher wages, Social Security, educational opportunities, social services, child care, health care, land, and technology. The fact that much of the work that women do is unpaid allows it to be invisible. Making it visible in GNP gives women a basis on which they can make claims on their governments to further their equality. In 1985, the United Nations agreed to count women's unwaged work in GNP calculations but has yet to do so.

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See also Blue Collar; Home Economics/Domestic Science; Homework; Pink Collar; White Collar

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Humphrey-Hawkins Act (1978)

Also known as the Full Employment and Balanced Growth Act of 1978, the Humphrey-Hawkins Act was envisaged by some legislators as an effort to breathe life into the essentially obsolete Employment Act of 1946. The Employment Act of 1946 committed the federal government to becoming the employer of last resort and maintaining a macroeconomic policy of full employment, economic growth, and price stability. Thirty-two years later, the Humphrey-Hawkins Act committed the federal government to shrink the unemployment rate to no more than 4 percent by 1983 and then went even further, stating that the federal government would maintain that unemployment rate thereafter and reduce the inflation rate to zero by 1988. In addition, the Humphrey-Hawkins Act required the chair of the Federal Reserve Board to testify before Congress twice a year on the state of macroeconomic matters and the Federal Reserve's policies. History has shown that the lofty goals established by the Humphrey-Hawkins Act were not realized, possibly because of the complete absence of either supports or penalties in the legislation itself to ensure achievement of its ideals.

Congress passed the Employment Act of 1946 in response to the Great Depression of the 1930s. The initial proposal, the Full Employment Bill of 1945, stirred much debate about whether the government could or should guarantee citizens the right to employment. That bill put the onus on the government to even out the business cycle through government spending if necessary, guaranteeing full employment for Americans. Business and agricultural interests defeated this more stringent version, and the Employment Act of 1946 (without the term *Full*) was passed as part of Truman's "Fair Deal." The Employment Act committed the federal government to a macroeconomic policy of fostering full employment, economic growth, and price stability. It required the president to estimate the macroeconomic future of the United States, establishing both the president's Council of Economic Advisers and the Congress's Joint Economic Committee. For about twenty years after enactment of the Employment Act, unemployment in the United States remained at generally low levels. Even today, there is much debate over the economic impact of the 1946 Employment Act.

Unemployment levels began to rise in the 1970s. The bill proposing the Fair Employment and Balanced Growth Act was formally introduced in June 1974 by Representative Augustus Hawkins (D-CA). In debates on the Act, Hawkins described its goal as "an authentic full employment policy, rejecting the narrow, statistical idea of full employment measured in terms of some tolerable level of unemployment—the percentage game—and adopting the more human and socially meaningful concept of personal rights to an opportunity for useful employment at fair rates of compensation". Senator Hubert Humphrey (D-MN), stated that the goal of the bill was to reduce unemployment to 3 percent within four years. The key provision of the bill was section 102, which amended the Employment Act to state that "the Congress declares and establishes the right of all adult Americans able, willing, and seeking work to opportunities for useful paid employment at fair rates of compensation." If passed, the federal government would have become the guarantor of employment opportunities, or the last-ditch employer.

Opponents of the bill argued that a nationwide full employment policy, or any government-sponsored reduction of unemployment to the proposed minimal levels, would necessarily result in inflation. Economic advisers to President Jimmy Carter's administration admitted there would be an inflationary impact, and Republicans projected the costs of the proposed legislation to be $30 to $60 billion annually. These objections necessitated extensive changes to the bill to ensure its enactment. The Humphrey-Hawkins Act, as modified, passed the House on March 16, 1978, and the Senate on October 13, 1978.

Congress declared the act's goal as "the fulfillment of the right to full opportunities for useful paid employment at fair rates of compensation of all individuals able, willing, and seeking to work." In addition to stating the specific target of 4 percent for the unemployment rate within five years, the Full Employment and Balanced Growth Act of 1978 stated that *full* employment and a balanced budget were sought "as soon as practicable." The act required "the President to initiate, as the President deems appropriate, with recommendations to the Congress where necessary, supplementary programs and policies to the extent that the President finds such action necessary to help achieve these goals." In striving for full employment, reduced inflation, price stability, and increased real incomes for workers, the act set a precedent for later efforts to mandate a living wage.

The Humphrey-Hawkins Act is an example of Congress's power to adopt legislation regulating the U.S. Federal Reserve Board. Because the Board does not enjoy constitutional status, Congress can mandate certain goals or policies for it. Throughout history, Congress has rarely done so. Under this act, the chair of the Federal Reserve Board must report to Congress its monetary targets for the upcoming year and reconcile those targets with the administration's economic projections for the year. Doing so exposes the Federal Reserve's actions to the public and was designed to improve coordination of monetary and fiscal policies. Monetary policies (raising or lowering interest rates to control the volume of borrowing and lending) and fiscal policies (raising or lowering taxes and/or spending) are the essential mechanisms of federal economic stabilization policies. There is some debate as to the extent of the Federal Reserve's compliance with the act's policy coordination disclosures.

There is, however, little debate that the act has not achieved its economic purposes. The statute creates no enforceable rights and almost no procedural requirements. Although the legislative history is replete with statements lauding the importance of full employment and balanced growth, experience has not borne out the aspirations of the act. The existence of unemployment insurance systems and the actions of the Federal Reserve Board indicate a national resignation, and perhaps a commitment, to inevitable unemployment levels, even among those ready, willing and able to work.

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See also Compensation; Full Employment Act; Unemployment Rate

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I

Immigrants and Work

Immigrants and work have always been closely tied together in U.S. labor history. The question of whether immigrants in general—and from which countries—are good or bad for the U.S. working class and working conditions has been hotly debated, with employers traditionally supporting increased immigration and labor organizations frequently favoring immigration controls. Work and immigration issues, however, have always been affected by larger political, economic, and social trends. Furthermore, the situation has never been uniform for all immigrant groups, with certain groups at different times being considered more desirable than others. Finally, as immigrant groups have assimilated into American society, they have at times contributed their voices to the debate.

Immigration has also figured prominently in the study and discussion of work in the United States because of how it has affected and complicated U.S. labor and working-class history. Most prominently, it has been blamed for the lack of a sustained, cohesive working-class movement in the United States, for there has been plenty of evidence that ethnicity has tended to trump class when it comes to how immigrant workers perceive themselves. Yet in the larger U.S. working class that includes immigrants, native-born workers, and racial minorities, ethnicity has been just one of several factors in the creation of what has become known as "American exceptionalism." Throughout history, down to the present day, both this phenomenon and the role of immigration in its creation have been subject to continuous debate.

Immigrants, therefore, have been regarded as both a problem and a solution in the U.S. workplace. Employers have long used immigrants willing to work for much less and in worse conditions than native-born workers to undercut union organizing efforts. Similarly, employers have made use of prejudice against and between certain groups to discourage workers from uniting even long enough to form a viable union, let alone a working-class movement. In slack times, immigrants have been resented either for taking jobs from U.S. workers or for becoming public charges on account of their failure to find jobs. Yet immigrants who proved their willingness to start from the bottom and to work and save have also been regarded as a boon to the U.S. economic system. And throughout U.S. history, one immigrant group after another has gone from being regarded as unorganizable to being recognized for its contributions to the U.S. labor movement.

Discrimination and Exploitation

Nonetheless, the intertwining of job competition and immigration has remained as much reality as perception throughout U.S. history. Employers, it should be added, were willing not only to exploit various immigrant groups and play one off another but to similarly divide and conquer by fostering competition between immigrants and African

Indian and Vietnamese workers in a restaurant kitchen. Immigrant workers have been regarded as both a problem and a solution in the U.S. workplace; their willingness to work for lower wages and under worse conditions than native-born workers has undercut union organizing efforts, but they have provided a pool of labor that has been a boon to the U.S. economy. (David H. Wells/Corbis)

Americans. Another, less widely acknowledged phenomenon of immigrants was the role immigrant women played in the labor market and whether gender was a substantial factor in the exploitation of immigrant labor. In the garment trades during the early twentieth century, the willingness of immigrant men to work for less than native-born women generated conflict. Finally, although illegal immigration and its uses by employers have largely been regarded as a modern problem, historical precedents can be found in disputes over whether immigrants may be brought to the United States specifically to work (and which immigrants).

For immigrants themselves, making it in the "land of opportunity" depended not only on skill and individual initiative but on ethnic background and family tradition, as well as how these influenced the purpose of immigration. For example, Eastern European Jewish immigrants were most noted for seeking (and encouraging their children to seek) education to advance from the working to the white-collar class. In the late twentieth century, Asian immigrants have similarly promoted the virtues of education. Other immigrant groups, by contrast, have been slower to accept the idea of children straying too far from the occupational choices of their parents.

Racial discrimination against and exploitation of vulnerable immigrant groups are recurrent patterns in the history of work in the United States. Discrimination can affect all aspects of the workplace, from hiring to union representation. Historically, it has been possible for any given immigrant group to be both the oppressor and the oppressed. (At times, even those who have "made it" from a certain group have discriminated against their own, in order to protect their position and supposedly prevent prejudice.) In all its forms, prejudice can both prevent and discourage members of a group from pursuing a given occupation, yet paradoxically it can also inspire them to break barriers through individual effort or to seek redress from discrimination, as individuals or as groups.

Beyond prejudice, however, numerous factors fig-

A grocer at The Korean Korner, a supermarket in Wheaton, Maryland (Paul A. Souders/Corbis)

ured into why different ethnic groups clustered into certain occupations, including preimmigration conditions, preimmigration patterns of occupation, family and cultural traditions, levels of education, purpose of immigration, time of arrival in the United States, postimmigration conditions such as language barriers, and the desirability (or undesirability) of a given line of work. For example, "old immigrant" groups from Britain and northern and Western Europe faced fewer barriers in seeking work in a new, sparsely populated nation. Many in these groups became small farmers and entrepreneurs and carried on the artisanal traditions of their families. Among "new immigrant groups," from Jews and Italians to Chinese and Japanese, for whom urban living was more likely to be a given condition, ethnic enclaves within the city could provide sources of employment and community services but limit opportunities by making it possible to avoid learning English and otherwise assimilating into American society. Chinese immigrants famously made the laundry trade their own in part because little English was required, and it provided a valuable service to the general population for what was then backbreaking work. The heavy Eastern European Jewish participation in the needle trades has been attributed to the low overhead required for these trades and to an adherence to the religious prohibition against mixtures of wool and linen: becoming tailors ensured these immigrants that the clothes they wore met religious requirements.

Gender and Immigration

Recent studies of immigration and work have highlighted the role of gender in determining occupational choices. Although gender roles limiting women's primary responsibility to home and family have been widespread, society has made room for variations in the acceptability of women going to work for pay, especially unmarried women. For most of U.S. history, the only acceptable place for married women to work (especially if they had children) was at home, to help support the family. This conditional acceptability has been further influenced by considerations of ethnicity and class. Immigrant families typically gave sons (who had the greatest future earning capacity) priority in educational opportunities, until families reached an economic and social level that made it possible for young women to choose education (or leisure) over work. Additionally, the acceptable purposes of women's work and, more concretely, how much, if any, of her earnings the working daughter was permitted to keep for herself, has varied significantly according to ethnic group and period of history. Finally, circumstances of immigration—namely whether an immigrant arrived alone or as part of a family—often influenced the occupational choices of single immigrant women far more than those of their male counterparts, regardless of marital status.

For example, Irish women frequently immigrated alone and were more likely to seek employment as domestic servants, in large part because of the pay and comparative job security (and ease of finding employment it offered). By comparison, Jewish and Italian women were much less likely to choose domestic work because they were more likely to arrive in the United States with their families. Factors that mitigated against choosing to work as domestic servants ranged from the generally degrading nature of the work to the sense of isolation necessitated by living in the place of employment. Factory work appealed to young immigrant women of many backgrounds because at the end of the day, the factory worker had comparative freedom of movement, despite the job's low pay (sometimes less than domestic work), long hours, and often terrible working conditions. Regardless of choice of work, however, if immigrant daughters lived with their families, a near-universal expectation was that they would turn over their pay envelopes to their parents without so much as opening them. In practice, however, as work increasingly became a matter of personal independence and especially as immigrant Jewish women became more Americanized, daughters became increasingly likely to keep part of their earnings, even over parental objections.

By contrast, for much of U.S. history, married women, whether immigrant or native-born, almost never worked outside the home. Working from within the home, however, gained an acceptability born as much of economic necessity as cultural tradition. For example, immigrant women who came from rural peasant backgrounds would have previously contributed to their household economies in the form of production of goods; so for them, home-based work for cash wages became an acceptable practice. Common options included doing "homework" for manufacturers, keeping boarders, and working in family-owned small businesses. These women tended to assimilate less quickly because of the lack of interaction that work outside the home provided. Even then, especially from the late nineteenth century onward, some immigrant wives had no choice but to go out to work, leaving their older children to care for younger siblings.

For men and women alike, ethnicity has affected levels and types of militancy and protest against work conditions. Gender has been significant in this area too, not the least because of gender stereotypes and expectations. Aside from the assumed greater docility of immigrant women, because women generally expected and were expected to work for only a few years at the most before marrying, they were considered more likely to endure substandard pay and working conditions, rather than fight to improve jobs in which they had no permanent investment. Union organizers, therefore, were more likely to dismiss women workers as unorganizable, and employers hired them in place of men (at lower wages) for the same reason. Although many immigrant women fulfilled these low expectations, many more went on to play important roles as labor activists, though few were permitted by the union hierarchies to assume formalized roles of leadership, except of all-women locals and actions.

For immigrant workers of both sexes, organized labor played an important but at times frustrating role in the assimilation and Americanization of their workers. Employers hired the newest, most vulnerable groups of immigrants for their tractability in the workplace and took pains to keep them this way. They appealed to immigrants' desire to fit in with American society by presenting unions as un-American and labor activism as the province of foreign agitators. They mixed ethnic groups to hinder worker solidarity. Unions did not always welcome immigrants to their ranks. This reluctance can be attributed to the simple prejudice of members or leaders, the desire to distinguish themselves as "American" by excluding foreigners, or the pragmatic effort to protect their hard-won gains by limiting the labor supply (and therefore job competition). This mix of prejudice and pragmatism was especially endemic to the first, craft-based unions.

Two labor organizations most committed to inclusive organizing, the Knights of Labor (KOL) and the Industrial Workers of the World (IWW), also proved to have the least ability to endure in the U.S. labor movement (Breitzer 2002). Yet immigrants themselves formed unions and protective associations, most notably the Jewish- and Italian-led clothing unions, which strove to be inclusive (based on class consciousness) by forming locals organized by language or ethnic group. As the decades passed, these unions then became vehicles for Americanization, offering classes, recreational activities, and other support services that helped ease the adjustment to life and work in the United States. The success in organizing immigrants turned the notion of "foreign" unionism on its head by appealing to immigrant beliefs in the promise of U.S. democracy, justice, and equality.

Immigration Trends in History

In early America, the issue of work and immigration was comparatively unproblematic, at least among white immigrants, and during this period immigration was essentially open and unrestricted. Most immigrants from the prerevolutionary period through the early republic started as farmers, craftspeople, or shopkeepers, and class distinctions at the time were still fairly fluid. Englishmen and -women who could not afford the ship's passage often came to America as indentured servants, working off the price for a few years after arrival. During this early period, Africans began arriving, far less voluntarily. Although initially it was possible for black as well as white servants to work for their freedom, by the early nineteenth century, the African immigrant experience was one of forced immigration as part of the North American slave trade.

As long as the American population remained relatively small and homogeneous and the frontier open, immigration was not regarded as a threat to American society in terms of competition for scarce employment or resources. As early as the 1850s, however, the rise of industry and the arrival of newer (and larger) groups of immigrants began to seriously alter the picture and make the question of how immigration affected work (and society as a whole, for that matter) much more pertinent. German immigrants, both Jewish and non-Jewish, became identified with peddling and small commerce across the expanding country, although it was German Jews who bore the brunt of the money-grubbing peddler stereotype. Irish immigrants filled the ranks (and fueled the stereotypes) of common laborers and housemaids. In industries such as the New England textile mills, as concern for profits increasingly displaced paternalism, the predominant composition of the workforce correspondingly changed, in this instance from Anglo-American to Irish to French Canadian, in addition to becoming increasingly diverse and less "American."

The 1870s was still an era of economic growth and an age of confidence. Full-blown xenophobia, whether on the part of labor or management, was comparatively uncommon. In fact, prior to the Civil War, U.S. business owners large and small regarded immigrants as an economic boon, and their attitude led to the passage of the Contract Labor Law of 1864, which allowed employers to pay the passage of employees they had hired from abroad. Furthermore, before the Civil War, slavery was a far more contentious issue in the labor market, overshadowing virtually all others. During the Civil War, 500,000 immigrants fought, mostly (though not entirely) on the Union side, both as part of the regular army and in separate companies (Higham 1984, 12–13). Following the Civil War, immigration and the work issues affected by it underwent further shifts. At first, the post–Civil War westward expansion made the nation even more hospitable to increasing immigration, especially in the more sparsely populated West and South. The South, struggling to rebuild its economy following the Civil War, especially sought immigrants to take the place of newly freed slave labor. Still, most immigration was concentrated mainly in the northern urban centers.

If economic and physical expansion provided a conducive environment for immigration, economic contraction, beginning with the panic of 1873 and the closing of the western frontier, proved capable of increasingly turning Americans against immigration, especially as immigration began to swell and diversify by the 1880s. It should be noted, however, that sentiment regarding immigration during this period was far from a simple matter of big business favoring it and labor opposing it. By the early 1880s, U.S.-born workers understandably viewed laborers imported to work for less as a threat to their own conditions. This fear and loathing was expressed in a number of ways, ranging from petty harassment and even violence against immigrant workers, such as that perpetrated by the Pennsylvania coal miners against Slavic and Italian immigrants brought in as strikebreakers by the mining companies, to congressional legislation restricting immigrant labor eligibility.

Some of the latter activities, such as the support of legislation prohibiting Chinese immigrants from certain occupations or the American Federation of Labor's (AFL's) general anti-Oriental tone and its support of the Chinese Exclusion Act of 1882 was motivated as much by xenophobia and even racism as much as concern over job competition (Breitzer 2002). In most cases, U.S. workers of this period, increasingly of immigrant background themselves, and U.S. labor organizations were not so much opposed to *immigration* in itself as to immigrants brought in for contract labor, whom they regarded as beholden to or even enslaved by their employers. Even Samuel Gompers, later noted for his anti-immigrant sentiment, argued that voluntary immigration was not the problem. This distinction, especially promoted by the KOL, led to a new Contract Labor Law, passed in 1885, forbidding employers to pay for the transportation of workers hired abroad.

During this period, unions also became increasingly composed of immigrants and furthermore increasingly embraced the idea of international worker solidarity. As even the supposedly docile contract labor immigrants proved their potential for militancy when pushed, the positions of labor and management regarding immigration underwent a gradual but significant shift. As the nineteenth century drew to a close and immigrants from diverse backgrounds went from the exploitable "huddled masses" to an important part of an increasingly militant labor movement, fear and loathing of foreign radicalism and the labor disruption it presumably could inspire caused many industrialists to significantly revise their views of immigrants and immigration. This fear was further stoked by incidents such as the Haymarket Square Incident in 1886, in which German-born anarchists were blamed for a bomb explosion that occurred at the conclusion of what had begun as a peaceful meeting in Chicago's Haymarket Square. Notably, exceptions to the rising anti-immigrant settlement on the part of industrialists came from the South, fitting in with the desire to build the "New South" in part by increasing the white population as well as building industry. Furthermore, during this period, anti-immigrant sentiment from whatever source (with the exception of anti-Orientalism) was about opposing immigration in general, rarely singling out particular groups.

The situation worsened by the 1890s, however, as the rapid influx of immigration (and by 1896 a corresponding decline in "old immigration" from the British Isles and northern and Western Europe) ran up against the increased hardening of class divisions in American society. The depression of 1893 darkened the American mood and fueled the need for scapegoats. Even the South by this time was shifting its singularly favorable stance on immigration. Labor and capital alike began to favor immigration restrictions, with labor no longer distinguishing between voluntary and employer-induced immigration (because employees could simply recruit workers abroad without paying for transportation) and business seeing the new hordes of immigrants less as potential employees and more as unemployed (and unemployable) potential troublemakers. In 1892, the KOL publicly supported immigration restrictions. The AFL, historically regarded as the more conservative, exclusive body, in fact held out longer, not officially endorsing immigration restriction until 1896, although many of its leaders (including Samuel Gompers) and constituent unions were speaking out in favor of it much earlier. At the same time, states, at the behest of their citizens, were increasingly passing laws prohibiting employment of all aliens in public works, whereas previously only immigrants who had not declared their intentions to become citizens were restricted. Labor also participated in promoting more specific limitations on immigrants, such as literacy tests.

The debate over immigration and its effect on work in the United States continued to wax and wane through the turn of the twentieth century and was further affected by the economic upturn after 1896, the rise of the Progressive movement, and the efforts of immigrants themselves to fight back against the discrimination of literacy tests and other restrictions. At the same time, the rate of immigration soared and stood at an annual average of

650,000 between 1907 and the onset of World War I (Higham 1984, 159). As the debate raged, immigrants increasingly filled the ranks of the U.S. industrial workforce, which became more and more open to them as increased mechanization lessened the demand for skilled labor in major U.S. industries. As new immigrants filled the ranks of unskilled labor, however, more acculturated immigrants and their children, especially Jewish and Italian immigrants faced de facto and sometimes even legal discrimination as they attempted to move into the ranks of white-collar and professional work. Furthermore, although the problems of immigration and job competition were concentrated in the northern cities, these problems were also found on the Pacific Coast between European and Asian immigrants and in the South between African Americans and the increasing number of Italian immigrants.

As the craft union constituency of the AFL became increasingly native-born, immigrant workers became a part the growing unionization efforts among unskilled workers in industries ranging from mining to textiles. Immigrants also played an important role in the rise of labor activism (and accompanying political radicalism) in the early decades of the twentieth century. The garment trades provided the most visible example of labor unrest. In New York City alone, thousands of immigrant garment workers struck in what became known as the "Great Uprising" and the following year the "Great Revolt," winning increasing union recognition in the men's and women's garment trades. But the plight of the immigrant worker in the clothing sweatshops was brought to more general public recognition by the Triangle Shirtwaist Factory fire in 1911, in which over 100 Jewish and Italian immigrant workers died, most of them young women. Beyond the garment trades, the 1912 textile workers' strike in Lawrence, Massachusetts, popularly known as the "Bread and Roses" strike, brought together 20,000 working men and women of nationalities ranging from French Canadian to Portuguese (Cahn 1977, 9).

The arrival of World War I had several important effects on work and immigration in the United States. The sheer number of immigrants dropped as a result of wartime conditions in Europe and the increased hazards of sea travel posed by newly introduced submarine warfare. An economic downturn that coincided with the war increased competition for even the lowliest jobs between immigrant and native-born workers, spurring further pushes for literacy tests and immigration restrictions. Also, well before U.S. entry into the war, a new prejudice against "hyphenated Americanism" arose and especially targeted German Americans, at the time the most numerous and generally prosperous segment of the U.S. immigrant population. Even before the October Revolution of 1917 in Russia, fear of foreign radicals stoked by the strikes and antiwar activities of the IWW had a dampening effect on labor activism, which was further held in check in key industries by war labor boards. Yet at the same time that business boomed and immigration declined, employers such as Henry Ford sought to Americanize foreign-born workers, sponsoring classes and other programs for them, which in turn was part of the growing practice of "welfare capitalism" in which employers sought to discourage unionism by cultivating worker loyalty.

Finally, proponents of restriction continued to lobby Congress against the day when war would no longer provide an automatic check on immigration. A 1917 law permitted the Department of Labor (DOL), which then contained the Bureau of Immigration, to deport aliens for radical activity, regardless of length of residence. Then the end of the war brought a new outburst of labor unrest across U.S. industry from garment trades to steel, with significant immigrant participation. The resulting red scare of 1919 brought about the Palmer Raids against subversive organizations and contributed to the decline in labor activism in favor of postwar "labor peace." At the same time, a postwar economic downturn decreased enthusiasm for Americanizing immigrants and helped provide the final push toward restriction. As early as 1918, the AFL advocated a two-year moratorium on immigration, now for nationalist as well as economic reasons. The postwar resurgence of immigration (and an increasingly literate group of immigrants) rendered literacy tests largely ineffective as a deterrent. Then in 1921, a new immigration bill, created by Senator William Dillingham of Vermont, imposed the first-ever legal limitations on European immigration (migration of labor from Canada and Latin America was unaffected, but Asian immigration was completely restricted).

The new quota law was at first enforced with difficulty and was initially contested by big business, especially as returning prosperity once again tightened the labor market. What finally led industrialists to abandon their promotion of immigration to gain cheap labor was the increased use of something even cheaper—automation. As a result, Congress was able to press ahead with the passage of the Johnson-Reed Act, which became law in 1924. This new bill limited European immigration to 2 percent of the foreign-born population counted in the 1890 census (after 1927, quotas were distributed by national origin) and completely barred Asian immigration. Shortly after the passage of the Johnson-Reed Act, Congress established the U.S. Border Patrol to deter the illegal immigration that dramatically rose in the wake of restrictions on legal immigration.

The Johnson-Reed Act achieved the desired results of severely reducing immigration from southern and Eastern Europe and reducing immigration in general, owing to the sparse immigration from the northern and Western European countries favored by the quota. The issue of work and immigration therefore subsided. First- and second-generation Americans saw fewer of their fellow compatriots and became increasingly Americanized and less differentiated in the workplace, although discrimination against certain groups, notably Jews and immigrants of color, remained. Immigration and work did not become a national issue again until the rise to power of the Nazi regime in Germany caused many Jews to attempt to seek asylum in the United States, only to be barred by the 1924 quotas (which the State Department enforced so strictly that some went unfilled). Despite efforts to lower the barriers to allow at least temporary refuge, a common argument that helped opposition to these efforts prevail was that these immigrants could take U.S. jobs (at the same time, those few who were admitted had to provide proof that they would not become public charges). Those who were admitted, furthermore, predominantly educated German Jews, were forced to seek employment well below their qualifications. Yet as immigration from Europe was restricted for this reason, the U.S. government began unofficially bringing in guest workers from Mexico to take the place of U.S. agricultural workers who had gone to war.

In the years following World War II, special bills were passed to address humanitarian postwar needs, such as the War Brides Act of 1945 and the Displaced Persons Act of 1948, and these efforts continued into the Cold War, with measures such as the Hungarian Refugee Act of 1956. General immigration policy, however, was slower to change and was merely recodified with the Immigration and Nationality Act of 1952. In 1951, however, the U.S. government made the unofficial Mexican guest worker program fully legal as the bracero program. It was not until 1965 that the national origins system was legally scrapped and replaced with a system that gave priority to both reunifying families and bringing skilled workers to the United States (in fact, scientific or cultural contribution to the United States became a new category of preference). By this time, the sources of immigration had largely shifted from Europe to Latin America and Asia.

Since the 1960s, the issues surrounding work and immigration have both dramatically changed and remained remarkably similar. Immigrants, increasingly of color, were both welcomed for their contributions to the U.S. economy during flush times and scapegoated during economic downturns. Illegal immigrants in particular were victimized by unscrupulous employers and unable to speak out for fear of deportation. However, as the 1960s progressed and the civil rights movement became a driving force in American society, the attitude of organized labor toward immigration made a slow but significant shift. One important event that changed the relationship between immigration and organized labor was the rise of the United Farm Workers (UFW) in the 1960s. Although the bracero program stipulated that no guest agricultural worker could replace a domestic worker, in practice many California growers who benefited from the bracero program did just that, to the detriment of the predominantly Latino and Filipino domestic agricultural workers. Early efforts of domestic farmworkers to organize in the 1940s and 1950s had suffered defeat through the growers' use of bracero scab labor. Then, in the 1960s, the charismatic Cesar Chavez succeeded in building the United Farmworkers Movement from the Community Service Organization (CSO), a Latino movement designed to eliminate the exploitation of migrant farmworkers (Breitzer 2002) and that helped bring about the end of the bracero program in 1964.

In the decades since the rise of the UFW, public perception of the problem of work and immigration, especially work and illegal immigration, has increasingly shifted the blame from immigrants themselves to employers, and the law has followed accordingly. For example, in 1986, the Immigration Reform and Control Act made the Immigration and Naturalization Service responsible for investigating and prosecuting employers who employed undocumented aliens. Although under the new law working illegal aliens were still routinely deported, some were permitted to obtain legal residence. Still, the use and abuse of illegal immigrants by employers continues, including the return of sweatshops. But by the end of the twentieth century, organized labor had shifted its position in regard to immigrants and immigration, with the American Federation of Labor and Congress of Industrial Organizations electing its first Latina vice president in 1994 (Breitzer 2002), and its recent stepped-up drive to organize the unorganized is increasingly conducted with the recognition and even celebration of the diversity of the U.S. workforce. Most recently, the U.S. labor movement has supported laws that would grant amnesty to undocumented workers and prohibit employers for threatening these workers with deportation when they try to organize.

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See also Agricultural Work; American Federation of Labor and Congress of Industrial Organizations; Garment/Textile Industries; Green Cards; Servants and Maids; Sweatshops; Undocumented Workers; United Farm Workers; Work and Hispanic Americans

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Immigration Reform and Control Act (IRCA) (1986)

The Immigration Reform and Control Act of 1986 (IRCA) established sanctions for employers who knowingly hire undocumented workers. IRCA's purpose was to limit and control the number of illegal immigrants in the United States. The employer sanctions strove to reduce the demand for illegal immigrants among employers. To lower the number of illegal immigrants residing in the country, the law also included an amnesty program. Protections against employment discrimination that might result from employer sanctions and a temporary worker program were also included.

The passage of IRCA was a fifteen-year process, beginning with a series of hearings about illegal immigration in 1971. Political pressure for these hearings grew from concerns that undocumented migrants take jobs from U.S. citizens, drive wages down, and use social services without paying taxes, though empirical studies about these concerns varied widely in their conclusions. Others expressed worries over an "underclass" of easily exploited undocumented immigrants during this debate.

The hearings were also a response to the consequences of the Immigration Act of 1965. This law had lifted historical bans on immigration against citizens of countries in the Southern and Eastern Hemispheres. The 1965 law shifted the focus of U.S. immigration policy to family reunification, allowing larger numbers of immigrants to enter the country. Some theorists suggest that xenophobic responses to these increases in legal, non-European immigrants, particularly Asians and Latinos, were played out in the increased concerns over illegal immigration that led to IRCA (Hayes 2001).

Although there was little agreement on the number of illegal immigrants in the United States during the 1970s, the press and politicians began to insist that large numbers of undocumented immigrants were in the country. Much of the debate was fueled by Mexicans illegally crossing the southern border to work in the Southwest, Texas, and California. Illegal crossings had increased after the abolition of the bracero program in 1964, which had allowed Mexicans to legally enter the United States as temporary workers.

In 1978 the Select Commission on Immigration and Refugee Policy was created to study the effects of undocumented migration to the United States. The commission's 1981 report laid the groundwork for the final provisions of IRCA, recommending employer sanctions, a temporary worker program, and amnesty for current undocumented immigrants.

IRCA was finally passed in 1986. Under IRCA, any employer of four or more employees must certify that all new hires are legally allowed to work in the United States. This requirement led to the creation of the I-9 form that all workers must complete when starting a job. It requires a combination of identification materials to prove eligibility for employment. Forms of identification include passports, driver's licenses, Social Security cards, voter registration cards, and various Immigration and Naturalization Service (INS) documents, such as an alien registration card (better known as a green card). Employers that knowingly hire unauthorized workers are subject to civil and criminal liability, including monetary fines and possible jail time. There is no process for employers to verify the validity of identification, and employers are not liable if employees use falsified or stolen documents to attain eligibility.

In response to concerns at the time of IRCA's passage that employer sanctions would lead to discrimination against legal workers who are foreign-born or have an accent, IRCA contains provisions against discrimination. Employers cannot require any certain combination of documents or prefer certain documents for the I-9. Employers cannot require that job applicants or employees are U.S. citizens. IRCA directed the General Accounting Office (GAO) to conduct audits of discrimination related to the employer sanctions program. The law authorizes the termination of employer sanctions, should the GAO find evidence of widespread discrimination. In March 1990, the GAO found that discrimination was occurring as a result of IRCA's requirements. However, since the discrimination was not "widespread," the employer sanctions remained in effect. Recent studies continue to find evidence of discrimination based on country of origin, including significant negative earnings effects on Latino workers in the short term (Bansak and Raphael 2001).

Under IRCA's general amnesty, any undocumented immigrant who arrived in the United States prior to January 1, 1982, and could prove continuous residency for at least five years could become a legal immigrant. Those eligible could apply for legalization from May 1987 to May 1988. In 1981, the Select Commission on Immigration and Refugee Policy had recommended that any amnesty provision contain a recent arrival date, since failing to do so would mean a substantial number of recent immigrants would remain undocumented. However, political pressures led to the requirement that only those who had resided in the United States for five years were eligible. This requirement may have caused fewer immigrants to request amnesty because illegal immigrants may have had difficulty proving continuous residence. Some immigrants' families included ineligible members who arrived more recently, and those who were eligible may have been reluctant to expose them by applying for amnesty (Hayes 2001, 68). According to a 1990 analysis of IRCA, 1.7 million people were legalized through the general amnesty program, which is approximately two-thirds of those who would have been eligible, based on estimates of the undocumented immigrant population at the time (Passel and Woodrow 1990, 66).

Many employers, particularly agricultural employers, opposed passage of IRCA and its predecessor bills because they stood to lose a major labor pool. To obtain final passage of the bill, a compromise was created by then Congressman Charles Schumer (D-NY), creating a temporary worker program known as the special agricultural workers (SAW) program. Any undocumented immigrants who had worked for ninety days or more in agriculture between May 1985 and May 1986 were eligible to receive temporary residency in the United States and later become permanent resident aliens. Some 1.2 million undocumented immigrants were legalized under the SAW program, rivaling the number legalized through the general amnesty provision of IRCA (Portes and Rumbaut 1996, 279).

IRCA also included a visa lottery for 10,000 visas for countries negatively impacted by the 1965 immigration law. This lottery was later expanded in 1988 and continues to allow immigrants from underrepresented countries a possible opportunity for permanent residency.

Although researchers and policy analysts still have difficulty measuring the number of illegal immigrants currently residing in the United States, it is generally agreed that significant illegal immigration continues, despite IRCA's attempts to lessen undocumented immigration. IRCA's employer sanction provisions remain in effect, but some argue their impact is seriously weakened by the use of forged or stolen documents and enforcement difficulties.

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See also Green Cards; Immigrants and Work; Undocumented Workers

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Industrial Engineering

Industrial engineering is an integrated approach to identifying the resources that will create the greatest possible outcome or product. A number of different definitions exist for industrial engineering. The following definition has been developed by the Institute of Industrial Engineers: "Industrial engineering is concerned with the design, improvement and installation of integrated systems of people, material, information, equipment and energy. It draws upon specialized knowledge and skills in the mathematical, physical, and social sciences, together with the principles and methods of engineering analysis and design to specify, predict and evaluate the results to be obtained from such systems" (Institute of Industrial Engineers 2002).

Frederick Winslow Taylor (1856–1915), known as the father of industrial engineering, fostered a movement toward the increased application of scientific methods in the production process in his work, *The Principles of Scientific Management* (1911). For example, Taylor applied stopwatch time studies on workers and advocated the use of a differential piece rate system, whereby faster workers earn greater compensation than do slower workers. Taylor was an active promoter of scientific management, but not until the onset of World War I were the principles of scientific management widely applied in the United States, as industries sought to enhance their production capacity for the war effort.

Although much of the foundation of industrial engineering is attributed to Taylor, numerous other individuals were involved in its development. For example, Frank and Lillian Gilbreth examined the human components of production and contributed greatly to motion studies—analyses undertaken to eliminate wasteful movements in the production process. Statistician Walter Shewhart introduced the control chart, which plots performance data across time. The work of another statistician, William Edwards Deming (who was a student of Shewhart), emphasized the enhancement of product quality and an understanding of production systems.

A primary goal of industrial engineering is to maximize worker productivity. Although this goal has obvious benefits that are realized through increased profits, critics argue that the methods developed through industrial engineering dehumanize labor. Industrial engineering analyses, such as wage and salary administration systems and job evaluation programs, scrutinize the behavior and abilities of workers. Again, although such assessments help identify the best utilization of resources, they may also be seen as a hostile threat to the job security and earnings potential of workers. Opponents argue that by specifying the pace and process of the worker, industrial engineering has eliminated the individualism of the worker. In addition, labor interests are fearful of industrial engineering because they suspect the discipline seeks to identify ways to substitute capital for labor, as advances in machinery and technology progress. Doing so, they claim, results in the demoralization and heightening vulnerability of the working class.

Although much of the analysis of industrial engineering on the worker centers on the negative impacts, industrial engineering is also credited with increasing worker satisfaction. For example, it was Taylor who promoted the provision of break times for workers. Although some industrial engineering approaches use techniques such as a quota system (generally viewed with dread by workers), others explicitly recommend against it. Some parts of industrial engineering stress the importance of on-the-job training and others on increasing workforce morale. Though the bottom line for industrial engineers is enhanced productivity, a wide variety of techniques exist, some of which may enhance worker satisfaction and others may not.

According to the U.S. Bureau of Labor Statistics, there were about 198,000 industrial engineers (including health and safety) in the year 2000. Although the majority of these professionals are employed in the manufacturing industry, industrial engineers may work in other areas, including engineering and management services, utilities, business services, and government agencies. The Bureau of Labor Statistics predicts that, through 2010, overall employment of industrial engineers will grow more slowly than the average for all occupations, but a strong need is expected in both the manufacturing industry and in the financial services sector. In 2000, the median earnings of industrial engineers were $58,580 (Bureau of Labor Statistics 2003, 112). The Institute of Industrial Engineers is the largest trade organization for this occupational group, representing more than 17,000 members and 150 chapters worldwide

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See also Deming, W. Edwards; Postindustrial Workforce; Taylor, Frederick Winslow; Total Quality Management

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Industrial Psychology

Industrial psychology uses methods and concepts from psychology to study workers and their interactions with their work, work environment, and employers. The field of industrial psychology first emerged in the early twentieth century as one of many responses to the challenges of managing workers in large, hierarchical industrial organizations. The earliest advocates of industrial psychology, led by Harvard University psychologist Hugo Munsterburg (1863–1916), emphasized the importance of finding new ways to fit individuals into their proper place in the industrial hierarchy. If the "fit" between the worker and his or her job was wrong, they warned, the outcome would be inefficiency and possibly even industrial unrest. During World War I, industrial psychologists pioneered the use of job classification and job-specific skills testing to assign army recruits to units and positions in the armed forces, winning respect for the new field and greater opportunities to apply their tests in industry. Industrial psychologists also drew attention to the importance of noneconomic motives for work and, in popular as well as scholarly writing, called on employers to appeal to these motives. In the 1930s and 1940s, psychologists working with other social scientists developed human relations, a new approach to managing workers that emphasized the importance of social relationships as a factor influencing worker behavior. The rise of human relations launched a new branch of psychology, organizational psychology. Today, industrial psychology continues to be centrally concerned with the relationship between the individual and his or her job, whereas organizational psychology focuses on the social relations in the workplace.

In 1913, Hugo Munsterburg published *Psychology and Industrial Efficiency,* arguing that psychologists could help workers choose the "best possible man" for each position and elicit the "best possible work" from each employee (Munsterburg 1913, 169). He drew on ideas from the vocational guidance movement as well as scientific management. In the late nineteenth century, advocates of vocational guidance were the first to argue for the importance of using expertise to fit individuals to their jobs, an idea that would later become central to industrial psychology. These men and women believed that, in the newly industrialized world of work, it was difficult for young people to find their calling. They drew on the tenets of social Darwinism, which emphasized the significance of individual difference and the importance of fitting each individual into the right place in a social or, in this case, employment hierarchy (Jacoby 1985, 78). This idea that employment hierarchies conformed to natural hierarchies of talent found further expression in the movement for scientific management. In his classic 1911 work, *The Principles of Scientific Management,* Frederick W. Taylor argued that some men were well suited to menial tasks, but others were not. He identified the "scientific selection of the workman and then his progressive development" as the second principle of scientific management (Taylor 1911, 44–47). Munsterburg claimed that experimental psychology could develop mental tests to aid in hiring and placing workers (Hale 1980, 123). This emphasis on mental testing to determine job placement continued as a central component of industrial psychology through the 1930s.

When mapping the future of the field of industrial psychology, Munsterburg imagined that industrial psychologists would assist industry not only in choosing the best possible worker but also in eliciting the "best possible work" (Munsterburg 1913, 169). Again, Munsterburg and his followers linked industrial psychology to scientific management, a management fad in the 1910s and 1920s. Advocates of industrial psychology pointed out that Taylor's system of closely managing workers contributed to worker unrest. Taylor's system, they argued, would work only if managers paid greater attention to the "human element" and worker psychology (Noble 1977, 297). In the 1920s, for example, some industrial psychologists drew on "instinct psychology" to argue that all workers had basic emotional needs and desires and that workers were more productive when these needs and desires were satisfied (Bendix 1963, 290). Walter Dill Scott, a psychologist at Northwestern University, called on psychologists to aid employers in their efforts to motivate workers and was the first to identify "attitudes" as crucial to worker motivation (Scott 1911, 135–136).

Industrial psychology received a boost during World War I, when several psychologists were recognized for their service to the armed forces. Robert M. Yerkes, an assistant professor of psychology at Yale University, developed and administered intelligence tests to U.S. Army recruits, sparking nationwide interest in intelligence testing. At the same time, Walter Dill Scott led the Army Committee on Classification, a group that developed a system for classifying jobs according to the required skills and for surveying and testing recruits to place them into jobs. Scott's focus on job classification, job placement surveys, and job-specific testing would ultimately have a more lasting impact on the field of industrial psychology than Yerkes's work on intelligence testing (Von Mayrhauser 1989, 60–72).

In the 1930s and 1940s, industrial psychologists began experimenting with new approaches to managing the "human element" at work. Testing had not delivered industrial peace, and fitting the worker to the right job did not seem pressing for industries hiring large numbers of semiskilled workers (Baritz 1960, 67–69). Industrial psychologists were looking for other avenues for applying psychology to the workplace. Specifically, they began borrowing from sociology and anthropology to consider the importance of social interactions at work. By the 1950s, the new field of "human relations" dominated academic and business discourse on how to manage workers (Gillespie 1991, 210). The new experts in the field of human relations were more likely to invoke organizational psychology than industrial psychology, emphasizing their interest in the web of social relations in the workplace. Organizational psychologists used tools from psychology, like surveys and interviews, to gather information about employee attitudes and social aspects of the work environment. Industrial psychology did not disappear, however, and students of business and psychology today are likely to take a class in industrial/organizational psychology (I/O).

Critics and advocates of industrial psychology agree that this field contributed to important changes in the way employers and others perceived the modern workplace (Jacques 1996, 141). Critics charge that industrial psychology provided employers with a politically expedient means of dismissing workers' concerns by assuming all problems were psychological in nature and that a better adjustment between the worker and his or her work would solve the problem (Bendix 1963, 288–297; Noble 1977, 317). Even so, industrial psychologists also played an important role in highlighting the importance of noneconomic incentives for work.

Today, I/O psychologists provide research and theory that underpins the practice of personnel management, also called human resource management. I/O psychologists publish on issues including job design, job training, performance assessment, teamwork, leadership, stress management, and diversity in the workplace. Earlier generations of I/O psychologists valued stability in employment relations, focusing on techniques for boosting employee loyalty to organizations. Faced with trends like downsizing and temporary work, I/O psychologists have had to reevaluate their understanding of the ideal relationship between individuals and organizations. Some I/O psychologists have begun counseling individuals on how to manage careers that span many organizations, and others have begun to carve out a role for themselves as experts who can help organizations deal with change (Kraut and Korman 1999, 148, 275).

Julie Kimmel

See also Taylor, Frederick Winslow

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Industrial Revolution and Assembly Line Work

The Industrial Revolution was the transformation of the old methods of creating consumer goods into new ways of production through introduction of new technologies and machines. In simple words, the Industrial Revolution changed the way people produced the goods for their own consumption and the consumption of other people. Before the Industrial Revolution, many families made their own furniture, clothes, and shoes. All these crafts were handmade, and because the process was slow, craftspeople produced very few items. This in turn made these items very expensive. Only people with enough money could afford to buy things they needed from craftspeople.

The situation dramatically changed when new devices and machines started to replace hand labor. With the help of new devices, craftspeople could produce more goods at a lower price. In addition, the development of bigger machines gave rise to factories. Thus from making goods by hand in small shops or homes, people moved to making them in factories and later on assembly lines. These changes made goods more affordable to a greater number of people.

With the introduction of new technologies and machines, workers became more efficient and productive, which in turn resulted in higher profits and the rise of national income per capita as well as changes in the distribution of income. It also affected the living and working conditions of the workers. Technology, organization, and manufacturing were key features of the Industrial Revolution. The Industrial Revolution grew more powerful each year as new inventions and manufacturing processes added to the efficiency of machines and increased productivity.

The Industrial Revolution first began in Great Britain during the eighteenth century and later spread across the Atlantic, reaching the United States by the nineteenth century. Although it began in England, it established what was known by the 1850s as the "American system of manufacturing." Actually, the transformation of the United States into an industrial nation took place largely after the Civil War. This rapid economic change has sometimes been called the New Industrial Revolution. It had a great impact on American society, turning the country from an agrarian to an urban and industrial society.

More importantly, the Industrial Revolution had changed the face of the United States, giving rise to urban centers. Urban growth was about as dramatic as the growth in production. It meant in turn that during the Industrial Revolution, millions of people abandoned a traditional life in the countryside and moved to cities, which created a specialized and interdependent economic life and made an urban worker more dependent on the will of the employer than the rural worker had been. Moreover, industrial cities themselves changed the landscape, with smokestacks becoming the new urban symbol, dominating the countryside. These fundamental changes took place first in agriculture and then spread to manufacturing, transportation, communication, economic policies, and the whole social structure.

The progress of the Industrial Revolution can be divided into four distinct periods. From 1730 to 1770, cotton textiles were the key industry, and all inventions made at this time were designed to increase production in cotton textiles and make the work of producing textiles faster and more efficient. John Kay constructed the flying shuttle for weaving (1733), Richard Arkwright created a water-powered spinning frame (1769), and James Hargreaves thought up the spinning jenny (1764).

All these tools revolutionized not only textile industries but also such industries as manufacturing and transportation. It was also during this time that Watt developed a steam engine that was more efficient and much safer than the engine developed by Thomas Newcomen in 1705. The application of steam to transportation, for instance, led to the development of the railroad system, vastly increasing the amount of goods that could be moved over long distances, as well as the speed and reliability of their transport.

The advancement of the cotton industry continued during the second period of the Industrial Revolution, which lasted from 1770 to 1792. During this time, the earlier mechanical tools were modernized, and new devices were introduced. A spinning mule was constructed by Samuel Crompton in 1779, and later in 1785, Edmund Cartwright came up with the power loom. The major problem that further industrialization faced at this time was the limitation on location of textiles industries. Factories had to be located by water because of the need to use water wheels to drive the machinery. That problem was solved by several innovations that were developed during the next part of the Industrial Revolution.

During the period 1792–1830, more innovations were put to use in the textile and other industries. Steam power, Eli Whitney's cotton gin, Samuel Her-rick's dressing machine, and the throttle made production more efficient. In the early nineteenth century, Eli Whitney, subsidized by the U.S. government, perfected the precision measuring and machining techniques required to create weapons with interchangeable parts. In 1798, Whitney had secured a U.S. government contract (for $134,000) to produce 10,000 army muskets. Whitney refined and successfully applied the "uniformity system" of production, using interchangeable parts. However, he failed to convince army bureaucrats, who delayed implementing his ideas. He overcame these obstacles by convincingly demonstrating to President John Adams the workability of the interchangeable parts concept. He showed Adams that randomly selected parts would fit together as a whole working musket. Previously, a gunsmith had to make all the parts for each musket separately. Whitney showed how he could use the same parts to build ten different muskets. The machine-made parts always fit together perfectly, which made building muskets much faster and cheaper. Whitney then single-handedly designed and built all the machinery to produce the weapons. Soon it was used in building clocks and many other products. Whitney's idea was the origin of the phrase "the American system of manufacturing."

Other Americans, including Isaac Singer, who perfected sewing machines, Cyrus McCormick, who developed harvesters, and Henry Ford, who designed automobiles, used Whitney's concept of interchangeable parts in their own inventions and innovations. More specifically, Elias Howe built the first practical sewing machine in 1845 using Whitney's invention. Howe's machine could sew 250 stitches per minute, much faster than humans could sew. It greatly speeded up the work of sewing clothes. Now fewer people could make more clothes in the same amount of time.

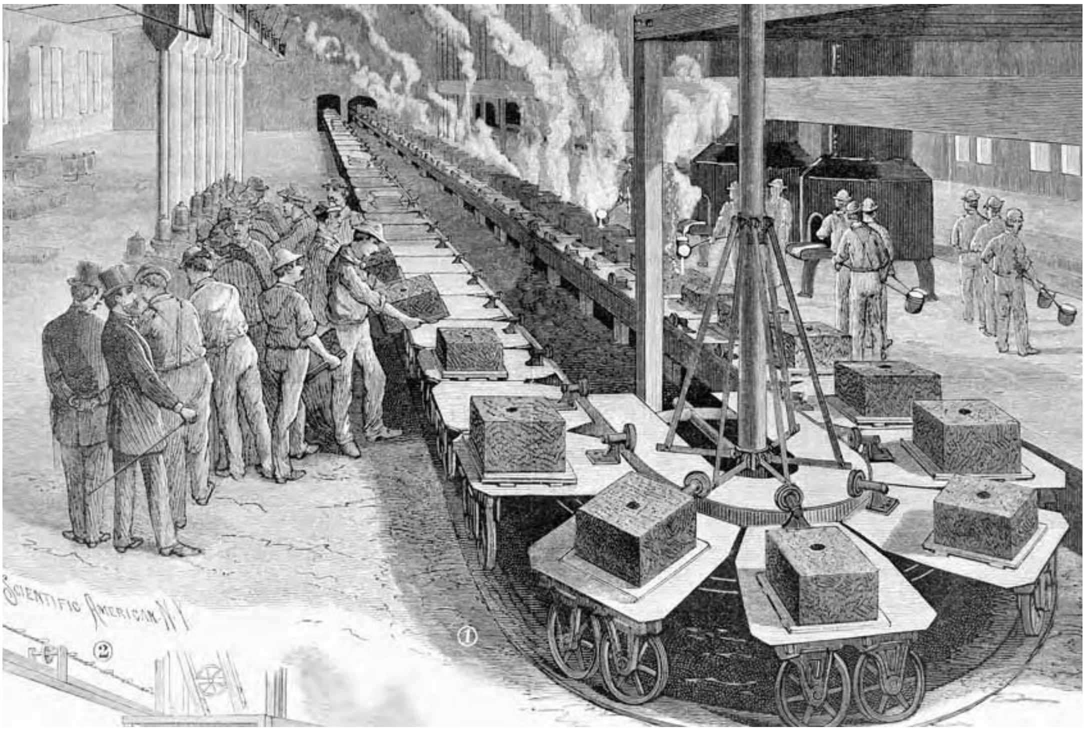
Another aspect of the third period of the Industrial Revolution is that the precision of metalworking technology improved steadily, allowing for increasingly accurate stamping, forging, and machining.

During the fourth period, from 1830 to the early 1900s, steam power was further applied to modes of transportation. During the first decade of the nineteenth century, several steam carriages known as locomotives were built and were mainly used for transportation of coal and ore out of the mines. These locomotives were one of the most important elements in reducing transportation time and costs and in allowing trade to flourish on inland routes. In addition, within decades, steam-powered boats were making transatlantic crossings, providing merchants with an increased ability to exchange their goods for foreign resources. Dozens of other technical innovations brought changes in iron and steel manufacturing, bridge building, and communication.

In the 1840s, the factory system spread from the textile industry to the chemical and metallurgical industries and, by the 1860s and 1870s, to all market-oriented industries. By the end of the nineteenth century, machine processes dominated the American model of manufacturing, which included mass manufacture by power-driven machinery and the use of interchangeable parts. Machine processes dictated the nature and organization of production, although there was no uniformity in production layout or methods between different industries. For example, in the textile industry, machines almost immediately created a sequential manufacturing process that was characteristic of that industry. In iron manufacturing, however, a standard factory layout took a long time to develop, and there was little uniformity in factory organization until the end of the nineteenth century.

By the end of the nineteenth century, electricity and the internal combustion engine opened a door to a new period of automobile production. Thus, the construction of automobiles began the Post-Industrial Revolution era. By the mid-twentieth century, middle-class and working-class people owned automobiles in Europe as well as in the United States, and the motorcar began to transform social patterns. It has been said with some truth that Americans in the twentieth century carried on a love affair with their automobiles. Certainly, motorcars were marketed as status symbols. But at the same time, the growth of the automobile industry created large fields for investment, produced new types of service occupations, and revolutionized road making. These changes occurred in Western Europe as well as in the United States after World War II.

The Industrial Revolution gave rise to the idea of mass production, the process companies use to produce the same product at a very efficient and inexpensive rate. The mechanization movement had a significant impact on how people worked. In the



The technology and manufacturing processes of the Industrial Revolution made workers more efficient and productive, leading to higher profits, goods that were more affordable, and an increased standard of living. (Corbis)

years just before the emergence of the automobile, U.S. bicycle makers made quantum leaps in metal-forming skill. During the same period, engineers in other industries began to use conveyors to move raw materials around in foundries and flour mills. The next great change in the organization of work occurred as a result of the development of scientific management and the assembly line.

The concept of assembly line production is so familiar today that we sometimes overlook that, until the early twentieth century, it was relatively unknown. An assembly line is an arrangement of machines, equipment, and workers for a continuous flow of pieces in mass production operations. In an assembly line, workers attach the same parts day after day along a conveyor belt, knowing that all of the parts taken together will complete the entire product. There is a disassociation between the worker's job and the final product, since the workers no longer make the entire product. Instead, they work repeatedly on one tiny portion of the manufacturing process. An item is sent down a line, and at each point, there is someone to work on one aspect of it. One person punches a hole, and the next person puts in a screw, and so on, down the line, until the item is completed. Devices used on the assembly line include conveyor-belt systems, monorail trolleys, and various pulley arrangements.

A transfer machine, a landmark in progress toward complete automation, moves pieces from one station to another. A U.S. firm, the Waltham Watch Company, built the first known transfer machine in 1888. It fed parts to several lathes mounted on a single base. By the mid-1900s, transfer machines were widely in use within the automotive, appliance manufacturing, electrical parts production, and many other industries because they cut labor costs and ensured uniformity and precision.

Automatic controls represented an innovation when applied to the aspects of the production process. The cam, a device that automatically adjusted the position of a lever or machine element, was an important device in many early machines. During the nineteenth century, it was used to make many tools automatic, as opposed to manual. However, the cam had severe limitations in range of movement, number of changes, speed, size, and sensitivity. "True automatic control" could not be accomplished unless the machine was sensitive enough to adjust to varying conditions. Nevertheless, even those imperfect assembly lines changed the way things were made. They changed not only the price for consumers but also the working conditions for workers.

The first assembly line ideas came from nineteenth-century meatpacking industries in Cincinnati, Ohio, and Chicago. Overhead trolleys connected with chains were used to make a "disassembly line." This minimized unnecessary moving and increased productivity. After that, assembly line techniques were used elsewhere in manufacturing, including bicycles and armaments. In the 1890s, Westinghouse used an assembly line for the manufacture of railway brakes. Even before that, assembly lines were used in shoemaking. At one time, a skilled shoemaker did all the work of making a pair of shoes, one step at a time. This process changed in the 1820s, as workers were brought together in shoe factories and organized into assembly lines. On the assembly line, one worker used a machine to cut out heels. A second worker used a sole-making machine. A third made shoelaces. Other workers put the parts together to make the shoes. The assembly line allowed workers to work on lots of pairs of shoes at the same time. It also made it easier to train workers. Each worker only had to learn one task.

Indeed, two key developments led to the creation of the assembly line: standardized parts and the factory system of work. Both of these developments occurred in Europe, but they were merged with the greatest success in the United States. Today, mass production gives us everything from our clothes to our cars, making them affordable to almost everyone. The first cars were so expensive that only rich people could afford to buy them. In the early 1900s, most people still walked or rode horses. Then, in 1913, Henry Ford introduced the moving assembly line, and things changed.

Ford's objective was to create an affordable automobile, and all his experiments with the assembly line were designed to meet this objective. Ford's use of the assembly line was not necessarily innovative. Nevertheless, his goal to produce inexpensive products on a mass basis definitely was original. Once Ford proved that the assembly line could reduce production costs, his techniques were followed by other industries, and the United States experienced an explosion in the production of inexpensive consumer products. Ford wrote that the assembly line should be based on three basic principles. First, the commodity should progress through the shop in a planned, orderly, and continuous manner. Second, the work should be delivered instead of leaving it to the worker's initiative to find it. Third, the operations should be reduced to the elements of their constituent parts. Ford began experimenting with his assembly line on April 1, 1913. He had one worker assemble a new magneto using the usual method. He accomplished his task in approximately twenty minutes. This job was then split into twenty-nine individual jobs, which cut down assembly time to thirteen minutes and ten seconds. In 1914, the height of the assembly line in Ford's factory was raised 8 inches, lowering the amount of time it took to build a magneto to seven minutes. With further experimentation, the time was cut to five minutes.

These results stimulated Ford to apply the technique to chassis assembly. The fastest the pre-assembly line workers were able to produce a stationary chassis was twelve hours and twenty-eight minutes. Ford experimented with the production of a chassis by drawing one going down the line with an open windlass and a rope. Six assemblers moved along with the chassis and added parts as they went along. This experiment reduced the production time of an individual chassis to five hours and fifty-five minutes. Ford then elevated the assembly line so that it was waist-high and subdivided the work further, reducing the assembly time to one hour and thirty-three minutes. Ford was then able to lower the price of cars drastically, putting the purchase of a car within reach of a working-class person. Ford's use of the moving assembly line opened the door to mass production and automation.

The term *automation* was coined in the 1940s within the Ford Motor Company and was first applied to the automatic handling of metalworking processes. It is logically the ultimate step in the evolution of mass production processes. In its ideal form, it implies elimination of any manual labor and the introduction of automatic controls, assuring efficiency among the production of the product. Perfect automation has never really been accomplished, however. Tasks normally performed by workers operating equipment have been replaced with machines that require only maintenance personnel, engineers, and production control specialists. Automation may be described as a "revolutionary" development, but it is actually the result of mechanization, which began with the Industrial Revolution.

U.S. mathematician Norbert Wiener gave automation a broader meaning when he wrote about cybernetics, which he explained as control and communication in the animal and the machine. He predicted the application of computers to manufacturing situations and an increase in unemployment. This caused a considerable amount of alarm in the 1950s and the 1960s, when his prediction became most popular.

Automation "evolved" from three trends in technology: the development of powered machinery to perform production tasks; the introduction of powered equipment to move materials and pieces during the production process; and the perfection of control systems that were used to regulate handling, distribution, and production. The assembly line illustrates the fundamental principles of mechanization: standardization, continuity, constraint, and the reduction of work to simple labor. Taken together, these principles form the core of industrial culture in the mid-twentieth century in the United States. In addition, these fundamental principles form the basis of the "American production system," which until recently was the undisputed leader in global manufacturing.

There is no doubt that inventions and technology were the key elements of the Industrial Revolution. It changed the way things are made, it changed the prices of things, and it changed the conditions for workers. It was indeed revolutionary. The Industrial Revolution in the United States changed society profoundly. It caused a complete change in working conditions and the relationship between the working and middle classes. Unfortunately, working conditions became very harsh during the Industrial Revolution. Assembly lines led to mass production, which led to the division of labor. The division of labor was a method of working that involved doing the same task repeatedly. It was totally mindless and led the working class to feel bitter toward the middle class. Factory managers, who were members of the working class, became more concerned with profit and expenses after learning about mass production and started to cut wages to make a quick buck, which also led to bitterness on the part of the working class.

The Industrial Revolution affected not only the economy but also the whole stability of a nation. As discussed earlier, it affected not only the relationships between classes, but also the relationships between countries. The most important aspect of the Industrial Revolution is how all of these concepts are very much applicable to today's economy, which is why the Industrial Revolution was such an important period of time in the history of the world.

The Industrial Revolution has had massive effects on politics, economics, culture, and society. The emergence of the factory system, for instance, radically changed not only the organization of work but also its very meaning. Huge complexes, job specialization, massive increases in productivity, regimentation, and eventually the assembly line all revolutionized the work experience for millions of people. For many, it meant substantial improvements in family income. For many others, the factory system meant the loss of craftsmanship and the de-skilling of the workforce. The reduction of work to the simplest, repetitive motions eliminated the mastery and personal satisfaction traditionally associated with labor and often substituted unskilled for skilled workers.

The mountains of manufactured goods made available through the technological achievements of the Industrial Revolution also altered virtually everyone's lifestyle and standard of living. More goods in more varieties were available than at any other time in human history. Except for the most impoverished, nearly any ordinary person could afford to own devices, tools, and appliances available only to the wealthiest classes in earlier centuries. Rapid economic growth and spreading prosperity were among the positive effects of the Industrial Revolution.

In addition, the Industrial Revolution affected social behavior. With the development of new forms of transportation, such as railroads, steamships, automobiles, and airplanes, people became used to migration, thus altering cultural norms and values. Although in earlier times it would be unusual for an individual to travel much beyond the county or state of his or her birth, with the appearance of new forms of transportation, whole new prospects of travel, cultural exchange, and commerce appeared. Moreover, improvements in communications technologies, from the early telegraph to the telephone to radios, televisions, and computers, have greatly expanded the array of information sources accessible to ordinary people and have allowed huge improvements in the coordination of very large organizations scattered over the entire face of the globe.

Other cultural changes are more worrisome, however. Where frugality, savings, and staying out of debt were once thought to be fundamental virtues, after the Industrial Revolution, consumption became the watchword. If too few people purchased the rapidly expanding array of goods, store shelves would never be empty, factory orders would fall, and people would be laid off as factories closed. The only way to stave off economic ruin was to reeducate the population to become intensive consumers, buying many things they would never have imagined before.

To encourage such consumption, the advertising industry was created, developing sophisticated techniques for inducing new desires and needs among ordinary people. Often using manipulation, sex appeal, and other emotional inducements, advertisers have been able to get people to purchase objects and services they never felt any need of before the advertising appeared. And they could be induced to throw away still functioning items in order to buy the "latest, improved" models. Rapid improvements in transportation, warehousing, shipping, record keeping, and bookkeeping led to the creation of giant department store chains and supermarkets. And, in the later years of the twentieth century, the booming mail-order catalog market aimed at moving goods rapidly and efficiently from stores to consumers.

But along with these great leaps in technology occurred an overall reduction in the socioeconomic and cultural situation of people. The growth of cities was one of the major consequences of the Industrial Revolution. Many people were driven to the cities to look for work and ended up living in cities that could not support them. With the new industrial age, a new quantitative and materialistic view of the world took hold, which caused people to consume as much as they could. Living on small wages required small children to work in factories for long days.

The Industrial Revolution brought with it an increase in population and urbanization, as well as new social classes. The increase in population was nothing short of dramatic. In the United States, the annual increase was more than 3 percent, which might have been disastrous, had it not been for its vast amounts of land and fabulous natural resources. The general population increase was aided by a greater supply of food made available by the agricultural revolution and by the growth of medical science and public health measures, which decreased the death rate and added to the population base.

The Industrial Revolution and the factory system brought wonderful new products into U.S. homes. But they also created new problems, such as pollution and overcrowded cities. Workers, too, paid a price. Workers in factories worked long, hard hours. They had bosses instead of working for themselves. Often they fought bitterly with their companies over low pay, unsafe conditions, and other problems. In addition, work itself changed. Before the Industrial Revolution, craftspeople took great pride in their skills and in their handmade products. In factories, workers did simpler jobs, repeatedly. They were not attached to the final product and therefore were deprived from having pride for the item they produced.

Each of the three major aspects of the Industrial Revolution—the division of labor, specialization, and mechanization—helped to create modern industrial society, with its vision of mass production and the assembly line. A great deal of what it means to be modern—both good and bad—derives from the Industrial Revolution and the technologies it spawned.

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See also American Federation of Labor and Congress of Industrial Organizations; Automotive Industry; Capitalism; Democratic Socialism; Ford, Henry; Garment/Textile Industries; Manufacturing Jobs; Railway Labor Act; Solidarity; Working Class

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Industrial Workers of the World (IWW)

Organized in 1905, the Industrial Workers of the World (IWW), also known as the "Wobblies," was formed in order to organize all workers, regardless of skill, race, ethnicity, or gender, into one big industrial union in opposition to the craft-oriented American Federation of Labor (AFL) unions. Promoting the practice of revolutionary syndicalism, or the use of direct action tactics on the shop floor as preparation for a worldwide general strike, the IWW successfully led a couple of major strikes in the United States. Opposition to U.S. participation in World War I and the advocacy of strikes in war-related industries resulted in the federal government's harassment of the organization during the war. By 1920, continuing government repression, for all intents and purposes, led to the IWW's downfall.

IWW was founded in Chicago on June 27, 1905. Opening the founding convention was William "Big Bill" Haywood of the Western Federation of Miners, who announced to the crowd, "Fellow Workers. This is the Continental Congress of the Working Class" (Conlin 1969, 2). From this opening speech, the IWW offered an alternative in both structure and ideology to the AFL, which dominated the U.S. trade union movement at the beginning of the twentieth century.

As opposed to the AFL's strategy of organizing only native-born, white, skilled, male workers, the IWW believed in organizing on an industrial basis (that is, skilled, semiskilled, and unskilled workers) into one big union, thus opening the door to the organization of immigrant, African American, and women workers. The IWW outlined its basic ideology in the preamble to its constitution, which proclaimed: "The working class and the employing class have nothing in common" (Werstein 1969, 15). Believing that the historical role of the working class was to abolish capitalism, the IWW advocated the use of revolutionary syndicalism in its struggle to overthrow capitalism and replace it with socialism. Doing so involved workers using direct action tactics on the shop floor (such as sit-down strikes, work slowdowns, threatened sabotage, etc.) to achieve immediate demands; these tactics also served to train workers for the organization of a worldwide general strike, culminating in the destruction of capitalism.

Although more than 900 locals of the IWW had been chartered by September 1907 (Renshaw 1999, 75), the organization experienced little success in its first two years. Membership turnover was extremely high, and the total number of members shrank to 6,000 by the fall of 1907 (Renshaw 1999, 75). In these early years, the IWW achieved some success in Goldfield, Nevada, a gold-rush town of 30,000 residents. By the end of 1907, virtually all wage workers in the town, including miners, clerks, stenographers, teamsters, dishwashers, waiters, general laborers, and even newsboys, were organized into IWW Local 77. The Wobblies achieved real gains for its members, including a minimum wage of $5.00 per day for miners and a dramatic increase in wages for railroad workers, from $1.75 for a ten-hour workday to $4.50 for an eight-hour workday (Renshaw 1999, 78). With an economic depression sweeping the nation in 1908, businesses folded, and unemployment skyrocketed, turning Goldfield into a ghost town. The economy's downturn eliminated the IWW not only in Goldfield but also in other areas throughout the United States.

The IWW roared back to life in July 1909, when a spontaneous strike among unskilled immigrants occurred at the Pressed Steel Car Company in McKees Rock, Pennsylvania, over the implementation of a pay plan based on piecework. After the AFL Machinists Union, which represented the company's skilled workers, refused to help the strikers, they appealed to the IWW, who immediately sent organizers to support the strike. Although the state police and employer-hired deputies physically attacked strike meetings and picket lines, the strikers fought back. With public sentiment on the strikers' side, Pressed Steel Car Company capitulated to the union within two months, restoring the previous payment system and resolving the strikers' immediate grievances. Achieving this major victory led to additional organizing successes and a rebirth for the organization on a national level.

The major activity that the IWW concentrated on from 1909 to 1912 was participation in "the free speech fights," in which union leaders propagandized on street corners to publicize the poor working and living conditions of migratory laborers that it sought to organize. However, the IWW led a second major strike in January 1912 to protest wage cuts in the American Woolen Company textile mills in Lawrence, Massachusetts. With 23,000 men, women, and children on strike (Dubofsky 1969, 249), this work stoppage was the first time so many immigrant, unskilled, and unorganized workers had struck any U.S. employer.

Demonstration of the Industrial Workers of the World, New York City, 1914 (George Grantham Bain Collection/Library of Congress)

Even with the presence of state militia and state police in Lawrence, the strikers stood fast throughout the winter, marching under the slogan, "We want bread and roses, too!" For economic reasons, hundreds of strikers' children were sent to New York City and Philadelphia to live with union supporters, helping to publicize the strike. With Congress investigating the strike in March, public sentiment continued to mount against the American Woolen Company. On March 12, 1912, the company gave in to all the strikers' demands.

The last major strike led by the IWW, the 1913 silk strike in Paterson, New Jersey, did not end as well as the Lawrence strike. After the implementation of a work speedup at the end of January, more than 25,000 workers went on strike within a month and idled the city's 300 silk mills (Renshaw 1999, 113). By July, the strikers were weakening and went back to work without achieving any gains.

With the U.S. entry into World War I, the IWW faced harassment by the U.S. government for its opposition to the war and its advocacy of conducting strikes in war-related industries. On September 5, 1917, Department of Justice agents raided the IWW headquarters, and on September 28, 1917, nearly 200 IWW leaders across the nation were arrested for alleged antiwar activities (Werstein 1969, 122). This federal government repression against the IWW continued after the war, with the Palmer raids, launched by Attorney General Mitchell Palmer on November 7, 1919. Federal agents raided many radical groups' headquarters and arrested individuals in numerous cities.

However, government repression was not the only reason for the IWW's downfall by 1920. Although the union led successful strikes, it was not able to consolidate strike gains because of its refusal to sign collective bargaining agreements that the organization felt would bind the workers' hands on the shop floor. Nevertheless, the IWW served as an important precursor to the Congress of Industrial Organizations, which utilized the Wobblies' syndicalist tactics in building stable and successful industrial unions during the mid- to late 1930s.

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See also Communism in the U.S. Trade Union Movement; Democratic Socialism; Mother Jones; Socialism

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International Business Machines (IBM)

Formerly Computing-Tabulating-Recording Company (C-T-R), International Business Machines Corporation (IBM) was founded in February 1924 by Thomas J. Watson Sr. (1874–1956), a former executive with National Cash Register Company who joined C-T-R as general manager in 1914 at the age of forty. Watson redirected an organization specializing primarily in butcher scales, time clocks, and early tabulating machines to devote its corporate development to core business values oriented to customer service in the burgeoning market for data processing. An extraordinary gamble to expand the company and stockpile inventory during the Great Depression paid off, when IBM was positioned to capitalize on two historic events critical to the company's future growth and industry dominance.

The passage of the Social Security Act in 1935 required employers to establish record-keeping practices on a scale previously unimagined, and Watson's prescient commitment to parts and personnel enabled IBM to provide the equipment nationally almost immediately. Another crucial element of the company's breakaway success occurred during World War II, as government and manufacturers demanded both the technology and the service necessary to conduct the war effort. IBM emerged from the war years with a philosophy oriented to the requirements of its customers and the infrastructure to deliver the product. In the postwar economic environment, the company's phenomenal growth began to dominate domestic and international markets by adapting to evolving technology, particularly in the emerging computer industry. Establishing schools for junior executives and line managers in the early 1950s, IBM innovated management techniques involving communication, human resources, and capital assets to match a powerfully marketed reputation for commitment to product performance and customer relations. IBM also maintained employee loyalty with generous performance benefits and the promise of a job for life. Thomas J. Watson Jr. became chief executive officer in 1956, epitomizing the corporate strategy to promote from within rather than rely on employees not groomed to manage in the IBM tradition.

Critics of the highly structured IBM corporate model focused on its towering market presence, employee dress code and relocation policies, and obsessive adherence to unchanging philosophical standards, although the company insisted that refusal to compromise basic beliefs was the most important factor in its dominant stature. IBM's success, some charge, was the result of anticompetitive practices such as price discrimination, allowing the company to monopolize information-related industries. The dominance unraveled in the 1980s and early 1990s, however, as IBM committed itself to mainframe processing with a tremendous expansion of personnel and facilities, misjudging the technology shift to microprocessors. The company exacerbated customer and employee disillusionment with downsizing and decentralization, damaging its reputation for productivity and service. New management in the late 1990s recalibrated the company's product line to the rapidly evolving information technology market and reestablished its commitment to a service-oriented management philosophy. IBM entered the twenty-first century with invigorated purpose, powerful but no longer the domineering industry force of the past.

Darrell A. Hamlin

See also Computers at Work; Great Depression; Industrial Engineering; Silicon Valley; Social Security Act; Time Cards

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International Labour Organization (ILO)

The International Labour Organization (ILO) is a specialized agency of the United Nations that promotes social justice and internationally recognized human and labor rights. The ILO is the chief international authority on labor standards and formulates international labor standards pertaining to union organizing and collective bargaining, forced labor, discrimination, and other conditions of work. The ILO also provides technical assistance in areas such as vocational training, employment policy, labor law, social security, and occupational safety and health.

The ILO was created with the League of Nations in 1919 by the Treaty of Versailles at the conclusion of World War I. It was founded on the beliefs that after making great sacrifices in World War I, the workers of the world deserved decent working conditions and that poor working conditions are a threat to political stability and therefore global peace. The ILO is the only surviving organization of the League of Nations, and at the end of World War II, it became the United Nations' first specialized agency. Most countries are now members. The overarching premise of the ILO is that "universal and lasting peace can be established only if it is based upon social justice" (International Labour Organization 1919).

To this end, a fundamental activity of the ILO is adopting conventions that specify minimum labor standards. For example, the Discrimination (Employment and Occupation) Convention (No. C111, 1958) calls for countries "to declare and pursue a national policy designed to promote, by methods appropriate to national conditions and practice, equality of opportunity and treatment in respect of employment and occupation, with a view to eliminating any discrimination in respect thereof" (International Labour Organization 1958). Member countries are obligated to submit the conventions to their national legislatures for ratification and to fulfill their provisions. As of the year 2000, the ILO has passed 183 conventions. Technical assistance to help implement these standards is also provided.

The ILO has worked with numerous countries to establish national and local policies to reduce unemployment, combat employment discrimination, improve safety standards, and eliminate child labor. For example, in recent years the ILO has helped the government of Vietnam launch a national safety week to bring awareness to worker safety; trained local officials in Indonesia to recognize child labor problems, resulting in the placement of 3,000 children into local schools; helped design and implement low-cost loan programs in France and Germany to help unemployed workers start their own businesses; created posters to promote women workers' rights in India; and worked with the government of Costa Rica to update its labor laws to protect workers' rights to unionize.

In light of the growing linkages between labor issues and globalization, the ILO adopted the Declaration on Fundamental Principles and Rights at Work in 1998. It champions the belief that all countries have an obligation to promote certain fundamental rights: freedom of association and the effective recognition of the right to collective bargaining, elimination of all forms of forced or compulsory labor, effective abolition of child labor, and elimination of discrimination in respect of employment and occupation.

The ILO comprises three main entities: the International Labour Conference, the Governing Body, and the International Labour Office. The International Labour Conference is an annual meeting to establish international labor standards and elect the Governing Body, the ILO's executive council. Each member country is represented by two government delegates, one employer delegate, and one worker delegate. The International Labour Office comprises the ILO's permanent staff. The ILO's unique tripartite structure of government, employers, and workers is apparent in all three bodies. It is headquartered in Geneva, Switzerland, and has forty field offices around the world. On its fiftieth anniversary in 1969, the ILO won the Nobel Peace Prize for its work on promoting social justice in employment—including reducing poverty and discrimination—and therefore peace, around the world.

The United States was involved in the ILO's founding, but its commitment to the ILO has been questioned. In fact, the United States withdrew from the ILO between 1977 and 1980 because of a perception that the ILO's agenda was overly politicized by Communist countries. In many areas, the United States does not have a strong record of ratifying international treaties—either because of constitutional concerns or a desire to act unilaterally—and the U.S. experience with ILO conventions is no different. The United States has only ratified a handful of ILO Conventions and has been criticized for ratifying only one of the seven core or fundamental conventions.

John W. Budd

See also American Federation of Labor and Congress of Industrial Organizations; General Agreement on Tariffs and Trade; World Trade Organization

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Internships

An internship, in the strictest sense of the word, refers to the occupational experience required for certification in professional fields such as education, medicine, law, and accounting. The term is commonly applied, however, to a wide variety of educational programs that involve student employment. Related to the ancient but declining tradition of craft guilds and apprenticeship systems, internships gained popularity at the end of the nineteenth century as a way to teach students practical skills in an educational environment that dealt increasingly with abstract theory.

The internship has been considered a vital part of many professional programs since the late 1800s and early 1900s. Professional internships typically occur after the completion of academic coursework but before graduation, thereby allowing students to apply classroom learning in working world situations. The first teachers' internship, established by Brown University in 1909, offers one example. Brown's education graduates worked for a year as closely supervised, part-time salaried teachers in Providence city schools before earning positions as full-time, professional educators. Similar internships were soon established for student teachers in Cincinnati, Boston, Cleveland, Seattle, and Minneapolis. By the 1930s and 1940s, the internship had become a recognized prerequisite for beginning teachers in school systems across the country.

More recently, the term *internship* has come to describe a form of "experiential education" at the high school and college levels. Experiential education, or "learning by doing," encourages the integration of real-world experience with classroom-style instruction. Internships provide students with the opportunity to explore career options by participating in and observing work in a selected field. They may enhance classroom learning by honing students' practical knowledge, developing their interpersonal skills, and increasing their self-esteem. Student internships are available in corporate, nonprofit, and government settings. They may be part-time or full-time, paid or unpaid, and often include a formal assessment of the student-worker in the form of a recorded grade and academic credit.

Although undergraduate programs in agriculture, engineering, and other curriculum with direct connections to nonacademic careers have encouraged internships since the early twentieth century, they are a fairly new addition to most liberal arts disciplines. Internships gained popularity across college campuses during the 1970s and 1980s, when a declining economy and shrinking job market encouraged students to gain occupational experience within their field of interest before graduation. Humanities majors, worried about their employment prospects after college, hoped that an internship would help them stand out in the job market. A number of recent advice books and studies have supported such decisions. In a 1995 survey by the National Center on the Educational Quality of the Workforce, for example, employers described internships and other job experience as an important factor in the selection of entry-level personnel.

Of course, internships benefit employers as well as students. Interns provide companies with inexpensive or free labor. They often supply nonprofit organizations with program and administrative assistance that such groups otherwise might not be able to afford. Internship programs also infuse the workplace with energetic, creative new minds and provide employers with a ready source of qualified, company-trained recruits.

Katie Otis

See also Apprenticeship; Child Labor; Education Reform and the Workforce; Summer Jobs

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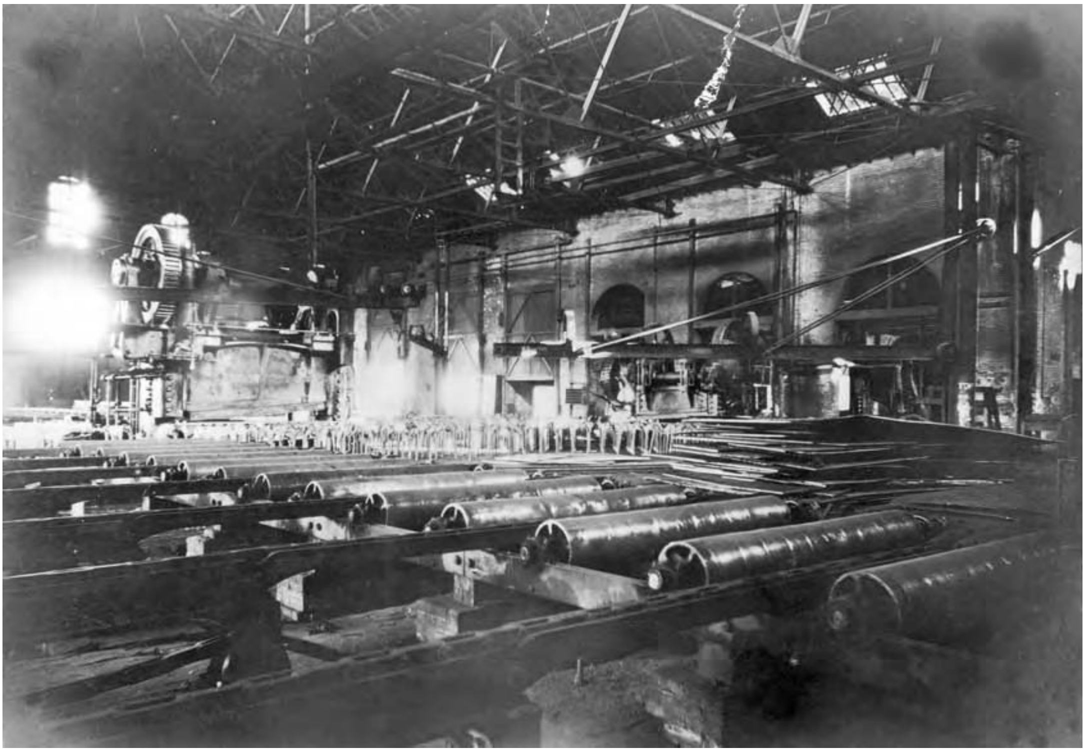
Ironworkers

Workers in U.S. iron mills experienced the most fundamental changes that accompanied industrialization and urbanization in the late nineteenth century. Before the Civil War, skilled ironworkers exercised independence in the workplace and strived to make connections with unskilled workers. Mechanization, managerial transformations, and technological innovations weakened the skilled worker's place in the production of iron and later steel, as well as the ties that bound skilled and unskilled workers. Ironworkers formed one of the largest and most powerful labor unions of the late nineteenth century, but the concerted power of industrial capitalists and the federal government brought the union to heel. Iron- and steelworkers entered the twentieth century severely weakened, working in deplorable situations, and powerless in U.S. society.

Before the Civil War, iron was made in rolling mills. The Englishman Henry Cort (1740–1800) developed the process in 1784, and a further refining process became popular in the 1830s. Iron production relied on a large pool of skilled workers, which contributed to the hierarchical labor organization in the mills. Skill divided the workplace into craftspeople and common laborers. Common workers carried materials, shoveled ores, and cleaned up the mill. Employers paid these workers by the hour or day. Craftspeople influenced the outcome of the finished product with their knowledge, skill, and expertise. Puddlers, for instance, poured off the slag and shaped the molten iron into balls, which sometimes weighed 200 pounds. The ball was flattened into the "muck bar" and then heaters, rollers, and nailers transformed the iron into the finished product. Employers paid craftspeople by the tonnage of iron produced.

Skilled ironworkers attempted to overcome workplace divisions that skill levels imposed. Craftspeople hired "helpers" (typically relatives, thus keeping the skill hereditary), taught them their craft, and decided how much each member of a crew made. Although some workers received more money than others, workers controlled the distribution of wages. Skilled ironworkers also decided about how much iron the crew produced in a day, a practice known as the "stint." They enforced the stint through peer pressure. Ironworkers derided those employees who were too eager to please the boss by calling them unkind names and questioning their masculinity. Lastly, a code of "mutualism" existed in the ironworks. Unskilled workers clung to the opportunity for upward mobility, and skilled workers did not forget their unskilled brethren when they went on strike.

The emergence of the steel industry in the late nineteenth century undermined the autonomy, skill, and influence of craftspeople. Between 1865 and 1892, iron and steel production exploded in the United States. The continental railroad system required an enormous amount of iron for tracks. Iron also provided for the growth of city transportation and the construction of skyscrapers. Beginning in the 1850s, business proponents in the



Inside an iron mill, 1865. Between 1865 and 1892, iron and steel production exploded in the United States, supplying the building of the continental railroad system and city transportation systems and skyscrapers. Mechanization in iron mills made iron production more efficient, but it eliminated many jobs. (Hulton Archives)

United States wanted to make iron production more efficient. Frederick Overman argued that the United States needed to mechanize the iron industry to generate more profits, liberate production from skilled workers, and improve managerial techniques. In 1856, Henry Bessemer introduced the process of blowing cold air onto molten pig iron, thus strengthening the metal and creating steel. Bessemer promised that the new metal-making technique would eliminate puddling from the process. Businesspeople also improved management techniques. Beginning in the Civil War, engineers took over the duty of hiring workers and instituted workplace rules, which trumped the worker's stint. Lastly, mechanization eliminated jobs in mills. The three-high rail mill, lifting tables, and hydraulic pushers made iron and steel production more efficient and required fewer skilled workers.

Mechanization, managerial innovations in the workplace, and the proliferation of steel mills exacerbated divisions in the workplace. Steel production organized labor differently than iron. In contrast to the iron mills, which had an equal number of unskilled laborers and craftspeople, steel mills relied on a large pool of common workers and a few highly specialized workers. This difference increased the divisions between skilled and unskilled workers. "New immigration" (that of northern and eastern Europeans) and the northern migration of African Americans created a dual-labor system in steel mills. Old-stock immigrants worked in the specialized crafts and obtained positions as helpers. New-stock immigrants experienced more difficulties in moving up the job ladder, tended to associate in their own communities, and attended non-Protestant churches. African Americans held the worst jobs in the factory; those closest to the furnace. They were an extremely mobile population in the mills, and job turnover was high because of the poor working conditions. In addition, the size of steel mills contributed to problems of labor organization. Steel mills were much larger than iron mills and made the process of organizing workers cumbersome. Finally, the transformation to steel affected each craft differently. Puddlers, for instance, suffered a loss of autonomy and influence in the workplace, whereas rollers earned more money under the new process.

Ironworkers did not take the assault on their livelihood lightly. They formed the Amalgamated Association of Iron, Steel, and Tin Workers, and by the 1870s, it was one of the most powerful craft unions in the nation. Nevertheless, Amalgamated's influence waned after Andrew Carnegie and Henry Clay Frick broke the union in the Homestead Strike of 1892, and steelworkers did not have an active organizing voice until the twentieth century. After the Homestead strike, steel mill owners adopted Carnegie's and Frick's relentless workplace schedule. Steel workers worked seventy-two-hour weeks and received low wages. In 1919, worker discontent exploded in a strike that encompassed much of the Midwest. This strike produced the same results as the Homestead struggle: a defeat for the workers. Steel workers did not form an active and powerful voice until the 1930s, with the formation of the Congress of Industrial Organizations.

Ironworkers entered the Gilded Age of the 1890s with autonomy in the workplace. Despite the hierarchical organization of the workplace and the influence of craftspeople, ironworkers dictated the day-to-day conditions in the workplace and linked all workers with a code of mutualism. However, the economic changes of the Gilded Age undermined their position in the workplace. The Bessemer process transformed iron and steel making and touched off nearly thirty-five years of labor strife.

William J. Bauer Jr.

See also American Federation of Labor and Congress of Industrial Organizations; Building Trades Unions; Guilds; Industrial Revolution and Assembly Line Work

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Job Benefits

Job benefits are the nonmonetary components of employee compensation. They may include voluntary benefits, such as paid and unpaid leave, health care, life and disability insurance, retirement plans, supplemental pay benefits for overtime or bonuses, and intangible benefits, such as flexible workday schedules or the opportunity to telecommute. In addition, employers are legally mandated to contribute to unemployment insurance and Social Security and to purchase workers' compensation insurance. The U.S. Bureau of Labor Statistics (BLS) collects information on the provision of these benefits through the Employee Benefits Survey and the National Compensation Survey.

Voluntary Benefits

Leave

Paid leave includes days available for vacation, personal use, funerals, jury duty, military service, family obligations, and the employee's or family member's sickness. Leave has never been federally mandated in the United States, but 80 percent of all employees in 2000 had paid vacation, and 77 percent had paid holidays. On average, Americans have had about ten days of leave per year through the 1980s and 1990s. In 1993, the Congress passed the Family and Medical Leave Act, which entitles eligible employees to twelve weeks of unpaid leave in any twelve-month employment period for the purpose of caring for a newborn or newly adopted child or because of a serious health condition suffered by the employee or a family member. Although some employers may choose to provide paid leave for part or all of the twelve-week duration, the law guarantees only that workers can return from leave to their old jobs or to a similar job with the same salary and benefits.

Retirement Benefits

The original pension plans were designed for disabled veterans. The first full-fledged pension system was the Civil War pension program of 1862, which started off as a plan to provide for disabled veterans, widows, and orphans, and it was eventually extended to all disabled and old veterans. Private pension plans also began to make an appearance in the late 1800s; for example, American Express established a private pension plan in 1875.

The federal government enacted the Employee Retirement Income Security Act of 1974 (ERISA) to provide protection for individuals (employees and their dependents) in voluntarily established pension and health plans provided by employers in private industry. It entitles plan participants to plan information, responsible management of plan assets, and a grievance and appeals process.

Today, employers offer one or both of two types of employment-related retirement plans in addition to making federally mandated contributions to Social Security: defined benefit or pension plans and defined contribution or tax-deferred retirement savings plans. Traditional defined benefit plans require employers to make annual contributions to a fund and pay out retirement benefits based on each employee's compensation and years of service. Defined contribution plans permit employees to contribute pretax funds to a savings account, with taxes on those savings deferred until the time the person withdraws money from the fund on retirement. There are early withdrawal penalties for funds withdrawn before retirement age (currently at age fifty-nine and one-half). Contributions to such plans are usually made in the form of salary withdrawals, and employers may match employee contributions up to a limit.

The tax-deferred retirement savings plans (that is, the 401[k] plans for for-profit firms and 403[b] plans for nonprofit firms) allow employees to put away some portion of their pretax incomes in a portfolio of accounts. The money in these accounts and the income from them are not taxed until they are withdrawn. These plans originated in the Revenue Act of 1978, which stipulated that employees should not be taxed on the portion of compensation that was deferred in profit-sharing plans and that these contributions should be made through salary reductions. Internal Revenue Service (IRS) regulations promulgated in 1981 sanctioned the use of salary withdrawals for retirement plans. Subsequent reforms changed the maximum amounts that could be contributed, regulated transfers of funds when employees changed jobs, and regulated the administration of these plans. The Pension and Welfare Benefits Administration was established in 1986 to educate and assist participants, beneficiaries, and sponsors of pension, health, and other employee benefit plans. It administers and enforces the provisions of the ERISA.

Health Care Benefits

Health insurance enables avoidance of large unforeseen medical expenses in exchange for an annual insurance premium from members of a group; the insurer pays all or most of any medical expenses that any of the members of this group incur over the year. Employer-provided health insurance benefits emerged as a means of getting around the wage ceiling during World War II and expanded over the following decades. National health care spending increased rapidly in the 1970s and 1980s. The rising costs made it increasingly difficult for many firms to offer health benefits to their employees, which led to the emergence and propagation of managed care. The Health Maintenance Organization (HMO) Act of 1973, signed into law by President Richard Nixon, required all firms with twenty-five or more employees to offer an HMO plan.

Under ERISA, beneficiaries are entitled to health care plan information and responsible management of health care plans, just as they are for pension plans. The Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) is an important amendment to ERISA that guarantees continuation of health insurance coverage at the rate available to the employer for some limited duration after loss of eligibility for benefits under certain situations, such as job loss or the death of the primary beneficiary. The Health Insurance Portability and Accountability Act of 1996 (HIPAA) protects those with preexisting conditions from discrimination in health coverage.

Some employers offer supplemental insurance benefits to retirees, either to cover those as yet ineligible for Medicare or to pay for services not covered by Medicare for the Medicare-eligible. Of late, the trend has been for employers to pay for less of retiree health insurance premiums since costs are rising. So although employers continue to pay current employee premiums to stay competitive, they may not always pay for those for retirees.

Flexible Spending Plans

In addition to providing health insurance coverage, some employers allow employees to put away money in pretax accounts to cover medical expenses such as copayments and services not covered by health insurance. Fewer employers offer health promotion plans to their employees, such as reimbursements for memberships to fitness clubs and paid time and reimbursement for annual medical checkups.

Overtime, Bonuses, and Profit Sharing

Compensation for overtime work is regulated by the Fair Labor Standards Act of 1938, which has been amended over time. In addition, employers offer bonuses based on performance and the opportunity to share profits and to own company stock as a means of retaining employees.

Flexible Schedules and Telecommuting

A flexible work schedule is an alternative to the traditional 9-to-5, forty-hour workweek. It allows employees to vary their arrival and/or departure times. Under some policies, employees must work a prescribed number of hours per pay period and be present during daily "core times," which might involve compressed workweeks in which employees work longer days in exchange for a day off every other week or so. Alternative work arrangements such as flexible work schedules are a matter of agreement between the employer and the employee (or the employee's representative). Because of increasing urban sprawl and growing commute times and to facilitate improved work-life balance for their employees, many employers allow their employees to "telecommute," or work from their homes.

Life and Disability Insurance

A number of employers offer life insurance plans whereby dependents and survivors of the employee get some amount of benefits if the employee dies. Similarly, disability insurance plans pay some proportion of the employee's income if disability prevents the employee from being able to work. Insurance plans for employee groups cost less per person than would a corresponding plan offered by an insurance firm on the open market, and these costs are not taxable, so it is advantageous to the employee to obtain insurance plans from work. Some employers provide employees with the option of purchasing insurance for nursing home care during old age.

Miscellaneous Benefits

Some large employers, such as the federal government and universities, offer employees the option of saving in thrift plans. In addition, employers may pay tuition or offer interest-free loans for educational expenses. Others offer subsidies to pay for child care. Some employers offer low-cost access to legal services plans.

Flexible Benefits or Cafeteria Plans

Under Section 125 of the Internal Revenue Code of 1986, employers can allow employees to choose taxable cash benefits by opting out of certain qualified nontaxable benefits offered to employees. Although employees have the option of opting into or out of certain benefits, any cash compensation they obtain in exchange for benefits they give up is not exempt from income tax.

Federally Mandated Benefits

Social Security

In 1935, the Social Security Act set up a federally mandated retirement fund that was funded through payroll taxes from employers and employees and paid out benefits out of those funds to those who were retired. Social Security benefits were subsequently extended to the disabled and then to all those over retirement age (which is currently at sixty-five and will soon be extended to sixty-seven), irrespective of retirement status. The benefits vary based on lifetime earnings and age at retirement (with reduced benefits for early retirees and additional credits for late retirees).

Medicare

Employers contribute to Medicare taxes for all their employees. These contributions entitle employees to Medicare coverage after they retire, which pays for hospital expenses and, at a small premium, physician services.

Unemployment Benefits

Union-based unemployment insurance made its appearance in 1831, but it was not until 1932 that Wisconsin became the first state to enact state-based unemployment insurance. The unemployment insurance system was established as part of the Social Security Act of 1935. In combination with the Federal Unemployment Tax Act of 1939 and subsequent state unemployment tax legislation, a partnership was established whereby taxes are collected primarily from employers and redistributed among the unemployed by individual states within guidelines established by the federal government.

Workers' Compensation

This is a federally mandated, state-regulated employment benefit, whereby employees who are made sick, injured, or killed on the job receive benefits to cover medical expenses, lost wages, vocational rehabilitation, and death benefits. These plans were established for maritime workers and others in 1927. Today employers are required to purchase workers' compensation insurance, which is a no-fault insurance system, to pay for these benefits. Requirements for the amount of insurance and employers that may be exempt are determined by legislation at the state level.

Mythreyi Bhargavan

See also Bureau of Labor Statistics; Employee Stock Ownership; Fair Labor Standards Act; Family and Medical Leave Act; Federal Unemployment Tax and Insurance System; Health Insurance; Overtime and the Workweek; Profit Sharing; Retirement; Social Security Act; Workers' Compensation

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Job Corps

Job Corps is one of the nation's largest and most intensive education and training programs for low-income youth. Launched in 1964 as part of President Lyndon B. Johnson's War on Poverty, its purpose is to help eligible youth become responsible, employable, and productive citizens. About 70,000 new students enroll in Job Corps every year.

The program targets economically disadvantaged youth between sixteen and twenty-four years of age. Nearly 80 percent of students are high school dropouts, and about 70 percent come from minority groups. About 20 percent come from families who receive public assistance. The typical Job Corps student is an eighteen-year-old high school dropout who reads at slightly above the seventh-grade level and has never held a full-time job (U.S. Department of Labor 2001).

Job Corps is widely recognized for its intensive battery of education, training, and support services. Most participants receive a variety of services, including social skills training, academic instruction, and vocational training and counseling, as well as other support services. Students spend an average of seven to eight months in the program, but the length of stay varies, depending on the pace of each student's progress. Just over 20 percent of all new participants drop out within the first sixty days for a variety of personal reasons (U.S. Department of Labor 2001).

A distinctive feature of Job Corps is its residential setting and commitment to personal development. About 80 percent of students live in dormitories at one of 118 Job Corps centers across the country (U.S. Department of Labor 2001, 2–4). All students develop social skills through a structured program that covers forty-five topics, such as responsibility to self and others, teamwork, and respect for diversity. Students also have access to a variety of activities and support services, including health care, meals, counseling, and student government. Nonresidential students have access to all the support services except dormitory living.

In addition to personal development, Job Corps emphasizes acquisition of academic and vocational skills. Upon entering the program, students, with assistance from counselors, develop an individualized plan that lays out an appropriate mix of academic and vocational training.

Vocational training prepares students for jobs in specific occupations or trades. Following an assessment, students are matched with training in a range of trades, such as health occupations, automotive maintenance, culinary arts, and construction. Vocational curricula encourage students to build specific skills or competencies that will meet the needs of employers and labor organizations in that trade. As they advance in their training, students have an opportunity to apply their newly acquired skills through unpaid positions with local employers.

Most students also receive academic instruction while they are learning a trade. The aim of academic instruction is to boost students' reading, math, computer, and Internet skills, laying a solid foundation for employment or further education. In addition, students receive training in workplace communications, such as following instructions, preparing resumes, and writing memos. Participants who lack high school diplomas are encouraged to acquire them or to enter high school equivalency classes leading to Graduate Equivalency Degree (GED) certificates.

The Job Corps administrative structure is as distinctive as its mix of services. Unlike most federal job training programs, which are administered by states and localities, Job Corps is a national program that is directly managed by the U.S. Department of Labor. Federal staff issue policy and program guidance and contract for the operation of centers. In 2000, there were 118 centers run by a combination of federal agencies and private organizations.

Federal administrators set high expectations for performance. The program has a sophisticated performance measurement system that tracks the results of center operators, training providers, and other contractors. Contracts are awarded based on success in achieving outcomes for students and meeting quality and compliance standards for center operations.

Recent evaluations demonstrate that the program is indeed achieving results. The National Job Corps Study, released in 2001, found that the program has many positive impacts on participants' lives, including increased education and training equivalent to about one year of school, higher earnings following program participation, reduced receipt of public assistance, and reduced arrest and conviction rates. However, Job Corps has little effect on the chances that participants will attend or complete postsecondary education. Most of the measured gains go to students who stay in the program long enough to complete vocational training or obtain a GED.

The study also found that Job Corps generates a strong return on the public investment. The program is expensive, costing the federal government about $16,500 per participant. Still, the benefits of the program, such as increased productivity of the participants and reduced use of public programs, exceed program costs by nearly $17,000 per participant. As a result, the program generates about two dollars in benefits to society for every dollar spent on services (Mathematica Policy Research 2001). The positive impacts on participants, combined with the high return on investment, make Job Corps one of the most effective job training programs for disadvantaged youth ever designed.

Neil Ridley

See also Comprehensive Employment and Training Act; Employment and Training Administration; Workforce Investment Act

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Job Placement and Recruitment Firms

Job placement and recruitment firms, also known as employment agencies, perform a variety of staffing-related services that match jobseeker skills with specific positions of employment at a client company. These firms work to attract both new jobseekers and, in some cases, to lure existing employees from one company to another. In 1999, employment agencies generated approximately $91 billion in revenues (Staffing Industry Analysts 2000, 10). In 2000, the U.S. Bureau of Labor statistics estimated that there were an estimated 390,000 jobs arranged by approximately 18,000 employment agencies throughout the United States (U.S. Department of Labor 2002). With employment growth on the rise among these firms, job placement and recruiting companies comprise a vigorous portion of the U.S. workforce and economy.

There is significant diversity within the job placement and recruiting industry. Some firms specialize in placing candidates into jobs within a specific field, such as health care, whereas others specialize in filling jobs associated with a particular level of management. These firms should not be confused with other types of staffing agencies, such as temporary help firms and outsourcing firms, that engage in employee leasing. This term refers to a relationship wherein a jobseeker is hired by an agency and assigned to work at a client company location. Although the client often maintains some supervisory duties, the individual is employed by the staffing agency. Some companies, termed "full service" staffing agencies, perform both job placement and employee leasing functions. However, placement and recruiting activities foster a direct employment relationship between the jobseeker and an employer; employee leasing does not.

Most job placement and recruitment companies work on behalf of client companies to advertise, screen for, and fill open positions with applicants seeking new jobs. Generally, employers pay the firm a fee when they accept a candidate referred by the agency. Companies that use this method of job placement are often referred to as "contingency firms."

Many companies that specialize in full-time executive placement also work as "retained search firms," which generally refers to the process of locating a candidate for a specific position at a client company. In this case, the client pays a fee to the firm, regardless of whether a placement is made (Staffing Industry Analysts 2002). Retained searches generally focus on recruiting existing employees from other companies. Therefore, this service is sometimes derogatorily referred to as "headhunting" (Staffing Industry Analysts 2002).

Job placement firms can also be hired by client companies to deliver outplacement services to recently laid-off employees. These services help guide terminated workers into new jobs or careers through the provision of short- or long-term counseling and supportive services, such as resume writing assistance and interest and skill assessments (Staffing Industry Analysts 2002).

Many job placement firms also incorporate Internet-based recruiting strategies. Some of these Web-based approaches include posting positions on job boards, tracking applicant resumes, and screening candidates. This aspect of the recruiting industry eliminates many administrative inefficiencies and, consequently, results in lower client costs. As a result, Internet recruiting is becoming a more widely accepted alternative to traditional agency models (Lee 2002).

Because employers are becoming increasingly reliant on outside agencies to perform the preliminary screening of candidates, job growth is projected to increase among employment agencies between 2000 and 2010 (U.S. Department of Labor 2002). However, this growth is expected to be slower than that of other portions of the staffing industry because of the increased efficiencies associated with the use of Internet-based recruiting methods.

Jennifer Cleary

See also Contingent and Temporary Workers

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Job Security

Job security is the assurance workers have that they will not be released from their employment involuntarily, through discharge or layoff. In the United States, the default rule governing employment is known as employment at will, which essentially means that an employer has the absolute right to discharge or lay off an employee at any time. Therefore, employees do not have job security as a general rule. To get it, they must look to the law or to a contract.

The law in the United States does not provide a great deal of job security to employees. In fact, there is no law at either the state or federal level that provides complete job security to employees. There are a number of laws in the United States that make it illegal for employers to discharge employees for specific reasons (for example, a variety of laws prohibit discharge based on race, sex, religion, age, disability, etc.), but there is no law that prevents employers from discharging employees merely because they feel like it. Therefore, employees in the United States have job security from the law against certain types of discharges, but the law provides employees very limited job security in general.

Laws in the U. S. also provide employees very little job security against being laid off. The Worker Adjustment Retraining Notification Act of 1988 requires employers to provide employees with notice of layoffs in certain circumstances. Also, most employees who are laid off are entitled to unemployment insurance. No law limits employers' ability to lay off employees, however.

Employees also may acquire job security contractually. An employer and employee are free to enter into a contract that will provide job security to the employee, but the majority of employees do not have an individual employment contract. One sector of the workforce that does have a great deal of job security is the unionized sector. The vast majority of unionized employees are covered by a collective bargaining agreement, which is a contract between an employer and the union representing its employees that provides certain rights or benefits to the employees covered by the agreement. The vast majority of collective bargaining agreements in this country contain a just cause provision, meaning that an employee cannot be discharged without a good reason. Therefore, most unionized employees have job security that they will not be discharged at the whim of the employer. .

It can be argued that the best way for U.S. employees to obtain job security is for them to provide it for themselves. According to this argument, an employer will not discharge an employee who is indispensable, therefore providing workers with job security. It is suggested that employees can do this by requiring unique skills and abilities that are needed by their employers.

In general, U.S. workers are extremely concerned about job security. A survey done by the John J. Heldrich Center for Workforce Development in 1998 revealed that 87 percent of Americans are concerned about job security for those currently employed and that 21 percent of U.S. workers believe that working hard will not guarantee them a job until retirement. It is interesting to note, however, that Americans are generally satisfied with their levels of job security. Despite employers' virtually unfettered ability to discharge or lay off employees at will, 86 percent are very or somewhat satisfied with their job security. This may be explained by the fact that most people are not aware of how little job security they have. A 1997 study by Pauline Kim showed that workers greatly overestimate the protections afforded by law, believing that they have far greater rights against unjust or arbitrary discharges than they in fact have under an at-will contract.

Steven E. Abraham

See also Collective Bargaining; Comparable Worth; Downsizing; Layoffs; Outplacement

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Job Skills

Throughout history, changes in technology, transportation, and communications have changed the ways in which U.S. companies conduct business. To remain competitive in the changing markets, these companies have required that their employees adapt to these new workplace advancements (Greenspan 2002, 1). As a result, U.S. workers need to update their skill sets so as to remain valuable as employees. Along the same lines, employers need to ensure that their employees are trained in the latest technologies so that they can remain competitive in the global economy (U.S. Department of Commerce 1999, 1).

The transition to a global economy has brought with it a change in the ways in which business is conducted in the U.S. workplace and in the skills needed for employment. A greater share of the workforce requires higher levels of computer and technological skills than ever before. Also, although many jobs once consisted of a small number of repetitive tasks, today's employees are expected to possess many skills that allow them to oversee several different tasks at the same time (U.S. Department of Commerce 1999, 2–3). It is not surprising then, that many employers now seek out employees with developed skill sets or the desire to improve their skills through continued education and training (U.S. Department of Commerce 1999, 4). In fact, many employers are willing to provide or even pay for this training for their employees. Lifelong learning has become the trend for the U.S. labor force, in which basic skills are no longer adequate and no longer ensure long-term employment (Greenspan 2000, 3). The following sections enumerate some of the laws and studies that have affected the delivery of and outlook on skills training in the United States.

Reports and Legislation Affecting Job Skills

Comprehensive Employment and Training Act of 1973

The Comprehensive Employment and Training Act (CETA) was enacted in 1973. The legislation effectively replaced the Manpower Development and Training Act of 1962, which provided funds to train employees who lacked the skills to keep up with current changes in workplace technologies (Gordon 1999, 70–72). CETA brought about significant changes in the relationship between training and state and federal entities, since, through CETA, states were provided more authority over training programs. Local and state governments were given discretion to establish how funds should be used and to determine how programs should be developed for their area (Gordon 1999, 74). Through funding for employment counseling, on-the-job training, and classroom training, CETA had marked impacts on the education of U.S. workers (Gordon 1999, 74).

Job Training Partnership Act of 1982

In 1982, CETA was replaced by the Job Training Partnership Act (JTPA), which was created to establish programs to assist unskilled adults and youth with entry into the workforce. The JTPA also focused on the economically disadvantaged by establishing job-training programs that would specifically help this population to obtain gainful employment (Gordon 1999, 76).

Private industries and state government were granted an increased role in the creation of training programs through the JTPA. However, they were also required to accept more responsibility for the success of these programs (Gordon 1999, 76). One goal of the JTPA was to promote a stronger connection between job-training programs and private businesses that might lend valuable expertise to the learning environment. Once these new links were established, the goals of the JTPA turned toward providing more training for individuals, particularly economically disadvantaged persons, who might be in need of employment training or retraining (Gordon 1999, 76–77).

A Nation at Risk: The Imperative for Education Reform

President Ronald Reagan's secretary of education, Terrell H. Bell, commissioned a report from the National Commission on Excellence in Education on the state of the educational system in the United States. The commission produced a report entitled *A Nation at Risk: The Imperative for Education Reform,* which sparked the nation's interest in U.S. education (Bell 1986, 3–4). The report detailed poor test scores, failing schools, and the reality that U.S. students could not compete with international students who excelled in the subjects of math and science (Levy 1996, 127).

This revival of attention to education policy motivated several new policies that attempted to improve the global competitiveness of U.S. students. As a result, new education policies emerged that focused on the enhancement of students' skill sets and abilities, particularly in the areas of science and mathematics (Thomas 2001; Reagan 1984). Thus a renewed focus on education opened new opportunities to link education with job training.

Carl D. Perkins Vocational Education Act of 1984

Although primarily a piece of legislation focused on improving the future of vocational education, the Carl D. Perkins Vocational Education Act of 1984 also had a distinct focus on job skills. The act amended the Vocational Education Act of 1963 and replaced the Vocational Education Act Amendments of 1968 and 1976. There were two primary objectives of the 1984 legislation. First, Perkins established programs that would serve to improve the job skills of those already participating in the labor force. Second, the legislation created opportunities for adults to enroll in vocational education initiatives. Through the Perkins Act, a link was created between vocational education and job readiness, job skills, and continuing education while ensuring that adults as well as students had access to these valuable programs (Gordon 1999, 77).

The Forgotten Half: Pathways to Success for America's Youth and Young Families

The Forgotten Half was a study of young American adults, published in 1988 by the William T. Grant Foundation. The report focused on young high school graduates who declined to attend college. According to the report, these young adults, particularly those aged twenty to twenty-four, had one of the highest unemployment rates in the country (William T. Grant 1988, 2). In determining the cause of this phenomenon, the report contended that the U.S. educational system neglected the needs of these students. School curricula focused on preparing college-bound students for their future while failing to supply non-college-bound youth with the necessary skills to hold gainful, long-term employment. In addition, *The Forgotten Half* argued that what little skill preparation these students did receive was severely outdated for the changing labor market. As a result, these young adults were forced to survive on low-paying jobs with little or no opportunities for advancement (William T. Grant 1988, 3).

Four proposals were made in *The Forgotten Half,* inspiring a new outlook on the preparation of non-college-bound students for graduation. First, the report advocated a more significant relationship between the adults and youth of the nation (William T. Grant 1988, 5–6). Second, the commission recommended the creation of more opportunities for community-based leadership for students. The idea was that students should be involved in the planning and implementation of the very programs that develop their futures (William T. Grant 1988, 6–8).

The report's third recommendation was centered on examples of "best practices" of existing community-based programs. An appeal was then made to government leaders at all levels to support the establishment of these community-based programs through new legislation and the encouragement of local business participation (William T. Grant 1988, 9). The fourth recommendation of the report came in the form of a legislative proposal, the Fair Chance: Youth Opportunities Demonstration Act. This legislation called for a national pilot program that would include high school graduates as candidates for admission to training and education programs (William T. Grant 1988, 10). This legislation established an opportunity for all students to obtain valuable training and the skills necessary to gain high-paying, long-term employment.

America's Choice: High Skills or Low Wages!

In June 1990, the Commission on the Skills of the American Workforce presented *America's Choice: High Skills or Low Wages!* The report detailed the fact that income levels were continually decreasing for those in the lowest wage brackets but were increasing for those in the highest wage brackets (Commission on the Skills of the American Workforce 1990). In addition, the commission noted that young adults were entering the workforce without the skills necessary to maintain gainful employment. To rectify this situation, the commission recommended a restructuring of the U.S. educational system. This new system would ensure that all students met certain skill standards upon graduation, thus leaving them more adequately prepared to enter the workforce (Commission on the Skills of the American Workforce 1990).

The Secretary's Commission on Achieving Necessary Skills (SCANS)

In June 1991, the Secretary's Commission on Achieving Necessary Skills (SCANS) published its original report, *What Work Requires of Schools.* The report discussed the most important skills that all U.S. students should know in order to be successful future employees. Through the report, the commission also described specific teaching strategies that might help teachers to foster these skills within the classroom. Extensive research allowed the secretary's commission to comment on the skills that employers most commonly classify as being important for a successful employee. The main point of this first report was to foster the academic programs that would create a more productive workplace and produce workers with higher skill levels and higher wages (SCANS 1991).

Another goal of the SCANS report was to emphasize not only the academic skills but also the interpersonal skills that employees need in order to be successful in the workplace. Public schools were seen again as a place in which these skills should be fostered and taught to all students. This focus on public education led the commission to establish a three-part academic foundation and a list of the five most vital competencies that all students should master in school. Students must learn these skills, the commission reiterated, in order to survive in the U.S. workforce (SCANS 1991).

Since publication of the SCANS report, curriculum developers have often used the commission's curriculum foundation and list of competencies as a blueprint for future change in academic programs. Subsequent reports from SCANS have further encouraged the adoption of the SCANS recommendations.

The School-to-Work Opportunities Act of 1994

The School-to-Work Opportunities Act of 1994 (STWOA) reinvented vocational education in the United States. Appropriations from the legislation allowed states to establish their own network of school-to-work programs. These plans served to link local businesses with high school youth interested in learning a specific trade (U.S. Senate 1993). The goal of the STWOA was to provide non-college-bound students with the opportunity to learn the skills that would provide them with high-paying, long-term employment.

National Skills Standards Act of 1994

The National Skills Standards Act of 1994 created the National Skills Standards Board, which encouraged the expansion of a national voluntary system of standards and assessments for skill attainment. The legislation was created to strengthen the skills of the U.S. workforce. The board was also set up to serve as an intermediary among employers, employees, and training providers. It would ensure that vital communication lines remained open so that the needs of each group were continually met. The act also aimed to foster a better connection among employers and training programs, ensuring that employers had a voice in the development of training programs and classes. Lastly, through the legislation, the National Skills Standards Board was charged with the responsibility of forging a smooth transition from the classroom to the workplace (Department of Education 2002).

The Workforce Investment Act of 1998

The Workforce Investment Act of 1998 (WIA) instituted a system of one-stop career centers throughout the nation. Each state is responsible for the establishment and maintenance of several one-stop centers, which are financed with federal funds. These centers provide employment counseling, resume assistance, job skills training, and information resources for all persons seeking employment or wishing to enhance their personal skills set (McNeil 1999, 1).

The WIA allows training providers to run their programs within these one-stop centers, but an accountability measure is imposed upon them. Training programs must demonstrate that they provide quality classes and obtain effective results for their patrons (McNeil 1999, 5). As one way of ensuring this quality, training providers are required to offer several specific services enumerated within the legislation (McNeil 1999, 3, 8).

Karin A. Garver

See also Earnings and Education; Education Reform and the Workforce; Lifelong Learning

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Job Training Partnership Act (JTPA) (1982)

On October 13, 1982, with the national unemployment rate at 10.1 percent, the federal Job Training

Partnership Act (JTPA) was signed into law. This legislation, which replaced the decade-old Comprehensive Employment and Training program (CETA), authorized funding for a year-round training program for disadvantaged adults and youth and for a summer youth program. For a program or organization to qualify for participation in most JTPA programs, at least 90 percent of the participants it served had to be economically disadvantaged. Welfare recipients and school dropouts aged sixteen to twenty-one were to be served in proportion to their incidence in the overall eligible population. Each service area was required to spend at least 40 percent of its JTPA funds on youth. Expenditures for a combination of administrative and other nontraining costs, such as supportive services for participants, were capped at 30 percent. Although the administration of President Ronald Reagan tried to eliminate the Job Corps program (a 1960s residential program that removed deeply economically disadvantaged youth from their home environments), it was continued under Title IV of JTPA.

Although criticized throughout its fifteen-year tenure for "creaming" (serving a largely job-ready and temporarily unemployed population), the JTPA program nevertheless had a lasting impact on the shape of employment and training service delivery in the United States. In keeping with President Reagan's philosophy of government downsizing and devolution (shifting service delivery from the federal to the state and local levels), JTPA shifted primary responsibility for employment and training program administration to states and localities. It also established a significant role for business and industry in planning and monitoring services and moved the focus away from public sector employment and toward training for unsubsidized jobs. Finally, JTPA introduced a strong emphasis on performance standards, such as increases in employment and earnings and a reduction in welfare dependency.

Under JTPA, state governors appointed and shared administrative authority with advisory job training coordinating councils. States were divided into service delivery areas (SDAs), the primary vehicles for providing training services. Each state and SDA prepared a two-year program plan, and each SDA established a private industry council (PIC), consisting of a majority of local business leaders, as well as representatives of educational and economic development agencies, community-based organizations, and the public employment service. PIC members were appointed by locally elected officials and provided overall policy guidance and oversight in partnership with local officials. In the early days, many public statements by Labor Secretary Raymond Donovan reflected the Reagan administration's belief that a strong reliance on the private sector would result in creation of more permanent jobs.

Criticism of JTPA programs emerged as early as 1984. The National Youth Employment Coalition surveyed 1,000 local groups involved with youth training and reported that losses of service for youth most seriously at risk and needing more lengthy and costly assistance had already occurred. An independent review of JTPA by Grinker, Walker Associates in 1984 acknowledged the positive involvement of the private sector in the development and implementation of local employment and training policies. However, the review also found that SDAs were oriented toward serving individuals needing minimal services and training.

This concern that restrictive provisions resulted in an emphasis on short-term training and employment placement and placed programs at risk of serving those less in need of services became a recurring theme in the JTPA program. Despite growing worries about this practice, only minor legislative changes were made in 1986, and two years later Congress expanded only the Title III program for dislocated workers. Although the Department of Labor prepared major amendments to Titles II-A and II-B, Congress took no action in either 1989 or 1990.

A 1989 General Accounting Office (GAO) report found that more employable JTPA program participants were receiving higher levels of service than dropouts, welfare recipients, and minorities. The most disadvantaged participants were also less likely to receive occupational training and to be trained in high-skilled occupations. In a 1991 analysis of data provided by 277 SDAs, a GAO report entitled *Job Training Partnership Act: Racial and Gender Disparities* found that black participants were more likely than white to receive only job search assistance and that women, although receiving more classroom training than men, received training for lower-wage occupations.

Congress was finally stimulated to act by these GAO reports and other JTPA program evaluations.

The Job Training Reform Amendments of 1992 took effect July 1, 1993. Employment and training services for economically disadvantaged out-of-school youth were separated from Title II-A and put into a new Title II-C. States were required to spend at least 40 percent of funds for adult training programs and 40 percent for youth, 65 percent of youth served had to be in identified "hard-to-serve" categories, and 50 percent had to be out-of-school youth. Concerns about creaming were addressed by targeting additional populations, such as individuals with basic skills deficiencies and those who were behind in grade level, pregnant or parenting, or homeless or runaways. These amendments required that shorter-term services such as job search assistance and job search skills training be accompanied by other educational or training services. Local programs were also mandated to assess participant skills and service needs and develop individual service plans.

In a 1995 review of JTPA evaluation studies, Norton Grubb found very modest earnings increases for adults who participated in JTPA programs, with women showing a greater impact than men. He concluded that the benefits to participants were too small to aid them in leaving the welfare rolls or escaping poverty. Furthermore, the impact for youth was zero or negative.

During the mid-1990s, the Clinton administration, now operating in a stronger economic climate, began to shape its own ideas about employment and training. On August 7, 1998, President Clinton signed the Workforce Investment Act of 1998 (WIA), comprehensive reform legislation that superseded the Job Training Partnership Act (JTPA) and had as its cornerstone the concept of one-stop service delivery.

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See also Comprehensive Employment and Training Act; Employment and Training Administration; Welfare to Work; Workforce Investment Act

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Justice for Janitors

A nationwide campaign of the Service Employees International Union (SEIU), Justice for Janitors (JFJ) helps organize janitors by using direct action in their struggle for living wages, health benefits, and secure full-time jobs. JFJ is notable for its effort to broaden the U.S. labor movement to include immigrant and lower-skilled workers who have had little voice in the public arena. The JFJ campaign began in Denver in 1985, and by 2002 it represented 202,000 members nationwide. The organizing techniques employed by the SEIU are now used across the nation and the world in a number of industries. In 1995, SEIU president John Sweeney won the presidency of the AFL-CIO in its first contested election, and he set about implementing the organizing strategies used by the SEIU on a wider scale.

SEIU has a lengthy history, beginning as an association of apartment janitors in Chicago at the turn of the twentieth century. Since that time, SEIU has broadened its scope to become the largest union in the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), representing 1.5 million building service, health care, public service, and industrial service workers.

The JFJ campaign began at a particularly important time in SEIU's history. The 1970s and 1980s had seen an overall weakening of unions generally. Industrial and office janitors in particular were facing the growth of a phenomenon in urban economies called "outsourcing" or "contracting out": the use of private contractors to supply building services rather than the direct employment of workers covered by a city-wide master contract. Since labor makes up the bulk of costs in the service industry, contractors tend to cut workers' wages and benefits and to employ workers who do not have the protection of unions. In addition, the use of contractors tends to make owners less accountable and to result in both employers and employees being spread out over a city, making organization all the more difficult (Howley 1990; Williams 1999).

The SEIU has responded with its Justice for Janitors campaign to bring public awareness to the challenges facing workers, and it has successfully achieved living wages, health care benefits, and full-time employment in the cities in which it has organized. The campaign has used a variety of means, including rallies, press conferences, leafleting, and even civil disobedience (Howley 1990). The campaign began in 1985 with an effort to organize janitors in Denver. It was a significant turning point in the SEIU's efforts, for several reasons. The Denver effort marked the first JFJ campaign, bringing new attention to its agenda, but equally important, the Denver JFJ also accomplished two novel goals: it organized workers in a new area throughout the city, and it organized all workers, including undocumented immigrants.

The JFJ campaign has continued to bring public attention to issues of social justice facing janitors through the 1990s and into the present. In 1990, a Los Angeles rally was videotaped during which sixty demonstrators were beaten by police. The resulting publicity helped SEIU to win its strike and, more important, to capture the sympathy of an international public. In 1995, JFJ won public attention with a sit-in that blocked traffic on a busy bridge in Washington, D.C., leading to a successful citywide union contract. And in 2000, simultaneous JFJ campaigns won health care benefits and wage increases for workers in St. Louis, Chicago, and Los Angeles. This pattern of achievements typifies JFJ's strategy of organizing city by city to respond to the particular challenges of each area.

Since the beginning of the JFJ campaign in 1985, janitors' membership in SEIU has increased from 150,000 to 202,000 (Lerner 2002). SEIU and JFJ continue to work to increase full-time employment; secure health care and basic benefits, and expand the protection of immigrant workers.

Derek Barker

See also American Federation of Labor and Congress of Industrial Organizations; Health Insurance; Immigrants and Work; Living Wage; Sweeney, John J.

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K

Knights of Labor

The Noble Order of the Knights of Labor was the most radical of the dominant U.S. labor organizations during the Gilded Age of the late nineteenth century. In an era of industrial expansion, speculation, and a widening gap between workers and financiers, the Knights of Labor was motivated by a radically inclusive vision of the solidarity of all labor. It was in the Knights of Labor that, for the first time, unskilled workers found a place within the U.S. labor movement.

The order was originally founded as a fraternal society with a distinct vision of community, in which workers would help each other to alleviate the toils of labor through education and cooperation. Unlike the trade unions at the time, the Knights of Labor refused to exclude unskilled workers or to be divided by particular crafts and industries. In the words of Terence Powderly, the organization's most important leader, "It was because the trade union failed to recognize the rights of man, and looked only to the rights of tradesmen, that the Knights of Labor became a possibility" (Powderly 1890/1967). Despite this vision of solidarity, the Knights of Labor attempted to distance itself from the label of "socialism," proclaiming "we mean no conflict with legitimate enterprise, no antagonism to necessary capital" (Commons 1918/1966, 198). The Knights of Labor rejected violence and revolution and often distanced itself from strikes. Instead, throughout its history the order was committed to the improvement of workers' lives by providing education about temperance, cooperation, fraternal values, and the implications of the wage system.

The Knights of Labor was established in 1869 by Uriah S. Stephens as a fraternal society for a small group of garment workers in Philadelphia. In reaction to the persecution of groups that openly advocated socialism and anarchism, the Knights of Labor originally shunned political action. Instead, the group began as a secret society in the style of the Freemasons, but specifically devoted itself to worker education and cooperatives. The worker-owned cooperatives sometimes (though not often) provided material benefits, but the rewards of membership during this period were largely cultural, including, for example, poetry, storytelling, sporting events, and, in the Masonic tradition, ritual. These cultural dimensions persisted in varying degrees throughout the Knights of Labor's history (Weir 1996).

The Knights of Labor's first step toward national prominence was to abandon the policy of secrecy in 1874. Following that decision, the organization gradually expanded its involvement in political action. In 1879, Stephens was replaced by Terence V. Powderly as general master workman, and it was under Powderly's leadership that the Knights of Labor would reach its peak of development. The order then established a new constitution that created a central infrastructure capable of building a national organization. Membership began to expand during this

Illustration from Frank Leslie's Illustrated *of the tenth annual convention of the Knights of Labor in 1886, with an African American delegate introducing Terence Powderly. (Library of Congress)*

period, from 9,000 in 1878 to 52,000 by 1883 (Commons 1918/1966, 339).

It was at this time that the Knights of Labor became more active in strikes and in political organizing, leading to its most important material successes. In 1883, the Knights of Labor supported a telegraph workers' strike against Western Union. Although the strike ultimately failed, it helped to mobilize the order for future organizing. The Knights of Labor engaged in its most important and successful strike against the Jay Gould railroad empire in 1885. During this period, the organization also participated in aggressive political action and achieved its most important legislative victories on such issues as child labor and shorter workdays. Perhaps most important, the Knights of Labor helped establish state and federal labor bureaus to further the public's awareness of workers' conditions. In 1886, the Knights of Labor reached its peak membership of 700,000 (Commons 1918/1966).

As the Knights of Labor expanded into national prominence, it also became more diverse. The order refused to exclude blacks, declaring that, "the (outside) color of a candidate shall not debar him from admission: rather let the coloring of his mind and heart be the test." (Kessler 1952, 249). Because trade unions emphasized only the interests of skilled workers, the Knights of Labor's inclusive vision of solidarity was friendlier to the interests of newly emancipated African Americans than were other parts of the U.S. labor movement. Although local prejudices sometimes kept individual chapters segregated, the district and state assemblies were all integrated. As a result, the multiracial Knights of Labor regularly faced intimidation from employers in the Jim Crow South. The race issue was regularly deployed to divide support for strikes, many locals were forced into secrecy, and one white organizer was lynched and shot. Nevertheless, African American membership reached a peak of 60,000 in 1886 (Kessler 1952).

Women were also a significant presence in the Knights of Labor, again through both mixed organizations and so-called ladies' locals, with female membership estimated at 65,000 in 1887 (Levine 1983). As women entered the factory workforce in greater numbers, they joined their male counterparts in seeking reform of the wage system and establishing cooperatives. The Knights of Labor tapped into this growing population by dedicating itself to women's suffrage, equal pay for equal work, and even the recognition of housework as productive labor. Women had often gained organizing experience in the suffrage and temperance movements and proved equally adept at organizing strikes and cooperatives. One labor newspaper exclaimed that "they are the best men in the Order" (Levine 1983).

The Knights of Labor experienced a rapid decline after reaching its peak in 1886. This decline may have been the inevitable result of its utopian ideology, but changing circumstances also played a role. Since the Knights of Labor had been formed as an alternative to the skilled workers' unions, the unions resisted the Knights of Labor's all-inclusive vision. The first sign of animosity between the two groups was the leaking of a top secret memo from Powderly ordering the Knights of Labor not to participate when the unions called for a general strike in support of the eight-hour work day. Competition with skilled workers came to a head with the formation of the American Federation of Labor in 1886. To compound matters, employer associations had been forming and organizing successful lockouts against the Knights of Labor. And finally, the order suffered from negative publicity when it was falsely associated with the Haymarket Square Incident. By 1890, membership was reduced to 100,000. With the dissolution of the Knights of Labor, Powderly and other former leaders went on to join forces with the Farmer's Alliance and the populist movement.

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See also American Federation of Labor and Congress of Industrial Organizations; Bureau of Labor Statistics; Haymarket Square Incident; Socialism; Strikes

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L

La Follette, Robert (1855–1925)

Born on June 14, 1855, in Primrose, Wisconsin, "Fighting Bob" La Follette served as a Republican in the House of Representatives from 1885 to 1891. Returning to civilian life as a lawyer, he became convinced that a wealthy lumber baron named Philetus Sawyer had tried to bribe him to fix a legal case, triggering a lifelong campaign against big business. He saw his main role as protecting the people against corporations and selfish interests.

A brilliant orator, he tapped into the farmers and small businesspeople's anger at eastern capitalists and the railroads and their control of the political process. In 1900, he was elected governor of Wisconsin and quickly initiated railroad reform. He pushed through a new tax on railroad property and set up a commission to regulate its activities. To combat the corruption of Wisconsin politics by big business, he championed the institution of direct primary elections and spending limits on campaigns. In 1905, toward the end of his term as governor, he recommended that his state adopt a graduated income tax to tax singles with incomes over $800 and married couples with incomes over $1,200. These reforms became part of what was known as "the Wisconsin idea."

In 1906, La Follette was elected to the U.S. Senate. He would remain in Washington until his death on June 18, 1925. For there, he continued his campaign against corporations and railroads. He believed that 100 industrialists controlled the

Robert La Follette, ca. 1901–1925 (Library of Congress)

nation's economy. He promoted the growth of trade unions as a check on big business and opposed the Payne-Aldrich tariff on a variety of imported goods, believing that monopolies would benefit from it more than the average working person.

While seeking the presidential nomination in 1908 and 1912, he founded *La Follette's Weekly*

Magazine (1909) and the National Progressive Republican League (1911) to promote his reform ideals. His identification with working people led him to oppose U.S. entry into World War I and to almost be expelled from the Senate for disloyalty in 1917.

In the last three years of his life, La Follette supported the Conference for Progressive Political Action (CPPA), which comprised the leaders of several machinists' unions and railway brotherhoods. The CPPA, adopting the moniker "Progressive Party," named La Follette as its presidential candidate in 1924, although he ran as an independent because he feared being linked to socialism and garnered 17 percent of the vote. He campaigned against child labor and the use of court injunctions to end labor disputes but supported the breakup of monopolies and near monopolies, public ownership of railroads and natural resources, farm relief measures, laws to aid the less privileged, and direct election of federal judges. After his death a year later, the Progressive Party crumbled as a national force. Yet his two sons, Robert and Philip, carried on his campaign and organized the Progressive Party in Wisconsin. Much of the reforms that he advocated throughout his life would become national policy after his death.

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See also Communism in the U.S. Trade Union Movement; Democratic Socialism

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Labor Force

A nation's labor force is the total population of people looking for work or already working. Incorporated into the concept of the labor force are all of the historical, demographic, political, and social factors present in a society and how they affect the number of people working or looking for work. These factors have changed enormously throughout U.S. history, as different groups within the population enter and leave the workforce over time (Toossi 2002, 15). A closer look at some of these factors will help to decipher the nuances of what is called the "labor force."

Historical Changes in the Labor Force

The composition of the U.S. labor force has exhibited significant growth and change throughout history. Variation in participation rates and population growth are the two main elements that affect growth in the labor force (Toossi 2002, 16). Many factors have shaped labor force participation and growth over time and provide an important glance into the trends that continually determine the composition of the labor force.

Population and Birth Patterns

During the twentieth century, changing birth patterns have played a major role in the composition of the labor force. In the 1920s and 1930s, a period of time characterized as a "birth dearth," the number of births in the United States declined significantly. Consequently, as this generation of children entered and continued to participate in the workforce, they represented a blip in the labor force that was much smaller than the other age groups in the workforce. Similarly, the "baby bust" in the late 1960s and 1970s was characterized by a notable drop in the birth rate. This generation of citizens will affect the labor force in ways similar to the birth dearth generation (Toossi 2002, 16).

The "baby boom" from 1946 to 1964 represents another significant phenomenon that would later have enormous effects in the U.S. labor force. The large number of individuals from this generation entering the workforce has posed many different issues for the country's labor force (Toossi 2002, 16; Kutscher 1993, 3). Most recently, the question of adequate Social Security benefits has become a major concern for this unusually large section of the population as it begins to retire from the workforce. In addition, the baby boom generation has created a new generational phenomenon called the "baby boomlet," representing the children of the baby boomers, who will likewise flood the labor force in the coming years, resulting in labor situations similar to those faced by their parents (Toossi 2002, 16).

Gender and the Labor Force

One of the most significant factors affecting the growth and change of the U.S. labor force over time has been the increased labor force participation of women. In the decades following World War II, the United States experienced an expansion that resulted in marked economic growth. The demand for labor increased rapidly, creating opportunities for women to enter the workforce in record numbers (Toossi 2002, 16; Fullerton 1999, 3, 5; Kutscher 1993, 3). The civil rights movement, coupled with the women's movement, established a situation within the country in which it became more acceptable for women to hold gainful employment. Since this time, the participation rate of women in the workforce has increased with every passing decade (Toossi 2002, 16).

Race and Ethnicity in the Labor Force

Particularly since the 1950s, the U.S. population has become more ethnically and racially diverse. As a result, the U.S. labor force has also become much more diverse. Immigration is the major source of this population and diversity increase in the United States (Fullerton 1991, 6; Kutscher 1993, 4–5; Toossi 2002, 16, 20). Population data from 1980 reports that the United States' population consisted of 86 percent whites (including those of Hispanic origin), 11.8 percent blacks, 0.6 percent American Indians, and 1.6 percent Asians. Ten years later, blacks rose to 12.3 percent of the population, American Indians and Asians rose to 0.8 and 3 percent respectively, and whites fell to 84 percent of the population (Toossi 2002, 20; U.S. Census 2001). Similarly, the 2000 U.S. Census shows that whites continued to decline to 82 percent of the population, while blacks, American Indians, and Asians all rose to 12.8, 0.9, and 4.1 percent, respectively, of the population (U.S. Census 2001).

In future decades, projections show that non-Hispanic whites will continue to decline in number, perhaps falling to as low as 54 percent of the population by 2050. At the same time, Hispanics are expected to reach 23 percent of the population, blacks 15 percent of the population, and "others" 10 percent of the population during the same time period (Toossi 2002, 20, 23). Consequently, these population changes are expected to change dramatically the diversity of and the participation in the U.S. labor force (Toossi 2002, 23).

The Future of the U.S. Labor Force

One function of the Bureau of Labor Statistics is to examine labor force trends to predict how the labor force may grow and change in coming years. These forecasts then shape the future of workforce policy for the country. The forecasts, often stretching fifty years into the future, are based on two main indicators: the predicted trends of different populations in the labor force and the past size and growth of different populations (Toossi 2002, 16). One current prediction is that labor force growth will slow down in the coming decades. The U.S. labor force grew rapidly during the last fifty years of the twentieth century. In the future, this growth is expected to continue but at a much slower rate (Toossi 2002, 15; Fullerton 1999, 7).

The age and gender composition of the labor force is also expected to change in the coming decades. Although the increase of females in the workforce is not expected to stop entirely, it will likely slow in future decades, similar to the way in which overall labor force participation will continue to grow at a slower rate (Toossi 2002, 15; Fullerton 1999, 7). As the baby boomer and boomlet generations of workers mature, the overall age of the labor force will increase as well. For several decades, the United States will experience an overall age increase in the population of those in the workforce (Toossi 2002, 15; Fullerton 1999, 6).

In addition to these changing factors, the ethnic and racial composition of the U.S. labor force is also expected to change dramatically in the near future. Labor force projections indicate that the U.S. labor force will continue to become more diverse. The Bureau of Labor Statistics predicts that minorities will comprise a larger overall percentage of the labor force than whites in the future (Toossi 2002, 15–16; Fullerton 1999, 11–12).

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See also Careers; Labor Market; Occupations and Occupational Trends in the United States; Unemployment Rate

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Labor Market

Changes in employment and unemployment are widely regarded as the two most instructive labor market indicators for developed countries. These indicators provide information about both the overall economy and current labor market performance (Sorrentino and Moy 2002, 15). In general, the labor market of a particular country can tell a great deal about the strength of the economy, the power of the workers, and the degree to which the state is involved in labor relations (Gordon, Edwards, and Reich 1982, 21).

The Labor Market and Freedom

The establishment of labor markets in the United States created a newfound freedom for U.S. workers. Where once workers held a servantlike position with masters rather than bosses, now workers enjoyed the freedom of moving from one job to the next as they pleased. Employers quickly learned that if they treated their workers poorly, more often than not, there was another employer offering more benefits and better conditions waiting to hire their employees. Employers had come to rely on the institution of indentured servitude to provide dependable labor, so as this practice began to decline, the institution of slavery took its place in U.S. society (Jacoby 1998, 25).

At the same time that slavery bound workers to masters, the new U.S. labor market afforded others freedoms they had never before experienced. Workers were no longer forced into any particular line of work as determined by birth but rather became willing participants in the labor market. They entered into an agreement with an employer that they were free to terminate at any time. The active labor market afforded workers a set of choices. No longer did status, custom, or law determine the fate of a laborer, but rather the labor market and his or her own desires held this power (Jacoby 1998, 35). It is important to reiterate, however, that the exercise of slavery in the United States meant that not all Americans were afforded this power.

Slow Integration of the U.S. Labor Market

In the years following the Civil War, advancements in the areas of communications and transportation allowed U.S. business owners to expand their companies to a national level (Rosenbloom 1996a, 626; Rosenbloom 1990, 440). Communication and transportation are two important factors in the integration of labor markets. An "integrated" labor market is characterized as one in which there is a free and rapid exchange of information among labor market participants (Rosenbloom 1996b, 3). Thus, these improvements in transportation and communication allowed for a more integrated labor market in the United States.

However, research shows that the country's labor market integrated only regionally at first. The north central and northeastern regions of the United States produced a highly integrated labor market, whereas the southern region of the United States produced its own integrated labor market. These markets, however, initially failed to integrate with each other. It was not until after World War I that the U.S. labor market began to emerge as one entity, integrated throughout the entire country (Rosenbloom 1996, 627).

The Modern Labor Market

Early labor markets, in which employees switched from job to job frequently with little stability for either the employee or the employer, are thought to have given way to the modern labor market sometime in the 1940s and 1950s. The pre–World War II market is often characterized as chaotic. Within this labor market structure, workers had little job security, received few or menial wage increases over their lifetimes, held no rights as aging workers, and were often disciplined through fines or firing. In contrast, in the modern labor market, workers have obtained more long-terms contracts for work with their employers. In addition, they receive more substantial wage increases over time, have more job security, are afforded rights as they get older, enjoy benefits from their employers, and are more often disciplined through the awarding or withholding of incentives (Goldin 1994, 28).

The evolution of the U.S. labor market, or the change from a market in which job security was low to a market in which job security was high, is one that is difficult to define. Exploring different ideas on the subject will help to define the possibilities of what caused the change in the U.S. labor market system. One school of thought looks toward technology as the impetus for a more stable labor market. As new technologies were developed, employers were forced to spend time and resources training their employees to use them effectively. Once employers provided these resources, they had a higher incentive to retain the workers they trained. Thus, employers began to engage in tactics to hold on to their workers for longer periods of time (Goldin 1994, 29).

Along with this hypothesis goes the idea that an increase in the bureaucratic nature of business created a change in the structure of the labor market. As U.S. firms grew larger, the rules of foremen and supervisors gave way to the rules of upper-level management. Personnel offices were established to enforce the rules of the company, thus reducing the opportunity for lower-level supervisors to hire and fire at will. The emergence of personnel offices and specific company policies on employment led to a more stable employee base for many businesses that had been losing and gaining employees rapidly as a result of the whims of oppressive foremen (Goldin 1994, 29).

Comparisons with the European Labor Market

The U.S. labor market is different from those commonly seen in Europe. Although U.S. businesses normally resort to layoffs when faced with difficult times, European businesses more commonly rely on attrition and work sharing to get through financial crises (Houseman 1994, 1). Some of the differences in U.S. and European labor markets can be linked to differences in labor policy. Although layoffs are discouraged in Europe and notice must be given to employees before being fired, U.S. policies are quite different. U.S. companies are not required to give notice to employees when layoffs are a result of an unexpected financial downturn within the company or if the company has taken certain steps to avoid the layoffs. In addition, U.S. businesses are not required to provide any compensation to employees who are laid off (Houseman 1994, 1).

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See also Labor Force; Recession

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Layoffs

Layoffs are generally the involuntary termination of employees that are not based on their wrongdoing. According to Organization for Economic Cooperation and Development (OECD), a person who is laid off is "a person whose contract of employment has been suspended for a specified or unspecified period at the end of which the person concerned has a recognized right to recover his employment" (OECD 1983, 13). The National Commission for Employment Policy defines layoffs as "a reduction of workers in a firm, lasting weeks, a few days, months or being permanent, in case the firm decides to close down any sector or even an entire production line." (National Commission for Employment Policy 1991, 1). In addition, this commission also defines the worker who has been permanently laid off or has no expectation to be recalled to work as a dislocated worker.

There is generally a cyclical trend to layoffs within an economy. For the most part, a rise in the gross domestic product (GDP) is linked to a reduction in the number of layoffs, as firms need to expand their workforces to keep up with consumer demand. During a recession, however, declining GDP tends to increase the rate of layoffs because firms must reduce their production in response to the fall in demand. A specific firm can initiate a lay-

Unemployed defense industry workers protest job losses, Washington, D.C., April 1992 (Wally McNamee/Corbis)

off for many reasons. Most have to do with the firm's desire to reduce costs, improve efficiency, and so on.

It should be noted that there has been a change in the way employers have responded to recessionary periods over time. In the late nineteenth and early twentieth centuries, layoffs were not commonly used. Instead, employers resorted to devices such as work sharing and reducing wages in an effort to keep as many people employed as possible. These practices changed after the passage of the Social Security Act (that is, unemployment insurance) in 1935. A person must be totally out of work to collect unemployment insurance; benefits may not be collected if a person is working part-time. As a result, employers stopped using work sharing and similar arrangements and moved toward using layoffs. For example, layoffs were not very common during the major recessions of 1893, 1921, or 1929 but were very common in the early 1960s, 1970s, and 1980s.

Once a firm decides to lay off workers, there is very little to prevent it from doing so. The Worker Adjustment Retraining Notification Act of 1988 requires employers to provide employees with notice of layoffs in certain circumstances, but no law limits employers' ability to lay off employees. Employees who are laid off are entitled to unemployment insurance. There is a difference in how layoffs are carried out in unionized and nonunion firms, however. In nonunion firms, there are no restrictions on whom the firm decides to lay off, whether the employer is required to pay severance to the employees who are laid off or to implement other arrangements (for example, work sharing) to avoid having to lay off employees.

In the unionized sector, however, layoffs are often covered by the collective bargaining agreement between the employer and the union. Provisions may address issues such as whether seniority must be applied in decisions about who is laid off, whether advance notice of a layoff is required, what are the recall rights after the layoff, whether senior employees scheduled to be laid off may transfer to other jobs and "bump" less senior employees into being laid off, and whether the employer must provide alternatives to a layoff. In addition, if layoffs are not covered by a collective bargaining agreement, an employer in a unionized firm must bargain with any union that represents employees who are targeted to be laid off. Although the employer may or may not have to bargain with the union about the decision to implement the layoff in the first place, the employer clearly will have to bargain about all of the issues just mentioned (for example, seniority rights, recall rights, etc.). Thus, unionized employees have much greater protection from layoffs and their consequences than do nonunion employees.

A great deal of research has been done on the impacts of layoffs. Quite a few scholars have considered the impact of layoff announcements on firms' stock prices, using a methodology known as "event study." Briefly, event studies look at the movement of firms' stock prices in response to a particular event. If stock prices in a sample of firms fell in response to that event, it indicated that the event was detrimental to the firms' profitability. An increase in stock prices meant that the event was beneficial to the firms' profitability. Virtually all the researchers who evaluated the impact of layoff announcements with event study methodology found that firm stock prices decreased in response to such an announcement. In other words, even though layoffs might enable a firm to reduce labor costs and become more efficient, investors still felt that a layoff indicated something negative about a firm's financial state.

Another stream of research has examined the effects of layoffs on the employees who are not laid off. These scholars have found that workers who remain with a company after a layoff become less loyal to the firm, less motivated, and less productive following the downsizing.

Finally, as stated above, layoffs—especially temporary layoffs—tend to run in cycles. There was a great increase in the number of temporary layoffs in the early 1980s and the early 1990s, although there was a difference in the character of the layoffs associated with those two periods. Most of the layoffs that took place in the early 1980s were similar to previous rounds of layoffs in that they involved blue-collar employees, especially in manufacturing and mining. The 1990s saw a shift in the character of the layoff. For the first time, many firms began to lay off white-collar employees who had been employed in executive, administrative, or managerial capacities in an effort to become more efficient. And research lends support to the view that laying off white-collar employees may benefit firms. Richard Caves and Matthew Krepps analyzed the effects of layoff announcements occurring from 1987 to 1991 and found that layoff announcements in general decrease shareholder returns but that shareholder returns did not fall in response to the layoff of solely white-collar employees. In other words, laying off white-collar employees was not detrimental to firms' profitability, whereas laying off blue-collar employees was.

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See also Downsizing; Job Security; Social Security Act; Unemployment Rate

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Levittown

Levittown, a housing development constructed by real estate entrepreneur William Levitt outside New York City in 1947, was the most well-known of a growing number of suburban communities in the post–World War II United States to make homeownership broadly available to the nation's lower middle class. Built in response to the housing shortage of the immediate postwar years and marketed to returning veterans taking advantage of low-interest federal home loans, Levittown quickly assumed a place in American culture as the quintessential suburb.

An aerial view of Levittown, New York, 1953 (Library of Congress)

Levitt and Sons developed a method of onsite fabrication during World War II to meet the intense demand for housing for defense workers. Builders moved in teams from house to house, completing one stage of construction on a unit, and then went to the next site to complete the same stage again. Standardized components were purchased in bulk directly from manufacturers. Construction workers at Levittown were paid by the number of homes they completed, allowing Levitt to produce as many as 150 houses a week by July 1948 (Kelly 1993, 26). These factorylike methods enabled Levitt to build homes quickly and cheaply. By 1951, Levittown contained over 17,000 Cape Cod and ranch-style homes, as well as retail stores and recreation centers.

The initial units constructed in the 1947–1948 period were built in direct response to the postwar housing shortage and were rented or owned mainly by returning war veterans of working-class and lower-middle-class background. Although some African American families rented homes, racially restrictive covenants inserted into the property deeds by William Levitt prevented them from becoming owners until the *Shelley v. Kraemer* U.S. Supreme Court decision in May 1948. In this decision, the Court ruled racially restrictive orders were violations of the Equal Protection Clause of the

Fourteenth Amendment and therefore unconstitutional. Federal housing and veterans programs were critical to the viability of Levittown and similar postwar developments around the nation. The Federal Housing Administration, created in 1934, strongly encouraged the spread of homeownership, particularly of free-standing single-family homes in suburban areas, by underwriting mortgages. The Veterans Administration also insured mortgage loans after the war, and the Veterans Emergency Housing Program provided loans to the emerging factory-produced home construction industry in an effort to alleviate the postwar housing shortage. By 1949, veterans could buy a home in Levittown with no down payment and a \$60-per-month mortgage.

As the most famous U.S. suburb in the postwar decades, Levittown was the frequent focus of both cultural criticism and scholarly inquiry. Some observers used Levittown to criticize the privatism and social and architectural sameness of similar communities around the nation. Others applauded the growth of suburban homeownership, viewing it as the ideal setting for family life and a bulwark against social instability and radicalism. "No man who owns his house and lot can be a Communist," William Levitt remarked in 1948. "He has too much to do." (Larrabee 1948, 84). Aided by federal programs, Levittown and similar developments played a key role in expanding and redefining the prerequisites for middle-class status in the United States, making homeownership a critical component of social citizenship.

Mark Santow

See also GI Bill; New Deal; Suburbanization and Work; Veterans; Worker Housing

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Lewis, John L. (1880–1969)

John Llewellyn Lewis served as president of United Mine Workers of America (UMWA) from 1920 to 1960 and oversaw the largest period of growth and power for the UMWA. Born to Welsh parents on February 12, 1880, in Iowa, Lewis and his family moved from town to town throughout his childhood. He entered the mines in 1906, joined the UMWA, and served as the Lucas County, Iowa, delegate to the UMWA convention. By 1908, Lewis decided to fully pursue a career in the union and moved his family to Panama, Illinois.

Lewis spent three years in Panama controlling the local union hierarchy. His ambitions, however, prevented him from being complacent. In 1911, he left the coal mines to become a special agent for the American Federation of Labor (AFL) in New Mexico territory. The new job compensated Lewis much better than the mines could and allowed him to gain valuable experience and expertise in recruiting new members for organized labor. Throughout his tenure with the AFL, Lewis began to influence the national policy of the UMWA, until union president John White appointed him international statistician for the union in 1917. Lewis's influence within the union grew, and later in the year, the union elected him vice president.

In 1920, Lewis won the presidency of the UMWA, a position that he held for forty years. In 1921, he challenged Samuel Gompers for the presidency of the AFL, an election that he lost. Despite the setback, Lewis preserved the UMWA as the largest trade union in the nation and helped, in a national coal strike in 1922, to secure the high wages miners had won during World War I. Although it seemed that the UMWA was stronger than ever, the victory in the 1922 strike destabilized the union. Despite the problems, Lewis was in firm control of the UMWA by 1924.

As Lewis consolidated his control over the UMWA during the late 1920s, the union began to collapse under pressure from external forces. The bituminous coal industry suffered from a severe

John L. Lewis, meeting with Representative John Nolan, chairman of the Labor Committee of the House of Representatives, April 1933 (Library of Congress)

depression. Domestic output of bituminous coal fell in 1927 to nearly 60 million tons below the 1920 level. Employment fell during the same period from more than 700,000 coal miners nationwide to about 575,000 (Dubofsky and Van Tine 1977, 133). For the miners who kept their jobs, the economic conditions of the late 1920s and early 1930s required significant cuts in wages and working conditions. By 1932, the union was in disarray. Membership fell, and the UMWA ceased to be a functioning entity in the coalfields of central Appalachia and Alabama.

Although a lifelong Republican, Lewis supported Franklin Delano Roosevelt in the election of 1932 because he believed the federal government needed to intervene to stabilize industry in the United States. The passage of the National Industrial Recovery Act (NIRA) in 1933 guaranteed workers the right to bargain collectively with industry, leading to a rebirth of the UMWA. Wages and union membership increased, but whether because of increased labor costs or bad luck for the union, the passage of the NIRA led to increased mechanization in the coal industry and decreased employment throughout the 1940s and 1950s. Lewis believed that mechanization would help stabilize the industry and supported the operators' initiative.

During the 1930s, Lewis advocated the organization of workers in the mass production industries. This position put him at odds with the AFL leadership. In response to the opposition to industrial unionism within the AFL, Lewis and seven other union heads withdrew from the AFL and formed the Committee for Industrial Organization (CIO) in 1935, which changed its name to the Congress of Industrial Organizations in 1938. Lewis became president of the CIO and worked for the rest of the decade trying to organize workers in mass production industries. Although he supported Roosevelt and many of the New Deal programs, Lewis opposed Roosevelt in 1940 and threatened to resign as president of the CIO if Roosevelt was reelected. Roosevelt won, and Lewis resigned as president of the CIO. By 1942, increasing antagonism between Lewis and CIO president Phillip Murray led to the withdrawal of the UMWA from the organization.

During World War II, Lewis led many strikes that improved wages for miners. The success of the strikes during a "no-strike" period invoked the hostility of the War Labor Board and contributed to the passage of the Taft-Hartley Act in 1947, which placed significant restrictions on trade unions. During the 1950s, however, Lewis retreated from his aggressive tactics and became more conciliatory and accommodating toward the coal industry. He retired as president of the UMWA on January 14, 1960, because of his failing health. After serving as chairman of the UMWA's Welfare and Retirement Fund, Lewis died in Washington on June 11, 1969.

Mark Myers

See also Black Lung Disease; Federal Mine and Safety Act;/Mine Work; United Mine Workers of America

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Lewis, Sinclair (1885–1951)

Described as "the indelible voice of the raucous 1920s" Harry Sinclair Lewis was at the height of his writing career between 1920 and 1930, when his most important works were published (Lingeman 2002, xix). Lewis was a masterful satiricist, and his portrayals of the hypocrisies of American life resonated with the general disillusionment of post–World War I society. In Lewis's work, "America is not a functioning democracy but a dysfunctional sales convention where business, medicine, and religion are all a scam" (Di Renzo 1997, xxxiv–xxxv). His novels *Main Street* (1920) and *Babbitt* (1922) drew wide praise and attention for their satire of U.S. middle-class business mores and small-town America and influenced a generation of writers to question the work-hard, make-good American ethic. Lewis was the first U.S. writer to receive the Nobel Prize for literature (1930), and the first to refuse a Pulitzer Prize. In the course of his career, Lewis wrote twenty-three novels, four plays, and numerous short stories, many of which were published in the *Saturday Evening Post,* a journal that "single-handedly created the market for business fiction" (Di Renzo 1997, xx).

Sinclair Lewis , ca. 1900–1940 (Library of Congress)

After graduating from Yale University in 1908, Lewis spent several years working as a copywriter and publicist in New York. These early experiences accorded him the insights he would use in crafting his novels. With the outbreak of World War I, and "as Wall Street profited from mutilation and murder and advertising became little more than state-sponsored propaganda," Lewis introduced U.S. readers to his form of "bare-knuckled satire" (Di Renzo 1997, xxvi). Lewis's seventh novel, *Main Street: The Story of Carol Kennicott* was received with critical acclaim. In *Main Street,* Lewis interrogated the provincialism and narrow self-assuredness of small-town America. In 1922 Lewis's satire was directed toward white-collar businessmen in the character of George Follansbee Babbitt, a real estate salesman. *Babbitt* examines the unimaginative aspirations of the U.S. middle class and the role work plays in defining white-collar worth and embodies the type of the U.S. businessman in literature. *Arrowsmith* (1925), considered Lewis's best work, portrays medical doctor Martin Arrowsmith's quest for pure science in the face of hostility and corruption. Lewis was awarded the Pulitzer Prize for *Arrowsmith* in 1930 but refused the award because he felt his characterization was antithetical to the Pulitzer criterion for "wholesomeness." *Elmer Gantry* (1927) satirized the corruptive qualities of charismatic evangelism and earned for Lewis inclusion in a cadre of writers critic Carl Van Doren called "The Revolt from the Village," which included Theodore Dreiser, H. L. Mencken, and Sherwood Anderson (quoted in Hutchisson 1996, 1). In 1930 Sinclair Lewis became the first American to win the Nobel Prize for literature. He continued to write, but his work lacked the edginess that gave it power: "Lewis simply lost touch with the times. He was a satirist with nothing left to satirize" (Hutchisson 1996, 2). Lewis died of heart disease in 1951, and his remains are buried in his hometown of Sauk Centre, Minnesota, the town he immortalized in *Main Street*'s fictional Gopher Prairie.

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See also Capitalism; Levittown; Professionals; Work in Literature

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Lifelong Learning

At the most basic level, lifelong learning refers to education throughout a lifetime, particularly as it relates to ensuring widespread access to the changing information, knowledge, and skills required for productive work. In this context, lifelong learning is primarily related to adult access to continuing education programs and the links between vocational or job-training programs and the formal education system. The term *lifelong learning,* however, has multiple interpretations. In many contexts, it has come to be understood in a much broader sense, referring to a more comprehensive set of processes in the workplace and society at large that shape the ability of individuals to continuously learn throughout a lifetime. In this context, lifelong learning goes beyond the formal education system to include both formal and informal organizational structures in the workplace, community, and society at large. Furthermore, in this broader context, lifelong learning frequently has an element of social empowerment and civic engagement rather than focusing simply on needs in the workplace.

Interest in lifelong learning, in both its specific and broader contexts, has increased in recent years for two major reasons. The first force that has helped create greater interest in lifelong learning is rooted in long-term demographic, lifestyle, and value system changes. Increased immigration, greater participation by women in the workforce, longer lifetimes, more leisure time, and the movement toward personal development or "self-fulfillment" have all increased the demand by adults for more learning opportunities at later points in life. The second is rooted in the economy, as the increasingly rapid pace of economic and technological change has led to increased demands for new skills. Faster rates of skills obsolescence and new occupational demands, combined with corporate restructuring that has reduced internal career paths within the same firm, has led adults to more frequently turn to learning activities at later points in their life to maintain or regain their competencies and earning potential. These two broad forces have helped to place lifelong learning and related concepts of a learning economy and learning society at the center of contemporary concerns about socioeconomic development.

The concept of lifelong learning itself is not new. Related concepts can be traced at least as far back as Plato in the fourth century B.C.E., and a fully articulated vision of the importance of lifelong education as a continuing aspect of everyday life can be found as early as the 1920s (Yeaxlee 1929). Nonetheless, until the 1970s, lifelong learning remained a marginal concern. The vast majority of education resources and policy attention was focused on the compulsory K-12 system and immediate postsecondary education. This education system was treated as the primary means by which people gained the skills, knowledge, and education they needed to be both productive workers and productive citizens in society for a lifetime. This role for education was underpinned by the relatively stable, large-firm-based economy that dominated the United States for much of the twentieth century. Most people entered the workforce after completing their education, and any additional skills they would need over the course of a career were expected to be learned on the job or provided by their employer. To the extent that adult education and job training programs for adults developed, such as those created through federal legislation like the Comprehensive Employment and Training Act (1973), the Job Training Partnership Act (1982), and the Workforce Investment Act (1998), they were seen as a "second chance" system relevant only to a minority of people who faced special barriers to effective employment (Grubb 1996).

In recent years, however, there has been a dramatic increase in demand by adults for educational opportunities at later points in their life. For example, although the number of full-time enrollments in U.S. higher education stayed relatively steady in the 1990s, rising from 14 million in 1991 to 15 million in 1999, the number of adults enrolled in educational institutions jumped from 58 million in 1991 to 90 million in 1999 (National Center for Education Statistics 2000). As a result, the distinction between education and training is increasingly breaking down and being replaced by various approaches to lifelong learning. Educational institutions are no longer limited to educating individuals before they enter the job market. Community colleges and university systems are taking a greater role in providing lifelong educational opportunities while offering more short-term certification courses and extension programs. They are developing more customized training and education programs, working in partnership with private sector firms to promote training in areas linked to employment opportunities. There has also been a rapid expansion in nontraditional, for-profit private universities catering specifically to adult learners and specializing in evening courses and distance education. Meanwhile, the public job training system is being restructured (for example, through the Workforce Investment Act) in an effort to make it more of a universal system that will have relevance for all job seekers, not simply those with special needs.

This increased demand for lifelong learning is driven in part simply by demographic and lifestyle changes in the population. Higher levels of immigration have increased the demand for classes in adult English as a second language and various adult basic education and credential programs. With more women now in the workforce, more are reentering after spending some time away raising their families, increasing demands for work-related courses. The workforce as a whole is aging, with more people working longer years, even past retirement age, leading to a higher level of job and career shifts over a lifetime and contributing to increased demand for work-related courses. Finally, an expanding interest in personal development has increased the demand for many "quality of life" or self-fulfillment courses.

The most significant force contributing to the rise in demand for lifelong learning, however, has to do with changes in the economy. Since the 1970s, rapid changes in technology, corporate structure, and economic activity have resulted in greater instability in work patterns. Few workers now can expect long-term stable employment with a single employer, and most workers instead hold many different jobs, working for a range of different employers, over their lifetimes. Rapidly changing technology and market conditions are leading to high levels of skill obsolescence. Without continual learning, employees become less valuable to their employers, becoming "obsolete" with successive waves of technological innovation. At the same time, however, corporations have restructured their operations, flattening corporate hierarchies, reducing the opportunities on internal career ladders, and cutting their expenditures on formal training programs. Thus, many more adult workers are required to go back to school to maintain their employment opportunities in the labor market.

The impact of economic changes on lifelong learning, however, goes beyond its simple impact on formal adult education and job training programs. Economic success for firms, regions, and nations is increasingly driven by their ability to effectively adapt to changing market conditions, identify and capitalize on new opportunities, and successfully respond to new challenges (Lundvall and Johnson 1994). Such economic learning is ultimately dependent on the ability of individuals to learn in an ongoing way in a social context. Lifelong learning is therefore about much more than access to formal education; it relates to the ways in which knowledge is acquired, developed, and applied through the interpretation of experience in work, family, and community settings as much as in educational settings. This change has led to a widespread interest in concepts such as the "learning organization" (Easterby-Smith, Araujo, and Burgoyne 1991), learning regions (Simmie 1997), and the learning society (Oliver 1999; Ranson 1999).

Finally, for some people, the term *lifelong learning* includes an aspect of social empowerment and civic engagement. This perspective has roots in the radical project of adult education of people like Paulo Freire (Freire 1970), in which adult education is based on dialogue, not mere transmission of knowledge and skill, and education is not only for personal development and advancement but also is integrally linked with social change. Lifelong learning, therefore, is a continuous social process, encompassing both individual and collective learning, rooted in the realities of community life and connected directly with the interests and aspirations of ordinary people. The concern here, therefore, is less about formal structures of state and educational institutions and more about the interests of civil society and social movements. The concept of lifelong learning includes notions of equitable access, democratic participation, and community capacity building (Longworth 1999; Martin 1999).

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See also Careers; Comprehensive Employment and Training Act; Earnings and Education; Education Reform and the Workforce; Job Skills; Job Training Partnership Act; On-the-Job Training; Workforce Investment Act

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Literacy

The concept of literacy has undergone various transformations throughout the centuries; once those who could sign their names were considered literate, and then by the nineteenth century, those who had completed the third grade were literate. Then, in the mid–twentieth century, the terms *functional literacy* and *functional illiteracy* became catchwords, thereby changing the definition of literacy yet again. However, the idea that a well-educated society is also a stable society dates back to the time of Confucius, at least 2,500 years ago. From the sixteenth to the nineteenth centuries, organized religion throughout much of the world was responsible for establishing levels of literacy. It would be the early nineteenth century before society realized that education should be the responsibility of the state. Even in the writing of the Constitution in the United States in 1789, the framers said nothing about an unalienable right to read or write. In essence, literacy became a notable social issue, and one that promoted the public good over the next two centuries.

Literacy is not a clearly defined concept; it is impossible to easily define people as either literate or illiterate. The National Center for Education Statistics (NCES), which has conducted several surveys on literacy since 1985, has grouped the concept of literacy into five levels, and individuals fall into these categories according to their ability to complete certain tasks. Individuals who can read a magazine such as *Time* and comprehend the reading material are classified as a minimum of level three, whereas those who can relate the articles to their business or financial interests would fall into level four or five. Only 20 percent of adults fall into the latter two levels. A little over 20 percent of Americans over the age of sixteen have level one literacy skills, which categorizes the most basic literacy skills; however, one-quarter of this number are also recent immigrants, and one-third are elderly.

The various measurements of literacy have their limitations, but there are three main ways of measuring literacy: (1) self-assessments, in which individuals determine their own reading and writing capabilities; (2) surrogate measures, which imply completion of a certain grade level; and (3) direct measures, otherwise known as tests. Self-assessments have been recorded since the 1850 U.S. Census, but after World War I, analysts began to argue that the results from self-assessments were skewed since the respondents tended to exaggerate their personal literacy levels. Considering this difficulty, officials, and specifically the army, began to use completion of a certain grade level as a surrogate measure of literacy. However, the limitations of this approach, including that the number of years of schooling does not guarantee skill mastery, make this approach less than desirable. Of all the methods, direct testing may be preferable, but one of its drawbacks is the misconception of literacy as "English literacy." In "Measuring the Nation's Literacy" (1991), Terrence Wiley contends that even though English may be the dominant language of the United States, omitting languages other than English from literacy surveys exaggerates the perception of the so-called "literacy crisis."

In an attempt to combat the literacy crisis, one of the first organizations designed to enhance literacy in the United States, Literacy Volunteers of America, founded in 1962 in Syracuse, New York, by Ruth Colvin, tried to increase public recognition of the literacy problem. The movement spread to other communities in New York, and it became a tax-exempt nonprofit corporation with a volunteer board of directors in 1967. In 1972, Literacy Volunteers changed its name to Literacy Volunteers of America so that it could emphasize and "foster increased literacy in the United States" (Literacy Volunteers of America 1987). Its programs became more varied, including English as a second language, adult basic education, family literacy, and the creation of a student leadership institute to train students to serve as adult literacy spokespersons for the organization.

Most literacy programs place an emphasis on adult literacy. In 1990, the National Governors' Association identified adult literacy as one of the six key areas for improvement during the decade, and in 1991, Congress enacted the National Literacy Act, which was designed "to enhance the literacy and basic skills necessary to function effectively and achieve the greatest possible opportunity in their work and in their lives, and to strengthen and coordinate adult literacy programs" (Bowen 1998, 314). In 1993, the U.S. Department of Education released the results of the National Adult Literacy Survey, which focused on the number of adults with lower levels of literacy and the range of literacy levels from low to high. This survey has met with controversy, particularly since 5 percent of those taking the survey, or 10 million adults, were unable to complete the survey. However, despite these alarming statistics, government involvement in literacy programs equates to less than $400 per person, in a century in which annual per person enrollment expenditures can exceed $7,500 for the K-12 system and $16,000 for the higher education system.

Adults in need of literacy instruction do so for a variety of goals, including job advancement, success for their children in school, or the pleasure of reading and writing on their own. The National Adult Literacy Survey (NALS) defined literacy broadly, as the ability to "use printed and written information to function in society, to achieve one's goals, and to develop one's knowledge and potential" (Bowen 1998, 315). It assessed literacy on three scales: prose literacy, the ability to understand and use information from articles, fiction, or consumer information; document literacy, the ability to locate and use information from charts and forms; and quantitative literacy, the ability to solve basic arithmetic problems and apply those solutions to life. Critic David Berliner argued in a 1996 article that testing revealed only an individual's typical literary skills and that only tasks in which individuals work on what is important to them will reveal their true literacy level.

Literacy tests also raise questions of economic status and uneven spending on education. Schools in the wealthier districts provide a minimum of 36 percent more revenue for public education than do schools in the poorer districts. Even when cost-of-living differences are taken into account, the spending difference still remains 16 percent. Yet, adults with low literacy skills may be unfamiliar with more sophisticated skills, and increases in literacy can cause the learner to feel both estranged from his or her own community and not yet accepted into a larger, more literate society. Of those scoring in the level one range as determined by the National Center for Education Statistics, about 43 percent lived in poverty, whereas only 4–6 percent of those scoring in the level five range lived in poverty. Therefore, on average, all measurements of economic success, including full-time employment, weekly earnings, and interest on savings accounts, increased with a comparable increase in literacy skills. Those adults in the general population with level one prose literacy scores reported earning an average of $15,480 in 1991, whereas those who lived on food stamps and had the same literacy skills reported earning about $7,740, thereby demonstrating the relationship between literacy and economic status (Bowen 1998, 319). Since literate individuals often equate their literacy with the opening of doors in society and a subsequent change in social or economic status, they may feel that illiteracy is the cause of poverty and crime. As Betsy Bowen noted, "Low literacy skills are cited as a cause of both welfare dependency and the United States' problems competing in the global marketplace" (1998, 315).

Similarly, gender can be a part of the economic status and literacy debate. Men and women tended to score on the same level on prose literacy, whereas men tended to average higher scores for document literacy and quantitative literacy. With this in mind, much research has been done on the issues of family and gender literacy. The family literacy approach addresses the literacy skills of both parents and children, as well as the value of parental involvement in the experiences of children in school. Programs to improve family literacy address parents as the children's first teachers, but again, these programs face criticism for their avoidance of working with those of low literacy and low incomes. The other approach is woman-centered and typically covers the individual learner and the way gender shapes the woman's learning experience. The Laubach Literacy International's Women in Literacy/USA (WIL/USA), first launched overseas in 1990 and then in the United States in 1994, sought to empower women to take control of their own lives.

These campaigns represent a determined effort to eradicate "functional illiteracy." In April 2000, the U.S. Department of Education's Office of Educational Research and Improvements (OERI) published "Literacy in the Labor Force," and the Organization for Economic Cooperation and Development (OECD) published "Literacy in an Information Age," both of which deconstructed the concept of "functional literacy." Both reports used a scale of 0–500 to rate an individual's literacy but often collapsed this scale into five categories or levels. In the OECD document, literacy refers to "the ability to understand and employ printed information in daily activities; at home, at work, and in the community—to achieve one's goals and to develop one's knowledge and potential." In other words, reading for pleasure is not a part of the OECD definition. The three levels of literacy—prose, document, and quantitative—were used in both reports.

These reports centered on the concept of workplace literacy. Enhancing it is one of the goals of the National Workplace Literacy Program (NWLP) funded by the U.S. Department of Education, which provides educational enterprises and businesses with the opportunity to develop workplace literacy programs. Businesses have realized that they must improve workers' skills to meet the challenges of growing competition. Workers who participate in workplace literacy programs report improved literacy at home, including helping children with homework.

The empowerment of the workforce should be the most important goal of such programs, but the transfer of learning is just as important. Defined as the application of job skills and knowledge gained as the result of attending an educational program, transfer of learning is an effective method to determine workplace literacy. It can be positive when performance is facilitated, but it can also be negative when acquisition or performance has been impeded. The most significant barrier to transfer of learning is the lack of reinforcement from instructors and support for the application of training to their jobs. The instructor is required to identify the information being taught, but programmatic elements such as the length of the session, the size of the class, or location can affect the success of the transfer of learning.

The transfer of knowledge certainly has an impact on the concept of literacy and adult literacy in particular. Literacy education cannot be separated from tensions in U.S. politics and society over the role of government in assisting lower-income poor, immigrant, and minority Americans. The essential question is whether literacy training programs prepare the poor and minorities for the workforce and society in general. Literacy training in the workforce can easily ignore the differences between people and communities and the reasons why people want to learn to read and write, yet these programs were initiated to better emphasize the importance of a qualified workforce. Author Jonathan Kozol has stressed that community-based and community-controlled programs can concentrate on both work opportunities and familial love. "Experts have some complicated theories about 'adult motivation.' I believe that love is the most potent motivation in our souls. Wise government policy, tending toward a family literacy concept, might enable us to draw upon the longing of the old to share their memories and heritage with those they love the most" (Kazemek 1991, 60).

Jennifer Harrison

See also Education Reform and the Workforce

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Living Wage

The "living wage" campaign refers to a range of initiatives across the United States that have sought to raise employee wages in order to create economic security for low-income workers. These campaigns attempt to mandate that private businesses that benefit from public money pay a wage that allows workers and their families to live above the poverty level (this figure is calculated yearly, at the federal level). Initiatives are crafted to ensure that public contracts awarded to private providers are linked to the payment of a living wage; that tax assistance, economic development funds, or other forms of state aid go only to corporations that pay a living wage; that pay for contractual workers does not fall behind that of city employees; and/or that all employers within specific jurisdictions pay their employees a living wage (ACORN 2001).

In 1994, an alliance of labor and religious leaders in Baltimore, Maryland, successfully lobbied for legislation that required service contractors for the city to pay a living wage, calculated as a wage that allowed a family of four to live above the poverty level in that municipality (New Party 2000). Similar ordinances were subsequently passed in Boston, Detroit, Los Angeles, Milwaukee, Minneapolis, Oakland, Portland, San Jose, St. Louis, and Tucson. By, 2002 there were ninety-three national living wage ordinances on the books in cities across the nation (New Party 2000).

Living wage campaigns comprise members from community groups, labor unions, and religious organizations working together to develop living wage principles, affect wage-related legislation, and organize endorsements. The campaign's focus is most often on an increase in wages, but organizations have also addressed issues related to community standards, health benefits, family leave policies, vacation pay, community hiring goals, environmental standards, and support of union organizing (Pollin and Luce 1998, 63; ACORN 2001). In the process these coalitions develop community networks, build leadership skills among community members, and publicly highlight issues of economic justice (ACORN 2001).

The New Party, Association of Community Organizations for Reform Now (ACORN), and American Federation of Labor and Congress of Industrial Organizations have made living wage campaigns a centerpiece of their programs. ACORN is the nation's oldest and largest grassroots organization of low- and moderate-income people, with over 100,000 members in over thirty cities, and first began lobbying for a national living wage in 1992 (ACORN 2001).

All three organizations tie the living wage campaign to minimum wage activism and legislation, attempting to guarantee that full-time, minimum wage workers receive a salary that allows them to live above the poverty level. In 2002 a full-time, minimum wage worker in the United States earned $10,000 to $12,000 per year, an income well below the poverty line for a family of three (Mishel, Bernstein, and Boushen 2002, 9).

Living wage activists employ two distinct strategies when calculating living wage requirements. The first ensures that full-time, minimum wage workers earn salaries that allow them to support their families above the poverty level. The second methodology involves tying a living wage to a family self-sufficiency index, based on either "fair market rent" standards—reflecting shelter and utility costs in a given area—or the federal Housing and Urban Development (HUD) standard dictating that no more than 30 percent of a person's gross monthly income be spent on housing (New Party 2000).

Opponents to the campaign believe that living wage legislation will create a "hostile business climate," that it will place too great a burden on small businesses, and that ultimately it will hurt the population it was intended to assist by leading to job displacement and high rates of unemployment. Some have argued that for every 10 percent increase in the minimum wage, 100,000 jobs are lost (Brocht 2000).

Supporters of living wage legislation counter these arguments by pointing to Princeton economists David Card and Alan Krueger's study of minimum wage employees in New Jersey, which found little or no impact on employment from raising the minimum wage (Bernstein 2000, 3). Further, they argue that without living wage legislation, economic development subsidies will not be tied to job quality or economic security; that living wage ordinances do not represent a significant cost increase to cities; that these ordinances do not reduce the competitiveness of the contractual process; that firms can remain profitable while increasing their costs by paying a living wage to employees; and that the passage of living wage ordinances does not result in significant job loss (Bernstein 2000, 12). Rather, they argue that a national living wage would promote responsible economic development policies and encourage the creation of an economically secure and justly compensated low-income workforce in the United States.

Vivyan C. Adair

See also Minimum Wage; Unemployment Rate; Welfare-to-Work; Work First

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Local 1199 Health Care Workers

Local 1199 was formed in 1932 when two New York City pharmacy unions—the Pharmacists' Union of Greater New York and the New York Drug Clerks Association—merged under the direction of founding president Leon Davis. Although originally conceived as a union of pharmacists, Local 1199 left its mark on labor history in the second half of the twentieth century with its remarkable organizing and collective bargaining achievements in the previously unorganized arena of U.S. health care facilities. Significantly, Local 1199 promoted a broad social agenda beyond the realm of traditional trade unionism. Through militant action, keen coalition building, and political savvy, Local 1199 won major victories in a historically antiunion industry during some of the labor movement's darkest days.

In 1959, Local 1199 embarked on an organizing campaign aimed at one of New York City's most exploited workforces—the 35,000 employees who toiled in its voluntary hospitals that provided care to low-income and uninsured citizens. In the face of staunch hospital resistance, Local 1199 led hospital workers in a number of work stoppages throughout the 1960s. Pointing to a large contingent of minority hospital employees, Local 1199 framed the labor conflict as part of the broader struggle for social justice. The civil rights movement quickly adopted Local 1199's cause, creating a formidable coalition that would benefit Local 1199 for many years to come. By the end of the 1960s, Local 1199 claimed more than 30,000 members from dozens of health care institutions in the city. In spite of the large membership, Local 1199's success was severely hampered by the fact that New York State labor law specifically precluded hospital employees from its collective bargaining protections. In 1963, Local 1199 leveraged its political prowess to successfully lobby for the passage of legislation extending collective bargaining protections to hospital employees.

Using the strategies it honed in the New York City hospital campaigns, Local 1199 spread out to other areas of the country in the early 1970s. It won major organizing campaigns in cities as diverse as Charleston, South Carolina, and Philadelphia, Pennsylvania. By 1974, Local 1199 had over 80,000 members in fourteen states and the District of Columbia. However, a period of governmental cost control in health care in the 1970s soon slowed Local 1199's success. Indeed, this cost control, along with increased competition between rival health care unions and increasingly aggressive antiunion campaigns by the hospitals, combined to further curtail the union's ability to maintain the level of success in its organizing drives. In 1980, in an effort to regain some of its previous strength, Local 1199 began to contemplate a merger with the Service Employees Industrial Union (SEIU). Although bitter internal leadership struggles and mounting division between the New York base and the national outposts prevented advancement on the merger talks for several years, Local 1199 finally teamed up with SEIU in 1989 to form 1199/SEIU, the largest health care union in the country. Today, the union continues its mission to organize the unorganized and has most recently devoted its attention to the plight of the often unorganized home health care workforce.

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See also Collective Bargaining; Solidarity

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Lowell Strike

The first Lowell Strike of 1834 was a bellwether of change in U.S. industry's relations with labor. Though unsuccessful, it signaled the end of the labor relations ideal promoted in the "Lowell experiment." Lowell, Massachusetts, has been famous as a center of the U.S. textile industry for much of its history. It was first known for its important role in the transition from home manufacture of textiles to the birth of the organized textile industry via the "putting out" system, in which the process was divided between homework and in-factory work. By 1814, however, with the introduction of the power loom, textile manufacturing was increasingly transferred within the mills and performed by in-house millworkers.

It was Francis Cabot Lowell (for whom the mill town was named), however, who wrought a revolution (however short-lived) in the image of millwork by introducing the boardinghouses for the all-female operatives of his mill in 1821. Millwork, as it grew during the Industrial Revolution in England, developed a singularly unsavory image as a life of squalor and oppression and was considered especially unsuitable for young, unmarried women of Yankee background. Yet Lowell, in staffing his textile factories, succeeded not only in attracting a workforce of young U.S.-born women but in making it an attractive alternative for these women, whose other working options were limited to teaching, sewing, and domestic work, none of which paid as well as the Lowell Mills. Aside from offering better pay, the Lowell Mills boarded its workers in supervised boarding houses and required workers to conform to rules that included keeping rooms clean, observing curfews, and regularly attending church.

Although this paternalistic system did not appear to offer the "Lowell girls" much freedom after their long work hours, they found it attractive because it offered them the chance to live independently from their families while reassuring their families that this work was respectable for them. Living together in the boardinghouses, furthermore, created a sense of community among the millworkers, which they used at first to enhance their after-hours lives at Lowell. Their activities ranged from lending libraries and debating clubs to charitable projects, but the most famous of them was the *Lowell Offering,* a literary magazine that published

Young women, such as this Massachusetts "mill girl" found mill work attractive because it offered them the chance to live independently from their families in company boardinghouses and the opportunity of respectable work. (Library of Congress)

their writings, frequently in praise of life and work at the Lowell Mills. A few former millworkers, such as Lucy Larcom and Harriet Robinson, later published praiseworthy memoirs of their time in Lowell. It should be added, however, that none of the "mill girls" expected to work there all their lives. Most worked at the mills for a few years before marrying, making the Lowell system a success in that working there did not impair their "respectable" status and hence marriageability.

Where, then, did things start to go wrong with the Lowell system, ending the ideal of company paternalism and beginning the part of Lowell's history characterized by labor struggle? First and foremost, increased business demands resulted in speedups and wage cuts. In response to the early threat of wage cuts, workers organized a strike, or a "turnout" as it was then called in 1834, marching to other mills to encourage others to join their cause and petitioning potential supporters. The strike was over in a few days and failed to accomplish its objective of preventing wage cuts, but it was the first event that seriously challenged the idyllic picture of life and work in the Lowell Mills. If anything, the paternalistic system of the boardinghouses had backfired by creating solidarity among the young women who worked and lived together for significant periods of time. Mill owners viewed the strikers as unfeminine and lacking gratitude. The women struck, however, because they viewed the wage cuts as both an economic threat and as an affront to their sense of dignity and social equality, which they regarded as their birthright. In particular, the wage cuts were seen as the beginning of potential economic dependence and hence "enslavement" to their jobs.

Another turnout over wage cuts ensued in 1836, attracting more participants and lasting much longer than the first. The walkout cut into mill production, and fewer workers returned when it was over. Additionally, to better coordinate the second strike, the Lowell workers had founded the Factory Girls Association in 1834. This strike too ended in defeat, and during the subsequent economic depression from 1837 to 1843, workers made no effort to protest subsequent wage cuts. The return of prosperity in the 1840s, though, did not bring a return of turnouts. Instead, the female Lowell mill operatives, along with their male counterparts, turned to political action. They petitioned state legislators, no longer against wage cuts or the speedup of work but to limit the hours of work and improve other working conditions in the mills. This new approach in turn spurred the growth of the Lowell Female Labor Reform Association, which worked in tandem with the New England Workingmen's Association, as well as the ten-hour movement. The former organizations published *The Voice of Industry* to air worker grievances and in counterpoint to the company-sponsored *Lowell Offering.* Although women lacked the political clout of voting rights, their active participation in these organizations made them a highly visible presence in the struggle to improve working conditions during this period.

Although these forms of activism were built on the older model of preserving the dignity and independence of "daughters of freemen," they also signaled the origins of a working-class identity and a more overt rejection of the paternalism that ironically created the sense of solidarity and community that made these protests possible. The growing discontent, however, led the Lowell mill management to abandon any pretense of paternalism, as they increasingly hired Irish immigrants in place of Yankee women. Thus began the pattern of worker protest and new efforts at management control that would characterize the rest of Lowell's history as an industrial community.

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See also Garment/Textile Industries; Manufacturing Jobs; Strikes; Women and Work; Worker Housing

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Manpower Inc.

Established in 1948, Manpower is currently the second-largest temporary employment company in the world. Principal operations include job placement in office, industrial, and professional positions; contract services; and training and testing of temporary and permanent workers. Manpower's success is partly due to the increased use of temporary workers at all levels of business in the United States and abroad. Employers typically use temporary workers during early periods of growth, after a recession, or for seasonal or unusual projects with the firm. But temporary hiring became more widespread in the 1990s, when many employers adopted temporary worker hiring as an ongoing workforce strategy for two reasons: the substantial cost savings from not providing guaranteed employee benefits and additional labor force flexibility. Manpower became an industry leader in this era by becoming the first such company to make substantial investments of time and money in training its workers for hire, instituting a computer-based training program in 1978 long before personal computers became a staple in the working world.

In 2000 Manpower was ranked 177 in the Fortune 500, with profits of $171.2 million (http://www.fortune.com 2001). Manpower maintains 400,000 customers in fifty-nine countries worldwide, including ninety-nine of the Fortune 100 companies in the United States as well as 95 percent of the Fortune 500 (http://www.manpower.com 2001). Currently, office and light industrial placements account for the company's highest sales, with professional placement as the fastest-growing division.

Elmer L. Winter and Aaron Scheinfeld formed Manpower in Milwaukee, Wisconsin, in 1948, in response to the labor shortage following World War II. The company established its first franchise in 1956, creating the first of many Manpower offices across the country. During the 1960s, the company expanded into Europe, and by the late 1970s, Chief Executive Officer (CEO) Mitchell S. Fromstein brought innovations to the temporary industry, including a new focus on office work and on assessing and accommodating client needs. Manpower dominated the temp industry primarily because of its unmatched commitment to training employees before placement. This was evidenced in 1978 when Manpower announced a $15 million investment in Skillware, an interactive, self-paced computer-training program that employees used to develop their proficiency at various tasks. As a result, Manpower employees were sought after more than other agencies because they required less training and were more productive in a shorter period of time.

According to the Bureau of Labor Statistics, the percentage of temporary jobs in the workforce doubled to 1 percent from 1980 to 1989. Throughout the 1980s, employee benefit costs exceeded wage increases, largely contributing to the growing importance of the temp industry in the United

States. Employers found that paying temporary employee wages and additional fees to their placement agencies was a cheaper option than recruiting and training workers and providing benefits in-house. Furthermore, employers were able to confidently hire the temps who succeeded during their placements as experienced full-time employees. Temporary work also became attractive to dual-income families because of the flexibility and rising cost of child care in the 1980s.

In the 1990s temporary employment services became one of the fastest-growing international industries. Many of Manpower's competitors grew by consolidating many firms into large conglomerates with many international offices. However, Manpower expanded its international business independently, without acquisition, resulting in the loss of its lead among the competition.

Adecco, formed in the 1997 merger of Switzerland's Adia and France's Ecco, replaced Manpower as the world leader in the industry. Even so, Manpower has consistently increased in revenue growth each year since its inception. In fact, in 1998, systemwide sales surpassed $10 billion, doubling the previous five years' revenue.

In the late 1990s, information technology became the fastest-growing sector of the staffing industry, growing at a rate of nearly 25 percent each year (Pederson 2000). Adecco was well equipped in this area, accounting for approximately 20 percent of total revenues. In comparison, information technology placements accounted for roughly 10 percent of Manpower revenue at this time. In 1999 longtime CEO Mitchell S. Fromstein retired and was replaced by Jeffrey Joerres. Under new direction, Manpower is striving to embrace the information technology market. By the close of 1999, over 200 Manpower offices were devoted solely to staffing needs in technical and information technology fields.

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See also Contingent and Temporary Workers; Job Placement and Recruitment Firms

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Manufacturing Jobs

Since the period of intense industrialization from the mid–nineteenth century onward, manufacturing jobs—those that require workers to create or assemble products from raw or component materials through mechanical, physical, or chemical processes—have held an important place in the U.S. economy. Replacing high-quality, low-volume craft production with tasks that used machine labor in mass production, manufacturing jobs in central sites, such as factories or mills, became the hallmark of the U.S. system by 1900. Manufacturing jobs change not only the nature of the workplace but U.S. society as well. Along with mass-production manufacturing jobs went the spread of wage labor, the rise of a professional industrial management cadre, and for many workers, membership in labor unions. Scholars have noted three distinct periods of industrialization in the twentieth-century United States, and some have even predicted the gradual demise of manufacturing jobs in a twenty-first-century, postindustrial economy based on service sector jobs.

In the early 1800s, the United States was still a rural society, and agricultural production expanded as new territories were opened for settlement. Although many families produced items for their own consumption, specialized craftspeople also made items such as clothing, shoes, and harnesses for the commercial market. These highly skilled artisans typically produced for a small local market; few manufactured items were sold as exports, a sector that was dominated by trade in raw materials such as wood, cotton, and foodstuffs. The rise of the mass-production manufacturing system in the United States dates from around 1820, when a group of investors called the Boston Associates decided to undercut the British sale of cotton cloth, which used U.S. cotton in British mills to create a finished product for the U.S. market. Essentially copying the manufacturing process and mill designs from their British competitors, the investors emphasized the de-skilling of labor throughout their operations. In contrast to cloth produced at home or by master weavers, machines were used at every step in the process of weaving the cloth. Centralizing the production of mass-produced, low-cost goods, the Boston Associates created the first U.S. factory city. By 1830 the former village of Chelmsford, Massachusetts—renamed Lowell—had a population of 7,000, a figure that tripled by 1840. By that time, other groups of investors had built cotton and woolen mills throughout New England, transforming places like Pawtucket and Woonsocket in Rhode Island, Lawrence and Chicopee in Massachusetts, and Manchester in New Hampshire into U.S. mill towns.

The status of the textile industry as the most dynamic sector of the U.S. economy did not last much beyond a generation; by 1860, a second wave of industrialization was led by the growth of railroads and associated industries such as steelmaking and railcar manufacturing. Spurred on by the need to transport goods over greater distances—a trend fostered by the search for new markets by textile producers—railroads completed a transportation revolution in the United States, while steelmaking transformed its economy. As in the industrialization of textile making, the steel industry eliminated as much skilled work as possible from the production process. Focusing on large-scale production of items for use by other industrial consumers, steelmaking depended on the widespread use of machine labor; in fact, the investment required for the machinery meant that industrial plants required a much larger capital investment than in earlier decades. A textile mill could be established with about a million-dollar investment, but a steel mill required about fifty times that amount. Production of steel accordingly took place on a significantly grander scale than the production of items for the consumer market. The first phase of industrialization was symbolized by the orderly mills and workers' houses of Lowell, whereas the second phase—lasting from about 1860 to 1910—was best represented by the seeming disorder and grime of Gary, Indiana, the site of U.S. Steel's massive works built after 1907. By 1940, Gary was a city of over 100,000 people, with steel mills and blast furnaces that dominated the skyline.

A third wave of industrialization after 1900 continued to emphasize machine production, technological advances, and unskilled labor in manufacturing goods, but manufacturing work increasingly focused on the creation of durable goods for the consumer market. The most dynamic manufacturing sector, the automobile industry, symbolized the changing nature of manufacturing jobs, particularly with innovations in assembly line production at Henry Ford's Highland Park plant, opened in 1909 to produce the Model T. Using the scientific management concepts developed by followers of Frederick Winslow Taylor, tasks were simplified, routinized, and de-skilled, while component parts were standardized and made interchangeable. Adding to the increases in worker productivity, Ford's system also increased the pace of the assembly line to new levels, causing many workers to flee the line. With employment turnover reaching 380 percent at Highland Park by 1913, Ford attempted to stabilize employment levels by offering a Five Dollar Day to workers—actually, a base rate with additional incentive pay. With other manufacturers in the automobile industry soon rivaling Ford's offer, manufacturing workers began to participate in the mass consumer economy of the 1920s.

The economic expansion of the 1920s briefly papered over the long-standing divisions between skilled and unskilled manufacturing workers. With specialized training, skilled workers earned higher wages and enjoyed greater job security, factors aided by membership in one of the trade unions organized under the American Federation of Labor (AFL) since 1886. Conservative in its approach to labor issues, the AFL typified "bread-and-butter" unionism that focused on higher wages for its members, not larger concerns such as control of the workplace. In contrast, unskilled manufacturing workers, a majority of whom were foreign-born by 1900, did not enjoy the higher wages or job security that skilled workers had achieved. They also were largely unorganized; the AFL refused to pursue the formation of industrial unions for unskilled workers, and other attempts at unionization were often brutally crushed from the 1890s onward. The Industrial Workers of the World, formed in 1905 as "one big union" that attempted to organize unskilled workers while calling for the overthrow of capitalism, was essentially defunct by 1919. Although it had successfully organized unskilled manufacturing

A worker assembling aluminum pipes. The Bureau of Labor Statistics predicts little growth in production/manufacturing jobs in the coming decade. (Vince Streano/Corbis)

workers in a number of industries, its radical stance had spurred responses by employers and government officials that sometimes turned violent.

With the onset of the Great Depression in 1929, unemployment climbed from its official rate of 3.2 percent to 25 percent in 1932. Manufacturing centers were hit particularly hard by the economic downturn. Unemployment in Detroit reached 50 percent in 1932 and U.S. Steel, which had retained about 225,000 workers in 1929, employed no full-time workers by 1933. Those who kept their manufacturing jobs found that employers often stretched out their jobs with additional tasks while speeding up the production pace. In response to growing unrest, the Roosevelt administration passed a series of New Deal measures to provide relief to workers, reform government, and promote economic recovery. In the manufacturing sector, the National Industrial Recovery Act of June 1933 seemed to promote the organization of workers into independent labor unions. It was only after a series of bitter strikes and the promulgation of the 1935 National Labor Relations Act (Wagner Act), however, that workers were secure in their legal right to join labor unions without fear of losing their jobs.

With the federal government acting as an arbitrator of labor disputes though agencies such as the National Labor Relations Board, workers in the heavy manufacturing industries such as steel, automobiles, and appliances were almost completely unionized by the end of World War II. By 1955, about 40 percent of U.S. workers belonged to a labor union. Some manufacturers resisted the trend toward unionization, however, and relocated their operations to regions in the South and West that had enacted "right-to-work" laws and other measures that discouraged labor union membership. Although unionized workers enjoyed higher wages, better benefits, and greater job security than their nonunionized colleagues, the general economic expansion after World War II increased most workers' ability to participate in the consumer boom of the postwar era. With generally stable labor-management relations and a growing economy, the period of the 1950s and 1960s was indeed something of a golden age for U.S. manufacturers, particularly those that produced consumer items and durable goods. Although recessions occurred in some years, they were typically mild and short-lived.

With European economies slowly recovering from the devastation of World War II and Asian economies just beginning to industrialize, the U.S. manufacturing sector was viewed by many as the most innovative and competitive in the world.

During the 1970s, several factors modified the status of manufacturing jobs in the United States. First, fiercer competition by foreign manufacturers increased the demands for cost cutting, efficiency, and productivity by U.S. manufacturers. Second, spikes in energy prices spurred on by the Organization of Petroleum Exporting Countries (OPEC) cartel after 1973 not only hiked manufacturing costs but inaugurated years of relatively high inflation rates as well. Manufacturers spent more on energy costs and in some cases on higher wages linked to cost-of-living adjustments; with interest rates increased to dampen inflation, they also found it more expensive to borrow money for investments in new technologies and modern physical plants. With profits falling and the manufacturing system facing apparent decline, corporations undertook numerous cost-cutting measures that put an end to the era of relative stability that manufacturing workers had enjoyed since the end of World War II.

Just as many manufacturers had moved their facilities to lower-wage sites in the South and West after World War II, many corporations now relocated their operations to overseas sites in developing nations that offered an even cheaper and more compliant pool of labor. Other companies outsourced more of their production for component parts to smaller, nonunion plants or by hiring more part-time workers and giving them few, if any, benefits. By the mid-1980s, about 17 percent of workers at major U.S. corporations worked only part-time. With the assistance of the Reagan administration, manufacturers also took a tougher stance at the collective bargaining table; by 1982, over 40 percent of union contracts agreed to wage reductions, and in other instances, manufacturers refused to negotiate with recognized bargaining agents at all. As a result of these upheavals, manufacturing workers' incomes failed to keep pace with inflation during the 1980s, experiencing an 8 percent relative decline during the decade.

Because of its emphasis on service sector jobs—often related to information technologies—after 1980, many observers described the U.S. economy as "postindustrial" and predicted an even lower profile for the manufacturing sector in the years to come. By 1997 just 16 percent of Americans worked in manufacturing jobs, a percentage that paled beside Germany's rate of around 30 percent. Although some foreign automobile manufacturers built new plants in the United States in the 1980s and 1990s, the trend toward globalization seemed to promise further declines in the prowess of U.S. manufacturing. With union membership also dropping to less than 16 percent of all U.S. workers in the 1980s, the promise of higher wages, improved benefits, and job security also vanished for those who retained their manufacturing jobs.

Timothy G. Borden

See also American Federation of Labor and Congress of Industrial Organizations; Automotive Industry; Blue Collar; Capitalism; Collective Bargaining; Ergonomics; Ford, Henry; General Motors; Globalization and Workers; Hawthorne Plant Experiments; Industrial Revolution and Assembly Line Work; *Maquiladora* Zone; National Labor Relations Act; North American Free Trade Agreement; Postindustrial Workforce; Productivity; Quality Circles; Reuther, Walter; Rust Belt; Strikes; Swing Shift; Taylor, Frederick Winslow; Time Cards; United Auto Workers; Working Class

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Maquiladora Zone

Maquiladora zones are tax-free export zones (historically located just south of the U.S. border) that contain U.S.-controlled industrial plants (*maquiladoras*) employing low-wage Mexican workers. Spawned by Mexican government incentives, these plants import primary materials or components (tax-free), provide value-added labor-intensive improvements, and export intermediate or basic final products (taxed only on value added) back to the United States. In 1964, the U.S. eliminated its bracero program, which since 1942 had provided U.S. agricultural and construction jobs to hundreds of thousands of Mexican migrant workers. To create employment for this out-of-work population, Mexico implemented the Border Industrialization Program (BIP), establishing tax-free manufacturing zones in imitation of East Asian models. U.S. manufacturers flocked to Mexico for cheap labor, weak environmental regulations, and abolished taxes. U.S. labor unions protested the move; they labeled the potential loss of U.S. manufacturing jobs to low-skill, low-wage Mexican workers "the giant sucking sound." Precisely how many U.S. jobs were lost is unclear, but *maquiladora* employment reached over 1,000,000 by the year 2000 (INEGI 2000). By the 1990s, *maquiladoras* had become the largest source of foreign exchange for Mexico (Cravey 1998, 2).

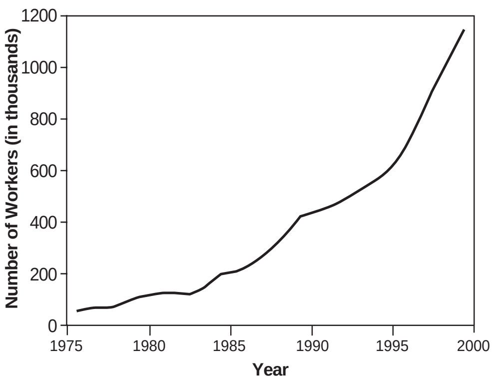
Many are critical of the composition of the *maquiladora* workforce: most employees are young women who are thought to be conscientious and docile and are paid very low wages. Political economists suggest that *maquiladoras* are representative of wider structural processes that increasingly allow capital to bypass national authorities focused on the public interest. On the other end of the ideological spectrum, economists argue that Americans now consume cheaper goods and that Mexico has increased productivity because of the zones. In either case, recent studies show manufacturers leaving Mexico for even cheaper labor zones (as in Central America or Southeast Asia) or for locations with inexpensive, highly skilled labor (as in China). In addition, because of decreased demand for goods and production components in the United States, some *maquiladoras* have failed. The Mexican government now views *maquiladoras* as having few linkages to the economy and only limited potential to drive overall growth. As official support declines, the *maquiladora* zones are rapidly disappearing or converting into other, more sophisticated, manufacturing processes. Furthermore, in 2001, the BIP was subsumed under the auspices of the North American Free Trade Agreement (NAFTA): thus, *maquiladora* zones no longer officially exist.

The *maquiladora* zone has gone through four main phases. The first phase lasted from the 1960s to 1972, during which the Mexican government, under pressure to boost employment, implemented incentives to attract U.S. manufacturers below the 2000-mile-long U.S-Mexican border. The move contradicted the government's key economic development strategy at the time, called import-substitution industrialization (ISI). ISI was aimed at protecting the development of national industries and productive capacity until such time that the country could compete on an international basis. *Maquiladoras,* however, were export-focused, though their reach into the Mexican economy was limited (they created only "enclave," or noninterrelated economies). Most analyses agree that labor was heavily exploited during this period, suffering abysmal wages and poor living conditions. Women with only primary-level education comprised over 70 percent of the workforce (Iglesias Prieto 1997, xix; Cravey 1998, 13). This feminine labor focus not only diminished work opportunities for men in the *maquiladoras* but also reduced the viability of many rural areas, where women play a key role in local economies (Sassen 1998, 42).

During the second phase (1972–1983), labor strength advanced in the zone; unionization brought increases in worker benefits and living conditions. However, U.S. corporations, cutting back because of recession at home and now free to exploit other low-cost labor arenas, actually decreased *maquiladora* production and employment in the early period of this phase (1972–1976). In 1976, however, a massive devaluation of the Mexican currency made manufacturing there once again attractive, and employment grew at a rapid pace. Because capital interests had successfully threatened to move to other export-free zones, both labor and Mexican officials backed off from prior gains in labor and environmental protections.

Phase three lasted from 1983 until the North American Free Trade Agreement (NAFTA) was ratified by the United States, Canada, and Mexico and took effect in 1994. The Mexican government, under increased pressure from international development agencies such as the World Bank and viewing the success of the "Asian tiger" economies, shifted its economic strategy from ISI to export-led growth (along the lines of neoliberal economic models). The existing *maquiladora* sector, already employing some 200,000 Mexicans, became the rallying focus for future economic development. Mexico proposed to reduce trade deficits, maintain a devalued currency, decrease government expenditures, and open its borders to trade. In other words, the BIP approach to development would be nationalized. Although employment in the *maquiladora* sector continued along impressive growth lines (see Figure 5), wages dropped, and living standards for workers decreased.

Figure 5
Mexican *Maquiladora* Employment



Source: Instituto Nacional de Estadística, Geografía e Informática

It can be argued that since 1994, when NAFTA took effect, the entire territory of Mexico has become a *maquiladora* zone (that is, with free trade everywhere), enabling U.S. firms to locate wherever natural resources, labor, trade routes or incentives might produce the highest profits. Technically, as of January 21, 2001, *maquiladora* zones no longer exist; the original incentives have been overridden by NAFTA (Gruben 2001, 12). Indeed, NAFTA can be considered the culmination of a set of policies put in place, beginning with the *maquiladora* zones, to open Mexico to the free market. Overall, the old *maquiladora* labor force has become more technical and administrative as well as more masculine, and producers have turned to higher-end manufacturing (such as electronics and car parts). In turn, traditional low-skill, very low-wage manufacturing, liberated by NAFTA, is increasingly located in poorer internal Mexican regions, marking a shift away from the border.

On the one hand, U.S. unions were opposed to NAFTA's tariff reductions, worrying that even more manufacturing jobs would be lost. On the other hand, governmental negotiators argued that Americans could consume cheaper Mexican-made goods and that Mexican productivity would increase. Both were right. Manufacturing jobs in the United States have steadily decreased since the 1970s, and at least some of the losses are due to *maquiladoras.* But products are less expensive for U.S. consumers, and productivity has increased in Mexico (if only slightly). The support for *maquiladora* zones is considered the policy precursor of a wider governmental move toward free trade and deregulation and is emblematic of the increasing globalization of manufacturing. However, the new Mexican government, led by the centrist National Action Party (PAN) believes that the original design of the *maquiladoras* provided few linkages with local Mexican businesses. As *maquiladoras* are shuttering and jobs are being lost, Mexicans are rethinking its export-led growth strategy. They look back at a history of poor labor conditions, increased exposure to environmental degradation, and few local benefits and question the wisdom of export-free zones.

Jesse Keyes

See also Capitalism; Contingent and Temporary Workers; Downsizing; Export-Processing Zones; Globalization and Workers; Immigrants and Work; North American

Free Trade Agreement; Trade Adjustment Assistance Program; Women and Work

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Maritime Trades and Work

Seafaring and longshoring (loading and unloading cargo, which is called "stevedoring" in most other English-speaking countries) are among the world's oldest occupations, dating from long before the founding of the United States. One of the earliest issues in U.S. foreign policy involved the treatment of U.S. seafarers by foreign vessels, in particular, British military vessels impressing (that is, kidnapping) U.S. seafarers into the British navy.

Seafaring has long been an occupation both dangerous and unpleasant. As Samuel Johnson said, "No man will be a sailor who has contrivance enough to get himself into jail; for being in a ship is being in a jail, with the chance of being drowned." Andrew Furuseth, the early giant of U.S. maritime unionism, commented this way on the prospect of imprisonment: "You can put me in jail, but you cannot give me narrower quarters than as a seaman I have always had. You cannot give me coarser food than I have always eaten. You cannot make me lonelier than I have always been" (Boswell 1791).

Because of the dangers of seafaring, to work onboard ship was to work in the ultimate of undemocratic, militaristic environments. Ships' masters (captains) long retained almost unlimited authority over the seafarers who worked on their vessels, including the right to inflict corporal punishment; seafarers who protested their treatment could be charged with mutiny. So complete was the subjection of seafarers that the Thirteenth Amendment to the U.S. Constitution prohibiting involuntary servitude (slavery) was held by courts not to apply to those who worked aboard ship. In this environment, seafaring clearly attracted mostly those with few or no other options.

An early attempt by U.S. seafarers to unionize that met with some significant success was the International Seamen's Union, founded in 1892. Andrew Furuseth was elected president of that organization in 1908 and became the voice of U.S. seafarers. Marine Engineers had already begun to unionize earlier when the Marine Engineers Beneficial Association was founded in 1875, and pilots began to organize in 1887.

Seafarers had little or no significant legal protection until the passage of the LaFollette Seamen's Act in 1915. That act, for which Furuseth had fought long and hard, was hailed as the Magna Carta of the sea. It sought to protect seafarers from a variety of abuses, including those aboard ship (requiring decent food and water, for example); those that involved their being expelled from their ships in distant, sometimes foreign, ports; and those that enabled ship owners to refuse to pay them agreed-upon wages or to meet other agreed and/or humane conditions.

The Depression of the 1930s initially decimated maritime unionism. However, legislative help was about to arrive. In addition to the earlier Jones Act (1920), which required vessels engaged in commerce between U.S. ports to fly the U.S. flag, and the passage of the National Labor Relations Act (Wagner Act) in 1935, the key piece of legislation was the Merchant Marine Act of 1936. That act recognized the value of a U.S.-flag-flying commercial fleet both for U.S. commerce and for national security and provided subsidies both to build ships for the U.S.-flag fleet and to operate those vessels. It continued the requirement that officers on such vessels be U.S. citizens and required that most nonofficer seafarers employed on those vessels also be citizens. The U.S. government was now committed to the promotion of the maritime industry and the people who worked aboard ship.

The result of all this legislation, together with the increased need for shipping created by World War II, was a dramatic increase in the fleet and in the number of seafarers working aboard the ships of that fleet. Those seafarers became almost completely unionized and were almost all covered by collective bargaining agreements. However, they belonged to a variety of different unions that were often the bitterest of rivals. Every category of maritime labor (deck and engine officers, unlicensed deck crew, unlicensed engine crew, the stewards' department, and radio officers) had and still has multiple unions competing for membership and allegiance. These unions formed shifting and uncertain alliances with each other and with the longshoring unions, and these alliances and rivalries survived long past the merger of the American Federation of Labor (AFL) and the Congress of Industrial Organizations (CIO) in 1955. The maritime unions had some of the most colorful and influential union officers in the nation, including Joe Curran (National Maritime Union), Paul Hall (Seafarers International Union), and Harry Lundeberg (Seamen's Union of the Pacific), but these men and their contemporaries often devoted themselves as much to their battles with each other as to those with the employers.

The postwar period was characterized by a dramatic long-term decline in employment on the U.S.-flag fleet. There were several causes of the decline. One major factor was that technological change aboard ship and in cargo handling (particularly the containerization of cargoes) allowed for larger ships to carry much more cargo with much smaller crews. Thus by the end of the twentieth century, vessels many times larger than those of 1950 were operating with crews of twenty or fewer, whereas the vessels of 1950 might have had crews of fifty or more. The number of nonofficer seafarers on each ship has declined the most.

In addition, high costs of operating U.S.-flag vessels stemming from high wage and benefit packages and strict regulatory rules caused the U.S.-flag fleet to lose out competitively to foreign-flag fleets. Often those foreign-flag vessels were owned by Americans but were operating under "flags of convenience." That is, they were operated under the auspices of nations that invited foreigners to register their vessels there and imposed low taxation and few regulations. By 2000, these flags of convenience led the world in vessel registration, with Panama and Liberia accounting for the most but with over twenty others available. Increasingly, only U.S.-flag vessels that were subsidized or were in protected market niches (for example, trading between U.S. ports and thus covered by the Jones Act) could survive. U.S.-owned flag-of-convenience vessels generally did not use U.S.-citizen crews or provide wages and working conditions comparable to those on the U.S.-flag fleet.

In the 1990s, it was clear that without subsidy, the U.S.-flag fleet would not survive. With subsidy contracts under the Merchant Marine Act of 1936 gradually expiring and the government refusing to enter into any more, it was clear that the U.S.-flag oceangoing fleet was on the edge of extinction. At least a small part of it was saved by the Maritime Security Program (1996), which provided more limited subsidies (compared to those that had been available under the Merchant Marine Act) to some forty vessels engaged in international trade. Even then, the U.S.-flag vessel operators forced the maritime unions to make major collective bargaining concessions before the operators would agree to participate in the Maritime Security Program, as opposed to registering their remaining vessels overseas.

By the year 2000, seafaring was no longer a major U.S. occupation, with only a few thousand jobs available. Most of the major maritime unions had a fraction of their former memberships, and others had to branch out of the maritime industry to survive.

In the last twenty years of the twentieth century, strikes virtually disappeared in the U.S.-flag maritime industry (strikes had been common in the 1940s and 1950s). The unions had been shrinking for the previous fifty years and spent much of their energy (the part that wasn't spent fighting each other) joining the employers in an effort to maintain and increase the direct and indirect subsidies to the industry on which the wages and working conditions of their members were based. At the same time, a series of internal financial and election scandals plagued several of the remaining significant unions in the industry (in particular, the National Maritime Union, the Marine Engineers Beneficial Association, and the Masters, Mates, and Pilots), sapping much of what remained of their vitality.

Longshore work also tended to attract workers who were desperate and downtrodden. Workers were traditionally hired by the day and often had to pay bribes or kickbacks to get work. Unionization and collective bargaining ultimately brought about improved treatment and employment security.

Longshoring has also had more than one union, but the unions long ago stopped competing for members. The International Longshoremen's Association has dominated on the East and Gulf Coasts, and the International Longshoremen's and Warehousemen's Union has been the dominant influence on the West coast. The latter union also produced one of the most colorful union leaders in the United States, Harry Bridges. He emerged as a leader in the dramatic strikes of 1934 and remained president of the union for decades.

Foreign competition is not as serious an issue in longshoring as in seafaring. Ships of any flag that arrive in U.S. ports are loaded and unloaded by U.S. longshoremen. However, containerization of cargoes and related cargo-handling technologies have dramatically altered the process of loading and unloading and have led to large decreases in employment, although those who continue working earn high wages and receive excellent benefits. Strikes have largely disappeared (except as brief local phenomena) from this segment of the industry as well, with the lockout of 2002 the first such coastwide conflict in decades.

At the beginning of the twenty-first century, there remain a relatively small number of seafaring jobs in the U.S.-flag segment of the maritime industry and a shrinking number in longshoring. Those jobs that remain still provide good pay and working conditions, but it is hard for all but a small number of seafarers and an aging group of longshoremen to find regular enough work in the industry to support themselves. The bulk of the remaining seafaring jobs would disappear if direct subsidy and indirect subsidy (mostly in the form of various "cargo reservation" requirements) were eliminated.

Clifford B. Donn

See also American Federation of Labor and Congress of Industrial Organizations; Building Trades Unions; Globalization and Workers; Occupational Safety and Health Act

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Meany, George (1894–1980)

Meany served as the first president of the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), from the AFL's merger with the CIO in 1955 until 1979. Considered to be a quintessential business unionist, Meany was known for his defense of craft union privilege, his virulent anti-Communism, his support of U.S. foreign policy and U.S. involvement in the Vietnam War, and his opposition to the peace and feminist movements that emerged in the 1960s.

Meany was born on August 16, 1894, in Harlem. Although his father worked as a plumber, he did not want the young Meany to become active in the trade, hoping that his son would obtain a better position in life. After spending one year in high school, Meany took a job as a messenger at a Manhattan advertising agency in June 1909 and considered attending night school to earn a business degree. However, he began to work as a plumber in October 1910, achieving journeyman status in 1914 and full membership in the Plumbers Union in January 1917. Shortly thereafter, Meany began his rise through the union's hierarchy. In 1919, he won a seat

George Meany meeting with Jimmy Carter, January 1978 (Courtesy of the Jimmy Carter Library)

on Bronx Local 463's executive board, and in 1922, he was elected business agent in the local. The next year, Meany became the secretary of the AFL Building Trades Council in New York City.

After becoming vice president of the New York State Federation of Labor in August 1932 and elected to its presidency in August 1934, Meany successfully promoted the federation's agenda. Meany's work on behalf of the AFL helped to achieve the passage of many new laws in 1935, including state unemployment insurance and worker's compensation laws, as well as the formation of a state labor relations board. To ensure that Franklin Delano Roosevelt won New York State's electoral votes in the 1936 election, Meany helped to organize, campaign for, and served as an elector for the American Labor Party, which ran Roosevelt on its presidential line. Acknowledged as being a highly effective political lobbyist for the state federation in Albany, Meany was elected by acclamation to the position of AFL secretary-treasurer at the federation's national convention in October 1939.

Moving to the AFL headquarters in Washington, D.C., Secretary-Treasurer Meany spent the World War II years as an AFL representative sitting on the War Labor Board and sharpening his anti-Communist political orientation. Shortly after the conclusion of the war, in what Paul Buhle (1999, 127) characterizes as "one of the very rare courageous or militant moments of his life," Meany led the AFL opposition to the 1947 passage of the antilabor Taft-Hartley Act. However, within a short time, Meany relented and accepted the act's implementation. Around the same time, the 1947 AFL convention accepted Meany's recommendation for the creation of Labor's League for Political Education, a formal arm of the federation for promoting the AFL's interests within the political arena.

After AFL president William Green died from a heart attack on November 21, 1952, the AFL Executive Council elected Meany interim president, and his election was approved by acclamation at the 1953 AFL convention. To encourage the continuing movement toward unity between the AFL and the CIO, Meany hammered out a "no raiding" agreement that was accepted by virtually all CIO unions by the middle of June 1954 but by only 65 of the 111 AFL affiliated unions (Buhle 1999, 133). In spite of the AFL's mixed reaction to the "no raiding" pact, talks continued, and formal unity of the AFL-CIO was achieved in December 1955, with Meany elected president of the merged federation, a position he held until November 1979. He died two months later on January 10, 1980.

As AFL-CIO president for nearly a quarter century, Meany's record has been lauded by supporters and attacked by detractors. Supporters praised (and critics attacked) his consistent anti-Communism at home and abroad, his support for U.S. foreign policy and U.S. involvement in the Vietnam War, as well as his attacks on what he viewed as extremely liberal Democrats, peace activists, environmentalists, feminists, and gay activists. Even though Meany supported the bill that was to become the 1964 Civil Rights Act and insisted that Title VII be included, white, conservative craft unionists, many found in the building trades, appreciated Meany's defense of their race privilege in the workplace and his weak support for both civil rights and the integration of their virtually lily-white unions. Although the AFL-CIO traditionally supported the Democratic Party candidates in local and national elections, Meany refused to back the 1972 Democratic presidential candidate George McGovern, believing that he was soft on communism and that he advocated surrender in Vietnam. In spite of his initial support for Nixon's reelection in 1972, Meany never publicly called for a vote for Nixon.

Several years before the end of Meany's tenure, union density had fallen from a peak of 33.2 percent in 1955 at the time of the AFL-CIO merger to 27.4 percent in 1971 (Goulden 1972, 466). When asked in 1972 why union density was falling, Meany replied, "I don't know, I don't care" (Goulden 1972, 466). The failure to organize the unorganized was a real disappointment of the Meany administration, which had originally believed that the AFL-CIO merger would revitalize the U.S. trade union movement.

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See also American Federation of Labor and Congress of Industrial Organizations; Building Trades Unions; Sweeney, John J.

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Meatpacking Industry

The development of the meatpacking industry was at first a slow process. In Europe and in the United States during the pre–Civil War era, obtaining meats usually took one of two forms: either one was a farmer who raised livestock for his or her own purposes; or one went to local butchers, who might have raised the livestock they slaughtered themselves or purchased animals from farmers.

Some people slaughtered their own animals for distribution, but the major problem in doing so was in shipping, especially before the widespread construction of railroads or if one was not near a canal. Preserving meats for long-distance travel usually required smoking or salting the food. Many of the early meat distributors were also involved in other business ventures.

In the pre–Civil War era, pork tended to be the primary meat for packing, but most people preferred fresh beef. Before the advent of refrigeration, those involved in the early days of meatpacking preferred to do so in winter, using the cold weather to their advantage.

Two events helped spark the meatpacking industry—the Civil War and the growth of railroads. During the Civil War, the need was to mobilize resources, especially food. The railroads, as opposed to canals, made transporting meats over longer distances faster and easier. During the Civil War, Chicago began to emerge as the meatpacking center of the country, after innovators such as Philip Armour, Gustavus Swift, and Nelson Morris transformed meatpacking into a highly centralized business. The meatpacking industry experienced incredible growth after the Civil War, using the help of the railroads and the advent of the refrigerated railcar.

Despite gains made by unionization, workers in the meatpacking industry face long hours, low pay, and frequent injuries. (Peter Vadnai/Corbis)

The meatpacking industry also became a highly mechanized business, especially because it was the first to utilize what became known as the assembly line. In 1893, close to 14 million animals were processed (Miller 1996). It took less than ten minutes to kill, clean, cut, and refrigerate a hog. At this point, with pork, the meat then went through additional processing, whether it was smoked or made into ham. It was said of slaughtering animals in the packing houses that everything was used but the squeal. Beef animals tended to be sent straight out to a butcher or a railroad car for shipment.

Working in a meatpacking plant was extremely hazardous. Blood and animal parts would splatter the workers, often flying into their eyes. Injuries to workers were commonplace, whether from cutting implements, a running animal, or a slip on a blood-covered floor. At times, an animal might get loose and run amuck on the shop floor.

Sanitary conditions were deplorable. Many diseased animals were slaughtered, processed, and sent out. Rodents loose in the plant might be accidentally ground up into the other meats, and sick workers themselves might further pollute the product. Upton Sinclair's infamous 1906 book *The Jungle* is best known for its exposé of the conditions in the meatpacking industry, although his main point was to convert people to socialism. The outcry over this work resulted in the federal Meat Inspection Act of that same year, which called for sanitary conditions and the inspection of all meats intended for interstate commerce.

Meatpackers also subjugated the independent butchers, as smaller businesses went from handling their own animals to handling meats already processed by the plants. The meatpackers were also able to open their own butcher shops and sell meats at prices lower than those of the independent butchers. Many of these local butcher shops would go along with the meatpackers and sell only those meats processed by those plants. Meatpackers also combined to control the marketplace, resources, and the price of labor.

Along with the harsh working conditions, meatpacking workers were also subjected to frequent and seasonal unemployment. Their early attempts to unionize were met with resistance by the meatpackers. The Amalgamated Meat Cutters and Butcher Workmen's organization was created in 1897 and faced near decimation in the 1920s, only to find revival and nationwide legitimacy in the 1930s with the help of the newly formed Congress of Industrial Organizations (CIO) and the National Labor Relations Act (Wagner Act).

Health, labor, and injury problems are still prevalent in the industry in the twenty-first century. Major fast food chains have become somewhat involved, claiming that they will purchase only those meat products that have been processed in specific ways. Inspections have become stricter, and many companies market "organic" meats, that is, animals that were raised and fed without the use of hormone treatments or any other "unnatural" chemical processes. It is just assumed that government inspection is carried out on a diligent basis. On occasion, tainted meats have found their way into the marketplace and onto the national news. The two most infamous meatpacking scandals involve Europe's "mad cow" disease and the discovery of E. coli organisms in beef in the United States, both of which can result in illness or death.

Labor issues are still very important to those within the industry, depending upon the location. In some areas, such as at some Texas plants, cooperation between the unions and management have helped improve the lives of many meatpacking workers, who are over 90 percent Latino, by offering a fair contract with good benefits and even English classes. In other areas, like some plants in North Carolina, the workforce is not unified. The majority of supervisory jobs are still held by whites, whereas groups such as African Americans and Mexicans are still delegated the dirtier aspects of the job, such as doing the killing and cleaning. In places that are not unionized, the common complaints among workers are the long hours and low pay. Regardless of unionization, long hours, low pay, and frequent injuries produced frequent turnover.

Many workers report health issues, including muscle problems and the loss of the ability to use their arms in a normal manner, injuries that are common to meatpacking workers. These injuries are especially common among those who use heavy-duty equipment to cut carcasses or even smaller knifes to produce smaller cuts of meat.

Regardless of any problems still lurking in the industry, the media still continues to serve as a watchdog for meatpacking conditions. Recalls of meat products have been reported with more frequency in the past few years, along with increased reports of industry-related injuries and illnesses. But although this coverage has affected how some people conduct their dietary habits, the United States itself has hardly given up on its taste for meat.

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See also Occupational Safety and Health Act; Sinclair, Upton; Workplace Safety

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Medicaid

Medicaid is a medical insurance program, jointly funded by the state and federal government, that covers the cost of care for targeted populations in the United States. The program generally serves low-income adults and children (74 percent of those enrolled, using 29 percent of the services budget); the elderly (10 percent of those enrolled, using 30 percent of the services budget); and the disabled, blind, and chronically ill (16 percent of the Medicaid population, using 40 percent of the budget) (Legal Information Institute 2000). In 2000, more than 40 million Americans were covered by Medicaid, at an annual cost to the federal government of more than $200 billion dollars, with an equal dollar match at the state level (Wattenberg 2002, 1). At the end of the 1990s and in the early 2000s, Medicaid began a process of evolving from a poverty-based program to a more traditional health insurance program, serving working and working poor populations. In national surveys, most respondent-recipients expressed satisfaction with the Medicaid system, and as a result of this program, supporters claim that the United States has seen a dramatic drop in the number of medically uninsured low-income adults and children since the program's inception in 1965 (Centers for Medicare and Medicaid Services 2001, 3). However, critics of the Medicaid system cite as problems the limited choice of providers offered to recipients; lower reimbursement rates, which sometimes make it difficult for Medicaid patients to secure medical care; bureaucratic delays; and skyrocketing costs at the state and federal levels.

The History of Medicaid

The Medicaid program was developed as a result of a 1965 amendment (Title XIX) to the Social Security Act of 1935. This amendment required states to provide health care to all children in families receiving cash assistance under the Aid to Families with Dependent Children (AFDC) program. With passage of the act, the federal government allowed states to establish their own eligibility standards, determine the scope of services offered, set the payment rates for services, and administer their own programs. As a result, the Medicaid program varies from state to state, as well as changing over time in any given state.

States retain some discretion in deciding which groups will be eligible for Medicaid coverage and in determining the financial criteria for such eligibility. However, to receive matching federal funds, states must provide Medicaid coverage for most individuals who receive federally assisted income-maintenance payments; low-income children; infants born to Medicaid-eligible pregnant women; children under the age of nineteen whose families or who themselves are income eligible; recipients of adoption assistance and foster care under Title IV-E of the Social Security Act; and other "categorically needy" groups. Many states additionally cover income-eligible institutionalized patients, those who are cared for at home, recipients of state supplementary payments, persons infected with tuberculosis and acquired immunodeficiency syndrome (AIDS), and specific uninsured women with breast and cervical cancer.

For states to receive federal matching funds, they must offer certain basic services to categorically needy populations, including inpatient and outpatient hospital services; laboratory and X-ray services; the services of skilled nursing home professionals, physical therapists, nurses, and physicians; hospice care and rehabilitative services; medical and surgical dental services; rural health clinic services; nurse-midwife services (if authorized under state law); and early and periodic screening, diagnosis, and treatment (EPSDT) for individuals under the age of twenty-one.

Medicaid does not provide medical coverage for every poor person because income eligibility is just one facet of threshold criteria. Assets and resources can also disqualify individuals from the program, although medically needy persons in target groups can be deemed eligible solely because of excessive medical expenses. States can additionally exercise a degree of flexibility when determining how applicants are judged as medically and financially needy, and some states allow recipients to "spend down" to Medicaid eligibility, by paying monthly premiums incurred for medical care until they meet the asset eligibility standards.

Medicaid is a vendor payment program, with providers paid directly for the services they perform. Providers must accept the Medicaid reimbursement offered as payment in full. For the most part, states determine the reimbursement methodology and rate of service, and providers accept reimbursement at rates generally lower than the standard. Medicaid patients may also be asked to pay minimal deductibles, coinsurance, or copayments for certain services, and providers cannot be required to accept patients with Medicaid insurance. Rather, states set reimbursement rates that are high enough to attract and enlist "sufficient" providers in a given area.

The federal payment to the Medicaid program, known as the federal medical assistance percentage (FMAP), is determined for each state by a formula comparing the state's average per capita income level with that of the nation. The FMAP must not be lower than 50 percent or greater than 83 percent of Medicaid expenses for the state (Fein 1986, 12). As a result, states with a higher per capita income pay a larger share of their Medicaid costs and receive a smaller share of federal reimbursement. The federal government also pays between 50 percent and 100 percent (depending on the functions and activities provided) of the costs of administering state Medicaid programs (Fein 1986, 134).

Much Medicaid-related legislation enacted between 1984 and 1990 expanded the programs' mandate to cover low-income children. Originally, eligibility for children was tied to state welfare rules; in incremental steps, legislation broke this link, eventually establishing a minimum of at least 100 percent of the federal poverty level to cover a broader range of children under the age of nineteen. At the federal level, the Deficit Reduction Act of 1984, Omnibus Budget Reconciliation Act of 1987, Medicare Catastrophic Coverage Act of 1988, Omnibus Budget Reconciliation Act of 1989, and Omnibus Budget Reconciliation Act of 1990 each mandated that states make a broader range of patients eligible for Medicaid services. In 2000, the federal guarantee of Medicaid eligibility for most poor children, coupled with the optional expansions implemented by many states to extend Medicaid coverage (Children's Health Insurance Program [CHIPS]) to low-income children above the poverty level, extended basic health insurance coverage to nearly 24 million children in the United States (Mishel, Bernstein, and Boushen 2002, 6). However, about 11 percent or 8.4 million children under the age of eighteen remained uninsured in 2000.

Medicaid also addresses the unmet health insurance needs of elderly individuals. Indeed, Medicaid was the primary source of funds for nursing home care in the United States in 2000 (Wattenberg 2002, 38). Some older individuals are able to use coverage from both Medicaid and Medicare services. These "dual eligibles" are entitled to payments from both programs up to the state's payment limit, additional services, and help with monthly health insurance premiums.

Medicaid can also be an important resource in allowing disabled individuals to secure the health care they need to become financially secure and independent workers. In 1997, section 4733 of the Balanced Budget Act required that states provide Medicaid coverage to working individuals with disabilities who could not qualify for the program under statutory provisions because of their earnings. States provided Medicaid coverage to these workers by creating a new optional "categorically needy" eligibility group. Then, with passage of the Ticket to Work and Work Incentives Improvement Act of 1999, two new optional categories of "needy Medicaid eligibility groups" were created for disabled workers who might not otherwise qualify for this coverage. Again in 1999, the Supreme Court issued the *Olmstead v. L. C.* decision, mandating that federal, state, and local governments develop more opportunities for individuals with disabilities through more accessible systems of cost-effective community-based services, such as Medicaid.

In 2001, the Center for Medical Services estimated that 218,000 persons living with AIDS were also served by the Medicaid program. The cost of this coverage is estimated at $7.7 billion. States must provide a full range of Medicaid services to eligible AIDS patients, including case management, prevention services, hospice care, and pharmaceutical therapy.

Welfare Reform and Medicaid

Prior to the 1996 reform law, Medicaid eligibility was linked to AFDC, the federal welfare program. In essence, this linkage determined that families eligible for cash assistance through AFDC were automatically eligible for Medicaid and those who lost eligibility because of increased income could continue to cover their children on Medicaid for an additional period of time. When the central act of welfare reform, the Personal Responsibility and Work Opportunities Reconciliation Act (PRWORA) was passed in 1996, the link between welfare assistance and eligibility for Medicaid was severed. As a result, although states are still mandated to serve some welfare-eligible populations (specifically pregnant women and children), under this new legislation they are permitted to deny benefits to others, particularly those heads of household who lose welfare benefits because of their "refusal to work."

PRWORA also established greater welfare eligibility for the working poor. Under the 1996 rules, low-income working families, workers who are additionally in treatment facilities, former welfare recipients who work, and some student workers are eligible for continued Medicaid coverage under work incentive programs. Specifically, those eligible for Social Security or Supplemental Security Disability Income (SSDI) and Supplemental Security Income (SSI) benefits may remain eligible for this publicly financed health insurance program.

Transitional medical assistance (TMA) was designed to strengthen incentives for welfare recipients to go to work and remain employed without losing health insurance coverage. Nevertheless, the percentage of low-income working parents who were insured by Medicaid fell by almost one-quarter from 1995 to 2000, according to census data, whereas the share who are uninsured rose by 7 percent (U.S. Census Bureau 2000a, 2000b, 2000c). Income eligibility limits for working parents in most states remain well below the poverty line, and about one-third of low-income working parents remain uninsured (U.S. Census Bureau 2000a).

Welfare reform additionally affected the Medicaid eligibility of disabled children. Prior to enactment of the reform law, the definition of childhood disability was linked to the parents' income eligibility. Again, section 211 of PRWORA broke this link by redefining the term *disability.* As a result, in states called "1634 states," where eligibility had been tied to Supplemental Security Income, children who had been determined to be disabled but no longer met the new criteria were terminated from the program. The new definitions forwarded under welfare reform additionally threatened Medicaid eligibility of disabled children in "criteria states"; in other words, children were disqualified not because of a change in their disability or income but because of a change in Medicaid definitions.

Passage of PRWORA also changed eligibility requirements for legal immigrants deemed "noncitizens" for the Medicaid program. In the past, legal immigrants were eligible for the full range of Medicaid benefits. In contrast, "undocumented aliens" were eligible only for emergency medical benefits. Under the new welfare reform law, with certain exceptions, noncitizen legal immigrants were barred from Medicaid, although they might still be covered for emergency services. Generally, only "qualified aliens" are eligible for coverage, and some of them may not be qualified until they fulfill lengthy duration-of-residency requirements. Additionally, the income of the immigrant's sponsor is newly counted in determining income eligibility as a result of welfare reform in the United States.

Although PRWORA transformed Medicaid into a more punitive and restrictive program, it did aid the states financially. The legislation had an impact on federal financial participation (FFP) rates, national limitations on total funding, time limitations, and eligibility restrictions. Section 114 of the law provides for a fund of $500 million to enhance the federal matching fund for state expenditures attributable to administrative costs of determining who is eligible for Medicaid. Normally, these rates are 50 percent, but under this new law, the FFP rate can move above 50 percent, yielding a more profitable process but one that has no direct benefit to those insured under this program. In 1999, in the Balanced Budget Refinement Act, Congress removed national and state-specific expiration dates for this $500 million fund.

Despite increased restrictions, the rate of Medicaid enrollment in the United States doubled during 2001. This growth has been dramatic for uninsured working poor families, children and pregnant women, working disabled populations, and the aged. The program continues to serve uninsured, low-income, working populations, providing a much-needed health insurance safety net for those increasingly at risk in the United States.

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See also Elder Care; Health Insurance; Living Wage; Minimum Wage; Unemployment Rate; Women and Work; Work First

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Middle Management

During most of the twentieth century, middle management was the linchpin of the modern U.S. enterprise. Middle management is a group of employees located between the first level of supervision and the top executives. Middle managers have a double function. First, they must implement the long-range plans and schemes devised by top executives. It is they who translate such plans into concrete projects for production workers and their supervisors. Second, they must provide top executives with information about the production process so they can devise long-term strategies. In the last thirty years, however, middle managers have been criticized for their inefficiency. Overall, their fate has risen and fallen with that of modern U.S. management.

Until the late nineteenth century, most U.S. enterprises were still small concerns run by independent entrepreneurs and their families. Typically, firms were single-unit enterprises that performed only one activity (transportation or selling, for example) in a limited geographical area. Because the volume of daily production was rather small, it could easily be supervised by the owners of the companies or their families. The centerpiece of the production process was the foreman, who was entrusted with the task of hiring workers, setting wage rates, and determining the pace of production. In the late nineteenth century, however, the U.S. economy was transformed by a great improvement in communication and transportation capacity. Faced with the need to produce ever greater volumes of goods for a national market, U.S. entrepreneurs resorted to mergers to create bigger companies and started combining mass production with mass distribution. U.S. enterprises thus became complex, integrated organizations that carried on every task that was necessary to transform raw material into a product and send it to the consumer. Such enterprises were characterized by their multiple units—they were composed of several departments that carried the tasks previously performed by different businesses. Not only were such departments administratively distinct, but they could be located in different areas of the country. As these enterprises developed, it became impossible for the entrepreneurs to oversee by themselves the workings of their company. On the contrary, they relied upon salaried employees whose task was to ensure that all the units would work congruently. Because their role was to coordinate production and distribution along principles of efficiency, middle managers were the fulcrum upon which the modern U.S. enterprise was built.

To carry out their task of coordination, middle managers ran their divisions and departments to the last detail, thereby depriving foremen of most of their responsibilities. They improved storage methods, refined accounting techniques, and oversaw the acquisition of materials. Middle managers evinced the same commitment to efficiency in their management of the production process—they endorsed scientific management methods to increase the productivity of the workforce. Overall, middle managers were essential to U.S. firms because they found ways of reducing costs and increasing output. Indeed, some took such an important role in the success of their firm that their names are still remembered: Bill Jones, a middle manager for Carnegie Edgar Thomson works, established world production records while at Ford Motor Company; and Russell McCarroll's unusual inventive skills earned him the moniker of Ford's "in-house Edison."

Since the 1970s, however, three economic and technological developments have led many to question the U.S. managerial structure in general and the function and status of middle managers in particular. First, the advent of computerization has reduced the need for middle management. Top executives no longer need to rely on them to gather the data they need to plan ahead. Second, work has undergone a transformation from a labor-intensive process to a knowledge-intensive one. The economy has shifted from manufacturing to services, and even in the manufacturing sector, automation has enhanced the need to rely on workers' knowledge at the expense of their muscles. These changes profoundly altered the nature of management, for any employee that exercises expertise or judgment on the job needs autonomy. Such employees cannot be managed as the production workers that stood at the core of the Taylorist system.

Third, by the early 1970s, the globalization of the market was well underway, and by 1980, 70 percent of the goods produced in the United States competed with foreign goods. Such competition threw many U.S. corporate giants off balance—particularly in the steel, automobile, and textile sectors, where U.S. industries were no longer competitive. Such setbacks resulted in a thorough questioning of U.S. managerial practices, while the organizational principles of Japan—whose economy was booming—were extolled. In Japanese enterprises, hierarchy was de-emphasized, and management was left to the lowest level. In every division and department, Japanese employees were encouraged to work in teams to analyze their problems and devise solutions. Compounding the effect of foreign competition were the recessions that hit the United States in the 1970s and early 1980s. In those times of austerity, many top executives sought to reduce costs and improve the productivity of their enterprises.

In the 1980s and 1990s, these three factors combined to convey the idea that the middle management ranks of U.S. enterprises were wastefully overstaffed with employees whose morale and motivation were low and whose overall contribution was questionable. As a result, many enterprises downsized their workforce, and the middle management ranks were cut to the bone. Feeling that they were the forgotten people in the middle, middle managers voiced their anxiety and sometimes contemplated creating unions. Doing so, however, further deteriorated their image, for they now appeared to be mediocre employees who were resistant to change.

Recently, however, middle managers have experienced somewhat of a rebirth in managerial theory. Reducing middle management ranks, some specialists argue, was a mistake because they remain a company's best source of entrepreneurial ideas and are best suited to solve problems that arise when companies try to implement changes. Most importantly, it is now apparent that companies that have adopted new managerial structures have fared no better than those that have kept traditional forms of organization. The classical hierarchical structure might be making a comeback.

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See also Baldrige Awards; Corporate Consolidation and Reengineering; Downsizing; Postindustrial Workforce

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Military Jobs and Careers

In the first decade of the twenty-first century, the U.S. military remains a central element of U.S. foreign policy, with more than 1.3 million personnel, including 253,000 deployed across the globe in 151 foreign countries. Although many talked of a "peace dividend" in the post-1989 collapse of the Soviet bloc, U.S. leaders concluded that the benefits from being the world's only superpower were more than worth the price in continued high military expenditures. Thus, the fiscal year 2002 U.S. military budget was $343 billion dollars—accounting for 36 percent of the world's total military expenditures and greater than the total combined spending of the next fifteen largest national military budgets (Center for Defense Information 2002). Although the U.S. military has a long and deeply rooted tradition of subservience to civilian authority, its sheer mass makes it an influential force in U.S. society. Since the elimination of the draft in 1973, the United States has relied on a large force of long-serving volunteers. The disappearance of the national consensus supporting military service as an obligation of citizenship has altered the tenor of military recruiting, as recruiters now rely heavily on "selling" the service to potential enlistees.

The All-Volunteer Force: A Brief History

Since the abandonment of the draft in 1973, the U.S. military has become an all-volunteer force (AVF). Initially, making the AVF work required major shifts in military policy. With the disappearance of draftees and draft-motivated volunteers, all four armed services had to redouble their recruiting efforts. Pay and benefits for enlisted soldiers rose dramatically with the end of the draft, as the services now had to make at least some effort to compete with jobs potential recruits might secure in the civilian economy. The fact that military personnel budgets were finite and manpower demands large helped keep military wages below those of the civilian sector, but the services sought to make up the difference by providing benefits such as housing allowances, medical care, and child care. Recruiters for all four services found that although higher pay, fringe benefits, bonuses, and college money were important in attracting recruits, recruits' perceptions that military life offered a unique personal experience proved vital. That being said, however, the services find recruiting much easier during periods of economic recession, when civilian jobs are harder to obtain (Ricks 1996).

One consequence of the military services' recruiting struggles during the 1970s was a dramatic increase in the recruitment of women and a commensurate expansion of opportunities for women in the military. During a period when the services were struggling to recruit even low-quality male recruits, they concluded that they could no longer afford to turn away educated, intelligent, would-be female recruits. Women had formerly been restricted to acceptably "female" positions such as clerks, nurses, and the like; the AVF era saw virtually all military jobs opened to women—although women were prohibited from serving in combat units and on Navy ships. Although the traditional male-dominated culture of the military continues to struggle with integrating women, women now make up 14 percent of military personnel strength. The combination of the performance of women service members during the 1991 Persian Gulf War and evolving U.S. social and political attitudes regarding women has resulted in the erosion of the limitations on women in combat. Although women in the army and marine corps are still prohibited from serving in units likely to engage in "close combat" with the enemy on the ground, women crew combat aircraft in all four services and now go to sea aboard navy ships (see Francke 1997).

The armed services' difficulty in integrating women is indicative of a deeper tension both within the military and between the military and society over the continued relevance of the military's traditional "warrior culture." The increasing emphasis on technology creates demand for technical experts over combat leaders within the military ranks, and the "information warfare" paradigm touted by military planners as the means to perpetuate U.S. military dominance in the twenty-first century further emphasizes decentralized decision making and delegation of authority, which to some observers suggests a need to reinterpret the traditional hierarchical model of military institutions. At the same time, the fundamentally conservative ethos of the military, always at odds with that of an individualistic American society, is further alienated from the American mainstream by the decreasing numbers of military veterans among civilian elites—a direct consequence of the elimination of the draft—and by the increasing willingness of officers to take sides in partisan politics. Military officers, who tend to be the primary repositories of military values and culture because of their longer tenure in the service, feel that any effort to "civilianize" the military or employ it for "social experiments" is damaging to its war-fighting ability. They point to the military's effectiveness and argue that the culture is an integral part in its success. This argument was deployed shrilly in response to the Clinton administration's 1993 proposal to overturn the military's ban on homosexual activity, a move that military traditionalists claimed would cause chaos in the ranks and induce many potential recruits to avoid the service. The fact that the officer corps has abandoned its traditional apoliticism and developed a partisan identification with the Republican Party further complicates relations between the military and civilian society (see Kohn 1994; and Feaver and Kohn 2001).

Despite these tensions, however, the military's place in American society is secure. Scattered concerns over the long-term vitality of the AVF reemerged during the 1990s because of recruiting difficulties in a post–Cold War era and a booming economy, but the system has not really been in crisis since the early 1980s. Given that political realities make a return to the draft extremely unlikely, any future recruiting shortfalls will likely be made up by a combination of measures, such as lowering standards for enlistment (the fact that the plentiful supply of recruits since the mid-1980s has permitted the services to insist that every recruit possess a high school diploma has led many military and civilian leaders to forget that it was not always thus), reducing the length of enlistment, or increasing compensation.

Military Life: An Overview

Rank and the Enlisted/Officer Distinction

The U.S. military is divided into two main categories of personnel: enlisted personnel and officers. To perform effectively under the trying conditions of combat, the military has a highly formal hierarchical structure of authority. The system is designed so that if a unit's leader is killed, injured, or otherwise unavailable in the chaos of combat, the integrity of the organization is maintained and it can continue to function. Accordingly, with the exception of a small number of dentists, lawyers, and physicians and a handful of other personnel, there is no such thing as "lateral entry" into the military. Individuals start at the bottom and work their way up, initially mostly through seniority, but with an ever-increasing focus on performance at higher ranks. There are ten officer ranks (designated O-1 to O-10) and nine enlisted ranks (E-1 through E-9). The lowest-ranking officer in the service formally outranks the highest-ranking enlisted man or woman. Higher-ranking enlisted personnel (grades E-4 and above) are classified as "noncommissioned officers" (NCOs) and exercise increased supervision responsibilities over their fellow enlisted personnel. Essentially, however, officers issue orders, and NCOs are responsible for direct supervision of enlisted troops in the execution of those orders. The relationship is in some way analogous to the management-foreman/supervisor-worker relationship in the civilian economy. In terms of numbers, the military had 1,157,947 enlisted personnel and 216,715 officers as of October 2001 (see Department of Defense 2002; Office of the Assistant Secretary of Defense 1999, chaps. 3, 4).

Officers are distinguished from enlisted personnel by the fact that they receive a "commission," granting them greater authority and demanding greater responsibility. There are three sources for officers: the service academies; collegiate Reserve Officer Training Corps (ROTC) programs; and officer candidate schools (OCS), a compressed program through which college graduates without prior ROTC training and a small number of exceptional enlisted personnel can gain a commission. Most of the officers in the four services gain their commissions through graduation from an ROTC program. Academy graduates and a select group of ROTC and OCS graduates are classified as "regular" officers upon their commissioning, but the bulk of ROTC and OCS officers are classified as "reserve" officers. Regular officers enjoy greater job security than reserve officers, who may or may not serve on active duty. All officers who either reach their eleventh year of active duty or are promoted to O-4 rank are offered regular status (most by their fifth year of active duty, in fact).

Age

The military is a relatively youthful institution compared to most large civilian organizations. Forty-six percent of military personnel are under twenty-five years of age. Most enlisted military personnel enter the service in their late teens or early twenties, usually right after graduation from high school. Most officers enter the service in their early to midtwenties, following graduation from college. About one-quarter of enlisted personnel reenlist after their initial term of service (generally a two- to six-year commitment, depending on the popularity of their chosen specialty). Recent statistics showed that the average active-duty military officer was 34.3 years old, whereas the average active-duty enlisted person was 27.3 (Office of the Assistant Secretary of Defense 1999, chaps. 2, 3, 4).

Social Background

When the all-volunteer force was instituted, one of the fears was that the military ranks would be filled overwhelmingly by unskilled, unqualified individuals. This did not come to pass in the dramatic fashion predicted by some—the services' recruiting success has allowed them to set fairly high standards that act as a barrier to undereducated individuals. However, the enlisted ranks in particular are skewed toward recruits from middle- and lower-middle class background, whereas few children of wealthy families choose a military career. African Americans are overrepresented in the enlisted ranks of the military and underrepresented in the officer ranks, a source of recurring distress for both military and civilian leaders. Despite this situation, a substantial number of African American enlisted personnel choose to pursue an extended career in the service—as a consequence, there are large numbers of African Americans in the senior enlisted grades. Hispanics are underrepresented in both the officer and enlisted ranks. Military personnel are more likely to hail from the South, West, and Midwest—the Northeast and Great Lakes regions are underrepresented in the military (Office of the Assistant Secretary of Defense 1999, chaps. 2, 3, 4). These characteristics may result in part from the large military presence in the South and West, which creates a positive relationship between citizens and the military—and not simply some sort of cultural divide.

Education

The military does not *require* a high school diploma for enlisted personnel but greatly prefers high school graduates because it feels that the diploma represents not only a level of intellectual ability but also an ability to persevere to accomplish a goal—making the holder more likely to adjust successfully to military life. The positive recruiting situation since the 1970s has seen a dramatic shift in the educational achievements of enlisted troops: 99.3 percent of enlisted personnel were high school graduates or general equivalency diploma (GED) holders in 1999, and 27.8 percent have at least some college experience. Among officers, 97 percent are graduates of a four-year college or university—even enlisted personnel who gain commissions through officer candidate schools usually obtain a college degree while on active duty following their commissioning (Office of the Assistant Secretary of Defense 1999, chaps. 2, 3, 4).

While in the service, both enlisted and officer personnel receive a great deal of training and education. In addition to field exercises and technical training for their particular military specialties, enlisted personnel receive training in subjects such as leadership and human relations. In a move that has upset some traditionalists, promotion for more senior noncommissioned officers is now contingent on meeting increasingly strict academic standards. Officers follow a similar range of educational pursuits but at a more advanced level. As officers rise in rank, their military education focuses more on larger issues of military operations and strategy. Officers who reach the rank of O-6 are usually graduates of one of the nation's "war colleges," where issues involved in integrating military force into national grand strategy are considered during a year-long course. Forty-five percent of officers also obtain graduate degrees, many of them from elite civilian universities (Office of the Assistant Secretary of Defense 1999, Executive Summary).

Promotion

Military personnel strength is set by Congress; officer strength usually varies year to year, according to a ratio of the strength of the enlisted forces. Military personnel are only promoted as vacancies occur in the ranks above them. Among officers, these vacancies result from promotion, retirement, or separation from service. Among enlisted personnel, the relatively large number of one-term enlistees—one-third of whom do not even successfully complete their initial obligated service—ensures rapid turnover in the E-1 to E-4 ranks, after which limited annual promotions and a system of competitive examinations thin the ranks.

To keep the system flowing, the laws governing personnel management impose an "up or out" policy. It is true with enlisted personnel but is most acutely felt among officers: whereas only a minority of enlisted personnel are inclined to stay in the military for the twenty-year period required to qualify for retirement, the majority of officers hope to make a career of military service. Most officers are promoted to O-3 rank, but after that the competition for promotion becomes increasingly intense. Officers who are twice passed over for promotion while in a given rank are subject to involuntarily separation from the service, although officers with eighteen or more years service are permitted to serve through the end of their twentieth year to vest their retirement. Although the other compulsory retirement provisions make it a rarity, officers may also be retired for age at sixty-two years—with the exception of O-9 or O-10 officers, who receive a special deferment from the president and must retire at sixty-four.

To manage the flow of officer personnel according to the shifting needs of their services, the service secretaries set "promotion zones" for officers, which may be longer than the period stipulated by law. Promotion boards exercising authority delegated by Congress and the president evaluate officers for selection for promotion as they "enter the zone" by having served in their current rank for the specified length of time. A small number of exceptional officers may be promoted from "below the zone," a mark of significant distinction.

Compensation

Military compensation is a constant source of controversy. Certainly pay has increased substantially since the institution of the AVF, but military members and advocates frequently complain that it remains insufficient. Claims that low military pay leads to loss of military personnel to the civilian sector are a recurrent theme. Although it is true that military pay often lags behind that in the civilian sector, the inclusion of various nonmonetary benefits evens up the discrepancy substantially. Pay increases with rank and tenure of service—thus, an E-1 enlisted soldier with less than one year's service makes just over $12,000 per year, whereas an E-7 enlisted person with ten years' service makes around $30,000 per year. Officer pay is higher: an O-1 officer with less than two years' service makes around $25,000 per year, whereas an O-4 officer with ten years' service makes over $56,000 per year.

One major problem in military pay has resulted from the services' efforts to attract new recruits over the years: pay for junior enlisted personnel has been substantially increased over the years, but increases for middle and senior enlisted personnel have been much smaller. As a consequence of this "pay compression" phenomenon, many enlisted personnel become increasingly disappointed with their compensation at midcareer, leading them to leave the service for civilian employment (Defense Finance and Accounting Service 2002).

Families

Since the institution of the all-volunteer force, the number of servicemen and women with spouses and/or children has risen dramatically. Today, over 50 percent of enlisted personnel are married (over 65 percent of officers are married). The services have attempted to respond by greatly increasing the amount of on-base family housing available, but many enlisted families in particular must employ a housing allowance to defray the cost of off-post housing (Office of the Assistant Secretary of Defense 1999, chaps. 2, 3, 4). Junior enlisted pay is often stretched very thin in these instances, leading some military families to apply for food stamps—occurrences of this phenomenon have been repeatedly cited by military supporters throughout the thirty years of the AVF era, but the reality is that it is more of a dramatic departure than a widespread problem.

One complication for military families is frequent moves—typically, one-third of the military population makes a "permanent change of station" (PCS) move each year, and each military family can expect to move approximately every two years. Although service members are compensated by the government for PCS moving expenses, the amount allotted is often insufficient. In addition, service members are often deployed overseas for extended periods of time to areas where families may not accompany them. This has long been problematic for naval personnel because of their extended time at sea but has become increasingly difficult for the other services, given the burgeoning number of overseas deployments in the post–Cold War era. Approximately 14 percent of military members with spouses and/or children were deployed in so-called hardship tour deployments during 1999. An added complication is the increasing number of single-parent or dual-military-parent households (General Accounting Office 2001, 23).

Retirement

The basic military retirement system is fairly unique, both because of the services' emphasis on youth and because only a small percentage of military personnel serve long enough to qualify for retirement. Career service members who serve twenty years on active duty are permitted to retire, drawing lifetime retirement pay equal to 50 percent of their highest active duty pay (with periodic adjustments for inflation). Given that most service members retiring after twenty years are in their forties (in 1990, the average retiring officer retired at forty-six, after twenty-four years of service), they typically rely on this fairly generous sum to supplement income from a second career. Service members may elect to remain on active duty, accruing an additional 2.5 percent retirement benefit per year of additional service until they reach mandatory retirement and a 75 percent pension at thirty years of service. This system has been much criticized. Some observers argue that the system is unfair to the majority of military personnel, given that only 30–40 percent of officer personnel and 10–15 percent of enlisted personnel survive the "up or out" system for twenty years. Others suggest that those who do qualify for retirement are allowed to retire too early, depriving the government of the well-honed skills and long experience developed at government expense while they are still very productive—after which the government is obliged to pay their retirement for decades (Rostker et al. 1993, 96; Asch, Johnson, and Warner 1998, 1–3).

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See also Defense Industry; Gays at Work; GI Bill; Rosie the Riveter; Sexual Harassment; Veterans; Wartime and Work

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Minimum Wage

The U.S. federal minimum wage established a wage floor (or a baseline wage) for compensation that increased cash flow to workers at the low end of the wage scale. The introduction of federal minimum wage legislation in the 1930s redefined relationships among labor, business, and government. Minimum wage laws moved the United States from a feudalistic system consistent with an agrarian-based economy (and employer-based control) into a wage labor market in which government regulated some aspects of the work environment, such as wages, work hours, and working conditions (Levin-Waldman 2001, 82–83). Franklin Delano Roosevelt's intention in devising the minimum wage component of the Fair Labor Standards Act of 1938 (FLSA) was to stimulate U.S. business in the wake of the Great Depression. Roosevelt believed a minimum wage would stabilize the labor market, increase consumer spending, and ameliorate regional wage disparities. Since its inception, the effectiveness of the minimum wage and even its intent has been the subject of much debate. Unlike federal benefit programs like Social Security, the minimum wage has never been indexed for inflation but remains subject to political processes for increases.

Massachusetts passed the first U.S. minimum wage law in 1912, followed by fourteen other states and the District of Columbia within six years. Most of these early minimum wage laws were directed toward women and/or children. Vigorously challenged by business interests and unions, most of these laws were deemed unconstitutional in state and federal courts on the grounds that minimum wage requirements "violated both the employer's and employee's 'liberty of contract'" (Waltman 2000, 29). Passage of constitutionally viable minimum wage legislation came after the Supreme Court struck down previous federal efforts, including the National Industrial Recovery Act of 1933 (NIRA). As a component of Roosevelt's New Deal progressivism, the 1938 FLSA established minimum wage levels, maximum work hours, and some workplace oversight provisions. The FLSA was successful because of the ways in which the minimum wage applied to labor. The FLSA's regulations covered workers engaged in the production goods sold through interstate commerce, over which Congress had constitutionally mandated control. Employees working in fields associated with transportation, communication, trade, or commerce (products and services that crossed state lines) were covered under the FLSA. Employees classified as professional, executive, or administrative were exempted from the FLSA. More importantly, FLSA exempted workers considered uninvolved with interstate commerce, including those employed in agriculture, retail, external sales, apprenticeships, and those working for small employers.

Passage of the FLSA occurred in spite of the resistance offered by business and industrial groups, unions, and the southern politicians. Unions objected to a minimum wage because of concerns that an established minimum wage would become a wage ceiling and fears that legislated wages would undermine collective bargaining. The South, as a region, had the lowest wages in the country and argued for exemptions based on industrial variance (agriculture) and for subminimum wages for black workers (Levin-Waldman 2001, 88). Roosevelt, however, saw the minimum wage as an opportunity to "modernize" the South "and to correct the existing economic imbalance" that resulted from the South's low wage rates (Levin-Waldman 2001, 85). Roosevelt felt a uniform wage was needed to increase and stabilize consumer spending on a national basis. When enacted, the FLSA instituted a minimum wage of twenty-five cents an hour in 1938, with increases until 1945, when the rate reached forty cents an hour. No rate-based subminimum was included in the bill, although agricultural workers were exempted.

Under the Truman administration, the minimum wage increased in 1949 to seventy-five cents an hour, but the legislation reduced the covered worker categories of the FLSA to only those whose jobs were deemed integral to interstate commerce, rather than workers whose jobs were "'closely related . . . or necessary'" to interstate commerce (Waltman 2000, 35). By 1961, Congress raised the minimum wage to $1.25 an hour, and retail workers employed by businesses grossing $1 million became subject to the minimum wage. At the same time, exemptions were extended to "laundries, automobile and farm equipment dealerships, and cotton gins" (Waltman 2000, 39). Over the next twelve years, changes in the legislation encompassing increased numbers of retail workers by lowering the gross exemption level of their employers (the lowest level was set in 1966 at $250,000; today's limit is $500,000) and the concept of a subminimum wage for youth, including its terms, length of effectiveness, and the actual reduction percentage, were introduced, enacted, repealed, and reinstituted in the process of continued legislative action. Over time, worker categories affected by the minimum wage expanded to include agricultural workers, state and civic workers, laundry workers, and to a lesser level, tipped employees. In the case of tipped employees—wait-staff, for instance—minimum wage provisions now require employers pay a wage that is 50 percent of minimum wage, with the rest made up in tips. Prior to this 50 percent provision, many employers paid no hourly wage to tipped employees, and tips comprised the only source of income for these workers (Waltman 2000, 41). The last increase of the minimum wage occurred in 1996 during the Clinton administration and brought the hourly federal minimum wage to $5.15. (An effort in 2000 to increase the minimum wage by one dollar was unsuccessful.)

The rationale for the minimum wage in 1938 shows little resemblance to that expressed today. In 1938, the FLSA was designed to improve the faltering condition of U.S. commerce. Because of high unemployment during the Great Depression, wages were suppressed, thereby creating an "unhealthy" economic environment (Krumm 1981, 1). The FLSA sought to restrict unfair labor competition, stabilize declining wages, and stimulate consumer purchasing (Waltman 2000, 32; Krumm 1981, 1). Today, the issues surrounding the minimum wage focus on the effectiveness of minimum wages: that is, who benefits from minimum wage mandates and to what degree. Over time, unions became ardent supporters of the minimum wage, once it was evident that minimum wages provided a wage floor and not a wage ceiling and when collective bargaining did not suffer (Levin-Waldman 2001, 78, 90).

At present, two primary economic philosophies underpin the minimum wage debate. The neoclassical, or standard, model based on the law of supply and demand is represented by George Stigler's assertion that increases in minimum wage rates will cause job reductions, resulting in net losses for the minimum wage constituency (Card and Krueger 1995, 1). The standard model relies on time-series data and deductive reasoning to demonstrate the resultant levels of disemployment. The most commonly cited study was conducted in 1982 by Charles Brown, Curtis Gilroy, and Andrew Kohen and concluded that a 10 percent increase in the minimum wage results in a 1–3 percent disemployment rate (Krueger 2001, 245; Brown 1996, 88). Further analy-

Measuring the effects of minimum wages on poverty in the United States has been complicated because most studies focus on teens who earn minimum wage, like this fast food worker, and not on poor families or low-wage work patterns. (Ariel Skelley/Corbis)

sis, however, by Brown, Gilroy, and Kohen in 1983 indicated that a 1 percent disemployment rate was most supportable by the data (Brown 1996, 88). Proponents of this model usually contend that the standard model is always correct and that increases in the minimum wage will always result in employment reductions (Card and Krueger 1995, 383; Deere, Murphy, and Welch 1996, 26). Critics suggest that the model is incomplete and that data do not support a level of disemployment sufficiently significant to impact the low-wage labor market, but rather a level so statistically insignificant as to render no effect. Critics of the standard model as it is commonly implemented also charge that traditional time-series studies focus too narrowly on teenage workers, who constitute only one-third of the 5 percent of workers earning the minimum wage (Card and Krueger 1995, 3). At the same time, critics also reinforce the standard model by acknowledging that it would be accurate if the minimum wage were increased too precipitously.

Proponents of the other perspective, identified as social economics revisionism, conduct empirical studies or natural experiments combined with inductive reasoning. These studies, the best known of which was administered in 1995 by David Card and Alan B. Krueger and focused on New Jersey and Pennsylvania fast food workers, advanced analyses that demonstrated no statistically definable disemployment rate but instead a slight (but also statistically negligible) increase in employment due to minimum wage increases. It is important to note that the intent of revisionists is to empirically test the validity of theoretical models and time-series data. Another aspect of this debate is to reframe the discussion regarding the minimum wage from teen labor to focus more on adult minimum wage earners and the effects that minimum wage increases have on poverty (Carrington and Fallick 2001; Neumark and Wascher 2002). These studies have addressed questions about the effectiveness of the minimum wage as a poverty policy and raise concerns about the ability to recognize its effectiveness, if teen workers rather than adults are primarily examined (Sobel 1999, 773).

Poverty is an integral component of the current minimum wage debate, as scholars analyze the demographics of the low-wage workforce and the ways in which a minimum wage influences conditions for low-wage workers. The positions expressed by the neoclassicists and revisionists represent the opposing poles of the debate. The first is associated with free market advocates who contend that a governmentally imposed wage floor inhibits the economy by interfering with the free exchange of labor and should, therefore, be repealed. On the other side are individuals who see the minimum wage as a tool for reducing poverty, with government as a needed oversight agent. Both sides view the minimum wage as a $5.5 billion cash transfer program (one that does not raise taxes), but they differ greatly on their analyses of the efficiency of that cash transfer. David Neumark and Williams Wascher argue that the disemployment associated with minimum wage increases "could result in net income losses for poor families" and reduce other previously nonpoor families to poverty, even as the income levels of poor families still below the poverty level increase (Neumark and Wascher 2002, 332). By extension, if no benefit can be established, then there would appear to be no justification for legislating minimum wages.

Measuring the effects of minimum wages on poverty is complicated in part because studies have had a tendency to focus on teens and not poor families or low-wage work patterns. That tendency appears to be changing. In an effort to determine if "long-term minimum wage employment is rare," as was presumed, William J. Carrington and Bruce C. Fallick found that "more than 8 percent of workers spend at least 50 percent of their first 10 years in jobs paying minimum wage plus \$1.00" (2001, 17). In addition, they contend that a "nontrivial fraction" of adults are minimum wage or near minimum wage workers. They found that 2.5 percent of adult workers earned the minimum wage plus twenty-five cents and that 8 percent of adults earned just \$1.00 above the minimum wage, even during the midlife years when earnings usually peak (Carrington and Fallick 2001, 18).

Although studies provide conflicting data regarding the changes in poverty levels associated with increases in the minimum wage, when polled, the American public has consistently and overwhelmingly supported increases to the minimum wage. Gender, ethnicity, and income do affect the magnitude of support for the minimum wage, but fully 89 percent of Americans supported the minimum wage increase in 1996. The lowest levels of support were expressed by individuals earning over \$75,000 a year (62 percent), those identifying themselves as conservative (61 percent) or as Republicans (61 percent) (Waltman 2000, 52). Women, blacks, and Hispanics tend to offer stronger support for the minimum wage than do men, whites, and Asian Americans (Waltman 2000, 51). As a whole, the American public views the minimum wage as a way to relieve poverty and ensure fair compensation. At the same time, this support is passive—the public displays little initiative to prompt legislative action.

Politically, the minimum wage is controversial. Republicans (and business) tend to embrace the standard model, whereas the Democrats (and labor unions) are aligned with revisionist models, thus sharply polarizing the debates. In recent years, increases to the minimum wage have occurred in conjunction with election-year initiatives, as both parties tried to invigorate public involvement and garner votes. The increase in 1996 came only after intense efforts by some Senate Democrats and the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) to address the drop in real wages and buying power caused by inflation. The 1996 increase to \$5.15 still represents a 30 percent decrease in actual value, when adjusted for inflation, from the 1968 minimum wage levels.

Currently, the minimum wage differs from other federal income-benefit programs because it is not indexed to allow for regular or consistent increases. Instead, all increases are implemented through congressional action. Three indexing options have been proposed for the minimum wage: (1) indexing the minimum wage to the inflation rate, (2) indexing the minimum wage to the Consumer Price Index (CPI), and (3) indexing the minimum wage to a percentile of the wage distribution (Card and Krueger 1995, 395). There has been no action toward indexing in part because there is no consensus for an indexing method. Economic and political controversies, coupled with a passive public, inhibit regular reviews of the minimum wage.

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See also Compensation; Equal Pay Act; Fair Labor Standards Act; Living Wage; Pay Equity; Prevailing Wage Laws; Unemployment Rate; Wage Gap; Welfare to Work; Work First

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Mommy Track

The term *mommy track* was coined in the late 1980s to describe the organizational phenomenon in which working women are shunted to lower-paying positions if they are anticipated or perceived to need flexible schedules in order to care for their families. This issue has been widely analyzed and discussed because of its implications for women, who are often the primary caregivers for children in American society. This perception prevents many women—even those who don't have children or who have made arrangements for child care—from reaching top company positions because employers fear that they will leave the workforce at some point to have children. Employers worry that they will lose their investment in such women, who may not return to the workforce or may do so only part-time. To avoid the expense of lost resources, companies pass over women for promotions and high-paying positions and disproportionately promote male workers, whom they perceive to be more committed to the workforce.

The debate began after publication of a controversial article in the *Harvard Business Review* in 1989. Felice Schwartz, president and founder of Catalyst, an organization that works to foster the career and leadership development of women, wrote in her article "Management Women and the New Facts of Life," that the cost of employing women in managerial positions is higher than that of employing men. But since global competition is increasing for managerial talent, firms need to search for and employ women in top positions or risk losing this competition. Then she argued that there are two types of women employees: career-primary and career-and-family. Career-primary women are willing to put their careers first and make the tradeoffs (such as spending less time with their children or hiring someone else to raise them) traditionally expected of men who seek leadership positions. Schwartz advised companies to recognize these women early and to remove any artificial barriers to their success in the firm. Career-and-family women, however, want to pursue careers but also want to participate actively in the care of their children. These women, she argued, are willing to trade some career growth and higher wages for flexible schedules, shorter hours, and freedom from working weekends.

The debate that followed this article was heated and continues today. Feminists charged Schwartz with reinforcing the idea that women must become like men to compete in the work world and that a women cannot have both a career and a family. Others argued that Schwartz's advice would encourage companies to reduce pay and withhold promotions in exchange for family-friendly practices like parental leave, flextime, and child care. Schwartz's rebuttal argued that the career path for career-and-family women was not a dead end but an alternative track for any committed professional who wanted to devote time to her family yet advance in her career.

The mommy track debate continues as more women enter the workforce. Nearly sixty percent of all U.S. women participated in the labor force in 2002 (Bureau of Labor Statistics 2003), and women comprise 46 percent of the labor force today (U.S. Department of Labor 2000). Opponents of the mommy track point to the lack of women in leadership positions (497 of Fortune 500 chief executive officers are male) to argue that women are still trapped in this dead-end track (Ezzard 2001). One study found that women with M.B.A.'s who took nine months or less off after the birth of a child were still earning 17 percent less ten years later than similarly qualified employees without such an employment gap (Kagan, Gall 1998).

At the same time, in response to the growing number of female workers and dual-earner families (60 percent of married couples were dual-career couples in 1995), many employers are offering flexible work arrangements (Catalyst 2001). More than 60 percent of Fortune 500 companies offer some kind of flexible options at work, including flextime, telecommuting, and job sharing (Schwartz 1999). As women are becoming more committed to the workforce, companies may increasingly find that these flexible arrangements are also sought by men who wish to devote time to their families.

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See also Glass Ceiling; Pay Equity; Pink Collar; Steinem, Gloria; Women and Work

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Mother Jones (1837?–1930)

Mother Jones was a union organizer and early activist in the vanguard of the U.S. labor movement. Her reform efforts were credited by the U.S. Department of Labor as ultimately leading to the abolition of child labor, acceptance of the eight-hour workday, and implementation of Social Security and the minimum wage. In 1992, she was inducted into the department's Labor Hall of Fame.

Born in Cork, Ireland, as Mary Harris, many details of Mother Jones's life are disputed, including her birth year, which is considered to be 1837 based on a parish baptismal notice. It is probable that the Great Famine propelled her father and then the rest of the family to emigrate to the United States. His work as a railway construction laborer took him to Canada, where Mary Harris received her educational preparation for teaching.

After an early stint of teaching in Monroe, Michigan, and then dressmaking in Chicago, she relocated to Memphis, Tennessee, where she met and married her husband. George Jones was a skilled foundry worker and member of the International Iron Moulders Union, an early trade organization. Most especially through her husband, Jones came to know the abuses of low wages, long hours, unsafe working conditions, and the ever-present threat of blacklisting for workers who complained. In 1867, yellow fever swept through Memphis, and Mary Harris Jones's husband and four young children succumbed to the epidemic. This personal tragedy changed the course of her life.

Widowed and alone, she returned to dressmaking for the wealthy in Chicago. The social inequities and class disparities that she observed weighed on her mind. When the Chicago Fire of 1871 struck, she lost all. Turning for assistance to the Knights of Labor, then the largest union in the country, she began attending their meetings and allied herself with efforts to alleviate the misery of working people. Free of the responsibilities of family and home, Mary Harris Jones found her calling and devoted her energies for some sixty years to visiting the coal mines, railroad yards, factories, and mills across the country. She observed conditions, raised funds, and exhorted collective action among workers to effect a political solution to their difficulties. Jones's petite appearance and demure attire in bonnets and lace-accessorized clothing belied the influence of her fiery oratory. That she was not intimidated by the threat of imprisonment or violence inspired the workers, who came to respect her and see her as a blend of stern matriarch and loving mother.

Jones is said to have stood with the railroad workers in Pittsburgh as they staged the first national strike in 1877. She traveled the country, educating laborers about the working-class movement; worked with Eugene V. Debs in the 1890s in organizing the Socialist Party; and built the readership of the leading political weekly newspaper *Appeal to Reason,* a vehicle used to expose the difficulties of workers. Using the moniker "Mother Jones," she also wrote for the influential *International Socialist Review.* Exposure to the mills of Cottondale and Tuscaloosa, Alabama, sensitized her to child labor abuses. She additionally organized Penn-

Mother Jones, meeting with President Calvin Coolidge, September 26, 1924 (Library of Congress)

sylvania miners and used a broom-and-mop brigade of striker's wives to rout potential strikebreakers. This ploy brought the attention of religious leaders, educators, and the press to the anthracite coal strikes of 1900 and 1902. When the Pennsylvania situation was settled, the bituminous coal regions of West Virginia were not part of the agreement. Mother Jones staged a strike there that the United Mine Workers did not support. Breaking with the union, Jones turned her attentions to the striking machinists of the Southern Pacific Railroad, the Western Federation of Miners' concerns about the closing of copper pits in Arizona, and she even raised funds for the legal defense of imprisoned Mexican revolutionaries who took refuge in the United States. In 1903, Jones led a march of striking textile mill children walking from Kensington, Pennsylvania, to the home of Theodore Roosevelt at Oyster Bay, New York. Although the marchers did not get to speak to the president, nevertheless the march itself brought national attention to the abuses of child labor and paved the way for federal legislation that limited child labor (1938) and finally outlawed it (1949).

Mother Jones's work in the West Virginia miners' strike of 1912–1913 turned violent, and after the state declared martial law, she was sentenced to a twenty-year term of imprisonment. Amid widespread national public censure, a state commission intervened and abrogated her sentence. By the end of the decade, nearly half of the mines in West Virginia were unionized, largely because of Jones's work. Another bitter dispute in which Mother Jones participated was the 1913–1915 strike against Rockefeller-controlled mines in Colorado. She was again imprisoned but was released through the intercession of Mexican revolutionary Pancho Villa who offered to exchange a prisoner requested by Woodrow Wilson in her stead. (A grateful Villa remembered Jones's earlier support of his fellow revolutionaries and her later discussion with Mexican president Francisco Madero about unionizing miners.) While Mother Jones gave testimony about the strike before the House Mines and Mining Committee, the Colorado militia killed twenty men, women, and children from the striker's tent colony. This extreme act assured national attention on the underlying issues of the strike, which was finally settled through federal mediation.

A charismatic speaker and self described "hell-raiser," Mother Jones had the intelligence, wit, energy, and even rage to motivate workers. Once dubbed "the most dangerous woman in America," she knew how to shape public opinion and make the country aware of the exploitation of its workers by industry. Her deep commitment to labor forged an identity for oppressed workers, lifted their morale, and mobilized them to improve their lot through unionization. As she requested, Mother Jones was buried upon her death in the Union Miners' Cemetery in Mount Olive, Illinois.

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See also United Mine Workers of America

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National Education Association (NEA)

Originally founded in 1850 as the National Teacher's Association, the National Education Association (NEA) assumed its current name in 1857. Chartered by Congress in 1906, the NEA has been the subject of controversy and praise throughout its existence. As the largest and oldest educational organization in the United States, the NEA has become known for its general aim of promoting the welfare of all professional educators, including teachers, administrators, and counselors, and the students for whom these educators are responsible. Now headquartered in Washington, D.C., the NEA claimed more than 2.7 million members in 2002, from the preschool level to university graduate programs, with at least 13,000 affiliates throughout the United States.

The NEA is responsible for assisting in the establishment of teacher quality benchmarks, a responsibility the NEA cemented in 1954 with the creation of the National Council for Accreditation of Teacher Education (NCATE). Before this board can grant accreditation to a college or university, a board of examiners must evaluate its programs. In addition, the 2002 federal Elementary and Secondary Education Act defines "highly qualified" teachers as those who are fully certified or licensed, as well as competent in the subjects they teach. The NEA took part in these two governing measures, and its members set the association policy through an annual representative assembly (RA) held each July. Since the NEA is a volunteer organization at its core, with a network of staff at the local, state, and national levels, the state and local members elect the RA representatives, who then elect the NEA officers to delegate and decide NEA policies.

To promote its programs, the NEA created American Education Week early in the twentieth century. The first observance of American Education Week occurred December 4–10, 1921, as a direct result of the distress over the large illiterate population in the United States. Both the American Legion and the NEA met in 1919 to discuss ways of generating support for public education, and after the 1921 event, American Education Week became an annual event. By 1929, each year focused on a theme, generally a way to rally public support for education.

To bolster NEA policies, the membership adopted the "Code of Ethics of the Education Profession" in 1975. The preamble focuses on the responsibility of the teacher: "The educator, believing in the worth and dignity of each human being, recognizes the supreme importance of the pursuit of truth, devotion to excellence, and the nurture of the democratic principles." Divided into two principles, the commitment to the student and the commitment to the profession, the code attempts to focus on the realization of the student's potential as a member of society, as well as the belief that the quality of education relates directly to those providing the services. The NEA code of ethics includes such points as "the educator shall not unreasonably deny the student's access to varying points of view" or "the educator shall not on the basis of race, color, creed, sex, national origin, marital status, political or religious beliefs, family, social or cultural background, or sexual orientation, unfairly exclude any student from participation in any program." The educator also "shall not misrepresent his/her professional qualifications" (National Education Association 2002).

The NEA has actively supported teacher unions in both the private and public sectors. Collective bargaining tactics have flourished in the public sector and declined in the private sector, with less than 12 percent of the private sector labor force unionized in 1993, compared to 36 percent in 1953. Private sector employees in the latter part of the twentieth and early twenty-first centuries resorted to various other techniques, especially litigation, to protect their rights. State and local teacher unions are regulated by state, not federal statutes; however, under the Labor Management Reporting and Disclosure Act of 1959 (LMRDA), unions are required to submit reports to the federal government. The NEA is also subject to the LMRDA, although its state and local affiliates are excluded.

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See also Education Reform and the Workforce

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National Labor Relations Act

The National Labor Relations Act (NLRA) is the most important federal law governing labor relations, collective bargaining, and strikes in the U.S. private sector. The NLRA was initially enacted by the Wagner Act in 1935 and substantially amended by the Taft-Hartley Act in 1947. Along with the Labor-Management Reporting and Disclosure Act (Landrum-Griffin Act, 1959), the NLRA still regulates U.S. private sector labor relations today. Under the NLRA, it is the policy of the United States to encourage "the practice and procedure of collective bargaining."

The Development of the NLRA

The NLRA was first approved by Congress in 1935 to promote collective bargaining as a way of countering worker exploitation in the form of low wages, long hours, and abusive and dangerous working conditions. The underlying idea was that if workers could organize into unions and bargain collectively rather than individually, labor's bargaining power would more closely equal corporate bargaining power and more equitable employment outcomes would result. The decade of the 1930s was marked by the Great Depression, and policymakers also thought that strong unions obtaining higher wages would stimulate consumer spending. Lastly, collective bargaining can provide industrial democracy in which workers have a voice in the workplace (analogous to the democratic principle of voice in the political arena).

However, for much of the nineteenth and early twentieth centuries, labor relations were essentially unregulated. Companies opposed unionization, and in the absence of laws protecting collective bargaining, legal thought and judicial rulings were shaped by classical economic beliefs in the importance of free markets. In this climate, management had the upper hand. Strikes were broken, union leaders jailed, and union supporters blacklisted.

For collective bargaining to be successful in countering worker exploitation, increasing consumer spending, and providing voice in the workplace, it was clear that legal support was required. On this basis, the NLRA was passed in 1935. Note that the intellectual foundation of the NLRA is not the traditional free market–oriented, classical economics school of thought, but the industrial relations school of thought, in which the labor market is not characterized by competition but by unequal bargaining power between corporations and individual workers.

Major Provisions

The heart of the NLRA is section 7, which states: "Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, and shall also have the right to refrain from any or all of such activities." In practice, most section 7 activity involves a formal labor

The sewing room of a shirt factory in Troy, New York, ca. 1907. For much of the early twentieth century labor was unregulated and management had the upper hand. Worker exploitation in the form of low wages, long hours, and abusive and dangerous working conditions was common. (Library of Congress)

union, but this language grants rights to individuals, not unions, and covers significantly more than traditional union activity. For example, two nonunion workers who spontaneously join together to protest working conditions are protected by section 7.

To make these section 7 rights a reality, section 8 specifies five management and seven union unfair labor practices, or illegal actions. The five management unfair labor practices are (1) to interfere with, restrain, or coerce employees as they exercise their section 7 rights; (2) to dominate or interfere with any labor organization; (3) to discriminate against workers on the basis of union membership or support; (4) to discriminate against workers because they file charges under the NLRA; and (5) to refuse to bargain with a duly certified union that has the support of a majority of the employees. The first and third of these prohibitions make it illegal for companies to try to weaken support for a union by, for example, firing or refusing to hire certain individuals, granting wage increases during an organizing drive, or making threats or promises to employees. The second unfair labor practice prevents so-called company unions, in which management dominates an employee representation plan. These plans were used in the early twentieth century as a substitute for more powerful, independent unions.

Union unfair labor practices were added in 1947 and 1959. It is illegal for unions to (1) restrain or coerce employees when they are exercising their rights to form unions and collectively bargain and also to refrain from such activity, (2) cause an employer to discriminate against an employee to encourage or discourage union activity, (3) refuse to bargain with the employer, and (4) engage in secondary boycotts. Three less important union unfair labor practices also forbid excessive or discriminatory initiation fees, featherbedding (being paid for unnecessary work), and some forms of picketing.

The National Labor Relations Board

The NLRA established a new federal agency, the National Labor Relations Board (NLRB), to administer U.S. private sector labor law. Its two primary functions are to conduct representation elections to determine whether workers will be represented by a labor union and to investigate and adjudicate allegations of employer and union unfair labor practices. At the head of the NLRB is a five-member board that issues rulings on unfair labor practice charges, just as a court would. The NLRB is the most important governmental agency for U.S. collective bargaining.

One primary function of the NLRB is to decide when a group of workers will be formally represented by a union such that an employer must bargain with that union. To prevent unions from resorting to strikes to force employers to bargain, Congress established the NLRB in 1935 to oversee an orderly process for determining representation questions. Thus, questions of union representation are now settled via a secret ballot election, in which the workers vote for or against union representation.

The NLRB is responsible for all aspects of this election process. It determines if there is sufficient interest among the employees to warrant conducting an election; decides who can vote in the election by determining the appropriate bargaining unit (the group of jobs that would be represented by the union); and sets the date, time, and place of the election. If there are conflicts between the union(s) and employer with respect to these issues, the NLRB can hold a hearing before making a decision. It supervises the counting of the ballots, rules on any challenged ballots, and certifies the results of the election. The NLRB is charged with making sure employees are able to vote without interference and can set aside the results of an election if it determines objectionable conduct has affected the outcome.

If a union receives majority support from the employees in a representation election, the NLRB certifies that union as the representative, or bargaining agent, of the employees. The fifth employer unfair labor practice in the NLRA makes it illegal for an employer to refuse to bargain with a certified union over wages, hours, and terms and conditions of employment. The NLRA also specifies that this certified union is the exclusive representative of those employees and that without another election, no other union can represent those employees. This principle of exclusive representation is central to U.S. labor relations and is very different from many European labor relations systems.

The second major function of the NLRB is adjudicating unfair labor practice cases. When such an allegation is filed with the NLRB, there is an investigation. If a complaint is then issued, an administrative law judge conducts a hearing, reviews the evidence, and issues a ruling. This ruling can be appealed to the five-person board, which conducts its own hearing and issues its own ruling, usually with a three-person panel. The administrative law judge and the board can either dismiss the case if they do not find sufficient evidence of an unfair labor practice or issue an order indicating that an unfair labor practice has been committed, along with a remedy.

The available remedies, however, are limited because U.S. labor law is remedial, not punitive. The NLRB can generally only issue cease and desist orders, requiring the violating party to stop its actions that are in violation of the NLRA, and can only pursue "make whole" remedies, in which violations are remedied by restoring the previous status quo. For example, if a company is found guilty of an illegal discharge, the company is instructed to stop illegally discharging employees and to make the illegally discharged employees whole by offering them their jobs back and providing lost back pay. No punitive penalties are allowed. These NLRB orders, however, are not self-enforcing. If an employer or union refuses to obey the NLRB's order, the NLRB must seek enforcement in federal court.

Another important issue with respect to the NLRB is delay. The median time to hold an election is approximately forty-five days, and unfair labor practice charges take much longer to get through the system. A few cases get dragged out for years. Labor groups argue that these processing delays undermine the effectiveness of the NLRA because delays favor employers by causing organizing drives to lose momentum and by causing unions to look weak and ineffectual at countering management's power.

The five members of the board and the general counsel, who is responsible for issuing unfair labor practice complaints, are presidential appointees. Consequently, labor groups often feel the board has a pro-management bias when dominated by Republican appointees and business groups feel the board has a pro-union bias when dominated by Democratic appointees.

The more than 300 volumes of NLRB decisions issued in unfair labor practice cases since 1935 serve as a complex set of precedents for new cases, but depending on the composition of the board, precedents are also overruled and reversed. Many cases are controversial because the NLRB must balance the often-competing claims of employers' property rights and employees' labor and human rights. For example, important union-organizing cases involve balancing employers' abilities to forbid individuals from their private property with employees' rights to obtain information about labor unions.

The NLRB is perhaps most widely recognized in the general population by its role in effectively ending the major league baseball strike in 1994–1995 because of an unfair labor practice committed by the owners. But since its inception in 1935, the NLRB has conducted nearly 400,000 secret ballot elections involving nearly 40 million workers and has processed over 1 million unfair labor practice charges. The NLRB has regional and field offices in over fifty U.S. cities (see http://www.nlrb.gov).

Other NLRA Provisions

The specification of unfair labor practices, creation of the NLRB, and development of representation elections to determine majority support and exclusive representation are arguably the most important features of the NLRA. But the NLRA includes a variety of other provisions as well.

The Taft-Hartley Act added section 8(c), which states that an employer (and others) can express "any views, argument, or opinion . . . if such expression contains no threat of reprisal or force or promise of benefit." This has been dubbed the employer's free speech provision. With this provision, the employer has the right to campaign against unions—as long as this campaigning does not contain threats or promises.

Because of wartime strikes and the unmatched strike wave of 1945–1946, provisions were added in 1947 granting the president special powers in national emergency strikes. To try to reduce the frequency of strikes of all kinds, the Federal Mediation and Conciliation Service (FMCS) was created to provide (voluntary) mediation services to labor and management negotiators. The NLRA also outlaws the closed shop (requiring union membership before hiring), allows states to pass right-to-work laws, and makes collective bargaining agreements legally enforceable.

With the exception of postal service employees, who were added in 1970 (without the right to strike), the NLRA covers only private sector employees. Because of the special role of the railroad and airline industries in providing interstate transportation, collective bargaining in these two industries is regulated by the Railway Labor Act (1926), not the NLRA. Private sector managers and supervisors are excluded from the NLRA, though this has become a contentious issue as increased levels of skill and discretion have blurred sharp distinctions between management and labor in many occupations (such as nursing).

Pressures for Reform

A popular framework for thinking about the NLRA is to consider a pendulum that can range from high bargaining power for labor on one side to high bargaining power for companies on the other side. If the pendulum is too far to one side, either labor or management will have too much power, which is bad for society as a whole. The NLRA was enacted in 1935 to move the pendulum to the middle of the bargaining power spectrum by restraining management's abilities to repress unionization.

However, in the 1940s many believed that the NLRA had gone too far and that labor was too powerful: the pendulum had swung too far in the opposite direction. These sentiments were fueled by strikes during World War II, which were viewed as interfering with the war effort, and by the tremendous strike wave in 1945–1946. Unlike today, when labor issues rarely register on the national agenda, labor relations issues in the 1930s and 1940s were a big deal. In fact, seventeen bills to reform labor law were introduced in 1947 on the opening day of Congress. The Taft-Hartley Act was passed in 1947 to correct the perceived excesses of the 1935 NLRA and thereby swing the pendulum from the union side to the middle of the spectrum. However, labor viewed the Taft-Hartley Act as a movement back toward the earlier days of management supremacy and in fact labeled the act the "Slave Labor Act."

The Landrum-Griffin Act amended the NLRA in 1959, though most of this act pertains to the internal affairs of labor unions. Special provisions were added in 1974, requiring ten days' advance notice before health care employees can legally strike, and other very minor changes have been enacted at other times. Thus, the most important portions of the NLRA were established by the Wagner Act in 1935 and amended by the Taft-Hartley Act in 1947, making U.S. labor law essentially more than fifty years old. Given the tremendous changes in technology, skill levels, international competition, and other factors, it is legitimate to question whether the NLRA framework is still appropriate for the twenty-first-century employment relationship.

There are no easy answers to this important question, however. Labor unions and their supporters believe that inequality of bargaining power is still a basic feature of labor markets and would like to see the NLRA strengthened to provide for stiffer penalties for violators and greater protections for strikers (especially prohibitions against permanent strike replacements). Labor unions also continue to question management's role in the union certification process. They argue that whether to vote for union representation is a question only for workers, but that the NLRA provides management with a significant advantage because of greater access to the employees. For example, companies can conduct captive audience speeches in which employees can be forced, because they are being paid, to attend a meeting in which management (lawfully) campaigns against unions. Unions lack this type of access to employees. In fact, some have argued that the NLRA fails to provide U.S. workers their basic human rights to form unions and engage in collective bargaining. Because of perceived weaknesses in the NLRA, some unions are also explicitly trying to organize outside the NLRB by devising strategies to gain new union members without going through the NLRB certification process.

Many business groups, however, lobby for repeal or weakening of the NLRA. These groups argue that the company union prohibition threatens corporate teamwork and employee involvement initiatives. They also feel that the NLRA's sharp distinction and assumed inherent conflict of interest between labor and management is adversarial and no longer appropriate for today's competitive environment, which instead requires flexibility and effective human resource management policies in which employees and companies share common interests. To those who believe in the primacy of free markets, the NLRA is special interest legislation protecting monopoly labor unions at the expense of business, consumers, nonunion workers, and individual freedoms. If the NLRA is revised or replaced, however, it is essential that careful attention be paid to the critical issue of balancing human rights and property rights.

Broader Significance

The significance of the NLRA extends beyond collective bargaining, for its passage in 1935 marked the beginning of a new era of government regulation of the employment relationship. It was initially extremely controversial because many believed Congress was exceeding its powers. Congress asserted its authority over collective bargaining by its constitutional authority to regulate interstate commerce, but this assertion was not widely accepted. Moreover, opponents also argued that the NLRA deprived employers and individuals of property and liberty without due process of law by forbidding certain arrangements. However, in *NLRB v. Jones and Laughlin Steel Corp.* (1937), the U.S. Supreme Court ruled that the NLRA is constitutional. This landmark decision not only gave legitimacy to the U.S. system of collective bargaining as established by the NLRA but also provided the legal foundation for additional government laws pertaining to employment, such as minimum wage and civil rights legislation.

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See also Collective Bargaining; Railway Labor Act; Right-to-Work; Strikes

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Native Americans and Work

European contact caused numerous changes for the work experiences of Native Americans. Before contact, American Indians organized their labor to secure their subsistence. The invasion of Europeans placed new pressures on Indian labor, oriented their work to meet the demands of the marketplace, and expanded the use of unforced labor. The U.S. conquest of North America accelerated many of the processes initiated at contact. U.S. expansion circumscribed American Indian subsistence patterns and gradually transformed Indian workplaces from rural and agricultural to urban and industrial. In the last half of the twentieth century, economic renewal on reservations provided more employment opportunities, reversing a century-long trend.

Before contact, Native American societies combined a mixture of hunting, fishing, harvesting wild plants, and agriculture to secure their subsistence. Men hunted for game and fished, and women harvested crops and gathered wild foods. Despite the pervasive stereotype of the "squaw drudge," precontact Indian labor depended on cooperation between the sexes, not their exploitation. In California, men climbed trees and knocked down acorns, and women gathered them. Women assisted with the communal hunts by driving small game into snares. The division of labor affected the group's notion of property ownership. Women made and owned the implements associated with harvesting and the home, whereas men made and owned hunting tools and products.

Seasonal and environmental variations determined Native American work patterns. Indian villages were mobile, and Indians modified their work according to the environment. Indians in New England plowed the ground in the spring and planted crops. Afterward, the villages dispersed, and families gathered food and basket materials. In the early fall, Indians harvested their crops and conducted fall hunts. They stored their provisions for the long winter, when food in any form was scarce.

European contact altered American Indian labor. During the first stages of contact, Indian labor allowed European colonies to survive in North America. English settlers at Jamestown spent two years exchanging trinkets and weapons for corn and turkeys with the Powhatans. The incessant European burden pushed native subsistence cycles to the breaking point. American Indians attacked various colonies in response to the pressures they placed on Indian food stores.

The fur trade transformed labor relations in North America, despite surface similarities. Men hunted beaver and other small animals prized on the European market, and women processed the furs and prepared them for trade. Single Indian women also entered the job market. "Hunting women" accompanied Native American and European fur trappers on their excursions. They processed the furs, made snowshoes, and cooked meals for the trappers. Hunting beaver required effective use of space and seasonal bounties. During the summer, the Sioux followed and hunted the buffalo and stored the meat for winter, when they trapped beaver. In the spring, Sioux bands traveled to trade fairs to exchange their pelts for European goods. Many of the previous labor patterns of American Indians transferred over into the fur trade. Indians divided the tasks along gender lines, and seasonal cycles affected work. Rather than providing for the subsistence of the tribe, though, beaver pelts and the hides of other fur-bearing animals entered the Atlantic marketplace.

In addition to the free labor of the fur trade, forced labor existed in European colonies. Until the early eighteenth century, tribes such as the Choctaws and Chickasaws sold enemies captured in battle to South Carolina and other southern colonies. British slave traders shipped Indian slaves to sugar plantations in the West Indies. Over time, British slaveholders came to dislike Indian slaves because their knowledge of the surrounding terrain allowed them to escape easily, and the practice ended after the Yamsee War (1715).

In the Southwest, Spanish colonizers relied on forced labor too. In the missions that dotted New Mexico and Alta California, Indians built buildings, harvested crops, and tended livestock herds. In the process, they learned new trades, such as soap making and textile manufacturing. Many Native Americans did not come willingly to the missions, and religious officials ordered local militias to collect Indians for religious service. Spanish landholders relied on the *encomienda* to secure their labor needs. The Spanish Crown granted conquistadors the right to extract tribute from Indian villages and towns in return for their loyal service. This tribute was not supposed to include labor; rather, Indians provided the produce of their labor in the form of wheat and hides. Some *encomenderos* exploited the system and took Indians into their homes as personal servants.

A third form of forced labor on the Spanish frontier was the *repartimiento de indios* (literally, "allotment of Indians"). It was a public works program, in which the crown paid Indians to work on projects necessary for the common good. Indians built entire towns, fortifications, and roads in New Mexico and Florida. Spanish officials evaded laws that limited the term and type of labor service for Indians. Officers assigned Indians to personal ranches and farms under the auspices of the *repartimiento de indios.* The *rescate,* whereby Spanish officials ransomed Indians from enemy tribes, provided another avenue through which the Spanish coerced Indian workers. Indians saved under the *rescate* were given to Christian families. In these homes, Indians would be assimilated while working off their debts to crown and employer. Finally, outright slavery existed in New Spain. Spanish officials raided belligerent tribes and sold captives to mining areas in Central America. Since New Spain and its northern colonies were so far from Spain, the weak law enforcement allowed people to take advantage of laws and keep Indians in a state of forced labor.

After the American Revolution, Native Americans faced more than a century of U.S. expansion. In frontier areas, where Anglo settlement and cash were sparse and labor demands high, American Indians controlled their interaction in the local labor market. They hunted wild game and harvested crops when necessary and worked for wages only during dire periods or to supplement their larders, thereby incorporating wage labor into their subsistence cycles. Southern Paiute men worked in construction and dug irrigation ditches, and women washed clothes and picked crops when native plant sources failed them. In California, John Sutter hired Indians to harvest and process wheat, provided Indian laborers for other Anglo farmers in the Sacramento Valley, and employed an Indian army, which fought in the Bear Flag Revolt. Indians temporarily found work during the gold rush. Nearly 50 percent of the California Indian population in the Sacramento Valley hired their services out to miners or mined for themselves.

As Anglo settlement population increased in the West and encroached on Indian land, the ability of Native Americans to continue their seasonal and mobile use of the environment deteriorated. U.S. expansion pushed Indians onto reservations and into low-paying jobs. Indian men worked as farm workers and lumbermen, and Indian women hired on as domestic servants and field workers for Americans settling near reservations. In northern California and Washington, Indian men and women worked on ranches that grew hops. Entire families left reservations, camped on hop ranches, and picked the crop. Hop ranchers paid Indian workers poorly ($1.00 per 100 pounds), but California and Washington Indians evaded the reservation agent's control and participated in a lively camp life, which centered upon gambling and religious dances.

Native Americans provided reservations with a stable workforce. Crows worked for the U.S. military as scouts during the Sioux wars of the 1870s. Their labor also built a costly and inefficient irrigation

Bingo runner Angel Toribio sells bingo cards at the Casino Sandia, Albuquerque, New Mexico. (Miguel Gandert/Corbis)

system on the Crow reservation. Elsewhere, Indians served on reservation police forces, freighted supplies, and worked as carpenter and blacksmith apprentices. On the Round Valley Reservation in northern California, students burned down the agency's school three times. After each instance of arson, the agent hired reservation residents to rebuild the school.

The twentieth century witnessed fundamental changes for Indian labor. First, American Indian labor moved from rural to urban America. Second, Native Americans worked more in industry than in agriculture. These trends transformed the workplace for many American Indians, as a time clock, not the seasons, dictated their work schedules, and they worked indoors rather than outdoors. Finally, the urbanization and industrialization of American Indian work meant that more Indians relied solely on wage labor for their survival. Federal Indian policy facilitated the urbanization and industrialization of Native American labor. In 1887, the U.S. government passed the Dawes Severalty Act (also known as the General Allotment Act, or more commonly as the Dawes Act), which allotted land to individual Indians in severalty. Often, Indians received 160-acre tracts, but Indians in California received far less. The average allotment on the Hoopa Valley Reservation was less than 7 acres. Rather than creating a class of yeoman farmers, the Dawes Act produced a class of wageworkers. By 1930, nearly 65 percent of Indians worked in agricultural labor rather than owning their own farms. The federal government sponsored employment agencies to move Indians off reservations as early as the 1910s. Lastly, federal boarding schools took Indian children away from reservations and put them to work in urban areas. Indian children at the Phoenix Indian School and the Sherman Institute provided a labor force for Phoenix and Los Angeles, respectively, under the auspices of the outing program. School officials arranged jobs for Indian children in construction and domestic work. Indian child labor also kept the schools alive. Students at the Carson Indian School in Nevada fed the school's cattle herd and butchered the animals for student consumption.

Zuni firefighters arrive to fight a wildfire near Los Alamos, New Mexico, May 2000. (Reuters NewMedia/Corbis)

Between 1914 and 1945, two world wars and a global depression brought more Native Americans from reservations to urban areas. Native Americans filled many of the labor vacancies during World War I. Indians worked in steel mills, mining, and the armed forces. In the 1920s, Indians in Michigan worked in Detroit's automobile industry and Mohawks performed treacherous construction jobs on skyscrapers in New York City. Beginning in 1929, the Great Depression limited some of the labor options Native Americans had gained during the previous fifteen years. As with other minorities, Indians were often the first to be fired from jobs. Franklin Roosevelt's New Deal attempted to alleviate Indian unemployment. The Indian Civilian Conservation Corp provided jobs for Indians on reservations to work in natural resource development. Indians built roads on reservations, practiced forest conservation, and fought fires. During World War II, Indian men and women moved to cities and worked in wartime industries. Indians also fought in World War II. The Cheyenne, Navajo, Choctaw, Comanche, and Sioux code talkers were instrumental to national defense during the war. The wartime experience of Indians convinced federal policymakers that Indian reservations were unnecessary. In the 1950s, the Bureau of Indian Affairs (BIA) sponsored "relocation" efforts, whereby the BIA helped to relocate Indians from reservations to urban areas and find jobs for them.

Urbanization and industrialization played an enormous role in the resurgence of American Indians in the late twentieth century. The urban-industrial experience influenced the writing of N. Scott Momaday and Leslie Marmon Silko, who both address the problems of Indians living simultaneously in urban and reservation worlds in their books. Besides providing the milieu for a Native American intellectual awakening, urban and industrial work spawned the red power movement of the 1960s and 1970s. Indians saw their impoverished place in urban cities and poor employment opportunities. In San Francisco, Indians responded by occupying Alcatraz Island.

Even though many American Indians left the reservations for cities, it did not end the seasonal migrations. Instead of moving from different hunting and harvesting areas, Indians moved from reservation to city and back to reservation in a cyclical migration, thus creating ties between rural and urban areas. Rural and agricultural labor remained the norm for Indians who remained on reservations.

In Arizona, Papagos worked on farms and in mines. In northern California, Indians worked in the lumber mills and logging, in addition to performing agricultural work. Work remained for Indian cowboys and farmworkers into the 1980s.

In the late twentieth century, tribal governments and the Bureau of Indian Affairs have attempted to alleviate high unemployment rates among Native Americans. Typically, reservations are isolated, and it is difficult to attract stable employment opportunities. Unemployment rates on or near Indian reservations reach nearly 50 percent, and one of every three employed Indians live below the poverty line. In addition, the number of American Indians receiving higher education falls well short of other groups. Indians earn less than 1 percent of the bachelor's, master's, and doctoral degrees conferred in the United States. In fact, the number of Native Americans earning a doctorate degree declined from 130 in 1980 to 84 in 1989. Thus, few Indians entered white-collar occupations.

Since the 1970s and the beginning of self-determination, passed in response to the termination and relocation policies of the 1940s and 1950s, tribal leaders have sought to remedy the high unemployment and poverty rates on reservations. In Mississippi, the Mississippi Choctaw chief Philip Martin lured Packard Electric (a subsidiary of General Motors) to his reservation, which provided Choctaws with factory jobs on the reservation. Casinos, too, rejuvenated the employment opportunities for some American Indians. The casino of the Shakopee-Mdewakanton Dakota provides jobs for all community members. However, the remoteness of Indian country often precludes economic development.

Today, the story of Native Americans and work is not one of employment but unemployment. Observers frequently tout the galling unemployment rates on reservations, which sometimes reach 75 percent. Nevertheless, that was not always the case. For the most part, Indian work has been agricultural and divided by gender. Men and women took different jobs before the contact with Europeans, during the colonial period, and in the nineteenth century. Indians benefited on the frontier. Indians chose the jobs they wanted and continued their subsistence strategies because white workers and cash were scarce. In the twentieth century, American Indian labor has increasingly become urban and industrial. However, it continues to be cyclic and intimately connected with the Indian sense of place.

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See also American Slavery

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New Deal

The New Deal was many things to Americans from all walks of life during the 1930s, evolving from an idea to a campaign slogan to a government program. For the majority of working Americans during the Great Depression, however, it was both salvation from utter ruin and a chance for permanent improvement of their economic standing. And in history, it is not only the greatest expansion of the federal government but also the greatest effort of the federal government on behalf of ordinary, working Americans. As an idea, the New Deal upset the last vestiges of laissez-faire thought by giving the government a role not only in putting people to work but also in regulating work in the private sector. Furthermore, the New Deal included benefits and hazards for labor and capital alike.

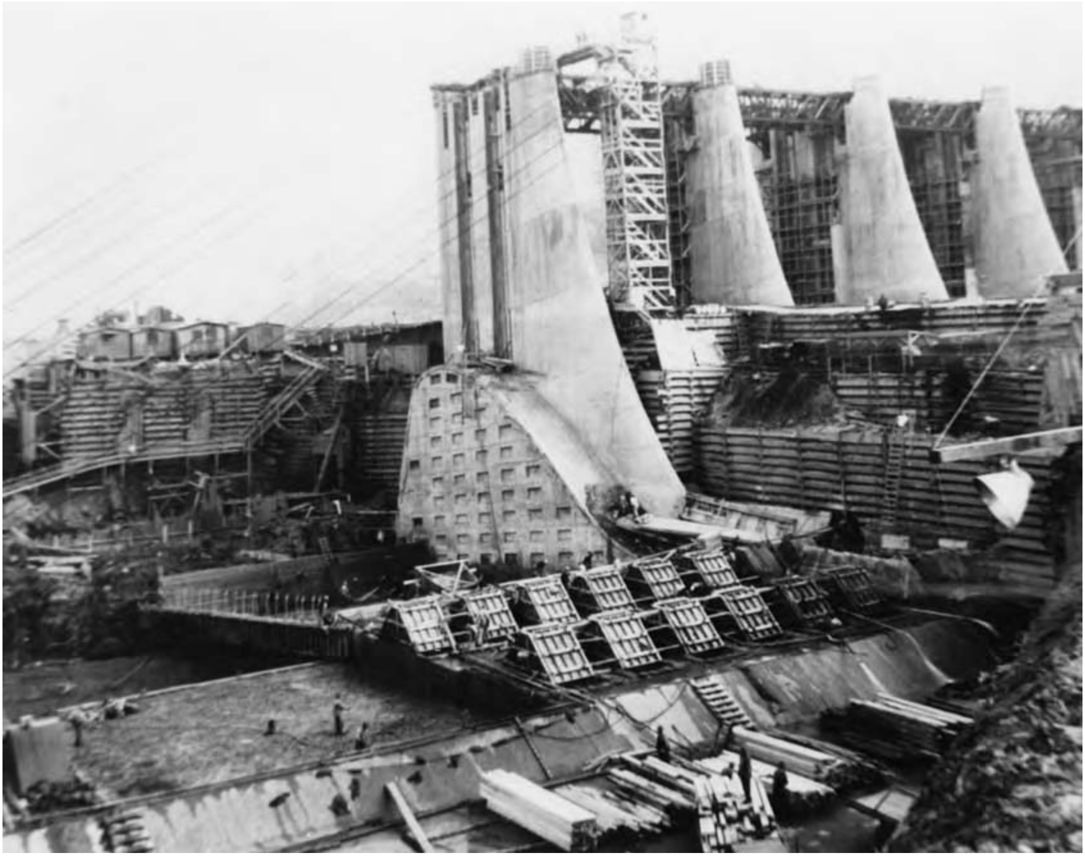
By the 1932 election, the American people had become increasingly disenchanted by the "Old Deal" of Herbert Hoover, who consistently refused to give the government a significant role in alleviating the deepening Depression, steadfastly promoting voluntary efforts to relieve the economic crisis. Few Americans were untouched by the economic crisis, and an unprecedented number of Americans too poor to "make do" experienced starvation. As a result, numerous Americans responded to Governor Franklin Delano Roosevelt's (FDR's) promise of "a new deal for the American people" to unseat the incumbent president. Although the New Deal that Roosevelt subsequently put into practice was unabashedly experimental in practice, in theory, the idea that the federal government had a role to play in ensuring a more just and equitable society dated to the early part of the twentieth century and had been incorporated into both Woodrow Wilson and Theodore Roosevelt's administrations. Indeed, FDR's political thought had much in common with that of his cousin Theodore.

If the ideological basis of the New Deal was far from original, however, that scarcely mattered to the average American, whose faith in the laissez-faire system still promoted by Hoover had been tested to the breaking point. FDR's promise of a "new deal" was immediately put into action during his first 100 days in office, which brought a spate of new legislation created by a group of intellectuals both in and out of FDR's cabinet, who quickly became known as the "brain trust." The brain trust created what eventually came to be known as the "first New Deal," whose primary focus was relief, closely followed by reform. It was during this period that the brain trust helped create most of the "alphabet soup" of relief agencies, ranging from the Agricultural Adjustment Administration (AAA) to the Tennessee Valley Authority (TVA), most of which provided relief in the form of work on a variety of public works projects. The earliest and most successful of these was the Civilian Conservation Corps (CCC), which put 3 million unemployed young men to work in reforestation and other conservation projects. The most important—and controversial—of these agencies, however, was the National Recovery Administration (NRA), created by the National Industrial Recovery Act (NIRA), which was passed in June 1933.

The NIRA, which grew out of the increasingly recognized need to stabilize U.S. industry by regulating competition and working conditions, set up a series of voluntary codes for the major U.S. industries (and initially a "blanket code" for those not yet covered). Nonetheless, it was fairly quickly drafted in response to the proposed Black-Connery Bill, sponsored by Senator Hugo Black, that would have more simply (and rigidly) instituted a thirty-hour workweek and imposed sanctions on companies and industries that failed to comply. The most important element of the NIRA for U.S. workers was Section 7a of Title I, which granted employees the right of collective bargaining and the right to choose bargaining agents without employer interference. Additionally, Title II established the Public Works Administration (PWA), which was one of the first agencies to put people to work on public works projects such as highways and federal buildings.

The NIRA proved to be more successful in theory than in practice, as businesses sought loopholes to evade codes and impose the company unions that had been prohibited by Section 7a. The regulatory provisions also notably excluded agricultural workers (in part so as not to conflict with the AAA, which favored large-scale farmers). Finally, the NIRA was subject to political and legal challenges and was struck down as unconstitutional in the May 1935 case, *Schechter Poultry Co. vs. U.S.* decision. In the end, though, this decision struck more of a blow at FDR, who responded with his infamous "court-packing" plan to appoint justices more favorable to the New Deal.

In what became known as the "second New Deal," successor legislation more effectively restored some of the most labor-friendly provisions of the NIRA. The most important of them was the National Labor Relations Act, better known as the Wagner Act for its main sponsor, New York senator Robert Wagner. It was passed in late May 1935, shortly after the overturning of the NIRA. The Wagner Act reaffirmed workers' rights to organize and to bargain collectively, prohibited company unions and intimidation of workers for unionizing, and additionally created the National Labor Relations Board (NLRB) to adjudicate labor-management disputes. Unlike the NIRA, the NLRA even survived Supreme Court scrutiny in the 1937 *NLRB v. Jones & Laughlin Steel Corp.* case.



The Bonneville Power and Navigation Dam on the Columbia River in Oregon, completed in 1938, was a Public Works Administration project. (U.S. National Archives)

Later, the Fair Labor Standards Act of 1938 established minimum wages and maximum hours, and for the first time in U.S. history, prohibited child labor on a national scale. In addition, the Social Security Act of 1935 for the first time created a national safety net that included pensions, unemployment insurance, and other forms of financial assistance. Even then, the social safety net created by the New Deal was not perfect, with domestic and agricultural workers at least initially left out of most of the regulatory legislation, as well as Social Security.

The second New Deal heralded the creation of other work relief agencies, including the Works Progress Administration (WPA) in 1935, the most extensive program of work relief of the entire New Deal. The WPA was especially noted—and controversial—for providing work for writers, fine and performing artists, musicians, and actors through its Federal Arts Project, Federal Music Project, Federal Writers Project, and especially controversial Federal Theatre Project. Most of those employed by the WPA, however, were engaged in comparatively conventional public works projects that involved building structures ranging from roads and bridges to schools, libraries, and hospitals.

The lives of millions of working Americans visibly benefited from the efforts of the first and second New Deals, well beyond those who benefited from the various work relief projects. The U.S. working class, however, was far from a mere passive beneficiary of federal government largesse. Rather during this period, labor rebuilt and expanded almost by leaps and bounds, after great losses in membership between the 1920s and the onset of the Depression. Although the widely circulated slogan "The President Wants You to Join the Union" was perhaps a bit of an exaggeration, there was no question that for the first time in U.S. history, workers had not only a social but a legal climate favorable to organizing, and even as Section 7a of the NIRA was challenged in the press, in public, and finally in the courts, unions took full advantage of it to organize the unorganized, aided by the ranks of the unorganized newly emboldened to organize themselves. By October 1933, four months after the passage of the NIRA, the ranks of the American Federation of Labor (AFL) swelled by 1.5 million to reach 4 million members. The United Mine Workers alone gained 300,000 members (Bonislawski 2001, 269).

Not only did union membership increase, but also for the first time it broadened well beyond the traditional (and traditionally exclusive) craft-oriented unions. Some union organizing along industrial rather than craft lines did predate the New Deal and had achieved its greatest successes in the needle trades, where most union members were no longer skilled tailors. After the passage of the NIRA, the AFL announced its intention to organize the mass production industries. In practice, however, the AFL's efforts to organize mass production workers proved not only halfhearted but also unsuited to semiskilled and unskilled mass production workers, who identified by industry, rather than by craft. The AFL's attempt to organize these workers into federal unions that would be divided up along something approaching craft lines by the established craft unions proved unsatisfactory at best. Finally, at the 1935 AFL Convention in Atlantic City, John L. Lewis, stalwart leader of the United Mine Workers and longtime proponent of organization on an industrial basis, after seeing his effort to bring this issue to debate silenced by the leader of the conservative carpenter's union, punched him in the jaw, signaling the end of any effort to work within the AFL. Lewis and his closest allies among labor leaders subsequently launched the Committee for Industrial Organization, which by 1937 had reached 3.7 million members to the AFL's 3.4 million and in 1938 changed its name to the Congress of Industrial Organizations. (Bonislawski 2001, 269).

During the New Deal years, organized labor increased not only in number but also in militancy. It was the era of the sit-down strike, the most famous conducted by the General Motors autoworkers in Flint, Michigan. This strike, launched in late 1936 over union recognition and production control, was inspired by an earlier sit-down strike at the Fisher Body plant in Toledo. The striking autoworkers held out forty-four days before workers emerged victorious to negotiate a settlement on February 11, 1937. It was also the era of general strikes that spread beyond a particular plant or industry. The most famous of these was the dockworkers' strike that occurred in San Francisco in 1934 over control of hiring, among other issues. The strike shut down ports from Los Angeles to Seattle and continued in the face of San Francisco newspaper attempts to foment a red scare, eventually achieving a favorable settlement.

The New Deal effectively ended with the coming of World War II. War production demands stimulated the economy as the New Deal was never able to do, and the wartime economic boom ended the Depression. Yet the legacy of the New Deal continued well beyond its era to permanently change both American society and the role of the federal government in maintaining it. Even as the wartime prosperity continued into the 1960s, the federal government continued its role in ensuring a more economically just society, both through Harry S. Truman's Fair Deal and Lyndon B. Johnson's War on Poverty and Great Society. The social compact created by the New Deal seemed assured, until the rise of conservatism during the Reagan era that led to an increased questioning of the role of government in maintaining the social compact and of the social compact itself. But it was during the Democratic Clinton administration that the first serious attack on the government-enforced social compact created by the New Deal was made, with the signing of Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) into law in 1996. Under PRWORA, among other things, welfare benefits were limited to five years, and legal immigrant noncitizens were denied these benefits. Subsequent government and private efforts to move people from welfare to work have been uneven at best, and "workfare" has generally been identified with work as low in dignity as in pay. At the same time, efforts to raise the minimum wage have not kept pace with cost-of-living increases, with only a modest increase passed amid controversy in 1996. By the 2000 election, concerns about the future viability of the Social Security system had led to calls for at least partial privatization—including allowing people to invest a small percentage of it in the stock market—in essence, a call for at least a partial return to the "old deal" of placing public faith in capitalism and voluntarism, retaining only the smallest regulatory vestiges of the New Deal.

Susan Roth Breitzer

See also Child Labor; Civilian Conservation Corps; ; Fair Labor Standards Act; Great Depression; Minimum Wage; National Labor Relations Act; Perkins, Frances; Roosevelt, Eleanor; Roosevelt, Franklin Delano; Works Progress Administration

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New Economy

The term *new economy* refers to qualitative changes in the economy that emerged in the late twentieth century and are associated with the rapid development and widespread diffusion of information technologies. In essence, these fundamental transformations suggest that the economy is in the midst of an information revolution as significant for changing economic and social structures in the twenty-first century as the first and second Industrial Revolutions were for the nineteenth and twentieth centuries (Castells 1996). There is no precise definition of the term *new economy,* however, and those using it often have very different conceptions of what is actually new (if anything) in the new economy. One prominent perspective equates the new economy with the end of the business cycle, arguing that the improved analysis, business planning and forecasting made possible by advanced computing and information technology enable businesses and the government to avoid the periodic overproduction and subsequent recessions that characterized the "old economy." A related and more widely held view argues that although advances in information technology do not end the business cycle, they do result in significant increases in productivity, which allows the economy to grow at a faster pace and with lower inflation than was previously possible. The impact of information technology on economic processes, however, is in fact much more widespread than these macroeconomic perspectives would suggest.

The new information economy involves a variety of fundamental changes along multiple dimensions of economic activity, with three areas being of particular importance: (1) the changing boundaries of the economy, which involves weakening of the national economy along with simultaneous globalization and regionalization of economy activity; (2) the changing organization of production, which includes the decline of large, vertically integrated firms and the growth of complex, interlinked networks of firms; and (3) the changing forms of competition, in which knowledge and innovation play an increasing important role in the competitive success of firms, industries, and nations. Combined, these dynamics have resulted in qualitative changes in the production, distribution, and consumption of goods and services that warrant the term new economy.

Though the concept of an information economy dates from at least the 1960s (Bell 1973), the term *new economy* first became widespread in the popular and business press in the early 1990s. The popular conception of the new economy, driven in part by speculative investment in high-tech industries, was that a new, immaterial, fast-paced, and innovation-driven information economy was going to change everything, with unending prosperity driven by the plentiful world of new ideas amid ever-expanding and changing global networks of producers and consumers (Kelley 1998). Clearly, many of these popular conceptions of the new economy contain high levels of unsubstantiated hype, which have led more than a few skeptics to question the very validity of the notion of a new economy, with some going so far as to argue that the new economy is all simply a creation of the business media and Wall Street (Madrick 2001). From this perspective, the importance of information and knowledge is nothing new, since information has always been important to economic activity. Furthermore, the capitalist economy has always been characterized by dramatic changes in the structure of production and distribution of goods since at least the first Industrial Revolution.

Suggesting that "everything has changed" clearly fails to appreciate the important continuities in many economic activities, despite the rapid developments in computing power. Suggesting a radical break from the past de-emphasizes the ways in which durable economic principles continue to determine success and failure in the new economy (Shapiro and Varian 1998). Nonetheless, rapid development in information technologies of multiple kinds, combined with the dramatic diffusion of the World Wide Web, is resulting in deep transformations in U.S. economy and society. These processes of change, however are new, complex, and still only incompletely understood, and thus there remains considerable confusion about how to characterize the new economy.

One prominent conception of the new economy, which overlaps in important ways with the popular perception of endless prosperity, is the argument that information technologies are leading to the end of the business cycle. Advances in information technology enable smarter government policy, and globalization, changes in employment, and emerging markets all cushion shocks and dampen the familiar boom-and-bust cycle (Weber 1997). The spectacular stock market crash that followed the growth of the late-1990s speculative bubble undermined this perception of the new economy. Nonetheless, a careful look at total gross domestic product (GDP), the most common measure of economic change, provides some support for this analysis. The economic expansion of the 1990s was the longest sustained period of economic growth in U.S. history. The recession that followed, at least as measured by changes in GDP, was one of the shallowest in the last one hundred years. Even with a lagging recovery in 2002 and 2003 GDP continued to grow. GDP declined a total of 2.5 percent in the first three-quarters of 2001, but growth of 2.7 percent in the fourth quarter rapidly offset the earlier declines (U.S. Department of Commerce, Bureau of Economic Analysis 2003).

Another common conception of the new economy argues that information technology is contributing substantially to sustained growth in labor productivity, the most fundamental measure of an economy's ability to produce wealth. The late 1990s saw a rapid acceleration in labor productivity from the previous period. From 1995 to 1999, for example, the annual percentage change in labor productivity averaged 2.1 percent a year, compared to an average of only 1.4 percent for all of the 1980s (U.S. Department of Commerce, Bureau of Economic Analysis 2003). The acceleration was particularly pronounced in manufacturing, in which labor productivity increased an average of 4.3 percent a year from 1995 to 1999, compared to 2.6 percent in the 1980s. These changes may seem small but in fact are very significant—if they can be sustained over an extended period of time. For example, these increases are substantial when compared to rates of the 1970s and 1980s, but from a somewhat longer time perspective, they appear less dramatic. Total labor productivity throughout the 1950s and 1960s—which have been referred to the as the golden years of the U.S. economy—averaged 2.8 percent a year, substantially more than during the late 1990s boom. From this perspective, the 1970s and 1980s were a period of particularly low growth in labor productivity, and the acceleration in the 1990s was simply a welcome return to a more prosperous growth trajectory rather than a dramatic new growth trajectory.

Even if the new economy isn't characterized by dampening of the business cycle and unprecedented advances in labor productivity, it is characterized by a range of important changes in the structure and dynamics of economic production. At the core of these transformations are three interrelated processes, each of which is integrally linked with and indeed is only made possible by the dramatic developments in information technologies since the 1970s.

First, the functional boundaries of the economy have changed. Despite the fact that a world economy has existed since at least the sixteenth century (Wallerstein 1979) and international trade has always been an important component of the U.S. economy, until recent years, the national economy has primarily been based on goods and services produced within the United States for U.S. consumption. In recent years, however, there has been a rapid acceleration in processes of *globalization,* which emphasize globally integrated production chains, international trade, investment, and capital flows. This increasing globalization is made possible by the infrastructure created with the rapid development and diffusion of information technology (Castells 1996; Korzeniewicz and Gereffi 1994; Sassen 1996). Although globalization has received the most attention, the new economy is also typified by increasing *localization.* In essence, in a globalized economy, explicit knowledge can be widely shared and relatively quickly becomes ubiquitous and thus no longer a stable basis for competitive advantage. Instead, economic competitiveness is rooted in scarce and unique tacit knowledge, built and shared through dense social networks dependent on frequent face-to-face communication and facilitated by the development of conventions, informal rules, and common cultures that are built in region-specific clusters of firms (Maskell and Malmberg 1999; Storper 1997). Thus, both globalization and localization are fundamental features of the new economy.

Second, there have been substantial changes in the organization of economic production. Information technology has enabled new forms of management and control, both within the firm and between firm boundaries, in office and service industries as well as manufacturing (Garson 1988; Leidner 1993). Information technology creates the ability to "informate" production processes, making highly visible aspects of production and labor processes that had been previously hidden (Zuboff 1988). The digitization of information makes possible the simultaneous, precise coordination of economic activity in multiple economic locations and across firm boundaries. It enabled corporations in the 1980s and 1990s to flatten management hierarchies, eliminating multiple layers of middle management (Osterman 1996), and to increasingly subcontract or outsource major components of their operations, both locally and around the globe (Harrison 1994). In addition, firms have restructured internal operations into distinct "profit centers" that blur firm boundaries by bringing market dynamics inside the firm (Davidow and Malone 1992). These practices all demonstrate the increased importance of constantly shifting networks, rather than individual firms, in the structure of economic organization (Castells 1996).

Third, there has been a substantial increase in the importance of information, knowledge, and innovation for the competitive success of firms, industries, and regions. In the stable mass production markets that dominated the economy prior to the 1970s, firms competed primarily by improving their productivity, decreasing their costs, or trying to expand their market share within existing markets. With the development of an information economy, the ability of firms to effectively adapt to changing market conditions, identify and capitalize on new opportunities, and successfully respond to new challenges has become increasingly important (Burton-Jones 1999; Cooke and Morgan 1998; Lundvall and Johnson 1994). These innovations can be new creations of economic significance of various types, including new products and services, new technological capacities, and new ways of organizing production processes and the delivery of services. Although scientific research and technological development can be important sources of innovation, it is not solely dependent on science or formal research and development activities. Innovation can be critical in a wide range of low-tech industries and in many areas of the developing world, can take place at all levels of a firm's activities, and can be important in a range of routine activities, including production processes, logistics, marketing, sales, distribution, or industrial relations (Malberg and Maskell 1999). Innovation also doesn't necessarily need to involve the creation of something entirely "new." Knowledge is context-specific, and thus the ability by a firm in one context to rapidly adopt or adapt technologies or production processes developed in other contexts can be an important part of innovative processes and competitive success.

Chris Benner

See also Amazon.com; Computers at Work: Dot-com Revolution; E-commerce; Globalization and Workers; Productivity; Silicon Valley

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North American Free Trade Agreement (NAFTA)

The North American Free Trade Agreement (NAFTA), signed by U.S. president George H. W. Bush in 1992 and approved by the U.S. Congress in 1993, lowered tariffs (additional taxes imposed on goods and services sold to another nation) and eliminated other barriers to trade and investment among Canada, the United States, and Mexico, unifying to a large extent the economic system among the three nations. In winning passage of the law, pro-NAFTA policymakers and business leaders argued that with increasing competition around the globe, the United States needed to expand trade in its hemisphere. Proponents believed that freer trade and investment would create more higher-wage jobs in the United States than would be lost from the dislocation of parts, apparel, automotive, and other basic, "dirtier" industries to Mexico. Opponents argued that far too many good jobs would be lost in the United States to compensate for the jobs gained by increased exports to Canada and Mexico and that the rapid industrialization of certain areas of Mexico, including the border, would lead to environmental problems, substandard worker housing and infrastructure, and congestion and pollution. Eight years after the passage of NAFTA, the law has indeed fostered enormous economic change in both countries. Although trade among the three nations has soared, experts disagree as to the benefits to the United States.

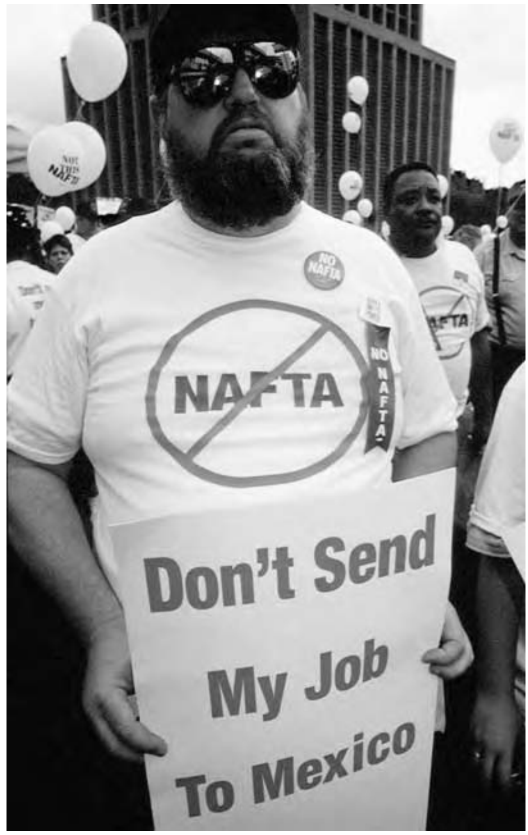
History

Nations have debated the benefits of free trade for centuries, at times tilting toward protectionism and at other times more open policies. The United States resisted open trade well into the twentieth century, in large part because the size and resources of the nation provided such a vital market that international trade was of relatively little importance. At times, U.S. policymakers loosened trade laws, but in 1930 Congress passed the Hawley-Smoot Act, which raised U.S. tariff rates by almost 50 percent between 1929 and 1932. As recessions swept through national economies around the world, other nations raised tariffs as well, struggling to protect their own jobs and workers. After World War II, the victors were determined to guide the world toward enlightened free trade to avoid the protectionist wars of the 1930s, to spur swift economic growth, and help rebuild war-shattered Japan and Europe. A new era of international trade began.

The Bretton Woods Conference created the International Monetary Fund to oversee the world's monetary systems and the World Bank to guide the economic development and restructuring of devastated Western Europe. A UN conference in 1947 led to the creation of the General Agreement on Tariffs and Trade (GATT). The GATT was founded to guide, encourage, negotiate, and regulate the setting of tariffs, codes of conduct, and procedures for the resolutions of trade disputes among member nations. For decades, member nations met during GATT negotiations to resolve disputes and develop rules and guidelines to encourage multilateral trade and lower tariff barriers.

But this relatively golden era of international trade began to fade for the United States during the 1970s, as competition from Japan and Europe intensified, cutting deeply into U.S.-dominated markets in many areas such as cars and electronics. As U.S. interests sought to change the direction of trade, the United States clashed with other nations in GATT negotiations. During the 1980s, Mexico sought to modernize its economic policy, attract investment, and reduce government spending. It joined GATT in 1986, instituting a series of tariff reductions and other economic liberalization measures. With Mexico as a potential trading partner and a vast market for U.S. goods and services, consensus developed among policymakers in the United States during the 1980s that new markets were needed for U.S. technology, communications, and services. A coalition of free trade policymakers, analysts, and business interests in the United States, Canada, and Mexico supported the formation of NAFTA.

The North American Free Trade Agreement was signed by President Bush in 1992 and eventually passed by Congress in 1993 after an effective lobbying campaign by President Bill Clinton, a self-styled moderate, pro-business Democrat. He persuaded congressional Democrats to support NAFTA by incorporating for the first time in any trade treaty "side agreements"—mechanisms that would allow citizens and organizations to seek investigation and redress of environmental and labor problems arising from the treaty.



A demonstration opposing NAFTA in Austin, Texas, November 1993 (Bob Daemmrich/Corbis)

Economic Effects

The key provisions of the agreement include removal of tariffs and other nontariff barriers on all goods and services, thus preventing governments from protecting various sectors of their home economies from import competition. These tariff restrictions also prevent governments from seeking informal deals trading particular tariff or duty waivers to foreign multinationals in exchange for commitments to strengthen domestic capacity and employment. More important, NAFTA vastly liberalizes investments among the three nations, requiring that each member country treat foreign investors in exactly the same way it treats its own national investors.

NAFTA guarantees all investors the right to seek compensation at "fair market value" for actions of "expropriation" taken by governments that injure or impair economic benefits—in other words, NAFTA provides investors with a shield against any government policy or regulation that they can argue hurts their business activity or prospects as defined in the treaty. NAFTA also prevents its member governments from in any way restricting the flow of

Mexican farmers brandish machetes during a protest of NAFTA in January 2003. The farmers demanded protection following the passage of NAFTA, which opened the markets of Mexico, Canada, and the United States. (AFP/Corbis)

money across borders in the form of profits, dividends, royalties, fees, proceeds of sales of investments, and payments on loans to subsidiaries.

It is beyond debate that since NAFTA went into effect on January 1, 1994, economic activity among the three nations has dramatically increased. But experts are divided in their opinion of the benefits to the United States and its workforce. Supporters point to a number of trends that prove NAFTA has benefited the United States and its partners. First, net foreign direct investment in Mexico increased from $4.4 billion in 1993 to $11.8 billion in 1999. NAFTA also contributed to expanded investment in the Mexican stock market. In addition, Mexican exports to the United States have surged from $49.4 billion in 1994 to $135.9 billion in 2000 (U.S. Commercial Service 2002). The number of Mexicans employed in U.S. *maquiladora* factories that produce goods for export back to the United States has more than doubled since NAFTA began, to over 1.2 million. It is also clear that for seven years following NAFTA, the United States enjoyed a period of rapid economic growth, low inflation, and job creation that raised wages across the income spectrum.

By 1999, the value of goods and services imported to the United States exceeded the value of goods and services exported by the United States by $264 billion. This figure is known as the trade deficit. The 1999 deficit was a 38 percent increase over the trade deficit in 1998 and more than double the $101 billion trade deficit for 1991. Counter to claims that trade has been a driving force in creating millions of new jobs since the early 1990s, Kate Bronfenbrenner of Cornell University and Economic Policy Institute economist Robert Scott, among other critics, argue that once we take imports into consideration, the effect of trade on job growth in the United States in the last decade has been negative, not positive. Of the estimated 21 million new jobs created in the U.S. domestic economy since 1992, it is estimated that 4.1 million were created by rising exports. However, increases in imports resulted in the loss of 7.3 million jobs, for a net loss of 3.2 million jobs related to trade since 1992.

NAFTA contributed to the growing trade deficit. At the same time that gross exports increased 92 percent to Mexico and 57 percent to Canada since NAFTA went into effect in 1994, imports from Mexico increased 139 percent, and imports from Canada increased 59 percent. This disparity resulted in a new trade deficit of $47.3 billion, a 69 percent increase over the trade deficit between the United States and Mexico and Canada in 1993 and led to (export-driven) job losses in all fifty states and the District of Columbia totaling more than 440,000 nationwide (Scott 2001).

In Mexico, employment has increased under NAFTA, but average workers have not seen meaningful wage improvements. The real value of the minimum wage dropped about 18 percent in Mexico between 1993 and 1999, and that of the average manufacturing wage dropped nearly 21 percent, even as manufacturing productivity increased during the period (Anderson 2001). Although trade between Canada and the United States expanded during the 1990s, average per capita income in Canada *declined* for most of the 1990s, only regaining 1989 levels by 1999.

Although NAFTA proponents argued that the treaty would improve prospects for depressed U.S. towns and cities along the Mexican border, the opposite has occurred. As noted in articles by *New York Times* reporter Sam Howe Verhovek (1998a), "cities along Texas' long border with Mexico that had hoped to benefit are instead struggling to become more than glorified truck stops as they watch their manufacturing jobs go south by the thousands." Unemployment in border towns and cities persists at twice and more the national rate, and incomes remain far below state and national averages.

NAFTA and Controversies over the Environment and Workers

The 1993 NAFTA agreement was the first international trade document to explicitly include agreements addressing environmental concerns and worker rights. During NAFTA's first seven years, however, it became clear that bridging the gap between the high ideals of the original documents and the real needs of member countries would not be simple. NAFTA's labor side accord allows workers in Mexico, Canada, and the United States to file grievances with each country's national administrative office (NAO) when they believe companies have violated their host government's labor laws. In addition, workers who can prove they lost jobs in the United States because their employer moved to Mexico are eligible for transitional adjustment assistance (TAA) money, which provides up to $7,500 for retraining. The labor accord provides a vehicle for workers to file complaints and raise concerns with member nations about their own labor laws, but it does not allow the NAO itself to sanction or fine violators.

The issues surrounding NAFTA's side accord on environmental protection are complex. The side accord does promote sustainable development under NAFTA accords as a goal. Sustainable development is the framework by which communities seek economic development approaches that also benefit the local environment and quality of life. The accords established the Commission for Environmental Cooperation (CEC), a trinational body based in Montreal with a mission to investigate violations of national environmental laws and monitor the adverse environmental impacts of the NAFTA trade system. Scientists and environmental policy experts praise the CEC for getting the three nations to coordinate their response to environmental concerns. NAFTA created two additional organizations to address environmental needs along the U.S.-Mexico border: the Border Environment Cooperation Commission (BECC), and its sister institution, the North American Development Bank (NADBank). NAFTA also led to the creation of the Border XXI program, a complex of national and binational initiatives loosely organized around the goals of improving cooperation between the United States and Mexico to improve enforcement of environmental laws and develop indicators for environmental progress among border communities.

Progress has been mixed. In the late 1990s, it was abundantly clear that the skyrocketing industrial growth along the border led to serious threats to public health. Along the U.S. border, rates of hepatitis, diarrheal diseases, and gastroenteritis, all commonly linked to problems with dirty water and poor sanitation, are two to six times the state average for Texas. Similar health problems are found in Mexican border communities. Companies and communities located in Mexico used the Rio Grande to dump untreated human industrial waste throughout the 1990s.

Watchdog groups confirm that citizen complaints to the CEC move slowly, face numerous procedural hurdles, and may be terminated by the commission without public comment. NAFTA partners have reduced CEC funding to $9 million annually, down from the $15 million originally agreed upon. The BECC and NADBank institutions have indeed funded new wastewater and water supply plants, providing Ciudad Juarez and Tijuana with their first sewage treatment systems ever. The BECC and NADBank are assisting almost 100 communities with more than 140 projects to address environmental infrastructure needs along the border (Kelly and Reed 2001). However, analysts are concerned that these two bodies need to be given more latitude to speed construction and pursue needed projects other than water and sewage treatment. Many experts believe that NAFTA will ultimately be judged by how effectively the side agreements are implemented and supported by the three member governments.

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See also Globalization and Workers; *Maquiladora* Zone

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Nurses and Doctors

The employment market for nurses and doctors illustrates the possible extent of differences between two associated professions within the same industry, which in this case is the health care industry. Nurses are hired as employees of hospitals, doctors' offices, and nursing homes to assist doctors and to provide patient care. Doctors prescribe and administer treatment to the ill and injured in hospitals and offices, either as employees or as self-employed physicians. Their roles in patient care are highly complementary and even substitutable to a limited extent. Even though both groups work toward a common goal of patient care, the trends in employment rates, salaries, and demographic composition do not always behave in a similar way.

Patients seek treatment in hospital departments or in doctors' offices. Nurses are typically employees of these institutions and receive a salary out of the revenues earned by the institution. (In 2000, only about 2 percent of registered nurses were self-employed, and about another 2 percent were independent contractors.) (Spratley et al. 2000, 26). Over half the physicians in the United States were self-employed during the 1990s. Physicians need the facilities of hospitals to treat their patients, and hospitals need physicians to use them, since physicians are the only entities licensed to prescribe medicine. Hospitals, therefore, need doctors in order to earn revenues and will often compete for physicians by offering better facilities. Self-employed doctors directly bill payers for their services, and hospitals where they practice bill the same payers for the use of their facilities. Doctors who are employees receive a salary like most of the nurses do.

Unless a facility is directly compensated for the

Nurses are typically employed by doctor's offices or hospitals. In 2000 only 2 percent of registered nurses were self-employed. Doctors have a higher rate of self-employment; during the 1990s around half of the doctors in the United States were self-employed. (Pete Saloutos/Corbis)

costs it incurs, it has an incentive to keep its employees' salaries as low as possible, and if salaries do not increase much, it is difficult to attract new employees to the profession. This fact was illustrated by the acute shortage of nurses prior to the enactment of Medicare and Medicaid in the mid-1960s. Medicare and Medicaid reimbursed hospitals for their costs. Hospitals no longer needed to freeze nurses' wages, which rose rapidly throughout the 1960s and 1970s, causing increases in the supply of nurses. Since then, wages have been responsive to shortages in the workforce, albeit with some time lag, with real income increases of 9.7 percent between 1980 and 1984 and 11.2 percent between 1988 and 1992, both of which were periods of high demand for nurses by hospitals (Spratley 2000, 13).

Incomes of self-employed physicians reflect a combination of the number of procedures performed and the fee per procedure. With the passage of Medicare and Medicaid and the growth of private health insurance, out-of-pocket expenses decreased sharply for many patients. When patients do not need to pay for services they use, they are less cost-conscious in the services they demand. As a result, demand for physician services increased, and both physician workload and fees increased during the following decades. As medical technology advanced during the 1980s, physicians became more productive and continued earning comparable fees to previous years though they spent less time per procedure, further contributing to rising incomes. The growth of managed care in the 1990s forced cost sensitivity in health care to some extent, but did not have any large or lasting effect on physician incomes.

Institutional Detail and Educational Requirements

Nurses

Nurses assist physicians and provide patient care in hospitals, offices, and nursing homes. Nurses can either be licensed practical nurses (LPNs) or licensed vocational nurses (LVNs) after obtaining a diploma that requires about a year's training, or they can be registered nurses (RNs) after earning a two-year associate's degree or a four-year bachelor's degree. LPNs and LVNs provide basic bedside care and work under the supervision of physicians and RNs. LPNs and LVNs can obtain additional training to become registered nurses. RNs assist physicians during examinations; administer medications as permitted by state law; and act as counselors and health educators for patients, families, and communities. Advanced nurse practitioners provide basic health care. After meeting higher educational and clinical practice requirements, nurses may work as clinical nurse specialists, certified nurse-anesthetists, and certified nurse-midwives. Advanced nurse practitioners can perform physician services to some degree. All states in the United States require nurses to graduate from an approved nursing program and to pass a national licensing examination that may license the nurse to practice in one or more states. All states require periodic license renewal, which may involve continuing education.

Since the 1980s, there has been an increase in the number of nurses with higher levels of basic education. With more qualified nurses and with the increasing willingness of states to permit and payers to pay for nurses' services, nurses are becoming more substitutable for physicians for some services.

Doctors

Physicians and surgeons diagnose and treat illnesses and injuries. Doctors may be primary care physicians or specialists. Primary care physicians are usually the first physicians that patients consult, and they see patients on a regular basis for preventative care and to treat a variety of ailments. They practice general and family medicine, general internal medicine, or general pediatrics. Primary care physicians refer patients to specialists when appropriate, who are experts in fields such as obstetrics and gynecology, surgery, cardiology, psychiatry, radiology, and so on.

It takes four years of medical school following an undergraduate degree (or at least three years of college) and between three and eight years of internship and residency, depending on the specialty selected, to become a doctor. Doctors could be doctors of medicine (M.D.s) or doctors of osteopathic medicine (D.O.s). Of the medical schools in the United States, 80 percent teach allopathic medicine and award M.D. degrees, and the rest teach osteopathic medicine and award D.O. degrees (Association of American Medical Colleges 2003).

All states and territories in the United States license physicians after they graduate from an accredited medical school and pass a licensing exam in one or more states, depending on reciprocity arrangements between states. International medical graduates are allowed to practice in the United States after completing a residency in this country and passing the appropriate exams.

Individual specialty and subspecialty boards may require additional licensing examinations or additional years of residency. Individual boards may also require physicians to take examinations or obtain continuing medical education credits to maintain their licenses.

Market Trends and Policy Action

The number of physicians per 100,000 persons grew from about 142 in 1960 to about 190 in 1980 and 294 in 2000, after staying fairly steady during the preceding decade (Pasko and Seidman 2002, 324). The total number of doctors increased at an average rate of about 3 percent per year between 1960 and 2000. The number of nurses per 100,000 persons grew from about 560 in 1980 to over 900 in 2000 (Pastor et al. 2002). The population of registered nurses grew at about 2–3 percent per year between 1980 and the late 1990s but slowed to a little over 1 percent per year after 1996 (Spratley et al. 2000, 5).

About 80 percent of all physicians have stayed in patient care since the 1970s (Pasko and Seidman 2002, 329, table 5.1). The percentage of registered nurses who still work as nurses increased between 1980 and 1996 from almost 77 percent to 82.7 percent, but there has been an increase in registered nurses not employed in nursing since 1992 (Spratley et al. 2000, 6). There was a decrease in physicians serving as full-time hospital staff from 9 percent to 7.5 percent between 1980 and 2000 (Pasko and Seidman 2002, 329, table 5.1). The percentage of physicians in office-based practice stayed between 58 and 60 percent during the same period. Although hospitals remained the major employer for nurses, the share of nurses in hospitals decreased from over two-thirds to just below 60 percent between 1980 and 2000 (Spratley et al. 2000, 11).

Since 1980, there has been an increased demand for nurses in offices and nursing homes. Nurses have become more qualified and able to substitute for doctors' services. Hospital stays have shortened in the same period, and there is less of a demand for nurses for patient care and more of a demand for intensive care, requiring higher levels of skills. The demand for nurses continues to rise, without much of a response in the supply. The understaffed workplaces contribute to job dissatisfaction and discourage employment in the nursing profession, thereby compounding the shortage. The federal government responds with offers of subsidies to nursing schools and students and by facilitating employment of international nursing graduates.

The demand for health care and consequently physicians' services has grown considerably over the past few decades, with a growth rate that has been consistently faster than that of the gross domestic product (GDP). Although physician productivity has grown over the same period of time, the supply of physicians tends to grow relatively slowly because of institutional restrictions. There is a limit to the number of residency slots and medical schools available. Medicare funds residency slots in the United States, and any increase in the total number of residents requires a legislative change in Medicare expenditures. Although international medical graduates are hired to fill some of the gaps, state legislatures often make it difficult for them to practice medicine in the United States by requiring extended periods of retraining in this country.

With the aging of the U.S. population in the coming decades, the demand for health care services is bound to grow. Although aging is a relatively slow process and demand as a result of aging only grows about 0.5 percent per year, the growth accumulates over time. It is going to increase the demand for doctors and nurses, even as costs continue to rise and there is increased resistance to these cost increases.

Demographics

Both doctors and nurses were older in 2000 than they were a few decades ago. The proportion of RNs under age forty decreased from over one-half to less than one-third between 1980 and 2000 (Spratley et al. 2000, 7). Doctors under age forty-five decreased from a little over one-half in 1970 to about 43 percent in 2000.

Women physicians increased from under 8 percent of all physicians in 1970 to about 24 percent in 2000 (Pasko and Seidman 2002, 319). The percentage of women among enrollees increased from under 15 percent to over 40 percent between 1971–1972 and 1998–1999 (Pastor et al. 2002, table 106). As a result, there was a much larger percentage of younger women doctors than younger men doctors in 2000 relative to 1970. Nurses, in contrast, were overwhelmingly women, though the share of men increased from 2.7 percent to 5.4 percent between 1980 and 2000 (Spratley et al. 2000, 8).

The share of minorities grew among doctors and nurses over the past couple of decades. Hispanics were the fastest-growing group among nurses, and Asians were the fastest-growing group among nurses. Doctors are more diverse than nurses, though neither group is as diverse as the average population. The proportion of international graduates has been increasing among doctors and nurses, in particular in response to the periodic shortages.

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See also Labor Market; Local 1199 Health Care Workers; Medicaid

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O

Occupational Safety and Health Act (1970)

The Occupational Safety and Health Act was enacted in 1970, at a time when the media, lawmakers, the general public, activists, and many employers were paying attention to the escalating dangers of the workplace in the growing industrial economy of the United States. During the 1960s, disabling injuries increased 20 percent during the decade, and 14,000 workers were dying on the job each year (Fleming 2001, 23). Today, although this legislation and the Occupational Safety and Health Administration (OSHA) it founded are the subject of debate among unions, businesses, and advocates as to the enforcement power OSHA should wield, the act provides the main regulatory health and safety protections for U.S. workers. Workplace injuries and deaths have steadily declined for years, and many experts credit OSHA standards and enforcement for much of this reduction.

The Occupational Safety and Health Act established three permanent agencies:

- The Occupational Safety and Health Administration within the Labor Department to set and enforce workplace safety and health standards;
- The National Institute for Occupational Safety and Health (NIOSH) in what was then the Department of Health, Education, and Welfare to conduct research on occupational safety and health; and
- The Occupational Safety and Health Review Commission (OSHRC), an independent agency to adjudicate enforcement actions challenged by employers.

Known initially as "the safety bill of rights," the law charged OSHA with ensuring safe and healthful conditions for working men and women. When the agency opened in April 1971, OSHA covered 56 million workers at 3.5 million workplaces. Today, 105 million private sector workers and employers at 6.9 million sites are covered by OSHA regulations on workplace safety and health issues. The U.S. occupational injury rate was 40 percent lower in 2000 than when OSHA was chartered in 1971. Deaths from occupational injuries are at an all-time low—60 percent lower than thirty years ago (Fleming 2001, 26).

The act covers all employers and their employees in the fifty states, the District of Columbia, Puerto Rico, and all other territories under federal government jurisdiction. Coverage is provided either directly by OSHA or through an OSHA-approved state occupational safety and health program. The act applies to varied fields, including manufacturing, construction, longshoring, agriculture, law and medicine, charity and disaster relief, organized labor, and private education. Such coverage includes religious groups to the extent that they employ workers for secular purposes. Not covered by the act are self-employed persons or farms at which only immediate members of the farmer's family are employed. Employees of state and local governments (unless they are in one of the states with OSHA-approved safety and health programs) are also not covered by OSHA.

The act assigns to OSHA two principal functions: setting standards and conducting workplace inspections to ensure that employers are complying with the standards and providing a safe and healthful workplace. OSHA standards may require that employers adopt certain practices, means, methods, or processes reasonably necessary to protect workers on the job. It is the responsibility of employers to become familiar with standards applicable to their establishments, to eliminate hazardous conditions to the extent possible, and to comply with the standards. Even in areas where OSHA has not issued a standard addressing a specific safety hazard, employers are responsible for complying with OSHA's "general duty" clause, which states that employers must ensure that their workplaces are free of hazards that are likely to cause death or serious injury to workers.

States with OSHA-approved job safety and health programs must set standards that are at least as effective as the equivalent federal standard. Most of the state-plan states adopt standards identical to the federal ones (two states, New York and Connecticut, have plans that cover only public sector employees).

Federal OSHA standards fall into four major categories: general industry (29 CFR 1910); construction (29 CFR 1926); maritime-shipyards, marine terminals, and longshoring (29 CFR 1915–19); and agriculture (29 CFR 1928). Each of these four categories of standards imposes requirements that are targeted to that industry, although in some cases they are identical across industries.

To enforce its standards, OSHA is authorized under the act to conduct workplace inspections. Every establishment covered by the act is subject to inspection by OSHA compliance safety and health officers, who are thoroughly trained in OSHA standards and in the recognition of safety and health hazards. Similarly, states with their own occupational safety and health programs conduct inspections.

Employees are granted several important rights by the act. Among them are the right to complain to OSHA about safety and health conditions in their workplace and have their identity kept confidential from the employer, contest the time period OSHA allows for correcting standards violations, and participate in OSHA workplace inspections. Private sector employees who exercise their rights under OSHA can be protected against employer reprisal, as described in Section 11(c) of the act. Employees must notify OSHA within thirty days of the time they learned of the alleged discriminatory action. This notification is followed by an OSHA investigation. If OSHA agrees that discrimination has occurred, the employer will be asked to restore any lost benefits to the affected employee. If necessary, OSHA can take the employer to court. In such cases, the worker pays no legal fees.

Agency History

OSHA was created because of public outcry against rising injury and death rates on the job. Through the years, the agency has focused its resources where they can have the greatest impact in reducing injuries, illnesses, and deaths in the workplace. Since the 1970s, the agency has responded to tragic workplace events with new strategies and regulations. Examples include OSHA's standard to prevent grain elevator explosions and its process safety management standard to forestall chemical catastrophes caused by inadequate planning and safety systems. OSHA has also focused on emerging health issues such as bloodborne pathogens and musculoskeletal disorders. Its enforcement strategy has evolved from initially targeting a few problem industries to zeroing in on high-hazard industries and, more recently, pinpointing specific sites with high injury rates. Education and outreach have played important roles in dealing with virtually every safety or health issue.

OSHA published its first consensus standards on May 29, 1971. Some of those standards, including permissible exposure limits for more than 400 toxic substances, remain in effect today. Others have been updated or expanded, dropped as unnecessary or overly specific, or amended.

OSHA's original standard limited worker exposure to asbestos, a proven carcinogen. Standards for a group of carcinogens, vinyl chloride, coke oven emissions, cotton dust, lead, benzene, dibromochloropropane, arsenic, acrylonitrile, and hearing conservation followed. Early standards responded to health issues well known to the occupational safety and health community. Initially, the agency emphasized voluntary compliance with inspections dedicated to catastrophic accidents and the most dangerous and unhealthful workplaces. Later, the agency adopted a "get tough" stance that evolved to a more targeted approach based on significant hazards. OSHA further refined its inspection targeting system in the late 1970s to focus 95 percent of health inspections on industries with the most serious problems. In the 1980s, OSHA focused on minimizing regulatory burdens. The agency relied more on self-reporting and employer involvement. Its goal was to provide a balanced mix of enforcement, education and training, standard-setting, and consultation activities.

OSHA introduced major new health standards during this decade that included requirements to provide employees access to medical and exposure records maintained by their employers; hazard communication; and more stringent requirements for asbestos, ethylene oxide, formaldehyde, and benzene. Safety standards covered a wide range of issues, such as updated fire protection and electrical safety, field sanitation in agriculture, grain handling, hazardous waste operations and emergency response, and lockout/tagout of hazardous energy sources.

During the 1990s, OSHA reexamined its goals as part of the Clinton administration's "Reinventing Government" initiative, looking for ways to leverage its resources and increase its impact in reducing workplace injuries, illnesses, and deaths. The agency reorganized its area offices to provide rapid response to worker complaints and workplace tragedies, as well as to focus on long-term strategies to lower job-related fatalities, injuries, and illnesses. OSHA instituted a phone-fax policy to speed the resolution of complaints and focus investigation resources on the most serious problems. In 1991, OSHA introduced a bloodborne pathogens standard to address biological hazards. During the 1990s, the agency also updated its asbestos, formaldehyde, methylene chloride, personal protective equipment, and respiratory protection standards; developed a standard covering lead exposure in construction; and issued rules to protect laboratory workers exposed to toxic chemicals.

The agency modified its inspection targeting system to focus on serious violators, proposing sizable penalties when inspectors found sites where safety and health problems were most serious. In 1990, Congress increased maximum penalties for OSHA violations from $1,000 to $7,000 for serious violations and from $10,000 to $70,000 for willful and repeat violations. During the mid-1990s, OSHA began collecting data annually from about 80,000 employers in high-hazard industries to identify sites with high injury and illness rates. In 1999, the agency adopted the "site-specific targeting program," which for the first time directed inspections to individual workplaces with the worst safety and health records. Injury and illness rates and fatalities declined significantly during this decade.

Emphasis on partnerships increased dramatically in the 1990s, and participation in the agency's premier effort, the Voluntary Protection Program, increased eightfold. OSHA also formed partnerships with companies that wanted to improve their safety and health records, beginning with the Maine 200 program, which encouraged employers with many injuries at their sites to find and fix hazards and establish safety and health programs.

As the new century began, OSHA expanded its outreach program with new compliance assistance specialists slated to join every area office to provide safety seminars, training, and guidance to employers and employees upon request. More and more, the agency used its website to provide information to its customers. The agency recently added a small business page, a partnership page, and a workers' page to its website to make its information more readily available and easily accessible. The workers' page enables concerned employees to file complaints online. Along with its counterparts in the European Union, OSHA set up a joint website on job safety and health issues of concern to many countries.

OSHA and Political Controversy

Political pressure and controversy have flared frequently around OSHA and state safety actions and how workplace safety concerns should be addressed. OSHA has been criticized on the one side by unions, progressives, and advocates for working too closely with business and failing to pass tougher standards; this side argues that without the threat of inspections and enforcement, too many employers will skirt the law. Small businesses and their advocates, as well as larger employers, have criticized OSHA for excessive regulations and excessive enforcement.

A major battleground of debate during the 1980s and 1990s was ergonomics. Workplace safety specialists and scientists had identified a national concern in the number of workplace injuries associated with poor workplace and production design (ergonomics) and believed that employers needed to install systematic programs to reduce injuries caused by repetitive motion, excessive force, awkward postures, and heavy lifting.

Throughout the 1990s, a multifaceted, controversial legislative debate over the ergonomics legislation was waged by organized labor, safety advocates, medical experts, business groups, and members of Congress. Both sides believed passionately in their view of the issue. The business and safety coalitions worked intensely to lobby public opinion and members of Congress. Bills proposing and opposing the standard were passed, scratched, vetoed, and sunk. Businesses argued they would do a better job of maintaining workplace safety without regulation; worker advocates insisted that history taught that enforcement was needed to prevent some employers from taking worker safety lightly and that the regulations would in fact save employers money in the long run.

OSHA proposed an ergonomics program in November 1999 that was designed to prevent 300,000 work-related injuries and save $10 billion annually in medical and workers' compensation costs. The standard gave employers many ways to achieve compliance, including quick-fix options for jobs that can be fixed right away, a grandfather clause to recognize programs already in place, and the option to discontinue programs when they were no longer needed.

Still employers were fiercely opposed. And when George W. Bush became president, reversing the ergonomics standard was one of his first executive orders. The fight over the ergonomics standard in Washington, D.C., illustrates quite powerfully the political stakes involved in the debate over workplace health and safety.

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See also Workplace Safety

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For a comprehensive list of links to sites addressing worker health and safety needs, concerns, and history, see www.aflcio.org/safety/infolink.htm. For a chronology of OSHA's ergonomics standard and the business campaign against it, from the perspective of the American Federation of Labor and Congress of Industrial Organizations, see www.aflcio.org/safety/ergo_infopack_chron.htm.

Occupations and Occupational Trends in the United States

The categorization of occupational types is an important tool in examining the social and economic structure of the United States. Before the mid–nineteenth century, the majority of U.S. workers were involved directly or indirectly in farming, with related occupations such as trapping, shipping, and selling providing most of the employment. With the advent of the Industrial Revolution, many American citizens moved to the cities and began work as manual laborers. Related occupations like management, financial services, and journalism rose along with the Industrial Revolution. New technology has created new forms and types of employment. In recent years, the service sector has overtaken the manufacturing sector in terms of sheer numbers employed. Salespeople, lawyers, brokers, and information technology (IT) workers continue to enjoy growing demand. Much of the manufacturing that was once done within the United States is now done overseas or is entirely automated. There are few independent farmers remaining, and owner-operated businesses have been forced to compete with much larger corporate ones. Trends in employment highlight the changes in the United States at large.

The Revolutionary Era

Prior to the American Revolution, what would become the United States was part of the larger British Empire, a mercantile system that carefully controlled the types of occupations available in the colonies, primarily through taxation and regulation. Raw materials such as cotton, wood, and tobacco comprised the majority of items leaving the continent. Finished products were constructed in England and imported back into the colonies. Those permitted to import and export did so with express consent of Parliament and were often members of important British families rather than of the colonial population. There are few occupational statistics to quote from this time period. However, the majority of employment in the north was of the master-servant variety, particularly in Boston and other towns in New England, but also in the other large colonial cities. Rather than working for a wage, subordinates had a personal bond to their employers. This system was based upon the guilds, which had been carried over from Europe. Young men would be apprenticed to a master craftsman, who would agree to provide room and board as well as training in exchange for guaranteed labor for a stipulated number of years. Still, labor was in short supply in the colonies. Freeholders and journeymen expanded the apprentice program by offering passage to the New World in exchange for servitude. The precedent thus set made many unwilling to employ wage laborers. It was very difficult for a nonmonied person to enter into free society until he had gone through this period of virtual enslavement. Far from acceding quietly in the status quo, relations between laborers and employers were marked by unrest. Some of those indentured stole away from their masters, as Benjamin Franklin did. Some stole or did violence to their masters. Many servants were routinely beaten for failure to perform or insubordination. In Puritan New England especially, this stratification had a distinctly moral component: those in charge had their authority by the grace of God, and it was not only the economic but the religious duty to obey. Thus was employment offered, not on terms of salary, but on personal and religious obligation (Towner 1993, 3–21).

Such terms also existed in more agricultural areas, particularly on the many farms of small freeholders in tobacco colonies such as Virginia and Maryland. In 1775, at least 90 percent of colonists owned or worked on farms (Greene 1975, 260). Workers here were perhaps even more debased than their urban brethren. Although it was possible to disappear into a city—or to join the crew of a trade or naval ship in port—in rural areas there were few remedies for discontent or maltreatment. However, as there was no skill to be specifically learned, the length of indenture did not need to be as long as with printers or blacksmiths. In a new continent, the westward expansion of freeholds seemed virtually limitless. Many servants left their posts and set up their own farms beyond the de facto western border. Oftentimes, these newer outposts lacked official legitimacy and made for political conflict between eastern and western parts of the colonies. That did not stop the westward press, though, and by the time of the Revolution, some had even pushed over the Appalachian Mountains and into Kentucky.

One cannot have a discussion of debased employment in the British American colonies without also speaking of slavery. Although African slaves were present in the North, no part of North America could rival the enormous systematic slavery present on the vast plantations of the South. South Carolina, for example, saw blacks outnumbering whites by a margin of two to one by the 1720s. The area surrounding Charles Town saw ratios of three to one. These numbers only increased (Morgan 1993, 125). Although the tasks given to slaves varied from picking and planting fields to raising children and serving tables, there can be no question that slavery represented the ultimate brutality in master-servant relationships in prerevolutionary North America. Unlike white laborers, Africans were often forbidden from holding property of any kind and indeed from even learning to read. Escape was a meager possibility for the slave when compared with European indentured servants, and although white malcontents could be and often were dealt blows for misbehavior, real or perceived, corporal treatment was a matter of course for black Africans. Indeed, often slave owners were only too ready to maim or even kill their chattel to prevent discontent from growing.

From Revolution to Civil War

Following the revolution, some trends in American society increased, whereas others slowed or came to an end. Slavery as an institution was revitalized by the invention of the cotton gin in the late 1700s and continued to expand. The continued westward expansion made room for the continued freeholder lifestyle, much beloved of Thomas Jefferson. It also made for growth in military employment as the new nation raised what amounted to a permanent standing army to fight the Native American population. With England cut off as a trading partner, the new United States was quickly forced to develop larger-scale industry to provide the many products that the British Empire had previously monopolized. Doing so cleared the way for the birth of the salaried employee in the United States, as well as spectacular growth in domestic trade. The great growth sectors in employment after the revolution were in shopkeeping, manufacture, freeholding, and, of course, government.

One industry that can in some sense be seen as representative was that of textile manufacturing. Prior to the revolution, the majority of cloth sold (not made at home) was made in England under the mercantile rules of the British Empire. To replace the supply, the new nation turned to two sources. First, as in Philadelphia, skilled immigrants were actively recruited and employed in production (Shelton 1986, 215). Second, as in Lowell, Massachusetts, and Pawtucket, Rhode Island, entrepreneurs emulated and indeed even stole the automated processes that had begun in England some years earlier. Lowell's textile mills are often seen as the birthplace of the Industrial Revolution in the United States. Philadelphia remained competitive in terms of production until approximately 1850, when refinements to automated production processes made cloth manufacture by the skilled artisan expensive by comparison.

After the 1820s, trade with Europe began to expand once more. Although agricultural products remained the largest export categories, North America began to find overseas markets for finished products, such as furniture and cloth. The import and export of products made fortunes in the ports of the Northeast and especially in New York City. The building of canals—exemplified by the Erie Canal, completed in 1825—greatly reduced the time and cost needed to ship goods within the country. Increased trade led to the rise of professional classes of lawyers, doctors, journalists, bankers, and associated employment types. For the first time, some of these positions began to require some sort of advanced degree. Banks began to finance new companies, which meant an increase in the size of manufacturing and shipping concerns. Still, by the Civil War, the United States remained overwhelmingly agricultural, with 80 percent of Americans still living and working on farms (U.S. Census Bureau 2002). The stage had been set, though, for the explosive growth of labor following the war.

The Aftermath of the Civil War

Tremendous uproot took place in the years following the Civil War. First, slavery was banned and the millions of African Americans tied to estates throughout the South were set nominally free. At first, many of the former slaves were promised land of their own to become freeholding agricultural tenants, and a few even received land. In fact, most quickly fell into sharecropping or other labor arrangements, often under their former masters. When Reconstruction came to an end in 1877, conditions reverted to little better than the slavery that had existed before. Some African Americans, though, left the rural South to become contract laborers in the industrial cities of the North.

The task of reintegrating the South into the Union required tremendous growth in government. A de facto conquering army remained behind in the former Confederacy after Appomattox. With them came northern industrialists and merchants, hoping to make money during Reconstruction. The return of southern agricultural products to the ports of the North helped finance the growth of industry there. The old North—as well as new and growing cities to the west, such as Chicago, St. Louis, and Cincinnati—assumed even greater supremacy after the war. This expansion prompted the Census Bureau to begin tabulating statistics on employment in 1870, reporting that 17.41 percent of U.S. workers were in factories, with 49.77 percent on farms; the remaining workers worked in trades such as finance, transit, and construction. The next thirty years would see manufacturing jobs rise to 21.81 percent and farming fall to 36.84 percent (Vance 1990, 353–354).

The growth was achieved with the same two factors that had prompted the growth in textiles after the revolution. First, following the Civil War, the United States welcomed millions of immigrants from Europe, who represented cheap labor. Second, technological development imported from England and refined by U.S. innovators provided new means of production and transportation, in this case, the steam engine. The steam engine made the mass growth in railroads possible, essentially opening vast parts of the North American continent to urbanization and industrialization. Some railroads predated the Civil War (including the Baltimore and Ohio, beginning in 1829), but after the Civil War, track was laid at an astronomical rate (Jackson 1985, 35). Now products made in Chicago could reach New York in days rather than in weeks. Commuter railroads made possible the expansion of northern industrial cities as well as the connection of neighborhoods within cities, and passenger railroads drew laborers from the South and to the West. Railroads also saw the widespread employment of groups such as Chinese who seldom had means to enter the national labor market. These immigrants—arriving from the West rather than the East—did much of the work in building the railroads that connected the nation (Limerick 1987, 259–269).

Expansion of labor markets also led to the first widespread efforts at union organization. Shortly after the Civil War, urban workers began assembling and agitating for better pay and job security. Many of these early unions began calling themselves "national." Two great organizations set the tone for the final third of the nineteenth century, the Knights of Labor (1869) and the American Federation of Labor (AFL, 1886). These groups attempted to reform the labor markets through negotiation and strike. The use of immigrants and migrant blacks as strikebreakers by manufacturing concerns set the tone of these early national assemblies as anti-immigrant and racist. The great unrest of the late 1870s and 1880s, the general strikes and riots associated with it, and their connections with anarchic and socialist radicals set organized labor back by the time the U.S. economy began to fully recover in the 1890s (Trachtenberg 1982, 94–96).

The Turn of the Century

By 1900, the growth of corporate power led many in the United States to believe that the capitalist system was in danger. President Theodore Roosevelt attempted to ease concern with "trust busting," the breaking up of monopoly power. The effectiveness of trust busting has been overstated. However, Progressive government policy did pave the way for greater oversight of labor, especially in terms of worker safety. This was important because the size of corporations was about to explode. Again, the two factors were immigration and technological advance. Immigration, especially from southern and central Europe, brought between 300,000 and 400,000 workers to the urban metropolises of the United States every year (Vance 1990, 359). On the technological end, in Detroit, Michigan, Henry Ford was about to create the assembly line, which continues to dominate mass production today.

The Model T Ford debuted in 1908. The importance of this development would be difficult to overstate. Ford did not invent the assembly line, but he perfected it. Until its implementation, most products were the work of a single craftsperson or machine, beginning and finishing the product. Ford created a system whereby the construction of an automobile was broken down into a number of steps. Each worker, rather than being responsible for a number of cars, was instead charged with one or more steps and parts. The results were many, but two are most important. First, the system allowed for *mass production.* The automobile ceased to be a rarity and was made cheaply enough that Ford's own workers could afford one. Second, the automobile laborer became a replaceable part. One person did not need to know how to build an entire automobile. All that needed to be learned was particular movements and tasks. It was possible to hire thousands of workers and produce a profitable product. In 1900, the population of Detroit, center of U.S. automobile production, was 286,000. By 1920, it had reached 994,000, and at its peak, in 1950, 1.85 million (Demographia 2002). The vast new factories also led to greater labor organization, this time often along industry lines. The first decades of the twentieth century saw unionization of autoworkers, steelworkers, and many other industry groups, especially once industry was confronted with the labor shortages caused by World War I.

Another touchstone of the early twentieth century was the growth of the service sector. In cities, the invention of the skyscraper and improved mass transit helped create the high-density office buildings where lawyers, doctors, and salespeople worked. The expanded corporate system also led to the creation of the professional businessperson—someone employed by the company to perform managerial tasks who was neither an owner nor a founder. These workers tended to be charged with helping to produce items for which there was not yet a market. The advertiser came of age in the twentieth century for the purpose of stimulating demand for new products. Jobs in banking also increased, as did related occupations such as stockbrokers, accountants, and financial advisers.

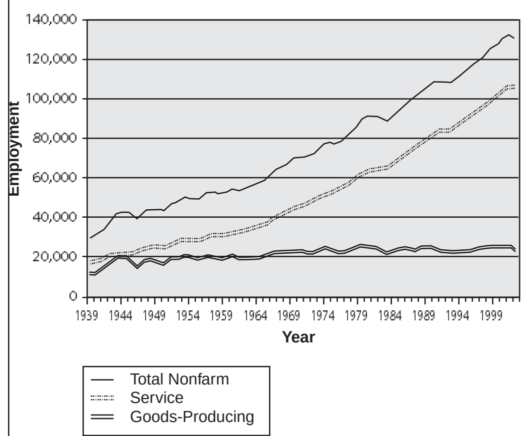
Depression and World War II

When the stock market crashed in 1929, the world was plunged into the Great Depression. With so much money lost, the market for products and services shrank, throwing millions of Americans out of work. Manufacturing and sales were among the hardest hit, as was construction. The independent farmer was, in many places, nearly wiped out by the combination of debt and the degradation of land. Increased taxes and the rising cost of living had led many to take out loans from banks throughout the 1920s and into the Depression. Many independent business- and landowners, particularly farmers, found that they could no longer afford to keep up both tax and mortgage payments. Banks foreclosed, and land was lost. Often the banks reorganized the land into larger agricultural concerns. Many left their agrarian roots and fled to the cities of the North, just as they had in the 1870s and the 1890s. They found little employment there, either.

The one growth industry of the 1930s was government. Franklin Roosevelt took office in January 1933 and, after a brief flirtation with laissez-faire policies, began to implement many of the steps recommended by British economist John Maynard Keynes. His actions led to the creation of a social democracy, sometimes also called the "welfare state." The government began to actively employ many of those thrown out of work, in both production and service. Although much has been written of jobs in agencies such as the Tennessee Valley Authority (TVA), charged with making improvements such as dams, the vast majority of these jobs were service-oriented. By 1939, service employment in the United States outnumbered goods-producing employment (Figure 6).

The New Deal did make some difference in helping the U.S. worker survive the Great Depression. However, the economy really began to recover with World War II. The demand for both raw and finished materials to pour into the war effort got U.S. factories running again—only now Detroit was producing tanks instead of cars. Millions of American men and women entered the armed forces, leaving labor shortages. For the first time, many married women entered the labor force. Employment in goods production increased by 1944 to the level it would maintain with slight dips until the 1960s and indeed nearly overtook the service sector again. Once the war was over, the military men returning to the United States created a moderate increase in unemployment, but it was merely temporary. The government thanked the returning veterans with legislation that paid for education and subsidized detached housing, essentially promoting the service sector middle-class lifestyle. By 1950, most U.S. cities had reached their peak populations. Population growth afterward was in the suburbs, where most workers were white-collar and commuted to work by car rather than bus or train. In 1945, service sector employees outnumbered goods-producing employees by less than 10 percent. By 1965, the difference was almost two to one (see Figure 6).

Figure 6
Total January Employment
1939–2002

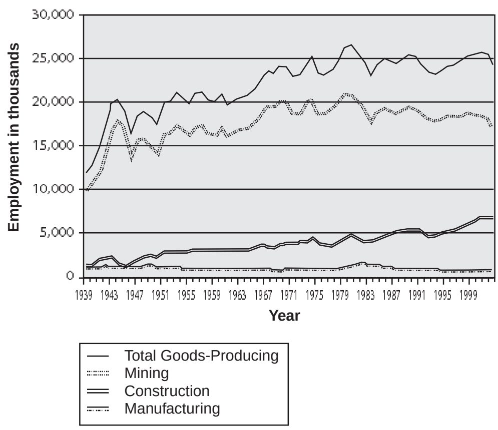


Source: U.S. Bureau of Labor Statistics. http://www.bls.gov

The Postwar Triumph of the Service Economy

Employment statistics following 1939 are much easier to come by because of the efforts of the Bureau of Labor Statistics (BLS). Statistics demonstrate that nearly all employment in the United States in the second half of the twentieth century has been in goods-producing and service sectors—by 2001 farming, fishing, and forestry together provided less than 500,000 jobs. Furthermore, we can say with certainty that the total number of jobs in goods-producing industries nearly doubled from 1939 to 1943, then fell back again after the war as soldiers fighting overseas returned home, before recovering and surpassing that level by the early 1950s. We can also say with certainty that although goods consumption in the United States has soared continuously through boom and bust since 1945, goods production, or at least employment thereof, reached a margin in the early 1970s around 25 million workers, which has not changed to the present day. Among the goods-producing industries, only construction has consistently increased in the United States since 1970 (see Figure 7).

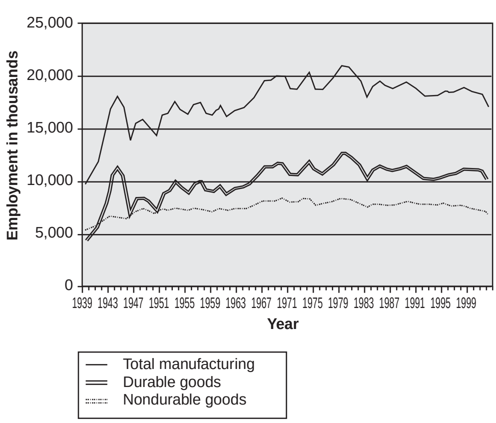
Figure 7
Total January Employment in Selected Goods-Producing Sectors, 1939–2002



Source: U.S. Bureau of Labor Statistics. http://www.bls.gov

Furthermore, with regard to manufacturing employment, we can compare raw total numbers and the number employed in durable (such as cars, houses, and televisions) and nondurable (food, drink, and so forth) goods. The demand for nondurable goods, while not entirely flat, is relatively inelastic—there seems to be a level above and below which the economy cannot pass. But manufacturing employment overall has risen and fallen with the economy. Three times it bumped up against and

Figure 8
Total January Employment in Durable Versus Nondurable Goods, 1939–2002



Source: U.S. Bureau of Labor Statistics. http://www.bls.gov

even surpassed a level of 20 million. When the 1980s began, it fell below this level for the last time and does not seem to be in danger of reaching it again (Figure 8).

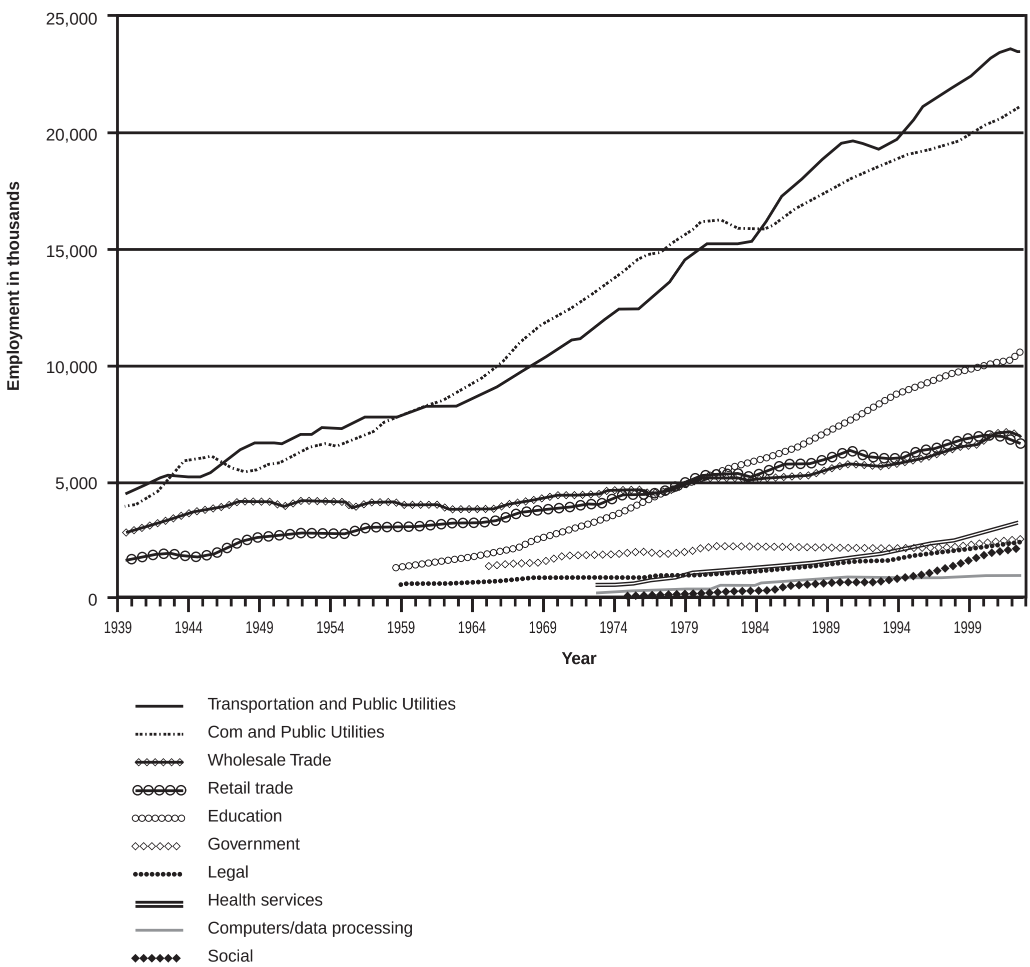
What happened? During the second half of the twentieth century, the United States became a service economy. Manufacturing that still took place domestically was further automated. Much other manufacturing now is done overseas. Some industries, such as steel, have shut down nearly all their domestic production. Much of this is due to the increasing cost of labor in the United States. The minimum wage in the United States was raised in 1997 to $5.15 an hour; in 1995 the *average* wage of garment workers in Malaysia was $0.49 an hour (Foo 1996). Whether this difference has been good or bad for Malaysian workers is debatable, but despite cycles of expansion and recession, it has *not* led to the widespread unemployment in the United States that transfer overseas would suggest. Some of the jobs lost in the manufacturing of cars and clothing have been taken up by other manufacturing, but the vast majority of the slack—and indeed the source of virtually all job growth in the United States since the end of World War II—has been in the service sector (Figure 6). Attendant with the relative decline in the importance of manufacturing has been the absolute decline in union membership. In 2001, only 13.5 percent of American workers were union members, down from approximately 35 percent in the early 1950s (Manufacturing News 2002).

The postwar period was also the time of the great corporate ascendancy. Companies had grown larger through the war and found themselves with a highly educated workforce for the first time. Corporations often created entire towns outside the major cities, recalling an earlier era when manufacturers had done much the same. The cities they built were often carefully classed such that a promotion guaranteed a larger prefabricated house and perhaps a better car from General Motors. The sociologist William Whyte termed this innovation the *organization man* (Whyte 1956, 1). The jobs they created were nearly all service sector, in occupations such as management, accounting, and insurance. As corporations become multinational, they were able to export more and more of the manufacturing occupations—those that required employees with the fewest skills—to other countries. This in turn created more service jobs, as this move required managers and accountants to see that the manufacturing and subsequent transportation went smoothly.

Of the service sector overall, the two largest industries in terms of growth since World War II have been in government and in retail trade (Figure 9). Government includes jobs from the federal level down to the local level. The growth reflects the expansion of government services since World War II, a trend that has continued uninterrupted even through periods of "small government." The majority of new positions, though, have been created at the local government level. Much of this growth was in education, which is included separately in Figure 9. The ability to fund such growth is evidence of how much the U.S. economy has expanded since the 1950s. Unlike much of the service economy, many of these jobs are union. The total number of government workers in 2001 was 21.3 million (Bureau of Labor Statistics 2002c).

Of the retail trade jobs, 13,418,770 were employed in "Sales and Related Occupations" in 2001 (Bureau of Labor Statistics 2002c). Many of these are low-paying jobs. The two largest subgroups are "retail salespersons" and "cashiers," together comprising over 7.3 million jobs and 54 percent of retail trade occupations (and almost 6 percent of total employment). BLS statistics for 2001 cite a mean hourly wage for retail salespersons of

Figure 9
Total January Employment in Selected Services, 1939–2002



Source: U.S. Bureau of Labor Statistics. http://www.bls.gov

$8.24 and yearly salary of $20,920. Statistics for cashiers are a mere $7.19 an hour and $16,240 a year. In 2001 the Department of Health and Human Services defined the official poverty line as $17,650 for a family of four (Health and Human Services 2002). Obviously, not all of these jobs supported families; some were part-time jobs for teenagers or senior citizens or taken to supplement income. However, these jobs have become a way of life for many. They offer little responsibility and few paths to advancement. They also tend to be highly dependent upon the state of the economy. Flatness and dips in the trend are apparent in the periods 1980–1984, 1988–1992, and again in 2001 to the present. Retail jobs tend to be among the first to be cut during recession.

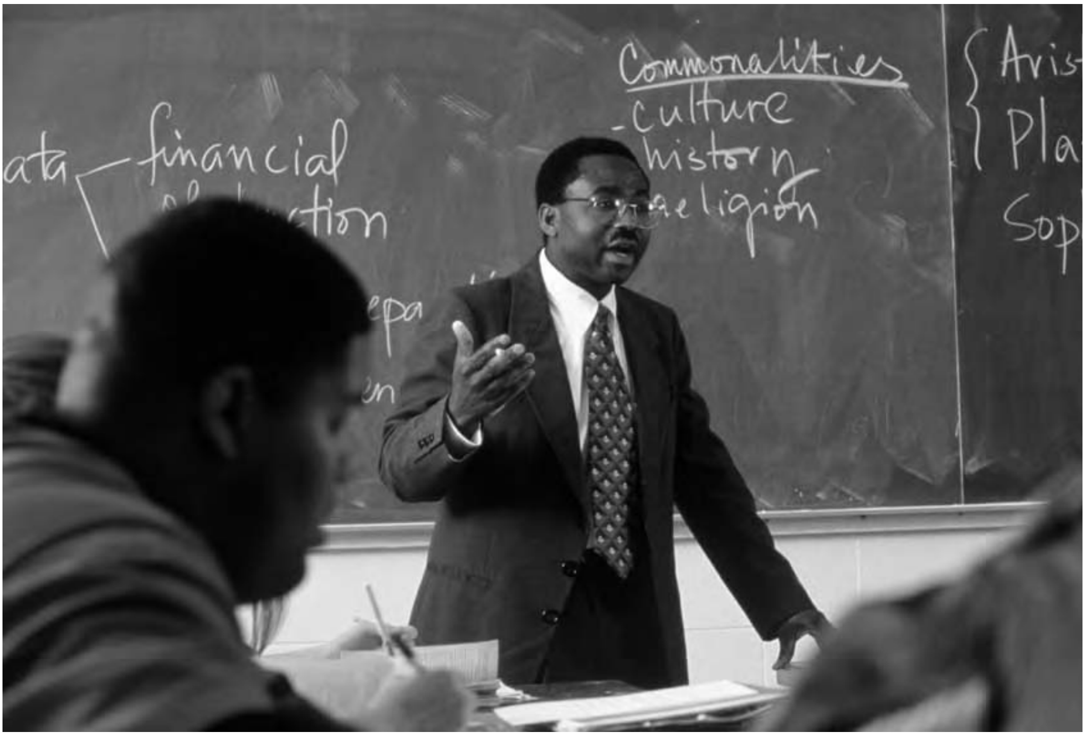
By way of comparison, the third-largest service occupation sector was health services, providing over 10,000,000 jobs by 2002. They are divided by the BLS into two subdivisions, "health care support," and "health care practitioners and technical occupations." Of the former, the average hourly and yearly wages for the entire subset were $9.85 and $21,900, respectively. For the latter, the figures were $20.56 and $49,930. Nursing aides, orderlies, and attendants number 1.3 million of the support occupations and earn on average $9.27 per hour and $19,850 per year, which is somewhat more than cashiers and retail salespeople, though less than the latter on a yearly basis. Of the technical occupations, registered nurses (RNs) are the largest category, at 2.2 million. Becoming an RN typically takes between two and four years. They earned on average $22.44 an hour, or $48,240 a year, more than twice as much as nursing aides or retail salespeople and nearly three times as much as cashiers. Getting a medical degree is even more lucrative. In 2001, family and general practitioners earned an average of over $110,000 a year. In addition, health care professions tend to be fairly unaffected by trends in the overall economy. Employment figures have increased every year that the BLS has tracked them.

The difference between the job sectors and even between the division of medical workers is education and training. As manufacturing employment in the United States has remained flat, the country has more and more divided into two service camps. The first tends to require little training and is not very secure. The second requires some degree of advanced education and is not as dependent upon fluctuations in the economy. To take another example, in 2001 "buildings and grounds cleaning and maintenance occupations" provided just over 4 million jobs. The average income for this occupational group was $8.71 an hour and $20,380 annually, or less than $3,000 above the poverty line for a family of four. "Business and financial operations occupations"—positions such as insurance appraisers and training specialists—employed approximately 4.7 million workers in the United States. The average wage was $21.98 an hour, or $50,580 a year. Not included in the reported salary figures, but also important, is that many low-skill professions offer largely part-time labor without the attendant benefits, such as health care and retirement plans, that full-time positions offer. Unlike low- to moderate-skill jobs of the last two generations, jobs such as those listed above are much less likely to be unionized, leaving the worker in a more precarious position and with few advocates.

Jobs in new and emerging technologies also tend to pay more than those that use older technology. Computer support specialists, for example, were paid an average of $41,920 in 2001. There were 500,000 people employed in these positions. Automotive service technicians and mechanics, of whom there were 700,000, were paid $31,870. This phenomenon holds true even in more advanced professions. Chemical engineers made $72,780 a year on average in 2001, and nuclear engineers made $80,200. The higher salaries are partly due to the degree of education required for each position but are more attributable to the laws of supply and demand. The ratio of computer technician jobs to computer technicians is higher than that of automotive repair jobs to automotive repairpersons. Once growth in employment within a new industry stabilizes, salary tends also to stabilize or decline. It is especially true in modern employment, in which retirement no longer occurs at a guaranteed age: there is no steady, predictable reduction in the workforce. As always, those with more years of experience tend to make more money.

The Future Outlook

Occupational growth over the next ten years should continue to follow current trends. According to the Bureau of Labor Statistics's *Occupational Outlook Handbook,* service-producing industries will provide for approximately 20.2 million out of 22 million

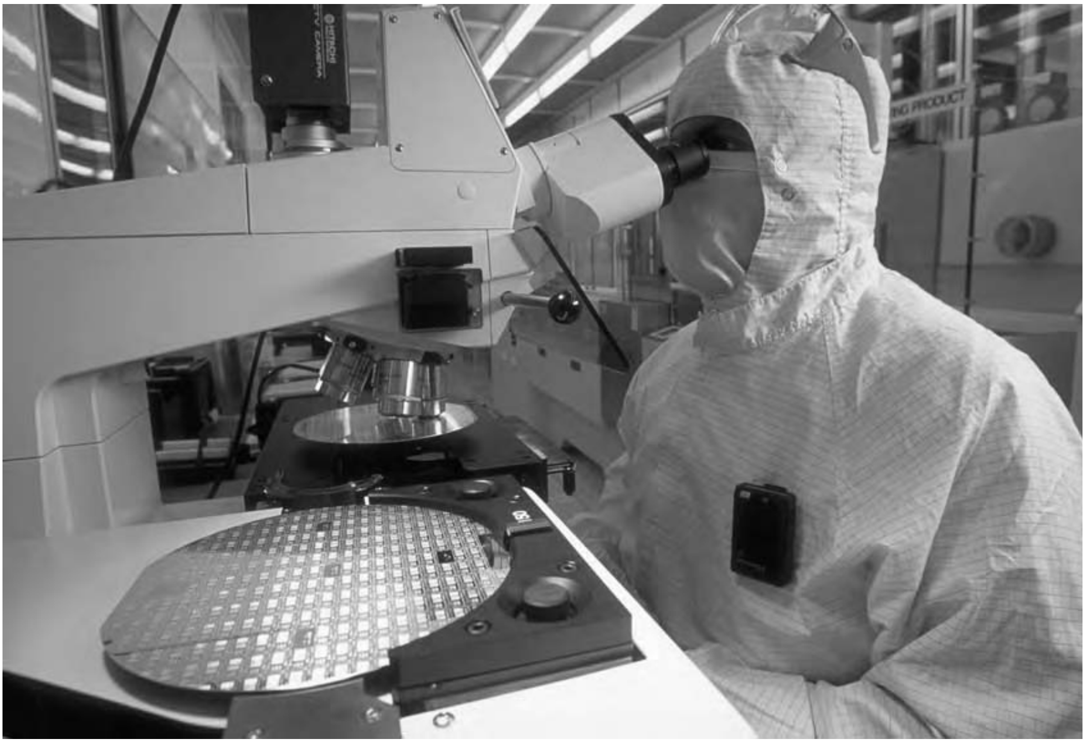


Among occupational groups, the largest increase in the next ten years will be among professionals, including teachers. The Bureau of Labor Statistics expects that the number of professional jobs will increase by 26 percent by 2010. (Bob Krist/Corbis)

total new jobs for the first decade of the twenty-first century; 13.7 million of them will be in pure service industries, with many concentrated in business, health, and social services. The single-largest growth industry is expected to be in employment agencies and temporary staffing, adding 1.9 million jobs. These numbers are the result of two trends. First, business as a whole should continue to expand. Second, companies have and will continue to outsource nonessential jobs, especially so long as the economy remains soft.

The aging of the baby boomers will drive much of the demand for increased health services. The entire industry, including home health care, hospitals, and doctors' offices, will add 2.8 million jobs by 2010. As noted above, the pay associated with these jobs varies widely. There will be demand both for new surgeons and for new nurses' assistants. Demand for the industry as a whole may not affect salary for the entire scale. Social service expansion will continue to be driven by women entering the workforce and thus requiring day care. Elder care will make up much of the rest of growth in this industry, with social service as a whole providing 1.2 million jobs. Other service sectors that will see increase in employment include warehousing and transportation; retail trade; finance, insurance, real estate; and government. Growth in goods-producing industries should remain stagnant, except in construction (Bureau of Labor Statistics 2002c).

Among occupational groups, the largest increase will be among professionals, continuing the trend that existed throughout the twentieth century. The BLS expects that the number of these jobs will increase by 26 percent by 2010. The three groups that will provide the bulk of these jobs are computer and mathematical occupations; health care practitioners and technical occupations; and education, training, and library occupations. Overall, computer occupations are expected to grow fastest, adding almost 2 million jobs by 2010 and comprising eight of the twenty fastest-growing jobs. The arrival of the information age and the subsequent ubiquity of computers will continue to spur demand for computer experts. As discussed, the aging of the population will add to the demand for health care. Edu-



A worker tests silicon wafers. The Bureau of Labor Statistics predicts little growth in production/manufacturing jobs in the coming decade. (Bohemian Nomad Picturemakers/Corbis)

cation and training demand will be spurred both by an expanding youth population and by increased years in school. The second-largest increase will be in service occupations. The two largest subgroups will be within food preparation and health care support. At the opposite end of the spectrum, production occupations should only add approximately 750,000 jobs by 2010 and farming, fishing and forestry a mere 74,000 (Bureau of Labor Statistics 2002c).

The United States has not only become a service economy, but the service sector itself has essentially divided into two parts. At the top are jobs requiring education, technical knowledge, and significant cultural capital. At the bottom are the much-derided "McJobs," the front-line customer service jobs that take little training and offer little in the way of responsibility. The next ten years will likely deepen this split. Those who enter into computer technology or a health care practitioner profession, although perhaps not immune to economic downturns, will see a greater degree of flexibility in advancement and a much higher salary than their parents or grandparents who worked in the manufacturing sector during the twentieth century. Those who enter into food service or retail sales will find themselves with less job security, substantially less salary, and few benefits in comparison with nearly any union manufacturing job they might have held forty years earlier.

Growth in new technology and sociological trends will also create employment in new and emerging occupations. Jobs such as computer security, videoconferencing, personal chefs, corporate concierge, distance-learning experts, bereavement counselors, and geographic information system specialists are new in the economy and are still being defined. Those who enter into these professions will find themselves in the unique position of trailblazers. That can be positive—those who seek to fill a demand can often find higher salaries and will have the ability to define their positions as they see fit. But these positions are often among the most expendable and can be downsized in tight budgetary times. Companies that have lived without a position for most of their entire existence can decide that they can do without the position again. Thus it can be extremely difficult to judge which professions will truly "stick" in the future (Crosby 2002).

Some Major Occupations

Managers

Management includes occupations whose primary responsibility is the oversight of other employees. This field includes all managers, from first-tier floor managers up to the chief executive officers of corporations. Before the twentieth century, management was not a primary job function, except in the manufacturing sector and some large banks and corporations. With the ascendancy of the corporation, management as a profession became a significant social and economic force. Many companies today are attempting to reduce the number of managers on staff. The increasing availability of information assists in this task, as details on employee performance and job functions are more readily accessible. Employment for all management positions is expected to grow by 13.6 percent in the 2000s, as compared with 15.2 percent for the economy as a whole. In 2001, the mean yearly salary for all management positions was $70,800. This varied from $38,290 for food service managers to $107,670 for chief executives (Bureau of Labor Statistics 2002c).

Accountants

Accounting includes positions responsible for record keeping and providing financial advice for both businesses and individuals. They belong to the same occupational type as insurance appraisers, personal financial advisers, agents, and claims adjusters. The increasing size of companies—and of personal wealth—has drastically increased the importance of the accountant. The position was once entirely unregulated, but in the early twentieth century the government began specifying accounting standards to combat monopolies. In the era of public corporations, accountants have come to be one of the major sources for financial information. Some accountants have come under intense scrutiny in recent years, as recession has led to debt and accusations of impropriety and collusion with boards and chief executive officers. It is likely that the market for accountants will continue to increase and be redefined. The BLS expects that total employment of accountants will increase by 18.5 percent over the next ten years, to 1.2 million. In 2001, the mean yearly salary for all accountants and auditor positions was $50,700 (Bureau of Labor Statistics 2002c).

Computer Programmers

Computer programming is a profession that has only emerged since World War II. It includes all positions charged with creating software to run on computer hardware, including embedded applications. The information technology boom of the 1990s drove up the salaries of programmers. Although the dot-com collapse has softened the market somewhat, the general trend of increased demand should continue. The average annual salary for computer programmers in 2001 was $62,890. The total number of computer programmers is expected to grow by 16.2 percent over the next decade (Bureau of Labor Statistics 2002c).

Bartenders

The position of bartender has remained more or less the same over the past two millennia, with the exception of expectations of being able to create new and fancier drinks. The one major change in the United States over the past century has been the demise of the independent innkeeper. Most bartenders are now employed for an hourly wage rather than proprietors of the pubs and clubs for which they work. The position is often part-time and supplemental to other work or to school. In 2001, 427,000 Americans were employed as bartenders, as defined by the BLS. The mean hourly wage was $7.96; the mean annual salary was $16,550. The market for bartenders is expected to grow by 13.2 percent over the next decade, slower than overall national employment growth (Bureau of Labor Statistics 2002c).

Firefighters

The fire-fighting occupation has changed tremendously over the past century and a half. In the mid–nineteenth century, most major cities had rival volunteer fire-fighting companies. The underpinnings of these companies were often ethnic gangs. Attempts to extinguish fires would often devolve into open street battles. To solve the problem, all major cities created professional fire departments. Many small towns across the United States still use small volunteer companies, however. Increased fear of terrorism may promote growth in the occupation, though the firefighter as a typical city employee is dependant upon tax receipts for a paycheck and is thus sensitive to downturns in the economy. Firefighters in 2001 made a mean annual salary of

$35,880. The occupation is expected to grow by a mere 8.9 percent by 2010 (Bureau of Labor Statistics 2002c).

Personal and Home Care Aides

These workers are charged with assisting mostly elderly and disabled adults with daily activities. Their tasks include laundry, housekeeping, and some basic medical care. Until the late twentieth century, this position did not exist as defined by the BLS. Family provided much of this sort of care. The increased mobility of families, longer life spans, the aging of the population, and the preponderance of the dual-income or single-parent family has made it necessary to hire third parties to provide care. These workers are typically paid little more than minimum wage. The mean wage in 2001 was $8.00 an hour, or $16,640 a year. Total employment is expected to grow by 2010 from 414,000 to 672,000, an increase of 62.5 percent (Bureau of Labor Statistics 2002c).

Telemarketers

The position of telemarketer has only come into existence since the 1970s. These employees sell goods or services via mostly unsolicited phone calls. The job requires little training but pays relatively well in comparison with other low-skill positions. Many of these jobs are part-time or taken to supplement income. Increased government and societal awareness and regulation of telemarketers may lower employment figures. In 2001, the mean wage for telemarketing positions was $10.50 an hour, or $21,840 a year. Employment is expected to rise from 572,000 to nearly 700,000 by 2010, an increase of 22.2 percent, above the average for the economy as a whole (Bureau of Labor Statistics 2002c).

Child, Family, and School Social Workers

These workers are often hired by government or nonprofit organizations to provide social services for families and children. They often deal with single-parent homes, adoptions, abuse, and teenage pregnancy. The position has become more prevalent since the 1960s. Demand for services because of increased rates of immigration and attendant poverty and single-parent families have to some extent been mitigated by decreasing levels of native poverty during the 1990s. Nonetheless, employment in this occupation is predicted to increase by almost 27 percent during the next decade, to 357,000. In 2001 the mean annual salary for social workers was $35,180 (Bureau of Labor Statistics 2002c).

Preschool Teachers

The growth of preschool has been a late-twentieth-century phenomenon. As more families see both parents working and more families have a single parent, the demand for day care for young children has greatly expanded. Further, the sense that children who begin education and socialization at a younger age have an advantage when it comes to later education and the future job market has led some parents to seek to place their children in more intensive learning situations, rather than less structured environments. In 2000, this occupation employed 423,000. By 2010 it is expected that 507,000 will be thusly employed, an increase of 20 percent. In 2001 the mean hourly wage was $10.07, and the mean annual salary was $20,940 (Bureau of Labor Statistics 2002c).

Urban and Regional Planners

Those employed as urban and regional planners develop plans for use of land and other physical aspects of towns, cities, counties, metropolitan areas, and other local jurisdictions. Since the beginning of the twentieth century, the sense that cities and regions needed plans to try and restrict and control growth has mounted. The development of exurban sprawl, partly caused by the greater ability to move about by car, and the collapse of many inner cities because of the decline in traditional manufacturing has led to a desire to promote more livable cities and suburbs. Many planners are hired directly by local government; others work for planning consulting firms and nonprofit organizations. In 2000, approximately 30,000 were employed as urban and regional planners. This number is expected to grow to 35,000 in 2010. The demand for urban planners is so high relative to supply that the BLS classifies the occupation's unemployed workers quartile as "very low." The mean annual salary in 2001 was $50,430 (Bureau of Labor Statistics 2002c).

Graphic Designers

Graphic designer, as an occupation other than artist or independent proprietor, came about during the invention of mass advertising. As such, the occupation tends to be cyclical in terms of employment.

Advertising is often among the first budgets cut during recession and company downturns. Despite the recent dearth of advertising money, the BLS predicts that total employment in graphic design will grow from 190,000 to 241,000 by 2010. In 2001 the mean annual salary for graphic designers was $39,670, only slightly more than the $38,880 of fine artists. However, the latter employed a mere 31,000 in 2000 (Bureau of Labor Statistics 2002c).

Landscaping and Grounds Keeping Workers

The employment of workers to keep grounds, including laying sod and fertilizer, trimming trees, watering, and so forth, has spread since the 1950s from institutional land and massive estates to suburban homes and gardens. Many of these jobs are performed by immigrants, some illegal. Employment in landscaping is expected to grow from 772,870 to 1.2 million by 2010, a 29 percent increase. In 2001 the mean hourly wage was $10.04, and the mean annual salary was $20,880. However, 10 percent of these workers, or nearly 80,000, made $6.60 an hour or less (Bureau of Labor Statistics 2002c).

Joshua Moses

See also Agricultural Work; Blue Collar; Building Trades Unions; Capitalism; Civil Service; Communications Workers of America; Computers at Work; Consultants and Contract Workers; Cowboys; Day Laborers; Food Service Industry; Housework; Internships; Ironworkers; Local 1199 Health Care Workers; Maritime Trades and Work; Meatpacking Industry; Middle Management; Military Jobs and Careers; Nurses and Doctors; Prostitution; Secretaries; Silicon Valley; Socialism; Steel/U.S. Steel; United Farm Workers; United Mine Workers of America; Wartime and Work; White Collar

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Older Workers

The term *older workers* describes mature employees. In a culture that generally values youth over age, older Americans face discrimination in the workplace. Employers are often less willing to recruit, hire, or promote older workers. Older workers may also receive less pay and benefits and may be laid off or targeted for retirement because of their age. There is no set age that makes an individual an "older worker." Even middle-aged employees are not immune to discrimination. The 1967 Age Discrimination in Employment Act (ADEA) protects most workers forty years old and over from employment discrimination.

The dubious position of older people in the workplace came to public attention as early as 1905. That year, distinguished medical professor Dr. William Osler gave a speech at Johns Hopkins University. Osler shocked the crowd with his statements about "the comparative uselessness of men above forty years of age [and] . . . the uselessness of men above sixty," concluding that society would receive "incalculable benefit . . . if, as a matter of course, men stopped work at this age" (Graebner 1980, 4).

Osler's inflammatory claims received extensive press coverage, most of it negative. The *Saturday Review* responded to Osler's speech by arguing that "men shrink from voluntarily committing themselves to an act which stimulates the forced inactivity of death" (Graebner 1980, 10). As this quote suggests, work and retirement held very different meanings to Americans at the turn of the twentieth century. At that time, as throughout much of U.S. history, the majority of older workers did not retire. Social custom and personal economic circumstances meant that most men worked in some capacity until the very end of their lives.

Prior to industrialization, intergenerational dependency and cultural attitudes that honored the elderly meant that elderly workers were generally held in high esteem. A man or woman who survived to ripe old age was credited with a life of hard work, self-discipline, and virtue. Most older men were family farmers, an occupation that depended on cooperation and respect between aging parents and their adult children. Among skilled laborers and craftspeople, older workers were admired for their technical experience and valued as teachers who would pass on their skills to younger workers and apprentices.

Yet by the turn of the century, attitudes about aging were changing. Late-nineteenth- and early-twentieth-century doctors and scientists were developing new theories about the aging body. Although Dr. Osler may have been particularly outspoken in his views, he was not alone. Medical science, which had once venerated elderly people as strong survivors, now associated aging with physical and mental decline. Physician George Beard's popular theory of "neurasthenia" was especially harmful to older workers. Beard hypothesized that men and women were allotted a predetermined amount of physical and mental energy at birth and that the everyday stresses of the workplace depleted these resources, leaving older persons anxious and fatigued.

Such medical beliefs supported capitalists' quest for a more efficient workplace. Industrialization brought with it an increasingly competitive, market-driven society. This change, combined with new technologies and workers' attainment of the eight-hour day (which required fewer working hours but demanded a faster pace), further damaged employers' already waning respect for older workers. In the early 1900s, large companies and trades, such as railroading and printing, instigated retirement policies to extract older and supposedly less capable workers from their payrolls. By the mid–twentieth century, most of U.S. businesses had followed suit. Along with mandatory retirement policies, older twentieth-century workers faced discrimination in recruitment and hiring. They were less likely than their younger colleagues to be promoted and more likely to be laid off.

Government employees were similarly affected. In the name of efficiency, schoolteachers and postal employees were among the first workers to face mandatory retirement policies. Moreover, although teachers received state-sponsored pensions, for a long while, federal employees were retired without any form of financial assistance. Legislation in 1920 finally provided federal civil servants with retirement benefits.

Occasionally, age could work in an employee's favor. Some stereotypes about the elderly convinced employers that hiring and retaining older workers did have its benefits. This was especially true during periods of labor activism and social unrest. In the 1930s, for example, older laborers were often considered more dependable and conservative than younger and supposedly impulsive employees.

Moreover, with fewer employment options, employers assumed that older workers were less likely to quit or go out on strike and more likely to be at work on time. For these reasons, managers facing labor strife often hoped that older employees would help thwart union activity and set a good example for their coworkers.

Since the mid–twentieth century, a growing number of federal policies have helped to protect older employees from discrimination. The ADEA was enacted in 1967 and amended in older Americans' favor throughout the last part of the century. These amendments include a 1984 enactment requiring equal treatment under group health plans for workers' spouses between sixty-five and sixty-nine years of age, a 1986 removal of the upper age limit of seventy from the ADEA, and a 1990 prohibition of age discrimination in worker benefits.

Yet discrimination against older workers is still prevalent today, despite the increasing political clout of a rapidly growing population of seniors. In an economic climate highlighted by corporate downsizing and increased dependency on part-time and contract workers, workers' benefits and job security are less assured for all Americans, but older employees remain especially vulnerable. Moreover, once an older worker is laid off or retired, reentry into the workforce can be problematic. Financial need sends many seniors back to the job market when they discover that their Social Security and pension payments do not meet all of their needs. Some are able to obtain only part-time jobs, whereas others remain unemployed despite a lifetime of work experience.

Katie Otis

See also Disability and Work; Elder Care; Equal Employment Opportunity Commission; Health Insurance; Job Benefits; Job Security; Part-Time Work; Pensions; Retirement; Social Security Act

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On-the-Job Training

On-the-job training provides workers with the knowledge and skills to perform job tasks and expand job proficiency. It can be informal or structured, general in nature, or highly specialized for a firm or a job. On-the-job training benefits both employer and employee, but employees usually pay for general on-the-job training, whereas the costs of specific training are shared by both parties. Race, gender, and educational levels affect the quantity of on-the-job training; college-educated, white males tend to receive the most training. Training can provide basic work skills or the social skills needed for employers to compete in diverse global markets; it can upgrade existing job skills to meet market demands, enhance teamwork efficiency, or retrain displaced or downsized workers (Cappelli et al. 1997, 138–139). On-the-job training is central to job proficiency; it is estimated that 90 percent of an employee's job knowledge and skills are learned through on-the-job training (Jacobs and Jones 1995, 15).

On-the-job training is performed or supported by businesses, unions, and the U.S. government. Some types of on-the-job training are centuries old. Apprenticeships, which train workers for a specific craft, originated with medieval guilds and are highly structured to ensure job competency. Today apprenticeships are usually associated with or regulated by unions. The U.S. government's World War II era training within industry (TWI) program was one of the first government-sponsored on-the-job training programs; it was developed to create training procedures that would reduce labor shortages in critical areas during wartime (Jacobs and Jones 1995, 13). Individual employers, however, not government or union programs, provide most on-the-job training.

There are two types of on-the-job training: general and specific. General training refers to basic skills training in reading and math competency. Although such skills do contribute to worker productivity, the skills themselves are highly transportable, so employers are less inclined to fund them (Cappelli et al. 1997, 125), and workers bear the cost burden through lower starting wages (Barron, Berger, and Black 1999, 236). Specific training refers to skills taught on the job that are applicable only to the current employer and represent a significant investment in employee job-based knowledge or skill (Acemoglu and Pischke 1999, 539). Specific training increases production and profit margins, so costs are shared by employer and employee (Barron, Berger, and Black 1999, 236). As a rule, on-the-job training—both general and specific—reduces voluntary turnover rates, which also increases productivity (Krueger and Rouse 1998, 62).

On-the-job training can be informal or structured. Informal on-the-job training has trainees observe experienced workers and try to mimic their work habits, often through trial and error (Jacobs and Jones 1995, 18). Informal training is the most common form of training in the workplace because it is widely perceived to be the most efficient (Barron, Berger, and Black 1997, 189). Measuring actual efficiency is difficult, but some research indicates that this model may reduce productivity and increase the rate of error (Jacobs and Jones 1995, 18). The casualness of informal training, however, relying as it does on the voluntary transference of job information from experienced workers to less-knowledgeable workers, makes it very attractive. Structured on-the-job training programs, including apprenticeships and medical specialization programs, are conducted by skilled trainers who reinforce "one-on-one contact between experienced and novice employees as the primary means of conveying training content" (Jacobs and Jones 1995, xi). Structured programs are more costly to employers because of the lost productivity of the experienced worker and the cost of training materials, but studies indicate that the rate of return for such programs (in increased productivity) is also higher (Jacobs and Jones 1995, 51).

Lester Thurow's job competition model shapes decisions regarding who receives on-the-job training and to what degree. According to Thurow, "most cognitive job skills are not acquired before a worker enters the labor market, but after he has found employment through on-the-job training programs" (quoted in Reynolds, Masters, and Moser 1991, 155). Therefore, employers hire people who seem most trainable and are likely to stay employed the longest (Cappelli et al. 1997, 126). Employers correlate employee education with trainability and potential longevity; more educated employees are provided greater quantities of training, with college graduates receiving the most training (Altonji and Speltzer 1991, 58). Yet even when adjusted for educational preparation, college-educated, white males are more likely to receive on-the-job training and in greater quantities than are women and nonwhites. This difference is probably due to "statistical discrimination," which occurs when erroneous assumptions replace evidence as a basis for deciding training levels. Two common assumptions portray women as apt to leave the workforce for extended periods to raise families and blacks as unable to learn or perform certain job tasks—both of which appear to result in less training (Reynolds, Masters, and Moser 1991, 225–226). Actual discrepancies in training are hard to demonstrate because women and nonwhites are more likely to hold jobs for which less training is provided, which some researchers feel may be indicative of the effects of statistical discrimination rather than trainability (Altonji and Speltzer 1991, 65). Women, for instance, "occupy jobs that require 36 and 46 percent" less training time than jobs held by white males, whereas blacks have jobs that receive 60 percent less training time than the jobs of white males" (Barron, Berger, and Black 1997, 82).

The U.S. government plays a vital role in providing training for less-educated workers. In such programs as the Comprehensive Employment and Training Act (CETA) of 1973 and more recently the 1982 Job Training Partnership Act (JTPA), the government paid some of the on-the-job training costs so that disadvantaged workers can learn job skills that will result in sustained employment (Devine and Heckman 1996). In 1988, the Economically Dislocated Workers Adjustment Assistance Act (EDWAA) provided job retraining to workers displaced by technological and industrywide change.

Government programs typically pay half of the worker's wage during training, providing valuable incentives for employers to hire, train, and retain disadvantaged or displaced workers (Reynolds, Masters, and Moser 1991, 295–296), many of whom would not qualify for substantial on-the-job training without these programs.

Sandra L. Dahlberg

See also Apprenticeship; Comprehensive Employment and Training Act; Core Competencies; Employment and Training Administration; Job Skills; Job Training Partnership Act; New Economy; Productivity; Workforce Investment Act

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Outplacement

Outplacement can best be described as the services provided to employees who are involuntarily discharged from employment. Outplacement services for average employees arose from the need to solve problems associated with large-scale layoffs. It is important to local economies that workers who transition from employment to unemployment are given assistance to gain employment through another employer because workers are not just workers. They are also consumers. Lack of employment, or even just the fear of becoming unemployed, can reduce consumer spending and thus affect the local and national economies.

The immediate problem to be dealt with was the relationship between management and the remaining employees. Those employees who were retained suffered from lowered morale and productivity. Further, many of the retained employees, fearful of further layoffs, might abandon the company for work elsewhere, which could actually leave the company with a shortage of skilled workers. These employees have to be reassured that their jobs are safe. It is important to deal with their fear of unemployment to raise morale and productivity.

Second, layoffs involve increasingly complicated legal requirements. Employment law is now a specialized field within the study of law. Currently, a number of laws must be followed in a layoff. Although it would be time-consuming to list all the applicable federal laws, there are a few noteworthy laws: the Federal Worker Adjustment Retraining and Notification Act, the Older Workers Benefit Protection Act, and the Age Discrimination in Employment Act (1967). These laws exist to protect the health, safety, and general welfare of workers.

Employers face serious financial consequences if these laws are not followed properly. This damage can be severe since the company is presumably already suffering through tough economic times. Other financial considerations include the size and number of any severance packages. Union contracts also may affect the decision to use outplacement services. Some union facilities in the auto industry have a clause in their contract requiring that laid-off workers receive a portion of their former wages for a certain time period.

In addition, large-scale layoffs are a public relations disaster. Discharged employees are often disgruntled, organizing protests or filing lawsuits. Thus as a result of layoffs, companies face bad economic conditions, lowered public standing, and reduced productivity. The question was how to deal with these problems in a way that did not cost lots of money for companies that were already facing hard times. Outplacement services seemed a natural fit. So companies started to avail themselves of the public programs that were available.

These programs were low-cost, if not free, and since the government was running the programs, the company could not be held liable for any charges over the quality or equity of such programs. All states have programs that deal with unemployment payments and employment services. Although companies had previously avoided letting government into their facilities in any way, they adapted to this mentality. Now companies are using government programs to solve most, if not all, of the problems associated with layoffs.

In general, companies contact employment services agencies in advance of layoffs, which gives the agencies time to organize a team. Different states have different methods, but some of the more common outplacement services are group workshops, on-site assistance, help with unemployment benefits, and job-hunting assistance. Group workshops are usually designed to help employees from a single facility. They can help dislocated workers in a variety of ways, such as filing unemployment benefits, writing a resume, and teaching job-hunting skills. The workers also develop a shared sense of camaraderie, which can help ease some of the stress from being laid off.

On-site assistance is available in many states. Rather than have a large number of people come into their offices at the same time, the agency will send some of its employees to the company having the layoff. They can bring the necessary paperwork to assist the workers. This type of service goes a long way toward reducing the amount of misinformation that can be generated in a stressful event such as a layoff. It can also help out a local office.

Outplacement agencies can also help workers obtain unemployment benefits from both the states and the federal government. This form of monetary assistance can enable a worker to pay his or her bills for a period of up to six months, and the payments are sometimes extended. Most recently, the federal government extended unemployment benefits by an additional six months in the economic recession after the World Trade Center terrorist attack. State rules about how unemployment benefits function differ from one state to another.

Finally, most if not all states will assist dislocated workers with job-hunting skills and a job referral service. Companies are able to post their job openings with a state employment agency, specifying such things as education and skills needed. Workers looking for a job may search those listings for jobs that meet their criteria. Many lower-level workers avail themselves of this system. Also, many companies use this system because it can serve as the first step in a screening process.

Some companies also engage in outplacement services that are not government-related. Those services range from providing severance packages to hiring an outplacement firm to help the former employees find jobs. Severance packages are often based on a worker's current salary and can last from a few weeks to a few months. Companies have offered other perks as well. They may offer educational assistance in helping workers retrain for new jobs or hire outplacement firms to serve as a job hunter for dislocated workers.

In summary, outplacement services can help out not only the workers being laid off but also the company. A company can downsize in a humane way while looking after its former employees. Workers often leave such a company on much better terms, knowing that it has put forth the time and money to look after them. Using government outplacement services can also serve as a shield against costly litigation, save the company money, and enhance its public image.

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See also Job Benefits; Layoffs

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Overtime and the Workweek

Agreements and disputes between employers and employees about compensation and working hours are not just a contemporary phenomenon. Indeed, there are biblical accounts of worker dissatisfaction and disputes over hourly compensation (Matthew 20:1–16). The Emperor Diocletian, faced with similar concerns, fixed wages for a broad cross-section of workers throughout the empire, as did his Grecian counterpart Pericles. And like any contemporary chief financial officer, Pericles also spoke of transportation costs, travel allowances, and welfare and support subsidies.

The workweek itself, too, came under scrutiny . The builders of Notre Dame were to be released from work each day no later than “first vespers” (in the evening). Workers in thirteenth-century Genoa were required to be given meal breaks, and London blacksmiths protested against working evening hours.

These, and similar concerns have done much to shape the American workweek over the last two hundred and twenty-five years. That is not to say that the workweek has always been favorable to workers. By present standards, it has not. Six- and seven-day workweeks, with twelve- to fourteen-hour days, were not uncommon. And very often the workers themselves were children and adolescents. Concern about these practices and the influence of organized labor were strong counterbalances to these extreme work patterns.

The statistics in Table 3 indicate how work patterns changed from 1881 to 1981 (Hewitt 1993, 9). It is worthwhile to note that the “years in labor force” now are determined by two factors: a typically later entry into the labor force (because of education) and possibilities for earlier retirement.

Table 3
Hours worked, 1881 and 1981

	1881	*1981*
Hours worked per week	59.0	41.7
Weeks worked per year	50.5	45.9
Hours per year	2,980.0	1,914.0
Years in labor force	56.0	48.0
Lifetime hours	154,000	88,000

Source: Hewitt, Patricia. 1993. *About Time*. Concord, MA: Paul and Compass.

A static model of employment would posit a sequence of full-time permanent employment, after full-time education but before full-time permanent retirement. Alternatively, others describe the typical working life with the “forty-eight” paradigm: work forty-eight hours a week, for forty-eight weeks a year, and retire after forty-eight years of service. None holds any longer.

One worker in seven now works a rotating or irregular schedule (Hamermesh 1996, 19); the less educated and young (and thus less skilled) work the most irregular hours (139). And while the five-day workweek is still the norm, a full 25 percent of all workers work four days or less, or more than five days (139). These differences are heightened when the self-employed are considered. Two-thirds of the self-employed report working six or seven days a week, and 44 percent of those report working ten or more hours per day (22).

As Daniel Hamermesh’s data show, unusual daily schedules and combinations of days and hours are no longer the exception. Flexibility in the workweek allows workers to balance work with their personal lives. And perhaps of more import, changes in the business environment now demand it. The United States has become a service economy. For decades, that sector has been the fastest-growing segment of the U.S. economy with regard to the creation of new jobs. In addition, services to the consumer must now be provided by many companies, not only during normal business hours five days a week but also across three time zones. Many other companies are now operating “24/7.” Airlines, technical support operations, and online merchandisers, among others, must now fill more and different time slots to meet their customers’ needs. Understandably, these changes in flexibility have also had salutary results for many employers. Among them are:

- An increase in employee morale
- A longer workday
- A decrease in stress-related claims
- The possibility of job sharing
- New telecommuting options
- A compressed workweek

In her 1993 analysis, Patricia Hewitt documents yet other changes in the workweek and general conditions of employment. First, a pervasive change has been the breakdown in what were heretofore strong, widely held notions about the differences between men’s work and women’s work. A wartime Rosie the Riveter went far toward debunking these notions. Women were called upon en masse to work swing shifts, graveyard shifts, evening and weekend hours, and overtime in a previously male-dominated environment. Further, the sheer number of women entering the workforce has shown sustained growth in the last fifty years. In 1950 less than 30 percent of all women were in the workforce. By 1992, that number had increased to more than 51 percent, and by 2002, it had reached a full 60 percent. And when women between the ages of twenty-five and forty-four only are considered, 76.8 percent were employed in 1992 (U.S. Bureau of Labor Statistics 1994, 1).

Second, Hewitt goes on to note that the male life cycle in general continues to be education, then work, and finally retirement. Women, however, present a quite different pattern that is marked more by variability than consistency. They drop in and out of the workforce, work different-length workweeks during their careers, and hold different job statuses at different times in their working years.

Although the above trends continue to fashion a changing workplace, there are certain federally mandated restrictions covering overtime and the workweek. For example, the typical workweek is defined as forty hours. Overtime pay is calculated after forty hours of work in a single week, at the rate of 150 percent of the base. Total working hours and time of day when they can legally occur are regulated for adolescents, and time on and time off the job are constrained for certain occupations, such as commercial airline pilots and over-the-road truckers (International Labor Office 1996, 162–163).

Despite claims by U.S. workers that they want both more flexibility in their schedules and more free time, the number of hours worked on an overtime basis has actually increased. In 1956 the typical hourly worker in the durable goods sector worked an average of 2.8 hours at overtime per week; by 2000, that number had increased to 4.6 hours, or more than 10 percent of the base week. Figures for the nondurable goods sector increased too, from 2.4 hours of overtime per week in 1956 to 4.4 hours in 2000 (Jacobs 2002, 176–177).

Many of the trends noted above are derived from data about the hourly worker. Another large cohort of workers is composed of those who are salaried, or exempt workers. Typically, their workweek is not confined to set hours, nor are they paid overtime, regardless of the number of hours they work. Such workers tend to hold administrative, managerial, or professional positions. In general, the nature of their responsibilities and skills provides them with the opportunity to work at different hours, on or off the employment site. These options are not available to most hourly workers. Assembly line workers, fast food employees, and customer service representatives, among many others, clearly cannot take their work offsite to complete. Nor can they determine for themselves the hours during the day they will work. As advances in technology are made that enhance employment options and as the quality of work life becomes more important to the individual worker, it is likely that other changes in the workweek are forthcoming for both hourly and salaried workers.

Ron Schenk

See also Education Reform and the Workforce; Fair Labor Standards Act; New Economy; Prevailing Wage Laws; Swing Shift; Workday

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Part-Time Work

Part-time work is defined by the International Labour Organisation (ILO) as work for a number of hours less than is the norm at a given establishment. The U.S. Department of Labor's Bureau of Labor Statistics (BLS) has a more operational definition; it defines part-time work as work for less than thirty-five hours per week. Part-time work can be voluntary (when an individual worker is specifically looking for part-time work) or involuntary (when workers take part-time work because they cannot find full-time work). The incidence of part-time work in the United States appears to have increased during the last several decades of the twentieth century, and normative and analytical views on it vary widely.

Part-time work is the most common alternative work schedule (AWS) arrangement (any working hours arrangement outside the traditional Monday-to-Friday, 9-to-5 structure). Part-time workers are often considered part of the "contingent workforce," workers whose employment is usually understood from the outset to be temporary and specifically contingent upon certain conditions (a certain project, a certain level of sales, etc.).

Tracing the origins of part-time work and its rise are difficult. In the form we commonly recognize it today, it appears to go back at least to the 1960s, when women were seeking a way to enter the workforce while maintaining their traditional household responsibilities. Women appear to have been seeking personal fulfillment, extra money, and alleviation of the "woman's work" routine. Part-time work has also been traditionally associated with youth employment and with the elderly.

Part-time work is often found in the service and retail sales economic sectors. These sectors have been expanding, thus perhaps accounting for the increasing prominence of part-time work. There is, however, also a certain percentage of white-collar or professional work that is part-time on a consistent, semipermanent, or permanent basis.

Conventional wisdom and many analyses suggest that, as a general rule, part-time workers make less money, both in total and per hour, than do full-time workers, though some revisionist commentators have disputed this contention to an extent. Part-time workers are also usually excluded from such traditional perquisites of employment as (relative) employment security, health benefits, union membership, and participation in retirement plans.

Measuring the extent of part-time work in the United States, as well as classifying part-time work as voluntary or involuntary, is a relatively difficult task because of definitional issues. The most recent data available from the BLS state that, in 2001, out of slightly over 136 million jobs, around 23 million were part-time (almost 17 percent of the U.S. workforce). Women held almost 16 million of these 23 million part-time jobs.

Commentators' normative views on part-time work vary enormously. Some commentators see it as a positive development, a step toward a society wherein workers will enjoy more private time and achieve a greater integration of their work and family lives and toward full employment. Others view the phenomenon negatively and argue that it decreases income for workers overall, contributes to workers' sense of economic insecurity, and hurts productivity.

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See also Consultants and Contract Workers; Contingent and Temporary Workers

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Pay Equity

Pay equity calls for the elimination of sex and race discrimination in workers' wages by demanding equal pay for work of equal value. The pay equity movement gained momentum during the late 1980s and 1990s and found favor with the Clinton administration, which attempted to pass several pieces of legislation to eliminate wage discrimination. Many women and people of color are concentrated in low-paying occupations, such as clerical work, service jobs, and child care. Proponents of pay equity contend that job evaluation systems must be established to provide for a neutral comparison of female and minority-dominated occupations with higher-paying male-dominated occupations. Based upon these evaluations, employers should pay female- or minority-dominated jobs at least the same as male-dominated jobs if they are of comparable value.

Women and people of color have traditionally earned lower wages than white men. The U.S. Department of Labor Women's Bureau reports that the median annual earnings of women working full-time year-round was 72 percent of the median annual earnings of men who worked full-time year-round in 1999 (U.S. Department of Labor, Women's Bureau 2000). When race is taken into consideration, the numbers become even more alarming. Full-time working black women's median earnings are 64 percent of the earnings of full-time working white men, and the median full-time earnings for Hispanic women are only 52 percent of the median earnings for white men. The wage gap adds up to an annual average income loss of more than $4,000 for a female worker in comparison to a similar man—one who has similar education, is of the same age, and works in the same location for comparable hours.

Opponents of pay equity often argue that this gap is largely due to human capital issues such as differences in education and experience. However, studies show that between one-quarter and one-half of the gender wage gap remains unexplained, even after taking into account human capital differences. Other arguments against pay equity state that women make less than men because women leave the workforce to care for children and other family members, thus making them less valuable to an employer. In 2000, the Bureau of Labor Statistics reported that seven out of every ten women with children between the ages of three and five and six out of every ten women with children under age three were in the labor force.

Achieving pay equity requires the institution of job evaluation systems. In such systems, employers weigh the value of different jobs based upon objective criteria, such as skill, responsibility, and working conditions. Using such an evaluation, completely different job categories can be compared to determine their value to an employer, thus addressing the fact that women and people of color are most often concentrated in specific occupations. For example, a profession dominated by women, such as social worker, could be found comparable to a profession dominated by men, such as probation officer, although social workers are often paid less. Several states implemented pay equity through job evaluation systems in the 1980s and 1990s, including Minnesota, where pay equity led to raises for thousands of state employees.

Strong opposition exists to implementing job evaluation systems that help achieve pay equity. Those who argue against such systems fear that pay equity will cost employers too much, hurt wages for men, and increase unemployment for women. Minnesota experienced an increase of less than 1 percent per year in the state's payroll budget while implementing pay equity over a four-year period. No studies show that wages for men have been hurt by pay equity systems. In fact, pay equity has benefited men who work in traditionally female-dominated jobs. A study of sixteen state government pay equity programs by the Institute for Women's Policy and Research found that in most states, the majority of workers who benefited were female, but that in two states, 51 percent of those who benefited were male workers. In addition, there has been no significant increases in layoffs or taxes in the states where pay equity has been implemented.

There are currently two federal laws to protect workers against wage discrimination. Congress passed the Equal Pay Act in 1963, which prohibits the then common business practice of paying women less than men for doing the same work. The law mandates equal pay for equal work. However, as shown above, that is not the only cause behind the disparity in women's wages. Title VII of the Civil Rights Act of 1964 outlaws wage discrimination on the basis of race, color, sex, religion, or national origin. The Supreme Court used Title VII in 1981 in *County of Washington vs. Gunther* to prohibit wage discrimination when jobs are not identical. Although Title VII proved to be broader than the Equal Pay Act in this case, it has not been applied consistently to support pay equity. Current legislation to address wage discrimination is limited and poorly enforced, and cases are extremely difficult to win.

The Clinton administration strongly supported the issue of pay equity in the 1990s and the American Federation of Labor and Congress of Industrial Organizations conducted a campaign to introduce legislation in the states. At the federal level, the Fair Pay Act was introduced in 2001 in the U.S. House of Representatives by Representative Eleanor Holmes-Norton and in the U.S Senate by Senator Tom Harkin. The Fair Pay Act would have amended the Fair Labor Standards Act of 1938 to prohibit discrimination in the payment of wages on account of sex, race, or national origin and would have strengthened the protections against wage discrimination for workers in equivalent jobs with similar skills and responsibilities. The Paycheck Fairness Act was introduced in 2001 in the U.S. Senate by Senator Tom Daschle and in the U.S House of Representatives by Representative Rosa DeLauro. The bill would have strengthened the enforcement mechanisms of the Equal Pay Act as well as recognized employer efforts to pay wages to women that reflect the real value of their contributions.

Opponents of new pay equity legislation fear it would lead to government wage setting. Supporters of pay equity maintain that under all bills proposed, employers set wages individually. Enforcement of pay equity would have been complaint-driven and similar to current laws in that a case must be brought to court for a law to be enforced. In the event that such a case occurs, a court may order a remedy only to correct discrimination. The legislation does not apply to generalized wage setting for companies or for industry wages.

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See also Glass Ceiling; Mommy Track; Pink Collar; Steinem, Gloria; Women and Work

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Pell Grants

Pell Grants, federally funded financial awards designed to assist students from low-income families, have enabled a greater number of U.S. citizens to attain college degrees and successfully compete in the workforce. Generally regarded as the "foundation" of government financial assistance for education (King 2000, 5), Pell Grants provide money for college that does not have to be repaid and are generally supplemented by a financial aid package, including a combination of work-study assignments and subsidized and unsubsidized loans. Formally referred to as Basic Educational Opportunity Grants, Pell Grants were first established as part of the 1972 amendments to the reauthorization of the Higher Education Act of 1965 (Schenet 1998, 2) and formed the core of a constellation of measures designed to "make equal educational opportunity in the United States a reality instead of a promise" (Dellenback 1971, 4335). Although it has undergone several key changes and has not attained the status of an entitlement program, today the Pell Grant program remains the largest need-based federal government initiative to support postsecondary education (Schenet 1998, 2). Given the increasingly specialized and technologically sophisticated economy, Pell Grants provide critical access for low-income students to college education and therefore greater opportunities in the workforce.

Pell Grant eligibility is determined by precise guidelines established by the federal government. To be eligible, students must have a high school diploma or its equivalent and be undergraduates "enrolled with the purpose of obtaining a degree or certificate at an eligible institution" (Schenet 1998, 2). Although most recipients are enrolled at colleges and universities, many attend community colleges or institutions offering vocational training (Schenet 1998, 2). To receive a grant, each student completes an application for student aid that gathers information about the income and assets of a student and his or her family. Utilizing a formula established by the U.S. Congress, these data are used to calculate a student's expected family contribution (EFC), that is, the amount that a student and his or her family would be expected to contribute toward college costs. The exact amount of the grant is then designated as the lesser amount of two calculations: the cost of attendance minus the EFC or the maximum Pell Grant award minus the EFC (Schenet 1998, 4). Since college tuition costs have been steadily rising for some time, the second figure, maximum Pell Grant award minus the EFC, generally determines the size of the grant (Schenet 1998, 4). Logically, those students with zero EFCs receive the maximum Pell Grant, and the amount of the award shrinks as EFCs increase (Stoll and Stedman 2002, 6). During the 2001–2002 school year, Pell Grant awards ranged from $400 to $3,750 (U.S. Department of Education 2002, 1). Moreover, although the grant is given directly to students, participating educational institutions play a central role in administering the program. Effectively serving as agents for the federal government, educational institutions verify data reported on student aid applications, disperse Pell Grant funds, and ensure reimbursements are made to the federal government for those students who withdraw from school (Schenet 1998, 11).

Since its inception, the Pell Grant program has experienced tremendous growth on several fronts. Increases in the maximum award, relaxation of eligibility guidelines, growth in college enrollments, and increases in the number of low-income students attending college have all contributed, for instance, to a dramatic increase in Pell Grant program expenditures (King 2000, 9). Between 1976–1977 and 1998–1999, for example, the program experienced a 75 percent growth in expenditures, in inflation-adjusted terms (King 2000, 9). In the same period, the number of students applying for Pell Grants increased from 3.4 million to 8.3 million and the number of recipients from 1.9 million to 3.9 million (King 2000, 10). Eligibility rules and the relatively thriving state of the economy may account for the more modest growth in actual recipients (King 2000, 10–11).

Despite these trends, however, the growth in the actual value of Pell Grants has not increased dramatically over time. Although Congress has authorized increasingly higher maximum award amounts with each reauthorization of the higher education amendments, the actual maximum grant depends on the amount the federal government appropriates (Schenet 1998, 3). The government derives this figure "based on estimates of the number of qualified applicants and the amount of funding that is available to provide grants to all eligible students" (King 2000, 7). The discrepancy between the authorized and the actual appropriated maximum grant can be significant. In 1998–1999, for example, the authorized and appropriated maximum grants were $4,500 and $3,000, respectively (King 2000, 7). Additionally, the actual appropriated maximum grant has not kept up with either inflation or rising college costs (King 2000, 9). Indeed, "Because of both slow growth in the maximum [appropriated] grant and relatively rapid growth in college prices since 1980, the maximum [appropriated] grant now covers a much smaller percentage of the price of attending college than it did in the late 1970s" (King 2000, 9). This is especially significant, given that the average income of the poorest low-income families has not changed during this time (King 2000, 31).

In light of the challenges faced by families in financing higher education, politicians have generally worked to broaden eligibility requirements, expand maximum awards, and streamline the Pell Grant application process with each reauthorization of the program. The 1992 amendments, for instance, simplified the calculation of financial need by moving to a single need-analysis formula and added a tuition sensitivity standard, so that above a given level of award eligibility (that is, $2,400), those students attending institutions with higher tuition would receive a comparably higher Pell Grant award (Schenet 1998, 5). Likewise, in the 1998 Higher Education Act reauthorization, Congress introduced changes in tuition sensitivity standards, the authorized maximum awards, and, in an effort to increase eligibility for working dependent students and independent students without children, the needs analysis formula (Schenet 1998, 1). Most notably, in 1998, Congress introduced the Academic Achievement Incentive Grant. This grant, given to students in their first two years of college, is an additional sum equal to the Pell Grant award for those students who graduated in the top 10 percent of their high school class (Schenet 1998, 1). The Academic Achievement Incentive Grant was established to encourage persistence in completion of degree programs.

Despite the various changes, the Pell Grant program continues to serve the target group for which it was formed: students from low-income families. The median income for the families of those receiving Pell Grants has changed little over time and remains extremely low. The median income of Pell Grant recipients in 1998–1999, for instance, was $14,668 (King 2000, 31). Although data on graduation rates for recipients is not available, the Pell Grant program has undoubtedly been significant in broadening access to education for low-income families. Moreover, since they comprise a disproportionately high percentage of the poor, it is doubly true for underrepresented, racial minorities. Education is the key to attaining a number of personal and professional rewards, and disparities in education can seriously undermine one's ability to participate in public life (Blank 2001, 25). The Pell Grant, therefore, is an invaluable tool for facilitating educational opportunity and equipping U.S. citizens for today's work and social environments.

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See also Earnings and Education; Education Reform and the Workforce; Lifelong Learning

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Pensions

Pensions are income that is paid to an employee after retirement for work performed at an earlier point in time (while the person was an employee). Thus, it is a type of deferred income. The employee earns a pension while working but receives payment after leaving the company. Most pensions are not payable until after the employee retires, but some pensions can be paid even if an employee is still working, as long as he or she is not working for the company that is paying the pension. Technically, pensions are paid for entirely by employers, although some pension plans allow employees to contribute their own money to the plan as well (employees redirect some of their current wages to the pension plan and receive them upon retirement).

Pensions are not paid to retirees (former employees) directly by employers. Rather, employers wishing to provide a pension for their employees set up a pension plan. The plan is a separate entity from the employer, and, in fact, several employers may join together to create a multiemployer pension plan. The employer then makes contributions on behalf of employees to the pension plan, and the plan administrators pay to the employees the amounts due them on retirement.

Employers have provided pension plans to employees for many years. In fact, the American Express Company established the first private pension plan in the United States in 1875. Over the years, employer-provided pension plans have become quite common. In fact, a study done by the U. S. Chamber of Commerce in 1999 showed that contributions to pension plans accounted for 8.7 percent of employers' payroll expenses. Two primary factors account for the growth in pensions in the United States. First, pensions provide tax advantages to both employers and employees. Employees do not pay taxes on contributions to pension plans; they pay taxes when their pension benefits are received. Since their income is likely to be much lower when they are older, they will pay lower taxes on the money. Employers can take as deductions all contributions made to qualified plans under the Employee Retirement Income Security Act (ERISA) of 1974.

The second reason for the growth in pension plans in the United States is that people are living longer. With advances in medicine, the life expectancy for the population has risen greatly since the 1950s. People are not always choosing to work longer, however. As a result, people often live for many years after they retire. Currently, Medicare and Social Security are the only governmental sources of health care and income for people who have retired, and many people find them to be inadequate sources of income when they retire. Thus, pensions enable retirees to maintain a better standard of living.

There are two types of pension plans that employers may provide: defined contribution pension plans and defined benefit pension plans. In a defined contribution pension plan, the employer makes contributions to accounts established on behalf of individual employees. The retirement benefits of each employee depend entirely on the value of that employee's account. Thus, the employee bears the investment risk, because the value of the employee's final benefit depends on the investment choices made by the employee. A defined benefit pension plan includes any other type of pension plan. Essentially, a defined benefit pension plan promises to pay a dollar amount at retirement, based upon a formula specified in the plan. In other words, when the employee retires, he or she gets a benefit based on things such as age, years in the plan, salary at the time of retirement, and so on.

One interesting occurrence over the years has been the shift in the type of pension plans provided by employers. The earliest pension plans were almost all defined benefit plans, and this type of plan remained the more common of the two for many years. Since the mid-1980s, defined contribution plans have become more popular than defined benefit plans. Studies done by the Bureau of Labor Statistics show that in 1985, 41 percent of full-time workers in medium and large private establishments participated in defined contribution retirement plans, compared to 80 percent in defined benefit plans. By 1993, 49 percent of full-time workers participated in defined contribution plans, compared to 56 percent in defined benefit plans (U.S. Department of Labor, Bureau of Labor Statistics 2003).

Many alternative explanations have been theorized for the rise in defined contribution plans. First, defined benefit plans are much more heavily regulated than defined contribution plans, which induces employers to favor defined contribution plans. A second explanation focuses on the relative shift in concentration of the workforce from large unionized firms that tend to favor defined benefit plans to smaller service firms that tend to favor defined contribution plans. Another factor underlying the recent participation growth in defined contribution plans has been the rise of 401(k) arrangements, which give employees the opportunity to defer income and taxes by making contributions to their retirement plans. Under a 401(k) plan (it is called a 401[k] plan because the tax treatment of such plans is covered in Section 401[k] of the Internal Revenue Code) an employee is required to contribute a certain amount to the plan, and the employer will make a matching contribution. A common matching provision is for an employer to match half of an employee's contribution, up to the first 6 percent of earnings. The vast majority of plans also permit a voluntary contribution, which is a contribution by the employee in excess of the maximum amount matched by the employer. In some plans, an employer may provide additional discretionary contributions based on profitability.

A final explanation is based on the meteoric rise in the stock market during the 1990s. When the stock market was stable, employees preferred defined benefit plans because they were guaranteed a fixed retirement income and did not assume the risks associated with the stock market. The boom in the capital markets during the 1990s led many employees to believe that they would do much better financially with defined contribution plans; however, the economic slowdown of the early 2000s and the collapse of the Enron Corporation and its retirement benefit plans revived widespread public concern about the importance of guaranteed retirement benefits.

In recent years, a small number of employers have begun to provide "hybrid plans" that incorporate different features of both defined benefit and defined contribution plans. For example, in what is known as a "cash-balance plan," the employer maintains a defined benefit plan that includes separate hypothetical accounts for each employee that are similar to defined contribution plan accounts.

For many years, pension plans were largely unregulated. During the early 1970s in particular, many employees who thought they were entitled to a pension distribution upon retirement wound up getting nothing. People in this predicament had nowhere to turn for redress because no laws governed pension plans. This situation changed in 1974, with the passage of the Employee Retirement Income Security Act (ERISA). Since 1974, ERISA has been amended numerous times. Although it does not require employers to establish a plan, those plans that are created must meet certain minimum standards. The passage of ERISA has greatly tightened the way pension plans are maintained and greatly increased the likelihood that employees will receive the pensions to which they are entitled.

Finally, it should be noted that many Americans are not satisfied with the pension plan currently provided by their employer. In fact, in a recent survey, only 23 percent of workers said that they were very satisfied with the retirement and pension plan provided by their employer, and 32 percent said that they were somewhat satisfied. This is not surprising, as many people know that the employees of Enron lost much of their expected retirement income because of the company's accounting illegalities. As a result, many pieces of legislation have been introduced in Congress in the wake of the Enron disaster. These laws would require pension plans to provide more information to plan participants, require pension plans to diversify their investments, and strengthen the fiduciary duties imposed on pension plan officials.

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See also Gold Watch; Job Benefits; Retirement; Social Security Act

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Perkins, Frances (1882–1965)

The first woman cabinet member in the United States was born in Boston to Fred W. Perkins and Susan Bean. Her parents came from Maine, but in 1882, her father moved the family to Worcester, Massachusetts, to start a stationery business.

"Fannie" Perkins, as her parents called her, graduated from Worcester Classical High School in 1898 and earned a B.A. from Mount Holyoke College in 1902. Before she graduated from college, she became very active in the National Consumers' League, a leading reform organization fighting child labor and sweatshops. Perkins was a protégée of National Consumers' League president Florence Kelley and credited Kelley with her professional development.

Frances Perkins, 1918 (Library of Congress)

Perkins taught school from 1902 until 1907 but spent the summers at settlement houses such as Chicago's Hull House and remained active in the National Consumers' League. In 1907, she left teaching for social work, taking a job in Philadelphia. She took graduate courses at the University of Pennsylvania and in 1909 received a fellowship to attend the New York School of Philanthropy. In 1910, she received her master's degree from Columbia University and became executive secretary at the New York City Consumers' League. This position placed her in the center of reform efforts.

If there is one event that transformed Frances Perkins's life, it would have to be the Triangle Shirtwaist Fire of March 25, 1911. Although New York City was already the center for national reform efforts, the death of 146 immigrant girls in this garment factory fire galvanized the reform community. In the wake of the fire, Perkins led the Committee on Safety, bringing her close to politicians Robert Wagner and Al Smith and the New York Factory Investigating Commission (FIC). The FIC rewrote New York's labor code and investigated working conditions. Perkins's work with the FIC made her one of the nation's leading experts on sanitation and workplace safety.

In 1913 she married Paul Wilson, a well-known urban reformer. She broke tradition by keeping her maiden name. In 1918, her husband suffered a mental breakdown, forcing her back into the workplace to support herself. That same year, Al Smith was elected governor of New York. Smith appointed Perkins to the New York Industrial Commission. She served until 1929, when Franklin Delano Roosevelt (FDR) appointed her head of the commission. When FDR was elected president in 1932, he appointed Perkins secretary of labor, the first female cabinet member in U.S. history.

Perkins's duties at the Labor Department were twofold. She had to professionalize the department and at the same time deal with the extreme conditions brought on by the Great Depression. In addition, as the first woman to head the department (any department), she had to cope with the sexism she found. That she was so successful at these tasks is a demonstration of her deep political skills and her even deeper professional knowledge of labor conditions. She gained the respect of Congress, labor leaders, and business leaders, making herself one of FDR's key economic advisers.

Perkins played a key role in drafting important New Deal legislation: the National Industrial Recovery Act of 1933; the Social Security Act and National Labor Relations Act (Wagner Act) of 1935, and the Fair Labor Standards Act of 1938. As the war began in 1941, however, Perkins saw her influence over policy diminish. FDR preferred to create temporary wartime agencies to deal with the wartime crisis. She was a strong supporter of organized labor and workers' rights throughout the war years and deeply defended her agency from the temporary agencies. She resigned on July 1, 1945, after serving as a cabinet member for twelve years, the longest consecutive term in U.S. history.

At sixty-five, Perkins was not ready for retirement. She served on the U.S. Civil Service Commission from 1946 to 1952. After her husband died in 1952, she was free to travel and became a more frequent lecturer. In 1957 she was appointed a visiting professor at Cornell University, a position she retained until her death.

Richard A. Greenwald

See also New Deal; Roosevelt, Eleanor; Roosevelt, Franklin Delano; Secretary of Labor, U.S.; Works Progress Administration

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Personnel Management

The emergence and growth of personnel management during the first half of the twentieth century was one response to the increasing size and complexity of corporate and governmental organizations. Employers looked to personnel managers to maintain the "personal touch" no longer possible in large, bureaucratic organizations. The development of personnel management was also shaped to a large extent by factors external to the firm, such as changes in "social attitudes and norms regarding industrial employment," legislation governing employment, and the bargaining power of U.S. workers (Jacoby 1985, 8). In the 1910s and 1920s, personnel managers were part of a new class of white-collar workers who looked to the corporation for positions providing economic security and professional respectability. To win such positions, personnel managers sought to identify the causes of labor problems in industry and to assert their special qualifications for addressing these causes. To define their profession, personnel managers drew on the earlier work of welfare workers, scientific managers, and industrial psychologists. Although the methods and aims of personnel management have varied widely over time and from company to company, personnel managers have typically defined their tasks to include managing, hiring and dismissal, distributing benefits, easing tensions between workers and employers, boosting productivity, and monitoring compliance with legislation governing labor practices.

Before 1870, most manufacturing in the United States took place in small firms where owners knew their workers and trusted skilled craft workers with a great deal of power over the process of production. Industrialization and the advent of mass production in the late nineteenth and early twentieth centuries transformed this relationship and presented factory owners with a new set of managerial challenges. The growing size of manufacturing and commercial enterprises meant that many employers were no longer able to maintain personal relationships with workers (Edwards 1979, 23–36). Increasing mechanization of work meant that craft workers were replaced with semiskilled and unskilled workers drawn from the growing numbers of immigrants entering the United States. Many workers responded by forming labor organizations to protect their interests and to maintain some power over their pay and the pace of work. Conflicts between workers and employers rose sharply during the last quarter of the nineteenth century. At the same time, reformers began to draw attention to the poor living and working conditions common for workers in many industries. Progressive employers at the turn of the twentieth century were anxious about the increasingly impersonal nature of relations between employers and employees, uncertain how to handle the challenge of managing large numbers of unskilled and semiskilled immigrant workers, and worried about rising incidents of worker unrest. Some employers began to experiment with new ways of managing workers and, in so doing, lay the groundwork for personnel management (Nelson 1995, 99).

In the late nineteenth century, reform-minded employers began hiring so-called welfare workers to manage employer-employee relationships. Between 1890 and 1920, welfare workers carved out a new set of managerial tasks focused on providing benefits and building morale. Initially, welfare work was informed by the social gospel movement, a Christian reform movement that called on employers to govern their businesses according to Christian principles (Brandes 1976, 15). Many large employers responded by improving company housing, sponsoring Sunday school classes, establishing benefits for injured workers, providing hot meals in factory cafeterias, and constructing libraries and gardens for workers. Many employers viewed these programs as part of a "civilizing mission" designed to teach their immigrant workers the values of thrift, hard work, and temperance. They also hoped that welfare workers would "evoke a sense of family life within the firm itself," creating new social relations that would bind workers to the factory (Jacoby 1985, 50–59). In fact, welfare work provided middle-class women with a rare employment opportunity because of the gendered assumptions of employers, who believed women were particularly well suited to oversee the moral improvement of workers and to establish caring and kind relationships inside the factory (Tone 1997, 174).

Between 1900 and 1920, welfare workers were hired in many large firms and began to promote their work as a new and vital part of factory management (Nelson 1995, 104). By 1910, at least forty large manufacturing firms had welfare departments administering comprehensive programs, and hundreds of smaller firms had introduced some elements of welfare work (Nelson 1995, 112). Meanwhile, welfare workers began to define the scope of their work more broadly to include oversight of working conditions, sanitation, and safety. They also began to use a language of efficiency as well as a language of morality to promote their work, defining welfare work as part of a sound business strategy, not simply as a moral duty of employers (Kimmel 2000, 66). Welfare workers were beginning to define their work as a managerial function like any other.

In the 1910s, advocates of scientific management proposed a competing approach to improving labor relations, an approach that also would influence the development of personnel management. Frederick W. Taylor, an engineer who developed scientific management, argued that the paternalism of welfare work was insulting to workers. His system of scientific management, he asserted, would eliminate labor unrest by doing away with arbitrary foremen and replacing them with engineers and other specialists who would use science to determine the "one best way" to perform each task. Workers, Taylor assumed, would appreciate the fairness of this system and would embrace the opportunity to produce more and earn more. Although Taylor's assumptions about workers were faulty, he did have a profound impact on the organization of the factory. Specifically, Taylor's ideas sped the introduction of centralized planning and reduced the power of foremen. As part of his vision for the modern factory, Taylor called for a special class of managers dedicated to recruiting, hiring, disciplining, maintaining employment and payment records for, and dismissing workers—all tasks that had been formerly under the control of the foreman (Jacoby 1985, 47). Taylor had carved out a new set of managerial tasks that would eventually come under the heading of *personnel management.*

Taylor's call for the centralization of the employment function sparked the emergence of a new group of aspiring managers—employment managers. Leaders of the movement for employment management embraced Taylor's call for creating a new centralized office in charge of employment management, but they criticized Taylor for overlooking the "human element" in business. In their quest to "humanize" business, employment managers absorbed many functions performed by the welfare department. Employment managers also discovered another tool for managing the human element, the new academic field of psychology. By 1913, pioneers in the field of industrial psychology were arguing that the relatively new field of psychology could provide answers to questions about how to choose the right man or woman for the job and how to motivate workers to do their best (Gillespie 1991, 30–33).

World War I brought new external pressures for business leaders to address labor relations, marked the emergence of the term *personnel management* to describe the tasks of welfare workers and employment managers, and established the personnel department as a standard feature of the progressive factory (Nelson 1995, 161). As the demand for wartime production rose and unemployment levels dropped, many workers began demanding union recognition and improvements in wages and working conditions. Conflicts erupted between employers and employees, and the federal government responded by putting pressure on businesses to recognize unions and to hire personnel managers to improve labor relations. Most of these personnel managers were drawn from the ranks of welfare workers and employment managers, and some were graduates of newly established government training programs (Kimmel 2000, 136–144).

During World War I, personnel managers took on new roles, expanded their authority in the firm, and developed new kinds of expertise. In some companies, personnel managers administered employee representation plans established by employers in lieu of worker-led unions. In other companies, personnel managers oversaw contentious relations between employers and employees, viewing themselves as a neutral third party representing the public interest. Some personnel managers became directly involved in matters of wage rates and working conditions, a development that was possible only because many companies were under pressure to respond to government directives in these areas. Still other personnel pioneers were employed by the armed forces, where they developed the practice of job analysis and job classification as a way of handling hiring in large bureaucratic organizations. Military personnel officers also experimented with the use of psychological and skills tests to guide their hiring practices. Although wartime personnel managers performed different functions in different organizations, they were united by a belief that personnel management was becoming an executive function, and they sought to influence labor policy.

By the end of World War I, personnel managers had established a foothold in U.S. business. A postwar depression, however, led many firms to cut or severely reduce personnel departments. In the 1920s, several employer organizations launched a campaign to define the functions of personnel managers more narrowly, urging personnel managers to abandon a vision of themselves as independent arbiters between employers and employees (Kimmel 2000, 199). During the 1920s, an enfeebled personnel profession focused on "selecting employees and administering welfare programs," abandoning efforts to directly influence the labor relations policies of firms (Jacoby 1985, 173–174).

During the 1930s and 1940s, employers once again turned to personnel managers to help them respond to strong external pressures to address labor relations and employment practices. The Great Depression sparked demands for significant reforms of U.S. business practices, including labor relations. Employers looked to personnel managers to help them respond to new labor laws requiring employers to recognize and bargain with unions. Some employers expanded personnel departments and programs in an effort to prevent unions from taking hold; others accepted unions and turned to personnel managers to help them manage relations with unions. At the same time, new federal laws had created a new function for personnel departments, keeping detailed records on employment practices and policing the company to ensure its compliance with federal law. Accordingly, the percentage of large firms with personnel departments rose from 34 percent in 1929 to 46 percent in 1936 and continued to grow after that (Kimmel 2000, 294).

Personnel managers responded to the new demand for their services in the 1930s and 1940s by once again redefining the scope of their work. They drew on a new school of thought, human relations, which emphasized the importance of informal social relations in shaping worker attitudes and determining worker performance and posited that these informal social relations could be managed. Personnel managers began using surveys, interviews, and conferences with workers in an attempt to better understand and better manage informal social relations in the workplace. In the politically charged atmosphere of the 1930s, personnel managers began to make a clear distinction between human relations, or matters having to do with worker morale and productivity; and labor relations, or collective bargaining over wages, hours, benefits, and work rules. Personnel departments were involved in both human relations and labor relations but tended to emphasize the former and to steer clear of controversies associated with the latter (Kimmel 2000, 296–303).

Developments during the second half of the twentieth century continued to influence personnel management. The civil rights revolution of the 1960s and 1970s produced new laws protecting equal employment opportunities for women and minorities, and personnel managers helped businesses to comply with these laws. As the workplace grew more diverse, personnel managers added diversity training to their list of functions. Today, many personnel departments are charged with helping working parents achieve balance between work and family. As in the past, the mission of the personnel department is a partial reflection of social attitudes and norms surrounding employment. Personnel managers respond to these norms, but they are also constrained by their limited status and authority within the managerial hierarchy (Drucker 1954, 273–280).

The limited status of personnel management within the corporation is underscored by the high rates of women employed in this field. The story of women in personnel begins with the welfare workers of the late nineteenth and early twentieth centuries. Many of these women had professional aspirations and sought to become leaders in the new field of personnel management. As personnel management gained in strength and professional status during World War I, however, male-dominated professional organizations worked to exclude women (Strom 1992, 146). It was not until World War II, when large numbers of women entered the workforce, that women found the doors of personnel management open to them (Rung 1997, 381). By 1950, women's share of personnel work reached 30 percent, though women personnel managers were concentrated in industries and government agencies with predominantly female workforces (Hardin 1991, 229–240). Although the upper echelons of the corporation remained largely closed to women in the late twentieth century, women made significant inroads into personnel management, comprising 58 percent of personnel managers in 1989 (Hardin 1991, 229–240).

In the 1970s, leaders in the field of personnel management adopted a new name for their work, "human resources management." The name change reflected yet another effort to elevate the status of the profession. Human resources managers asserted a role for themselves in strategic planning at the highest levels of the corporation. Human resources management was also closely connected to new management trends that emphasized the importance of employee participation and job enrichment (Caudron 1997, 79). In the 1980s and 1990s, human resources managers promoted a role for themselves in implementing teamwork and management by objectives, managerial strategies focused on boosting production and improving quality. More and more, human resources managers sought to play a central role in the management of production. At the same time, their departments continued to handle traditional personnel functions related to hiring, benefits, and workplace safety. Today, human resource managers are adjusting to a corporate environment that stresses flexibility over stability in employment relations (Kraut and Korman 1999, 3–21).

Many historians have interpreted the rise of personnel management as part of a larger campaign by corporate owners and top managers to control workers and diffuse the power of workers' organizations (Edwards 1979). Others have stressed the tangible benefits that workers have enjoyed as a result of personnel programs (Jacoby 1985). The growth of personnel management tracked the rise of federal laws regarding safety, minimum wages, rights of workers to form unions and bargain collectively, and civil rights of individual employees. Considered in this light, personnel managers played a role in creating a more stable and equitable employment system. Yet recent trends such as longer hours, stagnating wages, downsizing, the higher incidence of temporary work, and reduced benefits highlight the limited power of personnel managers to maintain such a system.

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See also Job Benefits; Professionals; White Collar

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Piecework

Piecework, the practice of paying workers by the item produced rather than by the hour or week, has been a familiar practice in many sectors of U.S. manufacturing, although it is most commonly associated with the clothing industry. Other, more euphemistic terms for it include "working on commission," "incentive system," and "payment by results." The piecework system of payment has been primarily found in manufacturing and is most closely associated with the garment and textile trades, although it has also been implemented at times in other work settings, including those where it makes less obvious productive sense, such as railroad repair. It has also changed throughout history, ranging from base pay, on top of which a worker earns by the piece rate, to paying entirely on a piece basis.

Piecework has been favored by employers—and some employees—as a way of rewarding faster, more diligent workers and has been allowed into some labor agreements. Over the course of the twentieth century, however, it has fallen out of favor among labor organizations, on the basis that it leads to general speedups of work and decrease in pay. At the heart of most disputes between workers and management (and sometimes between workers) is the question of the value of work versus the value (and implicit dignity) of the worker. As a result, piecework has been a recurring issue in the history of U.S. labor relations and the U.S. workplace. Furthermore, the acceptability of piecework in any given workplace or industry has historically been influenced not only by how it is implemented but by how it reflects on overall working conditions, as well as by the general economic climate during any given period of U.S. history.

The piecework system itself has origins going back at least to the Middle Ages, but it first became an issue in U.S. labor history, as the rise of mechanization first broke down previously skilled crafts into unskilled tasks and the rise of industrial capitalism increasingly encouraged the practice of gaining the most profit at the least cost, which more often then not meant paying workers on a strict basis of worth of work produced. Piecework has been the subject of many significant labor disputes, especially in the garment trades from the 1880s through the 1930s. Even when this form of payment was generally accepted, the question of which side or both had the power to set piece rates was an ongoing struggle. It was not surprising therefore, that during the late nineteenth century, when piecework became part of a larger pattern of the most egregious abuses of labor, that piecework versus day work stood out as one of the most contentious issues in labor relations during this period.

In the clothing industry, piecework and piece rates historically have been an especially live issue, in part because changing fashions necessitated near-continuous renegotiations of piece rates. In fact, the issue of who controls piece rates led to numerous strikes and labor disturbances in the garment trades during the late nineteenth century, the most notable being the Great Strike of 1890, fomented by the New York Cloakmakers. By that time, the practice had begun of using piece rates to keep down wages, which were then further reduced by charges for materials and fines for mistakes. In a subsequent (unsuccessful) strike in 1894, the United Brotherhood of Tailors struck over the "task system" and publicly called for week-work in place of piecework. Nonetheless, piecework remained one of the many contentious issues through the Great Revolt of 1910, in which the International Ladies Garment Workers' Union demanded and won week-work for cutters, pressers, and sample makers. Although most of the workers still remained on the piecework system, piece rates were set by a shop committee as part of the resulting agreement known as the Protocol of Peace, for the first time giving garment workers a say in the setting of piece rates.

Despite this improvement, obtaining week-work for all workers in the garment trades (and elsewhere) remained an uphill battle, owing to the fact that at least some workers, for various reasons, favored piecework. Their principal argument throughout history has echoed that of employers; that it rewards greater skill and effort and that it is not fair for the fastest workers to be paid at the same rate as the slowest. Yet in practice, even the fastest worker could not win because as the rate of output increased, the employer often correspondingly lowered the piece rate. Additionally, piece rates did not allow for the "fatigue factor" that could cause even the fastest workers to lose money through decreased output. A common tactic of employee resistance was to restrict output. Another, in the case of railroad repair work, was for foremen, in collusion with their employees, to count incomplete or partially complete work in calculating "piece rates."

Efforts to make piecework less exploitative and hence more acceptable, including the introduction of a base pay rate, were attempted during the early twentieth century, with varying degrees of success. The most famous of these efforts was the attempt to rationalize the work process itself through the implementation of the Taylor system. First developed in the 1890s by Frederick Winslow Taylor, scientific management attempted to standardize work and eliminate the recognized abuses in piece-rate setting. However, excessive demand for "efficiency experts" led to abuses of Taylorism itself, causing workers and unions to resent it as another form of control. Nonetheless, payment by the piece remained popular with management through the mid–twentieth century and was sometimes affected as much by economic conditions that affected its profitability, such as the Great Depression of the 1930s or the economic boom brought about by World War II. Piecework remained and even increased in frequency as a form of payment through the 1940s and then went into decline in the 1950s, though other forms of payment on commission continue outside manufacturing.

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See also Capitalism; Collective Bargaining; Compensation; Garment/Textile Industries; Homework; Sweatshops; Taylor, Frederick Winslow

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Pink Collar

The term *pink collar* is used to refer to the types of paid work that women tend to perform in western industrialized societies, generally service and clerical work, largely considered unskilled, and poorly paid. In part, the term reflects the phenomenon of sex segregation in paid labor markets. The second broader phenomenon partially reflected in the term *pink collar* is the fact that women tend to make less money than men, regardless of the type of work that is performed, how many hours worked, and how much education they have.

A majority of men and women around the world work in occupations that are considered "male" or "female" (Anker 1997, 334). Sex segregation occurs along two different dimensions—horizontal and vertical. Horizontal sex segregation refers to entire workplaces or industries that tend to be single-sex (for example, textile industry, construction industry). Vertical sex segregation refers to the concentration of the sexes into different positions within one workplace or industry, for example, a corporation in which women do clerical support work and men are in managerial positions. The term *glass ceiling* refers to a type of vertical sex segregation, the idea being that there is a level beyond which managerial women simply do not get promoted. Randy Albelda and Chris Tilly note, however, that pink-collar workers are more often subject to a "sticky floor"—"discriminatory hiring patterns which keep women concentrated at the bottom of the job scale," not even able to reach middle management levels (1997, 45).

About one-half of all employed women work in traditional pink-collar clerical and sales jobs, whereas only one-sixth of men are concentrated in these types of work (Albelda and Tilly 1997, 46). Despite women's success in forcing their way into better-paying jobs, women remain disproportionately concentrated in lower-level managerial and lower-paid professions than men (Albelda and Tilly 1997, 46). Throughout the world, women make around 70 percent of what men make (Anker 1997, 331).

A number of theories attempt to explain the phenomenon of sex segregation and differences in pay. These theories attempt to assess whether it is women themselves who choose lower-paid, pink-collar work, employers who discriminate against women when hiring employees, or some combination of the two. Richard Anker (1997) identifies three competing, broad theoretical explanations: the neoclassical/human capital model, institutional and labor market segregation theories, and feminist/gender theories.

The neoclassical/human capital model suggests that sex segregation occurs both because women seek out particular work that they believe will best accommodate their family commitments and level of skill and because employers find women to be very "costly" to employ, when they leave for periods of time to have children or when they put their family commitments ahead of their work commitments. These models also explain that women workers tend to have less "human capital" (education, experience, and skills relevant to the workplace), which justifies their concentration in lower-paid jobs.

Institutional and labor market segregation theories arise in an attempt to explain phenomena that neoclassical/human capital theories do not predict, such as the persistence of sex segregation despite women now getting more education, having fewer children, and having them later. These theories assume that institutions such as labor unions and large corporations set broad standards for who gets jobs or loses them and how much people should be paid, as opposed to these being set by pure market forces. They further explain that there is not just one labor market, but often a primary and a secondary labor market, and shifting from one to the other is difficult for an individual to do. The primary labor market contains jobs with better pay, better working conditions, and better promotion opportunities. The secondary labor market has worse pay, fewer chances for promotion, worse working conditions, and little job security. Some who theorize about sex segregation in the labor force note that women workers are disproportionately concentrated in secondary labor markets. Yet neither the neoclassical/human capital explanations nor the institutional/labor market segregation explanations account for factors that create different family obligations and levels of education for men and women in the first place.

Feminist/gender theories (see for example, Albelda and Tilly 1997; Hesse-Biber and Carter 2000) explain that women's disadvantaged position in the workforce is due to their subordination in other areas of life, in particular within the home and family and because of stereotypes based on gender roles. Occupations that tend to have large concentrations of women are often considered feminine or are fields which require what are considered female attributes—such as compassion (nursing), manual dexterity (piecework), honesty (cashiering), or a concern for attractive physical appearances (receptionists). Additionally, women are generally considered to have less physical strength (needed for construction), less willingness to face danger (police, military) and a distaste for supervising others (school administration), so jobs that would require these things are generally considered inappropriate for women. Feminist/gender theorists also recognize the disproportionate amount of family care that women do and question why it is generally only women who are considered capable of and responsible for doing such work and why it should be held against them in the paid workforce.

Feminist/gender theories point out that "skilled" work is often defined against that which is considered "female" work. According to this view, it is not because pink-collar jobs require no skills, but because they are done by women that they become low-status, low-paid work. Some claim that there is nothing inherently "male" or "female" about any job and point out that jobs can change their gender affiliations. Two good examples are school teaching and bank telling. Both are professions at one time considered men's work, but they now have become associated with women. Concomitantly, their status and relative level of pay declined as these professions "tipped." The term *tipping* describes the tendency of men to leave a profession just as quickly as women enter it. These theorists also counter human capital arguments that would attribute women's lower pay to lower education by noting that on average, women in the United States are slightly more educated than men in the workforce (Albelda and Tilly 1997, 46). Feminist/gender theorists argue that to reduce the inequality that tends to come with sex segregation, men and women both need to work in nontraditional fields for them, as well as share family care responsibilities.

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See also Equal Pay Act; Glass Ceiling; Pay Equity; Rosie the Riveter; Women and Work

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Postindustrial Workforce

The postindustrial workforce is the portion of the labor force employed in the provision of services rather than the production of industrial goods. The postindustrial workforce has grown rapidly since the 1960s, as employment in service industries such as information technology, health care, and finance has outpaced declining employment in industrial production. More than 75 percent of all jobs in the United States are in service industries (U.S. Department of Labor 2001, 3). The postindustrial workforce is composed of a wide variety of occupations, ranging from skilled managerial, technical, and professional work to relatively unskilled jobs in personal care and administrative or health care support.

The sociologist Daniel Bell was the first person to write extensively on the subject of the postindustrial workforce in a book titled *The Coming of Post-Industrial Society* (1973). At the time this book was published, the economy of the United States was undergoing a process of deindustrialization, as manufacturing plants closed or relocated to countries where wages were lower. Deindustrialization, which began in the United States during the late 1960s, resulted in the elimination of tens of thousands of industrial jobs, with the heaviest losses concentrated in the steel and automotive industries located in the Midwest and Northeast (Bluestone and Harrison 1982). During the same period, service industry employment was growing rapidly, fueled by advances in science and technology that created a demand for professional and technical workers. Based on his analysis of these trends, Bell correctly predicted that postindustrial service workers would soon outnumber the industrial and agricultural laborers who had dominated previous phases of economic history.

The Rise and Diversification of Service Work

The decline of industrial production and the shift to service industry employment has been a profound economic change, with broad implications for the world of work. The most significant transformation has occurred in the occupational structure of the U.S. workforce. Since the 1960s, there has been growth not only in the absolute number of service jobs but also in the variety and scope of service work. The emergence of new service industries, such as information technology, has created dozens of entirely new occupations. Older service industries, such as health care, education, and engineering, have diversified as they have grown, and these industries now encompass occupational specialties and forms of work that were unknown during the industrial period.

Scientific and technical occupations are the fastest-growing segments of the postindustrial workforce. The proliferation of new communications, information, and medical technologies has created a demand for personnel who can operate and maintain these devices. Computer support, medical sonography, and electronic equipment repair are some of the new occupational specialties that have emerged to fulfill this need (Barley and Orr 1997). More abstract forms of scientific knowledge are also vital to the postindustrial economy. Many companies rely on access to the latest research and techniques to develop products ranging from computer software to pharmaceuticals. Men and women who have strong educational credentials and specialized expertise therefore enjoy the best opportunities in the postindustrial workforce. These "knowledge workers" are better able to obtain secure, high-paying jobs because their ability to manage information and develop innovative new products is highly valued by employers.

People who do not have specialized skills or a college education face more limited prospects in the postindustrial workforce. They are most likely to obtain relatively unskilled service jobs, such as customer service representative, health care aide, retail salesclerk, or janitor. These low-skill service occupations are also growing rapidly but generally offer low pay and poor job security. Although these workers will not be developing new technologies, their work is likely to be affected by technological advances. The automation of many business functions has already eliminated the need for many low-skill jobs, particularly in the clerical area. Likewise, an ongoing process of computerization has transformed many jobs into a series of repetitive and tedious tasks such as word processing or data entry.

The Reorganization of the Workplace

The transition to postindustrial employment has also brought about changes in the spatial and temporal organization of work. Offices, laboratories, schools, and clinics, rather than factories, are the settings for postindustrial labor. Some kinds of postindustrial work, such as health care and education, are anchored firmly in a single location because workers must be close to each other and the people whom they serve. However, the information and ideas that form the productive base of many other postindustrial enterprises can be transmitted around the world quickly and easily, without any of the high costs associated with moving industrial raw materials and finished goods. This mobility provides companies with a considerable amount of freedom to reorganize their operations spatially.

Many service companies have taken advantage of this spatial freedom by globalizing their operations. They have established facilities outside the United States for tasks such as customer service, data processing, and computer programming. These overseas facilities, which are typically located in areas where operating costs are lower, are linked to offices in the United States using computer and telecommunication systems. As a result, large portions of the postindustrial workforce now report to workplaces that are not isolated sites of production but are instead one site in a much larger network of facilities dispersed around the country or the world. These arrangements have altered the experiences of the postindustrial workforce in fundamental ways. Collaborating with colleagues located in distant cities and time zones necessitates new routines and working methods. Work tasks must often be carried out based on electronic mail or telephone communication rather than through face-to-face interaction.

The physical reorganization of postindustrial workplaces has been accompanied by changes in the temporal organization of labor, as the rigid working shifts characteristic of industrial employment have given way to more flexible working arrangements. Instead of traditional full-time jobs, a growing number of postindustrial workers are employed on a temporary or part-time basis. In addition, many workers are assigned weekly schedules that vary in both the number and schedule of hours worked. These flexible work arrangements make it possible to accommodate peaks in customer demand for services and, in some cases, to facilitate the provision of service on a twenty-four-hour-a-day basis. Employers may also favor flexible work arrangements because these measures permit them to respond quickly to changing market conditions while keeping the costs associated with personnel low.

New forms of flexible work are appealing to some portions of the workforce, including students, retired persons, and homemakers, who may wish to work less than full-time and who can accommodate variability in their daily schedules. For those workers who are not in flexible employment by choice, however, these work arrangements can cause serious difficulties. Studies of the postindustrial workforce suggest that unpredictable working hours and a lack of long-term job security are leading to pervasive anxiety among workers and their families. Concerns about job security and downward mobility affect men and women at all levels of the occupational hierarchy, including white-collar executives and middle managers (Newman 1999).

Some social scientists believe that the job-related anxiety and long or irregular working hours typical of postindustrial work are weakening the social institutions of family and community. They suggest that men and women who spend most of their time at work and who are distracted by anxiety about the future find it difficult to form stable families and to participate in the larger community. These pressures may be contributing to the pattern of delayed marriage, high divorce rates, and smaller family size that has been observed in the United States and other countries (Carnoy 2000).

Growing pressure on the two-career family may also be causing working people to abandon the civic and social organizations that formed the basis of social cohesion during the industrial era. Membership in civic organizations is dwindling, as working people find that they have insufficient time to involve themselves in their communities. Social isolation is in turn increasing the pressure on working families, who now have less access to assistance from their neighbors, friends, and extended families (Putnam 2000). The weakening of family and community ties has a particularly high social cost in the postindustrial period because these institutions provide the crucial material and educational resources necessary to support the next generation of knowledge workers.

The Challenges to Public Policy

The need to prepare young people for positions in the postindustrial workforce has also been a matter of considerable concern for government leaders. As policy analysts such as former U.S. Secretary of Labor Robert Reich have observed, the educational system that prepared generations of workers for positions in industrial production must now be redesigned to teach the new skills that postindustrial work requires. The ability to utilize new technologies is crucial for entry into many occupations, but postindustrial work also demands other capacities, such as problem solving, teamwork, and an orientation toward continuous learning (Reich 1991). Educational initiatives designed to help workers acquire these skills are under way in communities throughout the United States. At the federal level, the Department of Labor administers funding to encourage older workers to upgrade their technical skills, and the Office of the Twenty-First-Century Workforce has been established to monitor the fit between educational curricula and the evolving needs of postindustrial businesses.

Despite educational initiatives designed to maximize learning opportunities for all workers, women and minorities continue to be underrepresented in the scientific and technical occupations that form the core of the postindustrial workforce. Entry into these occupations typically requires a college education, but the undergraduate enrollment of African American, Hispanic, and Native American students in science and engineering programs declined during the 1990s. Each of these minority groups earns less than 10 percent of the science and engineering bachelor's degrees awarded annually (National Science Foundation 2000, 19). The participation of women in science and engineering programs also remains disproportionately low. In the field of computer science, women earn only 28 percent of the bachelor's degrees awarded each year, a percentage that has also been declining over the last ten years (National Science Foundation 2000, xii). A lack of role models and actual or perceived hostility toward women and minorities in the sciences and engineering contribute to this problem.

Inequalities such as these fuel an ongoing debate about whether the transition from industrial to postindustrial work has been a positive development for the majority of working people. In a workforce in which the most highly paid positions require advanced training, differences in the ability of women, minorities, and impoverished people to access educational programs will reinforce economic disadvantage. Many social scientists believe that the widening income disparity observed between rich and poor households in the United States is a result of the shift to postindustrial work. They argue that the postindustrial workforce is highly polarized, with jobs concentrated at the high-wage and low-wage ends of the employment spectrum (Bernstein et al. 2002).

The closure of industrial plants in the United States did result in the elimination of tens of thousands of jobs that offered secure employment at relatively high rates of pay to workers who did not have a college education. These positions provided the material base that supported generations of working-class families. Some scholars contend that the postindustrial economy has created enough new jobs to replace the industrial jobs that have been lost. They suggest that the postindustrial economy offers better prospects than the industrial economy for workers to move into skilled white-collar positions (Bell 1973). Others argue that the advanced technologies that characterize the postindustrial economy have been used to eliminate far more jobs than they have created. These scholars predict that only the most highly skilled workers can expect to remain reliably employed in the future (Rifkin 1995).

The pay and working conditions that prevailed in the industrial workforce were in large part the result of negotiations between industrial labor unions and employers. These labor unions also exercised a great deal of political power in state and federal government and lobbied for labor and social welfare policies beneficial to their members. As industrial employment has declined, the political power of labor unions and of the blue-collar working class in general has also diminished. There have been successful efforts to unionize segments of the postindustrial workforce. The Hotel Employees and Restaurant Employees International Union is one of the largest service sector unions. The Washington Alliance of Technology Workers is an example of a new type of union for workers in high-technology enterprises. However, despite these projects, the majority of the postindustrial workforce remains nonunionized.

The implications of the failure of the postindustrial workforce to organize along the union model of the industrial working class remain unclear. Within individual workplaces, collective negotiations over working conditions and pay have become more difficult to conduct in the absence of the institutional framework that unions once provided. Highly skilled professional and technical workers whose individual talents are quite valuable have considerable power to negotiate with their employers directly, but men and women who work in low-skill occupations are more acutely affected by the loss of collective power that unions can provide. In the political arena, low levels of union representation in the postindustrial workforce mean that service workers are not likely to exercise political power on an occupational or class basis. Instead, there is evidence that U.S. politics are becoming more fragmented as postindustrial workers choose to ally themselves with a variety of political movements based on their common interest in issues such as the environment or women's rights (Lash and Urry 1987).

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See also Blue Collar; Computers at Work; Dot-com Revolution; Dunlop Commission; Globalization and Workers; Industrial Revolution and Assembly Line Work; White Collar

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Prevailing Wage Laws

Prevailing wage laws require that private and public employers pay, at a minimum, "prevailing wages" to workers on government-financed construction projects. Under prevailing wage laws, workers must receive at least the wages and benefits that prevail for similar work in or near the geographic location where the project is located. Depending upon the language of the particular legislation, the term *prevailing wage* may refer to the wages and benefits paid to the majority of workers in a particular occupation in a given geographic area. If the wages and benefits within an area are especially diverse, the prevailing wage may be defined as the average of the wages and benefits paid to a similar group of workers. In contrast, other prevailing wage laws define the prevailing wage as the rate paid to area union workers under their collective bargaining agreement. Regardless of the particular benchmark used, the requirement that contractors pay prevailing wages is designed to ensure that local wage scales are protected from contractors (and workers) who would agree to lower compensation scales and underbid local contractors on public works projects.

Though similarly directed at improving working conditions and regulating private compensation arrangements, prevailing wage laws differ markedly from minimum wage laws and living wage ordinances. Minimum wage laws set the obligatory wage floor for all workers, regardless of employer, project, occupational group, or geographical location. The amount of the minimum wage, determined periodically by the legislature, neither takes into account what others are making nor ensures the ability of a full-time worker at that wage to support a family. The minimum wage, because it is federally determined, does not take regional differences in earnings or cost of living into account. Furthermore, minimum wage laws focus solely on the base compensation rate received and do not address benefits levels.

Like prevailing wage laws, living wage ordinances cover only a specific set of workers, usually those employed by businesses that have a city or county government contract, businesses that receive economic subsidies from the locality, or businesses similarly reliant on public funds. As with prevailing wage laws, one rationale is that the government should not subsidize employers who pay substandard wages. However, unlike prevailing wage laws, living wage ordinances determine the relevant wage floor by consulting the federal poverty guidelines. Often, living wage levels are equal to what a full-year, full-time worker would need to earn to support a family of four at the federally defined poverty line. Some living wage rates are set equal to 130 percent of the poverty line, which is the maximum income a family can have and still be eligible for food stamps. The rationale behind some living wage proposals is that jobs, supported however indirectly by the government, should pay enough so that the working families do not also need government assistance.

Another important difference among prevailing wage laws, minimum wage laws, and living wage ordinances is the level at which they are legislated. The minimum wage is federally mandated, and living wage laws exist primarily at the local government level, but prevailing wage legislation has been enacted by all levels of government. At the turn of the twentieth century, many states enacted prevailing wage legislation in an effort to protect local wage scales from potential disruption and wage erosion. Because governments were commonly required to award contracts to the lowest bidder, prevailing wage legislation ensured that low-wage firms could not unfairly underbid higher-wage firms when competing for federal or state government contracts. This was an especially strong concern during the Great Depression of the 1930s, when the government became a major purchaser of construction. Prevailing wage laws guarded against both unscrupulous employers and the monopsony (one-buyer) power of the government that, unchecked, could disrupt rather than fuel local economies.

Three federal laws provide the legal basis of prevailing wages at the national level: the Davis-Bacon Act (1931), the Walsh-Healy Public Contracts Act (1936), and the Service Contract Act (1965). The first applies to construction, the second to manufacturing, and the last to the service industry.

The primary federal prevailing wage law, the Davis-Bacon Act, was proposed in 1931. Republicans were the driving force behind the Davis-Bacon Act, which is somewhat ironic because the act has since been extensively criticized as too favorable to labor unions. The act was proposed by a Republican representative from New York and a Republican senator from Pennsylvania and was signed into law by Republican president Herbert Hoover in 1931. Consistent with the rationale of most prevailing wage legislation, the purpose of the Davis-Bacon Act was to protect local wage rates by preventing contractors from importing cheaper labor and eroding the local wage structure.

Amended to its present form in 1935, with minor amendments in 1940 and 1964, the Davis-Bacon Act requires private contractors to pay workers the prevailing wage and benefits on all contracts of more than $2,000 for construction, alteration, or repair of federal public buildings or public works under federal or federally financed contracts. In most urban areas, the union wage is the prevailing wage for that particular geographic area. If the local union wage for electricians is $22 per hour, then all electricians (union or nonunion) employed on a federal construction project in the area must be paid $22 per hour. Those who violate the law may find their federal payments withheld by the comptroller general, have current contracts cancelled, and be denied eligibility for bidding on future government contracts. The U.S. Department of Labor regulations define "prevailing wages," and Department of Labor surveys determine the exact amounts. Because the U.S. Constitution's Tenth Amendment limits federal power to dictate terms of state government contracts, the Davis-Bacon Act applies only to projects with federal funding.

From 1891 through 1969, forty states and the District of Columbia enacted prevailing wage laws. Often called "little Davis-Bacon" acts, state prevailing wage laws set required wage and benefit levels for construction workers on publicly financed projects. State prevailing wage laws vary widely in their coverage, specificity, enforcement mechanisms, and penalties. Some are all-encompassing, whereas others narrowly define what projects will be covered. Some set wages for almost all contracts at the collectively bargained level, regardless of what the majority of workers in the area and occupation actually make. Some states defer to the federal Davis-Bacon Act, some impose their own definition of the "prevailing wage," and still others set the prevailing wage at the higher of the state or federal prevailing wage. Some of the state prevailing wage laws are essentially guidelines, nonbinding and without penalties or effective enforcement mechanisms. Others are more similar to the federal model.

Despite the arguments in favor of prevailing wage legislation, beginning in 1979 there were widespread efforts to repeal existing prevailing wage laws. They have been attributed by some to government budgetary difficulties and changes in the dominant political agenda. Between 1979 and 1993, nine states repealed their prevailing wage laws, and only one state enacted such legislation. Advocates and opponents of prevailing wage legislation have examined empirical evidence following repeal to bolster their arguments. Although several studies have been conducted, the results are not conclusive. (For a comprehensive discussion of state prevailing wage laws indicating the year of enactment, year of repeal, if applicable, and the effects of such laws, see the works by Daniel P. Kessler and Lawrence F. Katz [2001] and Armand Thieblot [1996] listed in the References and further reading.)

There are several arguments proffered in support of repeal of prevailing wage legislation. Opponents primarily criticize prevailing wage legislation for increasing project costs. Because the costs are paid by the government, presumably from taxpayer funds, the existence and amount of such cost increases are often hotly debated. Empirical studies generally agree that the federal prevailing wage legislation increased the amount of the federal government's construction labor costs, though the increase in project costs is the matter of some debate.

Advocates of prevailing wage legislation argue that overall project costs are lower because of the use of highly skilled, higher-paid labor, even if the labor costs themselves are higher. Because lower wages usually result in the use of less skilled workers, these workers could be expected to cost a project more in a variety of ways: they could turn out a lower quality product; they could have higher accident rates; they could make more mistakes, resulting in wasted material and time costs to fix errors; and they could take longer to complete the project. In short, workers who are more qualified and highly skilled may constitute a superior workforce who can complete projects more quickly, better, and at an overall lower production cost. Proponents of prevailing wage legislation argue that taking wage competition out of the contract bidding process focuses the competition in the bidding wars exactly where it should be—on contractor efficiency, project timeliness and quality, and overall productivity.

Another argument often made against prevailing wage laws is that they reduce the pool of likely applicants for publicly funded projects. Some nonunion contractors may not choose to bid on projects that are subject to prevailing wage requirements because winning the contract would disrupt their normal work practices. Nonunion contractors may fear the disruption in their wage scales and the repercussions from raising wages for one project only. The employer may decide that the potential drop in morale and increase in turnover may not be worth the profits from the particular contract. Because contractors on prevailing wage projects are required to create and file compliance statements with supporting documentation, smaller contractors may be discouraged from bidding on projects they could do well. This effect would skew the bidding pool composition more toward larger contractors, who can often better absorb the administrative costs imposed by prevailing wage legislation.

In a closely related argument, opponents of prevailing wage laws have asserted that prevailing wage legislation unfairly subsidizes union contractors. Critics of the prevailing wage legislation argue that it imposes unnecessary burdens on nonunion contractors who may not assign work along traditional union craft lines. If the employer ends up paying a high wage to an unskilled (or less skilled) worker or paying a high wage to a skilled worker for performing menial work, the economic burdens are apparent. For this reason, many nonunion contractors may not choose to bid on projects subject to prevailing wage legislation.

Because prevailing wage laws were intended to restrict the use of low-wage, migrant labor, some have argued that one of the major reasons prevailing wage laws were passed was to exclude African Americans and other minorities from construction jobs. There is current debate over the extent to which that was the intent or has been the effect of prevailing wage laws. Because prevailing wage statutes required the payment of higher wages on public projects, contractors might be likely to pass over lesser skilled workers, many of whom might be minorities. Also, forcing contractors to pay the union-level wage scale on these projects creates a disincentive for hiring entry-level workers and training them on the job. It could also reduce training opportunities and the entry-level jobs available for less skilled minority workers.

Advocates for prevailing wage legislation argue that, in our society, workers deserve jobs that pay well. If these jobs are supported by the public coffers, the jobs should stimulate rather than hinder economic growth in a locality. If low-paying contractors are discouraged from bidding, that is a positive aspect of such laws—one of the primary motivations for the Davis-Bacon Act was to prevent the downward spiral of wage scales by contractors who could find low skilled labor to work at almost any price. Supporters also argue that without a prevailing wage law, the generally lower wages discourage individuals from acquiring the human capital necessary for the highly skilled building trades. By insisting on the prevailing wage in an occupation and area, union training and retraining programs, apprenticeship programs, and pension and health insurance coverage are all supported. Thus, prevailing wage laws may promote stability in the construction industry and support the formation of a solid and skilled labor force.

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See also Building Trades Unions; Davis-Bacon Act; National Labor Relations Act

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Productivity

Productivity measures output as it relates to a specific investment, usually an investment in land, labor, or capital. In recent decades, however, it has been more readily associated with getting a fix on the output of individual workers and, to a lesser extent, gauging the productivity of particular industrial segments (that is, steel, automotive, aerospace) and even national workforces. As a result, productivity is both an equation and an aim, simultaneously seen as a mechanism to help and abuse workers.

In specific terms, productivity is the measure of efficiency calculated by dividing output by input. In terms of land, it would calculate, for example, how many bushels of corn are produced per acre. In terms of capital, it would measure the yield or return per investment over a year's time. For example, $100 return on $1,000 investment would represent a 10 percent yield. More likely, however, productivity is seen as measuring the output of workers per hour.

The current concept of productivity can trace its roots back more than 200 years to the advent of the Industrial Revolution, when technology was increasingly applied to labor to improve the output of traditional businesses or launch new ones. It wasn't until the late nineteenth century that the concept began to take on its contemporary meaning. Much of this development can be attributed to the work of Frederick Winslow Taylor—a wealthy, educated industrialist.

Taylor began his work in foundries, where he developed several metalworking inventions. These discoveries led him to begin studying the work process. Ultimately, he came to believe that work could be analyzed and divided into a series of simple repetitive motions, which would increase efficiency and productivity. Despite his vested interest as an industrialist, Taylor's aim was to improve the

Productivity measures the output of workers per hour. High levels of productivity are achieved in assembly lines, as in this automotive assembly plant. (Roger Ball/Corbis) lot of workers. "To his very death, he maintained that the major beneficiary of the fruits of productivity had to be the worker, not the owner. His main motivation was the creation of a society in which owners and workers, capitalists and proletarians, could share a common interest in productivity and could build a harmonious relationship on the application of knowledge to work," Peter Drucker writes in *Post-Capitalist Society* (1993).

Taylor's work on productivity came at a time of rising tension between workers and factory owners and managers, which also coincided with the rise in unions. Until then, output was almost exclusively tied to the number of hours worked by employees. The output or production per hour was less of a focus for managers, who consequently resisted moves to curtail working hours and improve conditions. Yet despite Taylor's aims to ease this tension by improving productivity through engineering work processes, many unions resisted his efforts. They often opposed early moves to increase productivity because the process didn't account for the impact on skilled workers, who made up the bulk of most early unions.

The love-hate relationship workers had with productivity carried over into the twentieth century. Industry increasingly embraced the concept, as a means of both improving output and margins and measuring and tracking company and worker performance.

A classic example of reengineering the working process to increase productivity comes from Henry Ford and the introduction of his assembly line production process. His approach called for workers to concentrate on accomplishing a specific task on the line rather than working on a range of jobs, as was customary. The approach was revolutionary. Ford used the process over a three-year period to increase car production fivefold while decreasing unit costs by two-thirds (Shook 1990).

The emphasis on improving productivity took even deeper hold as the twentieth century evolved and U.S. industrial output in number of segments, such as steel and automotive, grew. In the postwar era, gains in productivity began to take a new twist as a worldwide economy developed and U.S. industries were increasingly confronted by competition from abroad. Gains and losses in productivity now had to be measured against calculations coming from foreign countries. These comparisons began to place increasing pressure on labor costs in the United States, where wages were traditionally higher than those in overseas industries (Tichy 1990). Consequently, as advances in technology and process reengineering failed to register the gains needed, productivity measurements were used as leverage to push wages back or retard their growth, inciting tensions between labor and management.

The advent of advanced technology toward the end of the twentieth century, coupled with a deemphasis on the traditional industries, lessened these tensions. Computer processing and advanced networking and communications systems led to significant gains in productivity across both white- and blue-collar jobs that relieved pressure on wage controls. Yet as the industries they assist mature, it is possible that these pressures may return.

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See also Automotive Industry; Core Competencies; High-Performance Workforce; Industrial Engineering; Manufacturing Jobs

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Professional Air Traffic Controllers Organization Strike

The Professional Air Traffic Controllers Organization (PATCO) strike in 1981 was considered one of the toughest and most influential battles in the history of U.S. organized labor. During that year, nearly 13,000 air traffic controllers walked off their jobs after months of negotiations with the federal government (see www.socialistworker.org). PATCO strikers had demanded safer working conditions, updated computer equipment, and retirement packages.

On August 3, 1981, 85 percent of union controllers walked out. As a result, more than 6,000 flights were canceled (see www.socialistworker.org). On August 5, President Ronald Reagan fired the striking controllers and replaced more than 10,000 of them (see www.afl-cio.org). He also banned them from ever working as

Members of PATCO on strike at O'Hare International Airport, Chicago, Illinois, August 5, 1981 (Bettmann/Corbis)

controllers again. The firing was considered one of the most hostile government acts ever taken against organized labor. The union was fined millions of dollars, and its $3.5 million strike fund was frozen (see http://www.socialistworker.org). Later, the union was decertified by the National Labor Relations Board. In 1993, President Bill Clinton lifted the ban on the rehiring of PATCO controllers.

PATCO was first organized in 1968 by a group of New York City controllers. Its first president was F. Lee Bailey. The goal of the organization was to improve wages, legalize strikes, and strengthen bargaining relations with the Federal Aviation Administration (FAA). The organization grew to 15,000 members spread across 400 different facilities in the country (Shostak 1986, 206). From 1968 up until the strike, the group was involved in six serious disruptions of air transportation services (Northrup and Thornton 1988, 83). First, it sponsored a month-long slowdown. In 1970, the group organized a "sick-out" that lasted twenty days, when more than 2,000 controllers called in sick (Northrup and Thornton 1988, 84). In 1976, PATCO staged slowdowns for five days after the Civil Service Commission refused to reclassify controllers to higher salary grades. The group organized two other slowdowns in 1978 seeking flight familiarization rides—free rides aboard planes so they could observe how flight controls work aboard planes (Northrup and Thornton 1988, 86). One last disruption before the major 1981 strike came one year prior, when the organization initiated another slowdown that caused 616 delays and cost the airlines more than $1 million in wasted fuel (Northrup and Thornton 1988, 86). Of these six major PATCO moves, the only major improvement the organization won was overseas familiarization flights. However, the FAA could not implement the plan because the international airlines would not honor the agreement. As a result, changes were initiated within the union, and the group began to organize its major strike plan.

To boost its strike plan, the union ousted then President John Leyden from office and replaced him with Robert Poli. The union's internal organization plan helped to raise its membership and strengthen negotiations with the FAA. In April 1981, 730 PATCO members rallied for passage of the Air Traffic Controllers Act of 1981 (Shostak and Skocik 1986, 251).

In May, the FAA warned the controllers of penalties for breaking the law against striking. PATCO president Poli continued negotiations, and in July, Congressman William Clay introduced another version of the Air Traffic Controllers Act of 1981, which included lower salary ceilings and a pledge for the controllers not to strike. Negotiations eventually broke down, and at 7 A.M. on August 3, PATCO began the first massive labor force strike of its kind against the FAA. Reagan ordered the controllers to go back to work or risk being fired. On August 5, 1,300 of the strikers when back to work, and the remaining 11,345, or 90 percent of the strikers, were fired (Shostak and Skocik 1986, 253–254).

In the 1980s, PATCO's members were among the highest-paid government employees. The group had won the support of many federal officials. When the group struck in 1981, the American Federation of Labor and the Congress of Industrial Organizations (AFL-CIO) and the American Civil Liberties Union (ACLU) protested Reagan's firing of the controllers, charging that the practice was unfair and denied employees the right to strike.

PATCO filed for bankruptcy protection in 1981 and was decertified in 1982, marking the first time the federal government had destroyed a union. The organization's successor, the U.S. Air Traffic Controllers Organization, sought federal support for strike recovery efforts, but the group dissolved in 1984. Later, a new PATCO union was created to continue the struggle for control. New president Ron Taylor, one of the fired controllers, brought PATCO out of bankruptcy. The organization is again certified as an AFL-CIO bargaining agent for nonfederal controllers. Membership in the union continues to rise today.

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See also American Federation of Labor and Congress of Industrial Organizations; Collective Bargaining; White Collar

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Professionals

Professionals are people working in occupations with certain unique characteristics, which include advanced education, mastery over a particular vocation, significant independence and discretion in the working context, and allegiance to an ethical framework or code of practice developed in cooperation with others in the profession. Classic professions include physicians, lawyers, engineers, and professors. Professional status, however, is not solely rooted in the characteristics of the work itself. The social status and financial rewards that professionals enjoy are also determined by collective mobilization and the exercise of social and political power (Larson 1977). Thus, how society defines a "true" profession shifts over time to reflect complex changes in the nature of work, changes in the social organization of employment, and social control over the information and knowledge required to perform that work.

Historically, professionals emerged in a series of occupations—physicians, lawyers, engineers, administrators, and executives—that are widely recognized as having certain characteristics that distinguish them from other occupational categories, including the following:

- A claim to represent, to have a level of mastery over, and to practice a particular discipline, skill, vocation or "calling";
- Advanced learning, usually represented by higher education qualifications, showing an ability to learn and amass knowledge;
- High-level intellectual skills, showing an ability to grasp new events quickly and to respond effectively; and
- Independence and discretion within the working context, showing allegiance to an

> ethical framework and often to specific codes of practice that govern relationships between the profession, the professional, his or her clients, and the wider society. (Middlehurst and Kennie 1997)

Though part of the social status of people in traditional professions is linked to the specialized knowledge they have, their status is enhanced by limiting access to that knowledge among the general public. The higher the barriers to specialized knowledge, the more elevated in status are those who possess this knowledge. Even in classic professions, these occupations attained professional status because individuals organized themselves to limit the supply of skills and knowledge. Doctors, for example, monopolize not only the practice of medicine but also their licenses and the sale of medical drugs by legal prescriptions. If medical knowledge were not so strongly monopolized, the prestige and rewards of doctors would be much less. Thus, the formation of a monopolistic practitioner group has historically been a central component of occupations gaining professional status. These groups are able to determine the nature of knowledge required for the occupation, formally certify those who are fit to practice, and limit practice to those who have been appropriately certified (Larson 1977).

The current status of professional occupations continues to be shaped by a complex interplay of market economic forces, regulatory changes, and the political climate. This status is heavily contested, both within particular professions and between competing occupations in the labor market (Derber 1982; Derber, Schwartz, and Magrass 1990). Many physicians in recent years, for instance, have been concerned about threats to their independence and professional status as a result of restructuring in the health care industry that has given greater power to insurance companies in determining compensation levels and treatment options (Riccardi 1999; Yellin 1999). Similarly, professors have felt their status threatened by university employment practices that have resulted in the increased use of temporary, adjunct, and other nontenured faculty in formal instruction, along with efforts to undermine the tenure process itself, traditionally a central means by which professors have defended their professional status (McPherson and Schapiro 1999).

Although some traditional professionals are feeling their status threatened, workers in many "semiprofessions," particularly in technical or craft occupations, are trying to improve their social status and financial compensation through collective strategies similar to those pursued in more classic professions, including creating professional associations and promoting licensing or certification programs. A range of factors shape the extent to which different professional and technical occupations are able to gain improved social status, including the nature of the knowledge and skills required to perform the work, the system for entering and practicing in the occupation (certification and licensing), and the nature of employment relations in the occupation. In semiprofessions, however, it is much harder to create a truly monopolistic practitioner group and thus more difficult to raise the status of members of the occupation through this strategy. As a result, professional associations in these occupations tend to be more decentralized and democratic, placing less emphasis on the certification of their members and more emphasis on actively intervening in the labor market on behalf of their members (Collins 1990). Organizations tend to focus on networking, providing various services to their members and helping their membership anticipate and capitalize on changing industry trends. Doing so requires maintaining closer ties with employers than traditional professional associations have (in which members are often self-employed) and frequently providing employment placement services for their members. These associations recognize that their members are generally paid by an employer, rather than being self-employed. Thus they also have various activities and services aimed at strengthening their members' ability to negotiate a strong contract for themselves.

It is important to note that this activity is increasingly focused on a regional, rather than a national or state level. Organizing regular monthly meetings, social events, and other opportunities for face-to-face interaction is a crucial part of building the regular, active participation in professional associations. This helps build the "weak ties" that are so crucial in job access and career paths (Granovetter 1973). Many of these professional associations exist only at a local level, whereas others have strong local chapters networked in a national and even international structure.

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See also Guilds; Middle Management; Occupations and Occupational Trends in the United States

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Profit Sharing

Profit sharing is the a means by which a business attempts increase the output of its employees by providing them with compensation beyond that of regular wages, based on the profits of the company (Metzger 1966, vi, 2). The idea behind profit sharing is that employees will take a greater interest in their work and in the well-being of the company if their compensation is directly related to the success of the business in which they are employed. As a result, employees become more productive and efficient as they strive to make the company as profitable as possible.

There are three basic types of profit-sharing plans used by businesses. In a current, or cash, plan, funds are paid out to employees as soon as their company's profits are determined (whether monthly, quarterly, yearly, etc.). Deferred plans allow an employee to build up his or her shares over time and collect them upon retirement or other termination of employment with the company. Finally, some companies allow for a combination of the cash and deferred plans. In this case, employees receive some cash benefits up front but are permitted to put the rest away for later withdrawal (Metzger 1966, 2).

Profit Sharing in the United States

Although profit-sharing programs did not find success in the United States until the 1880s, the idea found support much earlier. Albert Gallatin, secretary of the treasury under Presidents James Madison and Thomas Jefferson, advocated for profit-sharing programs as early as the 1790s. He implemented a profit-sharing plan in his glassworks company located in Geneva, Pennsylvania. Gallatin argued that profit sharing was a logical and necessary means of introducing the democracy of the political realm in to the business world (Metzger 1966, 4).

Although small, family-owned farms and businesses often used a form of profit sharing with their employees, a more structured form of profit sharing did not successfully emerge in the United States until well after the Civil War, as the economy of the country began to diversify beyond that of agriculture (Metzger 1966, 4). The rise of corporations in the United States coincided with a decline in small, family-owned farms and businesses, and it was not until the late 1800s and early 1900s that U.S. businesses adopted the practice of profit sharing. Among the first major corporations to implement profit-sharing programs were Proctor and Gamble; Eastman Kodak Company; Sears, Roebuck, and Company; and S. C. Johnson and Son. Decades later, many of these corporations continue to use successful profit-sharing plans (Metzger 1966, 4–5).

Theory on the use and outcome of profit sharing has emerged since the concept's inception. In particular, Martin L. Weitzman developed his "share economy" theory in the 1980s. According to his work, profit sharing creates a more stable economy with low unemployment and positive employee behavior. Employers who allow profit sharing are able to hire workers at a lower fixed wage, since profit sharing essentially raises employees' overall compensation level. Since the wages paid out by profit-sharing firms are lower than those of fixed-wage firms, profit-sharing employers are able to retain employees longer when production starts to drop. Thus, high numbers of profit-sharing firms would lead, in Weitzman's theory, to a lower unemployment rate and more stable economy (Kruse 1999).

Labor Unions and Profit Sharing

Labor unions have traditionally opposed the use of profit-sharing programs, arguing that they prefer guaranteed fair wages, hours, and working conditions to the option of profit sharing (Flippo 1954, 87). Businesses are often unwilling to bargain over wages when profit-sharing programs are in place. Labor activists maintain that this practice is a scheme against the influence and existence of labor unions (Flippo 1954, 88–89). Finally, labor unions have argued that profit-sharing funds are nothing more than withheld wages rightfully owed to employees (Flippo 1954, 89).

Karin A. Garver

See also Compensation; Defined Benefit/Defined Contribution Plans; Employee Stock Ownership; Job Benefits; Stock Options

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Prostitution

Prostitution is a difficult topic to analyze, in part because it is difficult to come up with a good definition and in part because in the United States it is often an illegal activity or set of activities, which makes it difficult to quantify. In general, prostitution refers to the exchange of cash for sex, though some argue this definition is too narrow. They would perhaps include sex performed in exchange for a place to stay or food or drugs. The term *sex work* is used instead of prostitution by some for two reasons: it encompasses a broader range of activities and designates those activities as a form of work in which people engage (as opposed to crime or sin). Sex work may be used to denote any employment in the sex industry—as a prostitute, call girl, pornography model or actor, stripper, erotic masseuse, escort, sexual surrogate, phone sex operator, or some other provider of sexual services or entertainment, which may be legal or illegal.

Prostitution appears to be becoming more of a globalized industry, as more women from southern Asia work in the western sex tourism industry, as eastern bloc women move to Western Europe to work as prostitutes, and as Russian women migrate to the Middle East and to China to earn money as prostitutes. The reasons that more and more women are working as prostitutes in a globalized industry may be due to their desire to find a better life elsewhere or to coercive and abusive crime rings that traffic in women. It is estimated that tens of millions of women have been sold into sexual slavery as prostitutes since the mid-1970s (Vanwesenbeeck 1994, 11).

Although prostitution is predominantly associated with women, men and children of both sexes engage in prostitution as well. Estimates of the number of adult prostitutes in the United States are at least 2 million, and it is estimated that somewhere between 300,000 and 600,000 girls under the age of eighteen are prostitutes (Flowers 1998, 15). Children who become involved in prostitution often come from abusive or neglectful homes; have poor relationships and few trusted friends or authority figures; and have often been subjected to coercive sexual activity at an early age prior to their prostitution.

Prostitutes work wherever clients are to be found—some work out of their own homes; some walk the street; and others work near military bases or at hotel bars, truckstops, large conventions, massage parlors, escort services, or brothels. Prostitution can be found in urban, suburban, and rural areas and among women of different class backgrounds. Many prostitutes have a previous history of sexual or physical abuse but not all.

Historically and currently, there are different views of prostitutes and prostitution. Frances Boyle and her colleagues (1997) identify five views of prostitution: moral decay, criminal behavior, gender victimization, deviance, and work. The view of prostitution as moral decay rose in the 1800s in the West and was associated with the rise of cities around factories and the concentration of poor people into smaller areas. This view largely didn't distinguish between prostitution and poverty and vagrancy and often didn't distinguish between a woman who was a prostitute and a woman who was someone's mistress.

The view of prostitution as criminal behavior led to regulations such as zoning laws, whereby "respectable" people tried to distance themselves from such activities and people. This view rose in the United States as towns shed some of their character as frontier towns and became more settled. In frontier towns, prostitutes were often welcomed to help "keep the peace" among the men in the area (as they often are used to do around military bases today). Laws that arose and still exist in response to the view of prostitution as criminal behavior often focus on the women prostitutes, not on the institutions that profit from their trade or on their customers.

The idea of prostitution as gender victimization reflects the belief that prostitution is a crime against women and is alternatively considered symptomatic of and a cause of women's inequality in societies. People with this understanding come to different conclusions, however, about what to do about prostitution. Some want it abolished through criminalization of the activities involved and believe that prostitution is always harmful to those who do it and that when it occurs, it degrades all women. Others believe laws that criminalize prostitution only hurt women in prostitution even more by forcing them underground with no recourse, should they be abused by pimps or clients, because they fear being punished by the authorities. Also, some, although seeing prostitution as evidence of gender inequality in society, do not believe that prostitutes operate without any choice whatsoever in what they do. These observers posit that it is possible a person might want to become a prostitute for her own reasons, particularly for money or to resolve issues of sexual abuse in her past, and they don't want to deprive her of her choice.

The understanding of prostitution as deviance comes from the belief that prostitutes are somehow different from "normal" women (and men). Prostitutes may be viewed as "oversexed" or otherwise abnormal in their sexual preferences or appetites. Although some posit that these characteristics result from sexual abuse at an earlier point in their life, this view generally limits its focus to individual psychopathology, not to societal structures or inequality that may affect the experiences that women have before they become prostitutes. Although prostitutes are considered aberrations because of their activities, their male clients are often considered to be "normal."

An understanding of prostitution as work arose in the late twentieth century. Many who work in the industry may have no plan to change their line of work, but instead want it to be destigmatized. They and their supporters claim that if there are to be any legal regulations of prostitution, they ought to stem from the needs of prostitutes themselves. Many of these individuals want to organize the sex industry to improve their working conditions, the same way labor organizations have set controls on other legal industries. Alternatively, many public health professionals see prostitution as a legitimate form of work in which many people engage, but they want to see it regulated solely from a public health perspective to help stem the spread of sexually transmitted diseases. However, this attitude sometimes leads to extreme social control as well, in which prostitutes are given compulsory physical exams and involuntarily tested for disease, whereas their clients are subjected to no such regulations, nor is any other promiscuous person who could be said to pose just as much of a public health risk, so long as he or she doesn't take payment for his or her activities.

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See also Pink Collar; Women and Work

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Q

Quality Circles

The practice of applying quality circles to improve and ensure a company's performance through employee participation has been an industry staple for almost forty years. It was developed in Japan as part of that country's drive to improve performance and cost efficiency and consequently raise the image of Japanese products at home and abroad.

The concept not only proved popular but helped transform corporate cultures by effectively having employees and management work more closely together. The basic concept initially called for companies to establish formal approaches to funnel employee input on reviewing production procedures, ultimately recommending ways to correct problems or improve systems.

As the concept evolved, the impact went beyond a one-way flow of information and recommendations from employee groups to management. Companies began to recognize that the structure could also be used to provide line employees with information and insights on business practices that would allow them to more effectively perform their jobs. This shift fostered the evolution of the quality circle concept so that it could move beyond solving problems tied to production. Today many companies use the approach in some form to tackle a complete range of company operations.

By the late 1990s, the idea had fallen out of favor with many companies because it failed to yield the high returns it promised. More accurately, the concept has evolved into one centered on self-managed teams that include managers and highly skilled employees who are empowered to not only identify problems but address them. What remains consistent, however, is the critical component of securing employee input to improve company performance.

This approach, in its widest sense, has been called on by many leading U.S. and international companies. In addition, it was championed by W. Edwards Deming, often described as the father of quality production. Deming not only worked closely with Japanese firms on improving quality issues during the second half of the twentieth century but also helped transfer his management approach to U.S. corporations such as Ford, Xerox, and General Motors.

Deming's effort went well beyond the quality circle/employee input concept. He is better known for his Fourteen Points, a blueprint that brings together process-oriented management plans to improve quality and production, in part by creating a single corporate vision. Deming's work was also built around the statistical analysis of production and processes that minimized variations and helped control quality. Crucial to this approach, however, was a systematic effort to tap employee input to improve production, processes and quality. Deming's teachings on variation provided management the ability to make a distinction between the type of systematic problems that employees can influence and those that only management can solve (Gabor 1990).

Deming's work also offers analytical tools that management or employees can use to identify problems and develop opportunities for improvement. The outcome doesn't just make companies more efficient, it helps enrich employee jobs, underscoring the importance of promoting a genuine democratic partnership in the workplace.

Many U.S. companies have applied the strict concept of quality circles to build their businesses or resuscitate organizations that have fallen by the wayside. The efforts, by the likes of Xerox and Lockheed, often came in response to Japan's growing international economic might in the 1970s and 1980s. Not surprisingly, the U.S. automobile industry moved quickly to embrace employee cooperation to address quality and production issues. In 1987 General Motors and the United Auto Workers (UAW) established formal management-labor committees to improve operations throughout the corporation. The effort, ultimately called the "Quality Network," leveraged these committees to concentrate on improving efficiency by sharing data and working together instead of in adversarial positions. This joint management-union approach had a profound impact on improving GM's flagging component operations.

There was some UAW resistance to the approach because of concerns that management would take advantage of employee participation. These worries, however, gave way to the overriding need to strengthen the company through a management-labor union model. The effort also allowed all employees to become partners in serving the customer, effectively becoming the most powerful weapon General Motors used to rebuild its stature in the late 1970s and early 1980s.

The Ford Motor Company was at the forefront of leveraging employee participation to improve quality. In Ford's case, the fundamental shift came in the late 1970s, when the carmakers embraced the notion "Quality is Job One." Admittedly, Ford had little choice because its U.S. market was being eaten alive by European and Japanese cars. Most troubling were the reasons behind the interest in foreign-made cars. Native customers weren't switching because of price but because of their superior quality and fuel efficiency. The company's initial emphasis in "Quality is Job One" centered on improving design, styling, and engineering. Soon afterward, Ford realized that employee buy-in and input was equally essential.

Ford's response was the creation of the employee involvement program. The idea, borrowed form Japanese management practices, relied on the notion that the workers closest to the problem might be closest to the solution (Doody and Bingaman 1989). The initiative called for employees in the same job units to meet on company time to identify problems and offer solutions. Labeled an unqualified success, this effort was not only able to improve production, quality, and cost efficiency but also raised employee morale at Ford.

John Salak

See also Baldrige Awards; Core Competencies; Deming, W. Edwards; Total Quality Management

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R

Railway Labor Act (1926)

The Railway Labor Act is the U.S. law that governs labor relations and collective bargaining in the railroad and airline industries. The primary purpose of the act is to avoid strikes and other forms of labor-management conflict that disrupt interstate commerce and weaken the economy. Thus, the act protects the rights of employees to form labor unions, provides for government mediation of bargaining disputes, and establishes adjustment boards to resolve grievances.

Because of the central importance of railroads in the economic development of the United States, this industry and its labor conflict have received special attention from lawmakers. The Railway Labor Act developed out of the failure of several legislative attempts to achieve industrial peace in the railroad industry, dating back to disruptive and violent strikes in the late 1800s. The Arbitration Act of 1888, the Erdman Act of 1898, the Newlands Act of 1913, and the Transportation Act of 1920 all provided dispute resolution mechanisms to prevent railroad strikes, and although some important lessons were learned, each of these laws proved unsatisfactory.

Consequently, the Railway Labor Act was enacted in 1926 and applied initially only to the railroad industry. Amendments to the act outlawed company-dominated unions and made other changes in 1934 and added the airline industry to the scope of the act in 1936. The act promotes collective bargaining between labor unions and air and rail carriers as the mechanism for handling labor-management issues and provides several dispute resolution mechanisms. The Railway Labor Act is administered by the National Mediation Board (http://www.nmb.gov).

One category of disputes in collective bargaining is major, or interest, disputes. They arise when unions and employers are negotiating new terms and conditions of employment, including new pay and benefit levels. During negotiations, either party can request mediation, and more importantly, the National Mediation Board can offer it. The carriers are prohibited from changing the existing terms and conditions of employment, and unions are forbidden from striking until the National Mediation Board releases the parties from mediation. In difficult disputes, the parties may be kept in mediation longer than they would like, but the objective of the mediator and the act is to resolve disputes without strikes and other forms of conflict. The National Mediation Board is also obligated to offer arbitration to the parties as a method for resolving their dispute, but either party can reject this offer. If the parties are released from mediation and one party rejects arbitration, a strike can legally occur after a thirty-day cooling off period.

Provisions in the act allow the president of the United States to prevent a strike for an additional sixty days by creating a presidential emergency board if a strike would "threaten substantially to interrupt interstate commerce to a degree such as to deprive any section of the country of essential

A railroad worker cleans a Southern Pacific locomotive, ca. 1937. (Horace Bristol/Corbis)

transportation service" (Railway Labor Act, sec. 160). A presidential emergency board has thirty days to investigate the dispute and issue a report. The report typically contains recommendations for a settlement, but they are not binding. After the report is issued, a strike can occur after a thirty-day cooling off period. In a few instances, Congress has enacted special legislation to settle or prevent a strike by forcing the parties to accept the recommendations of the presidential emergency board or to submit their dispute to arbitration.

The executive branch formed 234 presidential emergency boards between 1934 and 2000. Since 1966, nearly all presidential emergency boards have been formed to resolve railroad disputes because the government has tried not to interfere in airline strikes. However, several major airlines faced contentious negotiations with their unions during 2001, and President George W. Bush created a presidential emergency board to prevent a strike at Northwest Airlines and to send a signal to other airline unions that strikes were to be avoided.

The Railway Labor Act also seeks to peacefully resolve disputes arising from the application of existing terms and conditions of employment—in other words, grievances. These are often labeled minor disputes or rights disputes. Unresolved grievances must be submitted to an adjustment board, such as the National Rail Adjustment Board, which issues a binding decision.

Strikes and industrial disputes can stem not only from grievances and negotiations over pay and working conditions but also from the refusal of an employer to recognize a union as the representative of the employees. The Railway Labor Act is the first federal law to recognize that "employees shall have the right to organize and bargain collectively through representatives of their own choosing" (Railway Labor Act, sec. 152) and replaces recognition strikes with an orderly process for resolving questions of recognition. The National Mediation Board is empowered to conduct secret ballot elections to determine if a majority of workers desire union representation. If so, the National Mediation Board certifies the union, and the employer has a legal obligation to bargain with the union. Union organizing and collective bargaining under the act occur on a systemwide basis within a craft or occupation (that is, pilots, mechanics). Thus, unions must organize a majority of a railroad's or airline's employees within a craft on a national, not local basis. Moreover, a certified union is the exclusive representative of those employees; no other representatives are allowed. The U.S. Supreme Court has established that exclusive representation creates a duty of fair representation such that the union must represent all employees fairly without discrimination.

The act mandates that employees must be able to choose their representatives "without interference, influence, or coercion" from management. Thus, carriers cannot fire, demote, or transfer employees because of union organizing activities. Carriers cannot make threats or change wages and other terms and conditions of employment to influence employee support for a union.

The act is significant not only because of its continued relevance for the railroad and airline industries but also because of the legal and operational influence it had on shaping the 1935 National Labor Relations Act (Wagner Act), which governs labor relations and collective bargaining in the rest of the private sector. The right to form unions free from coercion and interference, exclusive representation, secret ballot representation elections, and administration by a neutral federal agency are all central features of U.S. labor relations first developed in the Railway Labor Act.

John W. Budd

See also National Labor Relations Act; Randolph, A. Philip

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Randolph, A. Philip (1889–1979)

Asa Philip Randolph, best known as the president of the Brotherhood of Sleeping Car Porters and Maids and as the leader of the 1943 March on Washington Movement, was also renowned as a leader of the larger labor and civil rights movements. Although later overshadowed by successors such as Martin Luther King Jr. and Malcolm X, Randolph was one of the most important civil rights leaders in U.S. history. Like King, he opposed black separatism and violence, setting himself apart from both the early-twentieth-century back-to-Africa movement and the later black power movements. Unlike King and earlier leaders such as W. E. B. Dubois, Randolph's outlook was unabashedly working class, and he believed that black self-determination began with economic self-determination. His class analysis, which not only characterized his civil rights leadership but also encompassed concern for working people of all races, grew out of the socialism he adopted in young adulthood.

Born on April 15, 1889, in Clearwater, Florida, the son of African Methodist Episcopalian (AME) minister James Randolph, young Asa Philip Randolph spent his childhood in Jacksonville, Florida, in an atmosphere that emphasized religion and learning. He graduated at the top of his class at the

A. Philip Randolph meeting with President Lyndon Johnson, ca. 1966 (Library of Congress)

Cookman Institute but was unable to attend college due to lack of money and had to make a living in menial work. Then, in 1911, Randolph headed for New York, hoping to pursue a career in acting. His acting career did not flourish, but while living in Harlem and working as an elevator operator, he took classes at the City College and New York University and eventually joined the Socialist Party.

During this period, Randolph made friends with a fellow student, Chandler Owen, with whom he cofounded the socialist publication, *The Messenger,* which from 1917 became an influential African American publication that notably advocated the formation of labor unions. From his editorial work, Randolph went on in 1925 to lead the organization of the Brotherhood of Sleeping Car Porters (BSCP), organizing the service workforce of the Pullman Palace Car company, at the time the largest single employer of African American workers. After ten long and difficult years, the Pullman Company agreed to sit down and negotiate with the BSCP. Then, in 1937, the BSCP became the first African American labor union to achieve a contract. As Randolph made a name for himself as a labor leader, he also became involved in the growing civil rights movement, though rarely taking his focus off the issues of jobs and economic justice. He served briefly as the president of the National Negro Congress in the late 1930s before resigning when Communists began to dominate the organization.

Then, in the early 1940s, Randolph went on to achieve national renown for his leadership in the March on Washington Movement. This movement was founded in response to the rampant discrimination in the growing defense industries and segregation in the armed forces prior to U.S. entry into World War II. After several meetings with President Franklin Delano Roosevelt regarding these two issues, Randolph and other African American leaders planned a march on Washington by the BSCP and other U.S. groups that was scheduled for July 1, 1941. The announcement convinced President Roosevelt of the negative publicity this type of demonstration would generate. Roosevelt subsequently issued Executive Order 8802, outlawing discrimination in defense industries and establishing the Fair Employment Practices Committee to enforce the order. Desegregation of the armed forces, however, was not accomplished until after the war, when Randolph founded the League for Non-Violent Civil Disobedience Against Military Segregation and called for African American resistance to President Harry S. Truman's peacetime draft as long as the military was segregated. Finally, President Truman outlawed racial segregation in the armed forces on July 26, 1948, with Executive Order 9981.

In the latter decades of his life, Randolph remained visibly active in both the labor and civil rights movements. He became a vice president of the American Federation of Labor and Congress of Industrial Organizations in 1955 and was a founder of the Negro American Labor Council in 1959. In the postwar civil rights movement, he organized several events such as the Pilgrimage Day prayer meeting in 1957 and the 1958 Youth March for Integrated Schools. Randolph's most important accomplishment of this period, however, was his organization of and participation in the 1963 March on Washington, a culmination of the earlier March on Washington Movement. In 1964, President Lyndon B. Johnson awarded Randolph the Presidential Medal of Freedom. During the last years before his death in 1979, Randolph established the A. Philip Randolph Institute, a Harlem institution providing job skills and training.

Susan Roth Breitzer

See also American Federation of Labor and Congress of Industrial Organizations; Defense Industry; Railway Labor Act; Roosevelt, Franklin Delano; Wartime and Work

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Recession

Recessions are one phase in what economists refer to as the "business cycle," a period of expansion, followed by a period of recession or contraction, which is then followed by a period of recovery. This recovery period becomes the period of expansion that starts the successive business cycle (Malabre 1989, 52–53; Heintz and Folbre 2000, 160). In each business cycle, the end of a period of expansion is characterized by a peak, whereas the end of a period of recession is signified by a trough. Throughout history, expansions have lasted much longer than recessions (Malabre 1989, 53).

The business cycle is ultimately influenced by the relationship among profits, unemployment, and wages. As overall profits rise, businesses tend to hire more employees to compensate for the growing level of industry. The increase in hiring results in low unemployment rates, which can then lead to an increase in employee wages and, ultimately, a decline in profit rates. Again, to compensate for the fluctuations in the industry, businesses begin to lay off employees. This causes lower wages and an increase in profits once again. However, if wages drop too low, workers' ability to purchase goods freely is constrained. Eventually, if another force fails to intervene and stimulate economic growth, a recession will occur (Heintz and Folbre 2000, 161).

Ultimately, there is no formula that can calculate when a recession will occur or what exactly may cause it to happen. However, three factors are often cited as indicators of what accelerates economic downturns. First, policy mistakes, such as an unwise decision from the Federal Reserve Board regarding the nation's monetary supply, can cause instability. Second, structural adjustments, such as sudden consumer pessimism, can shake the system. Finally, external shocks, like an increase in the price of raw materials as a result of a change in foreign economies, can stimulate peaks and troughs in the U.S. economy (Buchholz 1995, 12).

Recession and the Business Cycle

Extensive economic observation has shown that business cycles have occurred throughout history. Because of limited data collection, however, business cycles have not been documented before industrialization (Moore 1980, 151). Therefore, chronologies of business cycles do not begin before 1869, when recorded figures were first collected (Bruchey 1988, 174). Between January 1920 and March 1975, there were twelve noted recessions in U.S. history (Moore 1980, 153). Most of them lasted about a year, with the exception of the recession of 1920–1921, which lasted for eighteen months, and the recession of 1929–1933, which lasted for forty-three months and is better known as the Great Depression (Moore 1980, 153).

Recessions vary not only in length but also in depth. Throughout U.S. history, recessions have differed in the extent to which they affect the real gross national product (GNP) and the unemployment rate. For example, the real GNP declined only 2 percent during the recession of 1969–1970 while declining almost 6 percent in the recession of 1973–1975 (Moore 1980, 153). Similarly, the unemployment rate rose to almost 25 percent during the Great Depression but reached only about 6 percent in several recessions since the late 1940s (Moore 1980, 153).

Recession versus Depression

It is important to note here the difference between a depression and a recession. Unlike the relatively mild contractions that can be experienced in a recession, a depression is characterized by more extreme contractions. Typically, depressions have more concentrated effects that reach not only the areas of employment, wages, and profits but also capital investment, interest rates, and consumer spending (Moore 1980, 153). Although some industries may escape the affects of a recession, it is rare for an industry to escape the far-reaching effects of a depression (Moore 1980, 153).

Recessions in U.S. History

The 1937–1938 Recession

The period 1937–1938 marks one of the fiercest recessions to date. Although there are several theories as to the stimulus of this contraction, many economists ascribe the convergence of high taxes, the presidential call for a balanced budget, and a reduction in federal expenditures as the impetus for this particular recession. Although at the time, there was widespread belief that the budget should be balanced, the policies supporting a balanced budget served to contribute heavily to the economic downturn (Bruchey 1988, 175).

The 1949 Recession

During recessionary times, federal revenues tend to decline because workers have less income on which to pay taxes to the government and more workers are generally out of work. At the same time, federal expenditures tend to rise significantly since those who are out of work seek unemployment benefits (Bruchey 1988, 187). President Harry S. Truman oversaw the recession of 1949 with an unusual plan of attack. He sought to raise taxes to combat the nation's deficit, concerned that inflation would soon become a serious problem throughout the country. Many scholars believe that Truman should have sought to lower taxes and raise expenditures to supply the public with greater purchasing power. Instead, what is regarded as passive fiscal policy on the part of the Truman administration resulted in a decline in the nation's \$3.8 billion surplus in 1948 to a deficit of \$3.9 billion in 1949 (Bruchey 1988, 187).

The 1953 Recession

Dwight D. Eisenhower focused his administration on balancing the budget, avoiding deficits, and most of all, avoiding inflation. Eisenhower remained steadfast in his refusal to cut taxes, insisting that revenues needed to increase rather than decrease. He even delayed the expiration of an excess profits tax in 1953 to reap the revenues it generated for a few months more (Bruchey 1988, 188).

However, as the economy turned toward the recession of 1953, Eisenhower was forced to change the focus of his policies. He made it clear to the American public that he would not let the concern of a running deficit stand in the way of preventing widespread unemployment. Many Americans still feared the economic times brought on by the Great Depression, and Eisenhower vowed that he would avert this kind of unemployment during the 1953 recession (Bruchey 1988, 188).

The Recession of 1958

During the recession of 1958, the Eisenhower administration came close to using a tax cut to stimulate economic growth. However, the prevailing view that inflation should be avoided at all costs prevented further thoughts of tax breaks (Bruchey 1988, 189). In addition to the fear of inflation, competition from abroad influenced this decision. The Soviet Union's launch of Sputnik in 1957 created new apprehension in the United States about potential tax cuts. Although cuts might provide the public with more buying power, those cuts would also serve to deplete revenues that the government might use to initiate further scientific advancements of its own. The launch of Sputnik sparked a feeling that the United States had to struggle to keep up with the developments of the Soviet Union. Therefore, any proposals of tax cuts that would deplete the revenues for funding of these projects were quickly rejected (Bruchey 1988, 189).

The Recession of 1969–1970

Each postwar recession in United States history exhibited a drop in inflation, as was later observed by economists. However, the recession of 1969 introduced the concept of stagflation into the U.S. economy. Economists once believed that a certain measure of inflation could be exchanged for a certain amount of unemployment. The relationship between the two was thought to be stable, such that policymakers could choose a combination of the two as it might suit the economic times (Bruchey 1988, 195). During the recession of 1969, it became clear that there exists what is commonly referred to as a "natural rate of unemployment" (Bruchey 1988, 195). Economists learned that even if unemployment is pushed lower than this natural rate, inflation will continue to rise.

The Economics of the 1970s and 1980s

The U.S. economy remained volatile throughout the 1970s and 1980s. The business cycle continued to provide periods of high inflation and rising unemployment, followed by periods of economic booms (Bruchey 1988, 196). From 1973 to 1974, several factors intervened, resulting in severe inflation and unemployment. Rising oil prices, strict credit conditions, and rising inflation and interest rates combined to create an extreme economic situation. From 1972 to 1974, inflation rose by 7.7 percent, and the nation's GNP fell by 2 percent (Bruchey 1988, 196). It was the nation's most dramatic drop since the end of World War II.

In 1975, just when all signs seemed to point toward the next U.S. depression, a fresh boom turned the economy around. This boom lasted throughout the rest of the 1970s and into the new decade. However, toward the end of the Carter administration, this boom began to slow. Inflation started to rise, interest rates soared, oil prices increased, and deficits mounted until the country entered the recession of 1982 (Bruchey 1988, 196).

The Recession of 1982

In the early 1980s, financial markets were expanding rapidly, giving way to what would soon be a global economy. Ronald Reagan entered office with a promise to move the country toward his version of supply-side economics. Through large tax cuts, the Reagan administration hoped to stimulate the economy of the United States (Allen 1994, 95; Bruchey 1988, 197). At the same time, the Federal Reserve Bank was attempting to curb inflation by constricting the rate of increase in the supply of money in the country (Allen 1994, 95).

Initially, the Reagan administration was successful in both cutting government spending and in reducing personal income tax rates. Normally, these two policies might work well together and allow the economy to expand at the same time. However, several other factors intervened to prevent this result from coming to fruition (Allen 1994, 95–96). When the Federal Reserve Bank announced a 6 percent reduction in the U.S. money supply in 1981, available lendable funds decreased so much that interest rates began to soar (Allen 1994, 97). These high interest rates then triggered the recession of 1982.

During this recession, the nation's Gross Domestic Product (GDP) fell by almost 10 percent in just over a year (Allen 1997, 97). This enormous decline was characterized by a reduction in both inflation and real GDP. As a result of Reagan's 25 percent reduction in personal income tax rates, federal government revenues were very low (Allen 1997, 97), which forced the Reagan administration to resort to massive borrowing to compensate for rising deficits. In 1982, the U.S. deficit reached record highs (Allen 1997, 97). This borrowing then put additional pressure on U.S. and international interest rates, which were already strained. Also during this time, an increase in consumption of imports combined with a decrease in U.S. exports caused additional pressure on the GDP, thus contributing to the recessionary times (Allen 1997, 98–99).

The 1990 Recession

Toward the end of the 1980s, the Federal Reserve Board attempted to curb the enormous growth of the nation by increasing interest rates, with the idea that doing so might prevent soaring inflation rates. The hope was that Americans would spend less money if the interest rates on their monthly payments began to rise (Buchholz 1995, 13). At the same time, however, Congress was formulating policy to tighten lending requirements in the face of savings and loan scandals in the 1980s. Also, new international policies forced U.S. banks to approve fewer private loans in favor of loans to the federal government (Buchholz 1995, 13). As a result of these combined measures, many U.S. small business owners found themselves facing financial hardship.

The fall of the Soviet Union added further strain to the U.S. economy. Defense spending decreased dramatically at the end of the 1980s, and with it came increased layoffs among national defense firms and organizations. All of this was compounded by soaring oil prices as the United States began the Gulf War in 1990 (Buchholz 1995, 15). Together, these factors perpetuated the recession that would propel President George H. W. Bush from office.

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See also Downsizing; Layoffs; Overtime and the Workweek; Productivity; Severance Pay

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Retirement

Retirement describes an individual's withdrawal from the workforce and the period of life following the end of a career. It is almost always associated with older adults, although a person may retire at any age. Today retirement is considered a normal part of life and is often celebrated as a well-deserved period of leisure earned after years of labor. This general anticipation and acceptance of retirement is a particularly modern phenomenon, however. It was understood very differently before the turn of the twentieth century, when social mores and personal economic circumstances kept the majority of American's from retiring.

"The Forced Inactivity of Death": Historical Insights on Retirement

Throughout most of U.S. history, hard work was generally expected of all family members. Necessity forced many children to help earn their keep, and elderly men and women also labored until the very end of their lives. In a culture in which labor was a virtue and long periods of leisure uncommon, the *Saturday Review*'s description of retirement as "an act which simulates the forced inactivity of death" (Graebner 1980, 10) was particularly apt. For the majority of older adults who depended on labor for survival, retirement may well have represented financial failure and physical decline. Besides the poorhouse, there was little public support for needy elders until the 1930s.

Whether working their own fields or laboring outside the home, nineteenth- and early-twentieth-century Americans supported continued labor by the aged. Prior to the early 1900s, most men engaged in family farming, an occupation that required multigenerational cooperation and support. Grown children, out of respect for their elders and in anticipation of inheriting family property, labored alongside and cared for their aging parents, who continued to work, when capable, until the day they died.

A similar pattern existed outside the home. Among tradespeople, senior craftspeople were respected for their experience and valued as teachers of younger workers and apprentices. Even if they wanted to, paternalism prevented most employers from laying off older workers. A worker slowed down by age was generally kept on but was sometimes demoted to a reduced work load and removed from important responsibilities. Most managers did not have the heart to retire a longtime employee completely, for few workers could depend on their meager savings to support them, and private and public pension systems were practically nonexistent.

Workers and Retirement: Changing Theories

By the early 1900s, attitudes about retirement were beginning to change, in large part because of new theories about the aging body. Once venerated as strong and noble survivors, the elderly began to be associated with physical and mental decline. Dr. George Beard's popular theory of "neurasthenia" was particularly detrimental to older workers. Beard hypothesized that individuals were born with a predetermined amount of physical and mental energy.

The everyday stresses of the workplace slowly depleted these resources, leaving older persons nervous, fatigued, and simply unfit for productive labor.

Changes in the workplace also spurred support for pensions. Retirement plans gained popularity among diverse and often competing industrial interests. In an increasingly competitive, market-driven society, capitalists considered retirement a practical solution for a number of labor problems. Bolstered by medical beliefs about the declining abilities of older workers, some of the nation's largest corporations began offering pension plans. It was hoped that these company-sponsored programs would promote workplace efficiency and generate worker loyalty. Workers who anticipated a financial reward for years of service would be more likely to stay on the job (at a time when labor turnover was on the increase) and less likely to participate in union activism. Private pensions also looked promising for a company's bottom line. Older, supposedly less efficient workers could now be replaced by younger, more vigorous, and also less expensive laborers.

Like large companies, unions turned to pension programs for many of the same reasons. They hoped to inspire membership loyalty. Pensions, it was thought, would encourage workers' identification with the union rather than with the companies that employed them. Pension programs were also considered helpful for younger workers, especially those in declining industries. The removal of older union employees from the workplace meant more job opportunities and promotions for younger members. Finally, union leaders hoped that their retirement plans would stimulate more fruitful activism. Members could now go out on strike without worrying about the older workers often left behind on the shop floor.

In the mid-1800s, public workers, like their private-sector counterparts, continued to labor at a ripe old age. Only state judges faced mandatory, age-based retirement. But by the early twentieth century, government officials were similarly influenced by medical descriptions of age-related decline and concerned about its impact on worker efficiency. Public schoolteachers, letter carriers, and postal clerks were among the first government workers to face superannuation. Although state-employed teachers received pensions, for a long while federal employees were retired without any form of financial assistance. Legislation in 1920 finally provided federal civil servants with pension benefits.

As government officials, union leaders, and capitalists began instigating retirement programs for their own ends, popular demand for state and private pensions was also on the rise. Demographic changes were partially responsible, as were new ideas about the proper role of the family. The twentieth-century family was smaller than ever before, resulting in fewer siblings to help share the responsibilities of elder care. At the same time, popular advice literature touted the virtues of the nuclear family. Extended households proved a detriment to children, argued social critics. Parents ought to invest more resources in raising and educating their children. Living with aging parents hampered these efforts, since elder care was costly and time-consuming. For all these reasons, grown children began to demand that state and private pension programs help to support retirees.

Unfortunately, early pension programs met the needs of comparatively few older Americans. Payments were often paltry and served only a small percentage of workers. As late as 1932, most employees were not covered by pensions. Union plans generally served skilled workers such as carpenters, printers, machinists, and railway employees, rather than the masses of unskilled labor. And although a growing but small number of companies did offer retirement programs, such plans often required more than fifteen years' service, did not provide support for spouses, and were funded entirely by worker contributions. Most companies were not even legally bound to fulfill their promise of pension provision—making retirement, at best, an unreliable benefit.

Pensions and the Welfare State

With the enactment of the Social Security Act in 1935, the federal government finally responded to the obvious need of older workers and retirees in the United States. Historians have generally described this legislation as a groundbreaking form of welfare policy. Indeed, the Social Security Act and other measures enacted during the Great Depression heralded a new era of state responsibility for public well-being. Although northern Civil War veterans received federal pensions, this program was viewed as a one-time measure in response to an isolated event. In fact, popular frustration over the tremendous public cost of supporting veterans may have slowed future government support for old-age benefits.

Scholars have also maintained that the Social Security Act had as much to do with age discrimination and economic considerations as it did with providing relief for senior citizens. Historian William Graebner argues that President Franklin Delano Roosevelt's administration wanted to provide a dependable income to retired workers to encourage older employees to leave their jobs and step aside for the benefit of younger workers. Social Security was also expected to keep social upheaval in check by creating opportunities for the "restless," the unemployed, and youth in the United States, who might otherwise turn to crime and violence. Finally, Roosevelt's administration expected Social Security payments to stimulate the economy by encouraging consumption. It was hoped that retirees with money in their pockets would spend it.

Social Security, collective bargaining agreements that featured pensions, and federal legislation that provided tax incentives to companies with pension programs all spurred the rapid growth of retirement in the postwar United States. By midcentury, mass retirement was not only possible but was a major cultural phenomenon. Organizations, magazines, and advertisers all catered to the needs of growing numbers of retirees. Golden age clubs, founded in the 1940s, the American Association of Retired Persons (AARP), founded in 1955, its publication, *Modern Maturity,* and the journals *Harvest Years* and *Retirement Planning News* all promised retirees information about making the most of their "golden years."

Selling Seniors on Retirement

Much of the information available to midcentury retirees focused on leisure-time activities and other forms of consumption. Although corporate America may have remained uninterested in hiring older citizens, it did not hesitate to help relieve them of their savings. Retirement was now a booming business. A 1954 *Business Week* report reflected this new optimism about older consumers, stating: "Over the past few years, new facts . . . about the needs, numbers, the incomes and the spending tendencies [of retirees] . . . have convinced business men that they have misjudged and underestimated the vigor and importance of the purchasing power of the 65-and-over market" (Calhoun 1978, 190).

By the mid-1950s, the U.S. commercial market helped to create and perpetuate a "new and improved" image of the retiree. Marketing strategists tempered previous stereotypes of the elderly as crotchety "old fogies," instead emphasizing the adventures and opportunities available to modern retirees. Luxury automobiles, ocean-front homes, and vacation cruises were some of the big ticket items that slick advertisements attempted to sell to seniors—along with a large assortment of anti-wrinkle creams, hair dyes, arthritis medications, and pitted prunes.

As their numbers and organizational power increased, retirees won the respect of the political as well as the commercial world. Congress responded by establishing numerous agencies, laws, and regulations that favored the older American. In 1965 Congress enacted the Older Americans Act, which created the Administration on Aging, a governmental agency pledged to assist community-based social services aimed at helping elderly citizens maintain their independence. The passage of the Medicare Act that same year represented an even more significant victory for retirees. An amendment to the Social Security Act, Medicare was designed to assist older Americans in meeting the high costs of medical care. The Age Discrimination in Employment Act (ADEA) was enacted in 1967 to protect older workers from discrimination. In 1979 the ADEA was amended to restrict mandatory retirement to employees ages seventy or older and to remove it completely for federal employees. With an amendment in 1986, mandatory retirement policies were eliminated altogether. Numerous other amendments to the ADEA have further assisted elderly workers, as well as retirees who want to return to the job market. These amendments include a 1984 enactment requiring equal treatment under group health plans for workers' spouses between sixty-five and sixty-nine years of age and a 1990 prohibition of age discrimination in worker benefits.

The Future Outlook for Retirement

A century after retirement was dismissed in the early 1900s as "the forced inactivity of death," most workers look forward to retirement as a well-deserved reward for years of hard work. Despite substantial political clout, however, today's aging Americans worry that a comfortable retirement may elude them. The population's growing percentage of elderly citizens is putting increased strain on Social Security and Medicare budgets, as well as the wallets of younger generations whose tax dollars support these programs. A reduction in benefits may be a necessary though painful solution for solvency, since many Americans have amassed little or no personal savings. Retirement is also more expensive than ever before. Since World War II, older Americans have enjoyed progressively healthier and longer lives. As growing numbers of retirees reach their eightieth birthdays and beyond, however, they are more and more likely to suffer from chronic disease. A longer life, coupled with the increasing costs of medical care, can erode a retiree's life savings and return many older Americans to the job market. These trends will likely prevent many of today's workers from retiring as early as they would like.

Katie Otis

See also American Association of Retired Persons; Disability and Work; Elder Care; Job Benefits; Job Security; Older Workers; Pensions; Severance Pay; Social Security Act

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Reuther, Walter Philip (1907–1970)

During his presidency of the United Auto Workers (UAW), from 1946 until his death in 1970, Walter Philip Reuther led one of the largest and most powerful labor unions in U.S. history. In addition to the wage and benefit gains that the UAW achieved for its members in collective bargaining, Reuther also used the union's political influence to champion causes such as the civil rights movement and the poverty, housing, health care, and educational reforms of the Great Society in the 1960s.

Born in Wheeling, West Virginia, on September 1, 1907, Walter Reuther was the second of three sons and one daughter born to German immigrant parents with strong ties to the labor movement and socialist politics. His father, Valentine Reuther, was a founding member of the Brewery Workers Union and later served as president of the Ohio Valley Trades and Labor Federation. The elder Reuther was also an avid supporter of five-time Socialist Party presidential candidate Eugene V. Debs, whom he visited often during his jail term for opposing U.S. entry into World War I.

After leaving high school in 1923 to help out with the family finances, Reuther became an apprentice tool and die maker with Wheeling Corrugating Company. In 1927 Reuther moved to Detroit, where he worked as a die maker for the Ford Motor Company at its River Rouge operations, until he was discharged in September 1932. The following year, however, Reuther was hired back, this time to help train workers in a Soviet factory established in partnership with Ford. Returning to the United States in October 1935, Reuther quickly became a leader of the newly formed Congress of Industrial Organizations (CIO) United Auto Workers local at the General Motors Ternstedt plant in Detroit. As president of West Side Local 174, by December 1937 Reuther had amalgamated several small local unions with 30,000 members and was a key player in organizing workers at the Big Three automakers and many of their auto-parts suppliers.

First elected to the executive board of the UAW in 1936, Reuther advanced to the presidency of the union in 1946, a position he held until his death in 1970. During his tenure, Reuther became one of the best-known labor leaders in the United States, particularly for the advances in wages and benefits—including the establishment of pensions, health care provisions, and cost-of-living adjustments—that

Walter Reuther meets with officials of the United Auto Workers Union, September 1942. Left to right: Reuther, vice president; R. J. Thomas, president; Richard T. Frankensteen, vice president; and George Addes, secretary/treasurer. (Library of Congress)

the UAW secured for its members. In exchange for these gains, however, Reuther accepted a limited role for the UAW in collective bargaining; although wages and benefits were considered in contract discussions, production decisions remained in the hands of the company.

During his years as president of the UAW, autoworkers saw their standard of living double. In addition to these material gains, Reuther used the union's influence in the political arena to advance a broader social agenda. The UAW became a leading supporter of the civil rights movement in the 1950s and 1960s and through its support of the Democratic Party advocated broader access to health care, higher education, and adequate housing for all Americans. Reuther also attempted to make the CIO into a forceful liberal voice in international affairs, an effort that was stymied by the more conservative American Federation of Labor (AFL) president George Meany after the AFL-CIO merger in 1955.

An internationally recognized figure at the time of his death in a plane crash on May 9, 1970, along with his wife, May Wolf-Reuther, Reuther ranked as one of the most influential labor leaders of his generation.

Timothy G. Borden

See also American Federation of Labor and Congress of Industrial Organizations; Automotive Industry; Collective Bargaining; Democratic Socialism; General Motors; Manufacturing Jobs; Meany, George; Pensions; Strikes; United Auto Workers Union

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Right to Work

Right to work is the belief that individuals should be able to work without having to join a labor union or pay union dues. The issue of right to work is an intense point of conflict between supporters and opponents of labor unions and collective bargaining. U.S. labor law allows private sector unions to negotiate contracts that contain union shop or agency shop clauses requiring all employees to pay union dues as a condition of continued employment. Right-to-work advocates label this compulsory unionism and argue that it violates individual freedoms by depriving workers of their right to work, that is, the right to freely choose whether or not to become a union member and pay union dues.

Unions argue that right to work is a misleading term used to weaken unions. Since labor law requires unions to represent all employees—members and nonmembers alike, unions argue that it is unfair to allow free-riders to benefit from union representation without sharing the costs by paying dues. Majority rule is also a basic feature of democratic institutions, and any dues-paying requirements are subject to majority approval.

The struggle between unions pushing for union shops and employers trying to maintain open shops (nonunion operations) is a consistent theme throughout labor history. In 1935, the National Labor Relations Act (NLRA) provided unions with explicit legal backing for union and agency shop provisions by allowing workers to be fired for failing to become a union member. This issue was heightened during World War II, when the U.S. government promoted maintenance-of-membership clauses in return for labor peace and war production. Maintenance-of-membership clauses specify that anyone who joins the union must continue to be a member. The right-to-work movement started in the 1940s as a reaction against these developments. The NLRA was amended in 1947 by the Taft-Hartley Act, section 14(b) of which allows individual states to pass laws prohibiting union shop, agency shop, and maintenance-of-membership clauses.

Such laws are called right-to-work laws, and a state that has passed such a law is called a right-to-work state. As of 2001, there are twenty-two right-to-work states, primarily in the southern, Great Plains, and Rocky Mountains states. Oklahoma became a right-to-work state in 2001, and Idaho became one in 1986, but most of the other right-to-work laws were passed in the 1940s. The National Right-to-Work Committee lobbies for right-to-work laws and the National Right to Work Legal Defense Foundation provides legal representation for workers trying to fight compulsory unionism.

Right-to-work states often have lower wage levels, on average, than non-right-to-work states but have had higher employment growth rates in recent years. Whether these differences are caused by the right-to-work laws or other factors, such as negative attitudes toward unions, is a controversial question with no well-accepted answer.

Although federal law does not prohibit union shop clauses, the U.S. Supreme Court has determined that paying dues is sufficient—no one can be forced to become a union member, even in states without right-to-work laws. The Supreme Court has further ruled that nonmembers can choose to pay only agency fees, that is, money that funds collective bargaining and other representational activities like processing grievances. Nonmembers have the right to object to being charged for activities such as lobbying or helping political candidates. Under federal law, unions have a legal "duty of fair representation," so they cannot discriminate against nonmembers when negotiating contracts and processing grievances, but nonmembers can be excluded from internal union matters such as contract ratification votes and union officer elections.

John W. Budd

See also Collective Bargaining; National Labor Relations Act; Solidarity; Strikes

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Roosevelt, Eleanor (1884–1962)

Eleanor Roosevelt redefined the role of first lady in the twentieth century. Not content to perform merely symbolic functions, she played two key roles in the New Deal White House. First, she was the humane face of the administration. It was Eleanor Roosevelt who visited with the poor, working-class families directly affected by the Depression, talked with strikers, and advocated for Franklin Delano Roosevelt's top policies. In addition, she brought social reformers and labor leaders into the White House and aided them in advocating for reform.

Anna Eleanor Roosevelt was born October 11, 1884, to Elliot Roosevelt and the former Anna Hall. Elliot Roosevelt, of the Oyster Bay Roosevelts, was the younger brother of future president Theodore Roosevelt. Eleanor Roosevelt was born into wealth, privilege, and power. Her childhood, however, was anything but bucolic.

After high school, Eleanor returned to New York City. She was not content with the life of a young socialite. Instead, she craved activity and was caught up in the social reform of the day. She became a member of the Junior League but quickly fell in with the settlement house movement, like many women of her generation. The settlement houses provided low-income women a means to lead a useful life in public service. Social workers advocated for reforms to aid the poor, promote workers' rights, and institute public health and educational reforms. Eleanor taught school at the Rivington Street Settlement House and quickly became involved in reform issues surrounding poor working and living conditions in the city's slums. To improve the lot of working women, Eleanor joined the Women's Trade Union League (WTUL), an organization of middle-class and working-class women designed to improve working conditions for women. While at the WTUL, Eleanor became acquainted with Rose Schneiderman, a garment worker and trade unionist, and the two women would remain life-long friends. It was through Schneiderman and her circle that Eleanor received an education in labor and trade unionism. While she lived in New York City, Eleanor was often in the company of her fifth cousin Franklin Delano Roosevelt (FDR), a dashing young man with large political ambitions. The two cousins spent many hours discussing world events and slowly fell in love. FDR, unlike Teddy Roosevelt, his cousin and Eleanor's uncle, was a Democrat rather than a Republican. Nevertheless, the couple was married at a spectacular White House ceremony in 1905, with President Theodore Roosevelt giving the bride away. She introduced the conservative FDR to a large circle of settlement house workers, reformers, and trade unionists, slowly converting him to the causes of reform and labor.

In 1921, FDR was stricken with polio, and Eleanor's life changed forever. Depressed, isolated, and full of despair, FDR retreated from public life. Eleanor and Louis Howe, FDR's key political adviser and closest friend, worked hard to raise his spirits and encourage his physical rehabilitation. More importantly, they kept FDR's name alive politically. More than anyone else in FDR's life, Eleanor was his link to the larger world. She became an active public speaker, a writer, and a political activist within the Democratic Party of New York. She served as editor of the *Women's Democratic News* and chairwoman of the Women's Platform Committee of the National Democratic Party. And, importantly, she helped to maintain personal ties between the infant industrial union movement and her party.

During the 1920s and in her capacity as an activist within the party, she met two women who would become lifelong friends, Nancy Cook and Marian Dickerson. Cook was New York State chair of the Women's Division of the Democratic Party, and Dickerson was a college professor. These women became in many ways a surrogate family for Eleanor, the core of a larger group of social reformers and activists concerned with social issues as well as the role of women in the United States.

These friendships, along with her growing public role, gave her the confidence to make her own way. In 1925, with her husband's assistance, she had a cottage, Val-Kill, built 2 miles from the main Roosevelt estate at Springwood. It became her first real home and a true refuge for her. She entertained there, and it seemed always to be filled with both activity and friends. From 1925 until 1934, Nancy Cook managed Val-Kill Industries from the cottage as a model cooperative industry, producing furniture and handicrafts and demonstrating that it was possible to be a humane boss and still make a profit. They closed the business because it became too difficult to run it properly with their busy public schedules. From 1925 until her death, Eleanor spent at least part of the year at Val-Kill.

With FDR on the road to both physical and political rehabilitation, Eleanor reconnected with her New York City reform circle. She kept a small apartment in Greenwich Village to keep her close to their activities. Under the prompting of Marian Dickerson, Eleanor began teaching at Todhunter, a progressive school Dickerson was heading. A gifted and dedicated teacher and mentor, Eleanor believed that education should engage rather than isolate. So, she took her young charges out into the world of New York, including the factories and workplaces. They visited the slums, the courts, police stations, and other "realities" of New York. She was interested in filling her young students with the same sense of duty and responsibility she felt in changing the world for the better. Eleanor was, and remained, a progressive in that she had a firm faith in the ability of individuals to effect positive change.

By 1927, Eleanor was one of the most prominent political figures of any gender in New York. Governor Al Smith recognized this fact when he asked for her aid in his run for the presidency. She was instrumental in her husband's successful bid to replace Smith as governor. She was a terrific public speaker, known for her unique voice and speaking style. When her husband was elected governor of New York in 1928, Eleanor played an important, if hidden, role in his administration. She brought important people to the governor's mansion whom she believed he needed to meet, including rising industrial union leaders, leading reformers, and liberal academics. She petitioned for qualified women to be placed in high governmental positions. The "brain trust," as these people were called, developed social programs to aid New York during the Great Depression. These policies have come to be known as "the little New Deal" because they resembled the policies that later became the hallmark of FDR's presidency. As a key adviser, Eleanor more than anyone encouraged her husband's embrace of what we would recognize as New Deal liberalism.

Eleanor's public role expanded greatly when her husband became president in 1932. She simply transformed the role of first lady, continuing to host thousands of guests and hold many ceremonies, but now with a larger purpose. She brought people to the White House whose views she thought her husband needed to hear. Not content to host teas, she traveled around the nation and developed her own agenda, often far ahead or in direct opposition to that of her husband. For instance, when the Daughters of the American Revolution refused to allow opera star Marian Anderson to perform in Constitution Hall, Eleanor publicly resigned from the organization, which she saw as racist. She then arranged for Anderson to give a public performance on the steps of the Lincoln Memorial.

Eleanor Roosevelt redefined the role of first lady for the twentieth century, with her extensive involvement in social issues.(Corel Corporation)

Eleanor Roosevelt was an active first lady who continually championed civil rights, women's rights, and labor and human rights. In 1935, she began a syndicated newspaper column titled "My Day" that was read by thousands. In 1934, she organized a White House conference for women because of her concern that unemployed women were not being fully served by the Works Progress Administration (WPA). Soon after, 100,000 women were employed and trained by the WPA at dozens of new schools and training facilities. Harry Hopkins, the senior policy aide to FDR, said he had virtually turned over all WPA matters concerning women to Eleanor. She demanded that agencies such as WPA design and implement policies for unemployed women. She worked through the Women's Bureau, the Democratic Party, and the Labor Department to get New Dealers to "remember the ladies." She created lists of qualified women and advocated for them at the various agencies. She believed that women who held positions of responsibility within the government would help other women.

Nothing seemed closer to Eleanor's heart than establishing a minimum wage. She had been involved in the movement for minimum wages since 1911, while working for the New York Factory Investigation Commission (set up after the Triangle Shirtwaist Fire). Like other progressives, Eleanor saw minimum wage and maximum hours laws as the bedrock of industrial democracy. She never stopped advocating for this important reform. The 1938 Fair Labor Standards Act (FLSA), the culmination of over twenty-five years of effort, created a forty-hour workweek, set a minimum wage, and prohibited child labor. Although the FLSA had loopholes and did not cover all workers (including domestic workers), it was a groundbreaking piece of legislation. Eleanor was one of the most important actors in the battle to pass this legislation.

Her outspokenness won her many admirers, but she had her enemies as well. Many people referred to her as "Red Eleanor" because of her liberal sympathies and keen support of industrial unionism and her friendship with Sidney Hillman, a leader of the Congress of Industrial Organizations.

When FDR died in 1945, rather than retire from active life, Eleanor dedicated herself to one of his last great accomplishments: the United Nations. In 1946, President Harry S. Truman appointed her as a member of the U.S. delegation to the first UN General Assembly. She later served as chair of the UN Commission on Human Rights, which issued the Universal Declaration of Human Rights in 1948, a documents that still has as much relevance today as when it was written. She considered her activities in the realm of international human rights to be some of her most fulfilling work.

From 1945 until her death in 1962, Eleanor was a critical player within the Democratic Party and a defender of labor. In 1950, she denounced the Taft-Hartley Act in *The Advance,* the journal of the Amalgamated Clothing Workers Union, saying that Americans owed much to unions. She was a close adviser to Adlai Stevenson, presidential candidate and party leader during the 1950s. And she was instrumental in helping John F. Kennedy get his party's nomination in 1960. In her role as party elder, she tried to keep the legacy of the New Deal alive and defended the liberal agenda.

In the end, Eleanor defined her life in her own terms. She became politically active before women had the right to vote in this country. She fought for and demanded reform of the economic, social, and economic inequalities of modern life. She had the fortitude to look beyond U.S. borders and envision a larger role for the United States in the world. Starting in the 1930s, she warned against the Nazis and spoke out about the Holocaust. She personally helped many Jews immigrate to the United States, despite official governmental policies to the contrary. She championed a more active role for women in society, civil rights for African Americans, and human rights for all. She was truly a woman ahead of her time.

Richard A Greenwald

See also Roosevelt, Franklin Delano

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Roosevelt, Franklin Delano (1882–1945)

It has been said that Franklin Delano Roosevelt (FDR) was the working man's friend. No other president in U.S. history did more to improve the worker's lot than FDR and his New Deal. Yet this ally of labor sprang from unlikely roots.

FDR was born in 1882 at his family's Hudson Valley, New York, estate, Springwood. The Roosevelts were descendants of seventeenth-century Dutch settlers. (A distant branch of the family, from Oyster Bay, Long Island, gave rise to future president Theodore Roosevelt.) FDR attended Groton, an elite boarding school in Massachusetts, and then Harvard College, where he graduated with a B.A. in 1903. He attended Columbia University Law School but left without graduating. He passed the New York State bar, a common practice at the time, and practiced corporate law at a prestigious New York City firm until 1910.

FDR admired his distant cousin, President

Theodore Roosevelt, but there were significant differences between the two men. Unlike Teddy Roosevelt, FDR was a Democrat. And like Teddy, FDR was a reformer of sorts; he was a reform, anticorruption Democrat, which made him somewhat of an outsider in his own party, as well as a Democrat in heavily Republican upstate New York. Despite the fact that he had no political experience, he decided to run for the state senate in 1910 from his home district of Hyde Park. He was a hard-working campaigner, had great name recognition, and was well-liked.

FDR's tenure in the New York State Senate lasted until 1912; he was reelected again in 1913. He was a man out of sorts in the Senate, opposing the leadership of his own party, at the time run by Tammany Hall (Tammany Hall was the name used to describe the political machine of the Democratic Party, which controlled much of New York City). Ironically, FDR found a man he would later call the "copilot of the New Deal," State Senate Leader Robert Wagner, to be an obstacle. He voted against many Democratic initiatives, including progressive laws friendly to labor. He was fiscally conservative and often voted with upstate Republicans. Because of this, the rising leaders of the party, Al Smith and Robert Wagner, did not warm up to FDR and his liberalism. It became clear that FDR would not prosper in the Senate unless he conformed to his party's views. Possibly sensing this, in 1913, he left the Senate and became assistant secretary of the navy under Woodrow Wilson. He served the navy throughout World War I, leaving in 1920.

In 1920, partially as a reward for his service and partially for geographic reasons, FDR was chosen to be his party's candidate for the vice presidency, running alongside James Cox in a losing campaign. Yet, his energy and vitality made him a rising star in the party. He became a national political figure at a time when his party seemed in decline. And, in an age of growing conformity, FDR seemed to be rediscovering the reform impulse of the earlier Progressive era with the help of his wife Eleanor.

After his defeat, Franklin Roosevelt retired from politics, a retirement that was meant to be brief while he rethought his political options. He returned to practicing law in New York, starting his own firm. While vacationing in Canada at a family compound, in the summer of 1921, he was stricken with polio and lost the use of his legs. He was a fighter, however, and was determined to regain his mobility and independence. He threw himself full-time into recovery, enduring daily painful physical therapy sessions. In 1927, he founded the Georgia Warm Springs Foundation to aid in the search for a cure, pouring a substantial amount of his own money into it. Had it not been for politics, it is possible he would have dedicated his life to this quest.

While FDR was in physical rehabilitation, his wife and his trusted political adviser, Louis Howe, were attempting a revival of his political fortunes. Eleanor Roosevelt had been active throughout this period, keeping the Roosevelt name alive politically. She had become part of a group of Democratic Party activists and had developed a network of key reformers connected to the rising "new unions" of the day. New York governor Al Smith announced that he was running for president in 1928, leaving an opening in the governor's office. Eleanor and Howe convinced FDR to run. Smith needed someone strong enough to carry the governorship of the state if he was to win the presidency. In 1928, FDR ran for governor in what was expected to be a close race. He was an active campaigner, particularly to dispel the notion that polio had affected him. He won the seat and served as governor until 1932, mostly because he had created a new coalition of urban industrial workers, consisting of second- and third-generation immigrants. Almost immediately upon his taking office, the stock market crashed and the nation fell into the Great Depression. FDR, unlike President Herbert Hoover, did not sit back and wait for a market correction. He took bold actions to aid average working-class New Yorkers. He created relief agencies for the poor and unemployed, as well as public works programs. Although these measures did relatively little to aid the masses of New Yorkers, the fact that he was actively doing something and seemed to truly care brought him to national attention. These measures collectively would later be called "the little New Deal" because many of them were instituted on a national level after 1933.

In 1932, FDR gained his party's nomination for the presidency and won in a landslide. The nation was in the grips of the worse economic depression in its history. The collapse of local relief efforts along with the corporate welfare of the 1920s focused U.S. attention on Washington, D.C. For the first time in a very long time, Washington seemed to care about U.S. workers. Unemployment and poverty were at unheard-of levels. Americans were losing faith in their political system. FDR's New Deal was nothing short of a revolution in government activity and a whirlwind of activity. In the first "Hundred Days" of his administration, he enacted fifteen major pieces of legislation dealing with banking, the economy, and unemployment.

The first president to communicate directly with the American people through the radio, Roosevelt used his "fireside chats" to explain his programs. In these chats, he spoke in common language about everyday struggles. In short, he went over Congress's head to the American people, putting pressure on Congress to pass New Deal legislation. He surrounded himself with some of the smartest advisers, a group known as the "brain trust." During his four terms as president, he transformed government. Under FDR, the federal government became responsible for regulating the economy and providing a social safety net. The New Deal was so extensive that it is often called an alphabet soup of agency initials because of the number of programs. The Civilian Conservation Corps (CCC) was designed to remove young unemployed men from the cities and send them to work in the country. The Agricultural Adjustment Act (AAA) paid farmers not to grow crops and helped raise farm prices and aid farmers. The Social Security Act of 1935 set up a national system of pensions and unemployment insurance.

Efforts to solve the labor problem and help the working person were central to FDR's agenda. He wanted to get Americans "back to work." FDR was a policy experimenter and innovator. In 1933 he signed the National Industrial Recovery Act (NIRA) to stabilize industry. The NIRA was conservative in that it put owners in charge of industrial policy, allowing for businesses to avoid the damaging effects of competition. The most novel aspect of the NIRA was Section 7(a), which, for the first time, provided federal support for workers joining labor unions—firms could not discriminate against union members and had to bargain collectively with workers' agents. Although Section 7(a) never mentioned the word *unions* and did allow for company unions, it proved to be the spark that ignited the rapid growth of new industrial unions, especially the Congress of Industrial Organizations (CIO). Organized labor was in a state of transition from craft unions to industrial unions. Craft unions organized workers by trades, or skills, across industries; industrial unions organized workers of various skills and occupations by industry, such as steel or coal. In 1933 and 1934, massive strikes hit San Francisco, Toledo, Minneapolis, and other industrial cities.

The Franklin Roosevelt administration was one of the first to embrace labor. FDR believed that labor unions were important in stabilizing the economy by curbing the abuses of industry and providing increased spending power for the mass of U.S. workers. John L. Lewis, leader of the United Mine Workers, used 7(a) as a rallying cry, uniting patriotism and unionism, proclaiming that the president wanted all workers to join the CIO. And workers did, in the tens of thousands in an almost religious experience. The CIO was more than a union; it was a social movement. Workers forced employers to bargain with them. Many workers began to see the CIO and the New Deal as parts of one whole. After the NIRA was declared unconstitutional in 1935, FDR pushed for the National Labor Relations Act (Wagner Act), which recognized workers' rights to organize trade unions. Historian Lizabeth Cohen (1990) has argued that the failure of the 1920s economic system led to a new political regime in the United States. Workers saw the New Deal as their government and their unions' political action as part of the New Deal.

Through this legislation, FDR restored Americans' faith in their government and their system. He also sparked a realignment of U.S. politics as urban workers, African Americans, and women joined the New Deal coalition. The CIO, in turn, would provide the new mass voting base for the New Deal coalition, remaking the Democratic Party in the process and turning "big labor" leaders into power brokers. The CIO's political action committee was central to the New Deal coalition. This political realignment was so strong that it stayed intact until 1980 and President Ronald Reagan's election, when he was able to win over blue-collar and unionized "Reagan Democrats."

As war clouds loomed over the Atlantic in the late 1930s, FDR's focus shifted from domestic issues to foreign concerns, transforming from "Mr. New Deal" to "Mr. Win the War." In the years after World War I, the United States had become isolationist. FDR worked tirelessly to move the United States out of its isolationist trance. As Germany advanced across Europe, FDR declared the United States an "arsenal of democracy" and a beacon of hope for

Europe and pledged support. He pushed for an arms buildup, preparing the United States to prepare for a war he believed was inevitable. With the attack on Pearl Harbor in 1941, the United States entered the war on two fronts.

To ensure domestic production during the war, FDR followed the pattern developed during the Wilson administration and made deals with U.S. labor, providing them high wages and job security in exchange for a pledge not to strike and the creation of the War Labor Board, headed by CIO chief Sidney Hillman. FDR mobilized the great economic capacity of the United States and harnessed it for the war effort—ending the Great Depression. Determined to never again let the conditions that created Adolf Hitler fester, FDR set out to create international bodies of substance: the United Nations, World Bank, and International Monetary Fund. As the war wound down amid fears of a returning depression, FDR moved forward with the GI Bill, which provided a means for hundreds of thousands of working-class GIs to enter the postwar middle class though educational and housing grants and loans.

On April 21, 1945, FDR took a much needed vacation in Warm Springs. While having his portrait painted, he complained of a pain, passed out, and died. FDR shaped the modern presidency in no uncertain terms. The historian William Leuchtenberg has said all presidents since have been "in the shadow of FDR," and he is correct. FDR transformed the federal government, for better or worse, into an important arbiter of American life.

Richard A. Greenwald

See also American Federation of Labor and Congress of Industrial Organizations; Building Trades Unions; New Deal; Roosevelt, Eleanor; Works Progress Administration

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Rosie the Riveter

Rosie the Riveter is a symbol of women's workforce participation during World War II and remains a symbol of women's contribution to the U.S. workforce. Rosie began as a Norman Rockwell drawing, entitled *Rosie the Riveter,* which appeared on the cover of the *Saturday Evening Post* on May 29, 1943. The famous drawing depicts a woman wartime worker on a lunch break with her industrial riveter on her lap. She is dressed in work overalls and has an upturned protective facemask and eye goggles resting on her head. A copy of *Mein Kampf* is trampled under one of her work boots, displaying her contribution to the war.

After the bombing of Pearl Harbor in December 1941, many American men left their factory and office jobs to join the armed forces and fight in the war abroad. As 12 million men went overseas to fight during World War II, numerous civilian jobs were left vacant on the home front, and many new jobs supporting the war effort were being created to support the needs of the Allied military campaign. To fill these jobs, the War Manpower Commission launched a recruitment campaign aimed at women, asking them to either leave their present work in the largely female-dominated professions of the time or to begin working outside of the home for the first time. President Franklin Delano Roosevelt announced that employers could no longer afford to discriminate in the hiring of women and African Americans, and a wartime mobilization campaign was launched to recruit workers for war production. The Office of War Information (OWI), formed in the summer of 1942, was instrumental in prompting employers to hire women and encouraging women to do wartime manufacturing work. The government's message to women was that this type of work would not make them unfeminine and that it was somehow similar to the type of jobs and work they were presently doing in the home or in female professions. As a result of these efforts, which piqued the interest of American women to make a contribution to the war effort and support their families, an unprecedented number of women began working in factories and offices throughout the country. During the four years of U.S. involvement in World War II, 18 million women entered the workforce, 6 million of them for the first time. Many women were already in the labor market and simply shifted to wartime work. Other women, mostly middle-class married women who had never worked outside the home, were new to the workforce. This influx of women from all backgrounds and all stages of life set a new precedent for working women that would be revived later in the early 1970s.

Women involved in the production of military hardware, vehicles, and supplies were referred to as women ordnance workers (WOWs). Rosie the Riveter symbolized these women, who put on coveralls, hardhats, and work boots to do the difficult manufacturing work required of them to meet the need for wartime necessities. They operated heavy machinery and performed the same tasks required of the men who had held these jobs before them. Wartime production work was often dangerous and involved working with explosives, gunpowder, and dangerous chemicals. Women worked bagging gunpowder, manufacturing artillery, and shooting hot rivets into the hulls of ships under construction and performed many other hazardous jobs. Many of these women continued this work because they believed in supporting the men—often their brothers or husbands—fighting the war abroad.

The wartime workplace may have been challenging and at times dangerous, but the home front also presented difficulties. Even as they worked outside their homes, women still continued to work in their homes, doing housework and caring for children. The increase in women's workload, along with the absences of men in many households, led some women to form cooperative arrangements with one another. Women who were neighbors or friends often helped each other with household chores and child care responsibilities. They shared apartments and houses to save on utility expenses and swapped babysitting when they worked different shifts. These women also faced the challenges of rationing and shortages. Meat, shoes, tires, gasoline, and anything made of metal were rationed. Children's illnesses also caused problems during the war because penicillin and other antibiotics were scarce.

Despite the difficulties and challenges brought on by the war, many women viewed their wartime work as an opportunity to advance themselves in the workplace. The onset of World War II opened up many jobs that were formerly unavailable to women, in particular, unionized blue-collar manufacturing jobs that had only been open to white men. These traditionally male jobs provided women with higher wages, greater employment security, and better benefits than their work in the female-dominated professions such as domestic work, laundry work, and piecework. Many women preferred their work in war production to their former jobs in female service work because of the greater income and more equitable environment. African American women and other women of color were also finding new opportunities in wartime work. Although they still often faced racism in hiring from employers and in socializing with coworkers, the wages and work environment were often much better than the domestic work many of them did before the war.

Many of these women who worked during the war wanted to continue working once the war ended. Their higher wages gave them more financial freedom. Even though some of the women did have husbands returning home after the war, others were the sole supporters of their families or found that they needed to work to supplement their husbands' incomes. After the war, the War Manpower Commission, the same government organization that recruited women for work during the war, began prompting women to leave their positions so that returning male veterans could fill the jobs. Although the nation had admired the willingness of women to perform the work necessary during wartime, the assumption remained that women would want to exchange their manufacturing coveralls for the housework apron. Rosie the Riveter was in many ways perceived to be a woman first and only a temporary worker second.

Monica Bielski

See also Blue Collar; Defense Industry; Industrial Workers of the World; Manufacturing Jobs; Wartime and Work; Women and Work

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Rust Belt

Invoked by the popular media from the early 1980s onward, the term *Rust Belt* conjured up images of urban decay, closed factories, and social malaise in the cities around the Great Lakes. In contrast with the dynamic, youthful, and prosperous image projected by the Sun Belt states of the American South and West, the Rust Belt was depicted as a region with bleak prospects because of its aging industrial base and supposed inability to adapt to economic restructuring. With the dramatic economic turnaround of the 1990s, however, the term gradually passed out of common usage as the Rust Belt regained its economic vitality through diversification, reinvestment, and unparalleled consumer spending.

With economies based on auto- and steel-related manufacturing, the cities of Pittsburgh, Cleveland, Toledo, Detroit, Flint, and Gary were hard-hit by the decline in durable goods production in the late 1970s. As steel mills and auto plants slowed down production or closed altogether, unemployment rates reached some of the highest levels since the Great Depression. Along with the shuttered factories, climbing poverty rates and inner-city decay seemed to mark the passing of what was once the dominant position of the United States in the world economy. By 1980, many contemporary observers began drawing comparisons of the region with the Dust Bowl of the 1930s as many residents left for better economic opportunities elsewhere. The apparent ascendancy of the Sun Belt at the same time added to the sense that the "Rust Bowl" of the Midwest held little promise in a postindustrial U.S. economy.

With its historical reference to the Dust Bowl and the contemporary allusion to the Sun Belt, the term *Rust Belt* had gained currency in the popular media by the mid-1980s. The term also worked its way in to the political vocabulary of the day, although its interpretation varied widely across the political spectrum. To 1984 Democratic presidential nominee Walter Mondale, the economic misfortune of the "Rust Bowl" states demonstrated the callous disregard of incumbent President Ronald Reagan toward revitalizing the region. To those on the political right, the fate of the Rust Belt states was an outcome of the region's lack of competitiveness in the world market. Both sides, however, agreed that the problems of the Rust Belt were indicative of the United States' dilemma in restructuring its economy after the energy crises of the 1970s.

The best-known depiction of the Rust Belt arrived in 1989 with Michael Moore's documentary *Roger & Me,* which explored the effects of General Motors's plant closings on the filmmaker's hometown of Flint, Michigan. Interspersed with clips of rotting urban areas and demolished factories were pungent criticisms of GM's corporate strategy in abandoning the city as it invested elsewhere. The film offered few solutions, however, to Flint's dilemma and seemed to confirm the inevitability of the Rust Belt's future as a bleak, deindustrialized landscape.

With the turnaround in the domestic automobile industry and reinvestment in manufacturing facilities across the Midwest in the 1990s, however, references to the Rust Belt seemed less appropriate as the economic expansion continued throughout the decade. By the middle of the decade, stories that belied the Rust Belt's recent history invoked the term with irony in describing the economic vitality of the region. With low unemployment, high wages, and new and refurbished factories that competed effectively on the global market with a highly skilled and well-trained work force, the region regained its status as the manufacturing heartland of the United States.

In the decades since it first gained popular usage, many have criticized the assumptions that the term embodied. Historians and economists noted that the origins of the Rust Belt's economic transformation occurred not with the oil shocks of the 1970s but in the strategies pursued by corporations dating from the 1950s, when companies increasingly invested in lower-wage, nonunionized factories in rural areas of the South and later overseas. Social scientists also looked skeptically at claims of the supposed rise of the Sun Belt at the expense of the Rust Belt by noting that most quality-of-life indicators ranked the former area significantly behind the latter in terms of health care, educational achievement, and economic well-being. Finally, the very productivity and efficiency of manufacturing facilities in the Rust Belt disproved the argument that its economy could not adapt to a competitive global market. So too did the manufacturing strength of the region indicate that the U.S. postindustrial economy in the 1990s and beyond was still driven in large part by the contributions of the nation's industrial core. Given the loss of its contemporary cultural currency by the end of the 1990s, then, the term *Rust Belt* has been increasingly used as a historical reference to the period of the late 1970s and 1980s.

Timothy G. Borden

See also Blue Collar; Capitalism; Corporate Consolidation and Reengineering; Defense Industry; Downsizing; Globalization and Workers; Layoffs; Postindustrial Workforce; Recession; Steel/U.S. Steel

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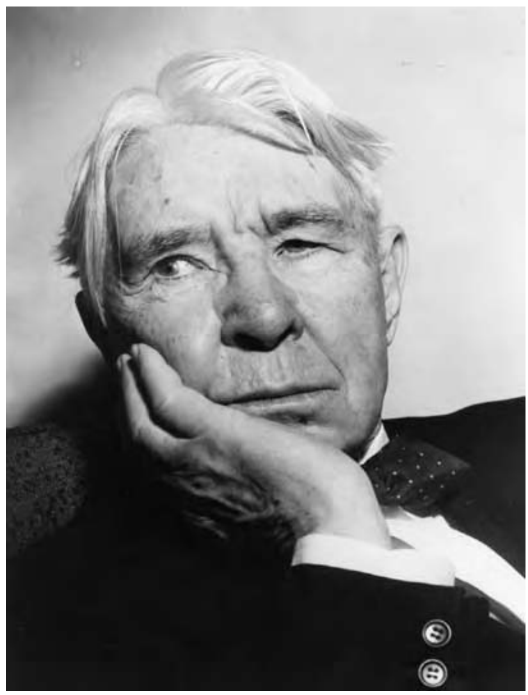
S

Sandburg, Carl (1878–1967)

Born in Galesburg, Illinois, on January 6, 1878, Sandburg became a day laborer at thirteen and never forgot those experiences. In 1913, he moved to Chicago and published his poem, "Chicago," the next year. He described the lives of hungry women and children, underpaid workers, striving immigrants, and tenement dwellers. Works such as *Corn Huskers* (1918), *Smoke and Steel* (1920), and *Good Morning, America* (1928) also detailed the common person's existence, in what he described as "American lingo." His identification with blue-collar workers led him to write "Mayor of Gary" in 1915, which was his first protest poem.

As a reporter for various newspapers, Sandburg published a number of sympathetic labor stories. For example, he wrote about two young women in a Chicago department store who were arrested for stealing food and showed how the two women could not sustain themselves on their meager salary. In 1916, he worked briefly for the National Labor Defense League to help striking union members protect their rights. The next year, he published an interview with the controversial "Big Bill" Haywood, leader of the Industrial Workers of the World (IWW). During World War I, he detailed for the United States the labor troubles in Chicago, particularly the strike by the Amalgamated Clothing Workers. During the Great Depression and New Deal, he supported liberal and labor candidates and causes. Sandburg maintained his allegiance to labor until his death on July 22, 1967.



Carl Sandburg, 1955 (Al Ravenna/Library of Congress)

T. Jason Soderstrum

See also Blue Collar; Day Laborers; Lewis, Sinclair; Sinclair, Upton; Steinbeck, John; Sweatshops; Terkel, Studs; Work in Literature; Working Class

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Sayles, John (1950–)

Independent film maker (and writer/actor) John Sayles has consistently explored themes of class, gender, and race in his wide-ranging body of work. While writing B-movie scripts (*Piranha, Alligator*), Sayles used his earnings to make films outside Hollywood's constraints, launching his directorial career with *Return of the Secaucus Seven* (1980), about veterans of the 1960s student movement. He followed up with *Lianna* (1983), a lesbian coming-out film; *Baby It's You* (1983), a story of working-class young love; and *The Brother from Another Planet* (1984), a tale of a black visitor from outer space being chased by intergalactic cops, offering trenchant commentary on race relations. In *Matewan* (1987), Sayles made one of the most pro-union feature films ever screened.

People generally work in recognizable jobs in Sayles's films. In *Passion Fish* (1992) conflict between an African American home health aide and a disabled actress was the setting for an exploration of class and race. Class and race in Texas were at the heart of Sayles's most popular film, *Lone Star* (1996). In *Eight Men Out* (1988), the story of the 1919 rig-

Still scene from Matewan, *featuring James Earl Jones. Directed by John Sayles,* Matewan *is set in the West Virginia coal mines in the 1920s. In this pro-union film, a labor union organizer comes to a mining community that is brutally dominated by a mining company. (The Kobal Collection)* ging of the World Series was told from the players' point of view, and *City of Hope* (1991) took on urban corruption. Continuing to mix issues of race and class, *City of Hope* weaves together a contemporary story in a New Jersey city of an old African American apartment community facing commercial development, with a corrupt mayor pursuing demolition and development by any means necessary. Borrowing successfully from Robert Altman, Sayles uses an ensemble of characters and weaves their stories and intersections together. *The Secret of Roan Inish* (1994) based its Irish mythology on a hardworking fishing village. After *Lone Star,* which was sympathetic to a half-brother–sister love affair, Sayles further thumbed his nose at Hollywood by making *Men with Guns* (1997), about civil war in Central America, with most of the dialogue in Spanish and Indian dialects. *Limbo* (1999) challenged Hollywood endings directly with a final scene that left the ending unresolved. In *Sunshine State* (2002), Sayles returned to the use of an intersecting ensemble of characters as a small Florida town faces development as a resort. In a bow to prehistory and the importance of the past, it is the uncovering of Native American burials that finally halts the project.

Sayles embraced work most directly in *Matewan* (1987), which is about a real coal miners' strike in 1920. The company brings in African Americans and Italian immigrants as strikebreakers, but nevertheless unity forms across racial and ethnic lines. Some of the most poignant scenes involve the miners' families, as when an Appalachian woman and an Italian woman (played by Maggie Renzi, Sayles's long-time partner and producer) disagree on the proper use of cornmeal.

Matewan ends with a shootout, but in this case the bad guys are the Baldwin-Felts detectives hired by the coal company to break the strike, with their undercover provocateur, and the good guys are not only the strikers but the town's mayor and sheriff. The union organizer, who argued against violence, is killed. Even in a male-dominated dynamic, Sayles brings in gender issues, assigning the shooting of the worst of the gun thugs to the widow who runs the boardinghouse. The "Matewan Massacre" and subsequent assassination of Sheriff Sid Hatfield sparked the Mingo County coal war between miners and coal company detectives, until federal troops brought peace to the region.

Albert Vetere Lannon

See also Work in Film; Work in Literature; Work in Television

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Scrip

Scrip was a form of payment printed by coal and timber companies that allowed the companies to further expand social, political, and economic control over their workers. Companies honored scrip only at their company stores, requiring workers to purchase all of their supplies, such as food, tools, and other household goods, from the company. Often, companies charged higher prices than local, independent merchants to offset losses in other aspects of their operation. For example, in 1920, a Boone County, West Virginia, coal company lost $40,000 from coal production, but the company made a profit because of company store revenue (Corbin 1981, 10).

In the coal industry in particular, the West Virginia state government continuously allowed the industry to use scrip in their towns. Although West Virginia officially had laws prohibiting the use of scrip, nearly all of the coal companies in southern West Virginia continued to openly use it. The state government did very little to stop the use of scrip and other exploitive aspects of coal operations. Miners also received numerous wage increases during the early twentieth century. These wage increases were largely meaningless because any wage increase that a company gave its miners could easily be absorbed in higher prices at the company store. Companies, therefore, did not lose any money from higher labor costs because of their use of scrip.

Miners realized that the higher wages that the companies gave to them were meaningless as long as they had to buy all their goods from the company. Because of this realization, many of the demands made by the miners in the early unionization movement, besides the approval of collective bargaining by the operators, involved the change of the oppressive system under which they lived and worked. Until these changes were made, higher wages meant nothing.

During the early years of the twentieth century, coal companies consistently defended their use of scrip. They argued that scrip was a convenience for both the company and the miner. The company benefited from the use of scrip because it saved them the expense in delinquent bills at the company store and it reduced bookkeeping costs, allowing the company to pay higher wages. The miner benefited because the lower overhead costs for the companies allowed them to charge lower rents on miners' houses and lower prices in the company store. Also, many operators argued that using scrip for payment protected the wives and children of the miners because it kept miners' wages from going to "liquor or labor racketeers" (Thomas 1998, 100).

The use of scrip in the coal industry changed with the passage of the National Industrial Recovery Act (NIRA) in 1933. Although short-lived, the NIRA required negotiation between labor, management, and the government of codes of fair competition for the numerous industries. The coal code, among other things, prohibited the paying of miners in scrip or the requirement that miners shop only at the company store. Although some mines continued to use scrip, widespread use of scrip as payment came to an end soon thereafter.

Mark Myers

See also Compensation; United Mine Workers of America

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Secretaries

Professionals who perform a variety of clerical, administrative, and information management functions in an office setting, secretaries can be found in virtually every business office in the United States, although they are typically called by another name, such as administrative assistant, executive assistant, office coordinator, or professional administrator. There are currently 3.4 million secretaries in the United States (U.S. Department of Labor 2001). This profession has evolved in several significant ways during its 500 years of existence. Most notably, women have replaced men in this profession, the prestige and status of secretarial work has dropped considerably, and recent technological advances have prompted increased specialization and shrinkage in the number of people in this occupation.

Description of Secretarial Work

The word *secretary* is derived from the Latin word for "secret," indicating its origins as a profession in which "one is entrusted with the secrets and confidences of a superior" (International Association of Administrative Professionals 2002, 3). The use of the term *secretary* is not as acceptable as it once was because it is associated with dictation and does not reflect the broader administrative and information management functions of the modern office worker.

The tasks performed by secretaries vary, depending upon the specific needs and demands of their particular office. A short list of common secretarial duties includes organizing and maintaining files, answering telephones, typing memos and reports, taking dictation, and ordering office supplies. The personal computer revolution in U.S. business from the late 1980s enabled secretaries to specialize and take on more weighty responsibilities in the business office, such as desktop publishing and database management.

History

The origins of the secretarial profession are not known, but there is evidence that secretaries existed prior to the establishment of the Roman Empire (International Association of Administrative Professionals 2002, 1). For most of its history, this profession was exclusively filled by educated men who often acted as trusted advisers to political leaders and other powerful people. These men had mastery of several languages and were known for their superior penmanship. Secretaries gained elevated status during the fifteenth and sixteenth centuries as world trade expanded and their advisory role took on greater importance. Secretarial work continued to be a prestigious profession until the early twentieth century. The "feminization" of this occupation coin-

Office workers at the Detroit office of Chrysler Corporation, 1942 (Library of Congress)

cided with a significant drop in its status, which still remains with the profession.

The Feminization of Secretarial Work

Women entered the secretarial field during the Progressive era at the turn of the twentieth century, as a result of office mechanization and the rise of scientific management (Hartman Strom 1992, 20). The Progressive era was marked by citizen efforts to make big business and government more accountable and to improve living and working conditions. New ideas about increased corporate accountability and efficiency through standardized procedures and accounting practices were ushered in during this era. Frederick Winslow Taylor's ideas to increase efficiency in business, commonly known as Taylorism, also surfaced during this time. Taylorism is characterized by rigid divisions of labor, routinized tasks, and intense supervision of work. With Progressive era pressures and the introduction of Taylorism in U.S. business, the demand for clerical functions expanded as business managers adopted a more scientific approach to their work. Furthermore, paperwork management reached crisis levels during this time, with the invention of the writing machine. Women were the primary pool recruited to meet this new clerical demand. By the 1920s, women held 90 percent of secretarial positions (Hartman Strom 1992, 48).

There are different ideas about why women were targeted by employers for secretarial work during this time. Some researchers believe that employers recruited women because their tenure in the office was short-term, terminated upon marriage. Secretarial functions in offices had become routinized and thus required minimal training, which made them ideal for short-term staff (Rotella 1981; Lowe 1987). Other researchers argue that employers hired women because they could more easily discriminate against them in terms of compensation (Hartman Strom 1992; Huff Stevenson 1984; Stromberg and Harkess 1986). "Given their economic options and expectations of future work, women had to be less fussy about the jobs they took. Men could often afford to spurn factorylike work in the office; they had other choices" (Hartman Strom 1992, 178).

Historian Alice Kessler-Harris notes that although women were attractive secretarial commodities for employers, this occupation was also attractive to women, especially working-class women, who saw it as a step up the social ladder (Kessler-Harris, 1987, 109). Secretaries were associated with independence and glamour. Office jobs were a way to make money in a professional setting without the monotony of repetitive factory work.

Current Trends in Secretarial Work

According to the U.S. Department of Labor, women held 98.4 percent of secretarial jobs in 2001. The wages in this occupation continue to be lower than average, with a median weekly income of $475, compared to women's overall median weekly income of $511 (U.S. Department of Labor 2001). Attempts have been made to improve the prestige of and salaries for secretarial work through the formation of professional organizations and increased specialization of the work. Employers are now providing better compensation for computer-literate secretaries who can perform desktop publishing and database management functions. Technological advances have increased wages for specialized secretaries but have had a deflating effect for the occupation overall.

The number of people in the secretarial field has declined precipitously with new computer technology. Receptionists have been replaced with voicemail. Executives are managing their own memos and e-mails more than ever, so the need for personal assistance in these and related areas has declined. The number of secretaries in the United States dwindled from a high of 5.2 million in 1987 to 3.4 million in 2001, the smallest number of people in this occupation in the twenty-nine years the U.S. Department of Labor has maintained such statistics (U.S. Department of Labor 2001). In 1987, secretaries provided support to 5.3 professionals on average, but by 2001, they supported an average of 12.3 professionals (Epstein 2001, 1). Experts predict that this trend will continue in the future as technology continues to replace clerical functions.

Caroline Heldman

See also Careers; Occupations and Occupational Trends in the United States; Women and Work

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Secretary of Labor, U.S.

The U.S. secretary of labor is the head of the Department of Labor, a large federal agency with vast responsibilities for regulating the workplace and a multibillion-dollar budget for programs to promote workforce education and training. The main objectives of the department are to foster, promote, and develop the welfare of the wage earners of the United States, improve their working conditions, and advance their opportunities for profitable employment. The labor secretary also has the responsibility to "act as a mediator and to appoint commissioners of conciliation in labor disputes" (U.S. Public Law 426-62). The Department of Labor was created on March 4, 1913, by the Organic Act of the Department of Labor, signed by President William Howard Taft just hours before Woodrow Wilson became president. As of 2002, the United States has had twenty-four secretaries of labor.

The first secretary was Scottish-born Congressman William Bauchop Wilson (1913–1921), a founder and former secretary-treasurer of the United Mine Workers of America. Wilson took charge of a department with 2,000 employees and four bureaus, the Bureau of Labor Statistics (BLS), the Bureau of Immigration, the Bureau of Naturalization, and the Children's Bureau. Under Wilson's early leadership, the bureaus functioned autonomously. He also set up a national employment service within the Bureau of Immigration.

In his first annual report, Wilson expressed the department's concern for the "interests of the wage earners," a philosophy echoed by many secretaries who followed him. Wilson also stated that the department must be administered in fairness to labor, business, and the public at large. Wilson quickly made the Department of Labor an important element of the president's cabinet.

The next major development within the department took place during World War I, when the Department of Labor coordinated the movement of 6 million workers from nonessential to essential wartime industries and then returned them to civilian work once the war ended. With the entry of the United States into World War I on April 5, 1917, adequate war production became a national necessity, and the working conditions for laborers became vital national issues. The department assumed the major responsibility for implementing the nation's war labor policies, which included recognition of the right of workers to bargain collectively, established machinery to adjust grievances, and created an eight-hour workday. The War Labor Administration, headed by Secretary of Labor Wilson, was placed in charge of most of the government's labor programs. Its principal component was the War Labor Board, which arbitrated labor disputes not resolved by the U.S. Conciliation Service (USCS). The Department of Labor contributed to winning the war by mobilizing an effective workforce for defense production.

Many of the current activities of the Department of Labor trace back to that period, including the employment services, the Women's Bureau, programs to retrain veterans with disabilities and promote fair employment for minorities, and labor-management relations. The secretary of labor and the department have played a significant role in the lives of Americans. After Wilson, the secretaries of labor modified, refined, and reorganized the department. The second secretary of labor, James J. Davis (1921–1930), who was appointed by President Warren Harding on March 1921, established the Border Patrol to reduce the flow of illegal aliens. He also pushed for restrictions on the number of immigrants, strengthened reporting on labor statistics, encouraged labor-management cooperation, and, with support from the iron and steelworkers union, persuaded U.S. Steel to abolish the twelve-hour workday. He was the only secretary to serve three presidents—Harding, Calvin Coolidge, and Herbert Hoover.

The next secretary of labor, William N. Doak (1930–1933), who took over the department on December 9, 1930, under President Herbert Hoover, worked for the passage of the Davis-Bacon Act of 1931. The act required that workers on federal construction projects be paid the prevailing wage for the area.

Frances Perkins was appointed by President Franklin Delano Roosevelt as the fourth secretary of labor (1933–1945). She was the first women to hold a cabinet post in the federal government. Among her many significant accomplishments, she was the principal architect of the Social Security Act of 1935 and designed the Wagner-Peyser Act of 1933, which revitalized the U.S. Employment Service. She also helped fashion the Fair Labor Standards Act of 1938, which set a floor under wages and a ceiling over hours, and the 1935 National Labor Relations Act (Wagner Act), which protected workers' right to organize. In addition, she established the Labor Standards Bureau. Through effective relationships with state governments, she strengthened labor law enforcement by the states.

The fifth secretary of labor, Lewis B. Schwellenbach (1945–1948), was appointed by Harry Truman. He was a designer of the Full Employment Act of 1946, which made promotion of maximum employment the top priority of the nation. Schwellenbach promoted abolition of wartime wage and price controls and reorganized the Department of Labor. He removed the Conciliation Service from the Department of Labor and established the independent Federal Mediation and Conciliation Service (FMCS). He also established the Office of International Labor Affairs as a unit in the Office of the Secretary.

Truman also appointed the sixth secretary of labor, Maurice J. Tobin (1948–1953). He increased the Department of Labor's staff and built the Labor Attaché program, which is administered by the Bureau of International Labor Affairs. He made effective use of his Trade Union Advisory Committee for International Affairs in mobilizing U.S. unions' support for the rebuilding of war-ravaged Europe under the Marshall Plan. He consolidated most of the widely dispersed government labor functions; for example, he brought Bureau of Employment Security, which was under administration of the War Manpower Commission, back to the Department of Labor. With the outbreak of the Korean War in 1950, an executive order made him responsible for wartime labor supply. In addition, Tobin created the Defense Manpower Administration.

The seventh secretary of labor, Martin P. Durkin (1953), who was appointed by President Dwight D. Eisenhower, probably was the least successful of the secretaries of labor. He served in the office for several months but did not accomplish much. His successor in the Eisenhower administration, James P. Mitchell (1953–1961), advocated human relations and labor-management cooperation. He brought strong attention to the fight against employment discrimination and the plight of migrant workers. He also established the machinery for administration of the Labor Management Reporting and Disclosure Act (Landrum-Griffin Act) of 1959. He reorganized the department and clarified the roles of the federal labor agencies to reduce overlapping functions.

President John F. Kennedy also appointed two secretaries of labor. Arthur J. Goldberg (1961–1962), the ninth, promoted the rights of minorities in the workplace and helped convince Congress to substantially expand the coverage and raise the level of minimum wages. The tenth secretary of labor, W. Willard Wirtz (1962–1969), encouraged research to identify labor shortages. He led the War on Poverty with a host of programs for youth, high school dropouts, older workers, and the hard-core unemployed. Under his leadership, the new antidiscrimination regulatory responsibilities under the Civil Rights Act of 1964 were implemented.

The eleventh secretary of labor, George P. Shultz (1969–1970), appointed by Richard Nixon, supported the design of a comprehensive workforce system to integrate planning and allocation of resources. He proposed the Manpower Training Bill of 1969. Under Shultz, new information technology was used to develop information banks to match jobless men and women with employment opportunities. He provided leadership in encouraging equal employment opportunities, specifically through the Philadelphia Plan for nondiscrimination in hiring workers for federal construction projects.

James D. Hodgson (1970–1973), the twelfth secretary of labor, and another Nixon appointee, led a major expansion of employment and training programs through the Emergency Employment Act of 1971. He also oversaw the establishment of the Occupational Safety and Health Administration (OSHA), which greatly expanded the regulatory responsibilities of the Department of Labor.

The thirteenth secretary of labor, Peter J. Brennan (1973–1975), and the third appointed by Richard Nixon, facilitated adoption of the Employee Retirement Income Security Act (ERISA). This law was enacted in 1974 to protect workers' pensions, adding a major dimension to the Department of Labor's regulatory role. The Comprehensive Employment and Training Act of 1973 (CETA) decentralized much of the funds and decision making to receive and disburse funds for job development and training programs to states and localities. The Rehabilitation Act of 1973 increased the Department of Labor's work for the handicapped.

A new philosophy was brought to the department by the fourteenth secretary, John T. Dunlop (1975–1976), appointed by Gerald Ford. Dunlop stressed a strong collective bargaining system, mutual problem solving, and informal mediation. He helped foster improved cooperation between all the federal labor agencies and the private sector. The fifteenth secretary of labor, W. J. Usery Jr. (1976–1977), who was also appointed by Gerald Ford, used his talents for mediation to prevent many labor disputes, such as the longest strike ever in the rubber industry.

As the sixteenth secretary of labor, Ray Marshall (1977–1981) led the Department of Labor to play a major role in Jimmy Carter's economic stimulus program, instituting major expansions in public service and job training programs. Under Marshall's leadership, OSHA programs were strengthened, and "commonsense priorities" led the department to focus on major health problems caused by workplace injuries. The Mine Safety and Health Administration was created to protect the nation's miners. Many federal equal employment opportunity programs were consolidated under the Office of Federal Contract Compliance Programs, and women's labor programs were strengthened.

During the Reagan administration, the Department of Labor experienced substantial reductions in staff and budget. The seventeenth secretary of labor, Raymond J. Donovan (1981–1985), promoted regulatory relief for business through changes in OSHA enforcement practices, Davis-Bacon rules revisions, modification of ERISA rulemaking, new rules for industrial homework, and revisions in the federal contract compliance regulations. He helped write the Job Training Partnership Act of 1982, which increased the emphasis on public-private cooperation in government job-training programs and moved some of the responsibility for those programs to state and local governments. Donovan's stewardship of the department generated controversy during the breaking of the air traffic controllers' union and other antiunion measures promoted by the Reagan administration.

The eighteenth secretary of labor, William E. Brock (1985–1987), was also appointed by Ronald Reagan. He stressed the use of conciliation in correcting discrimination in employment, led an initiative to help improve employment for Vietnam-era veterans, and actively promoted nonconfrontational labor-management cooperation. Brock mobilized public attention for the importance of a qualified workforce for the future through the "Workforce 2000" initiative; he also advocated improved literacy and basic education.

Ann Dore McLaughlin (1987–1989), the nineteenth secretary of labor and the third appointed by Reagan, stressed economic growth to enhance the welfare of U.S. workers. She was a strong advocate of increased private sector initiatives to reconcile the demands of work and family life. The major issues during her tenure included child care, drugs in the workplace, unemployment insurance, apprenticeship training, older workers, and labor market shortages. She formed a blue ribbon workforce quality commission that completed its work on Labor Day of 1989.

The twentieth secretary of labor, Elizabeth Hanford Dole (1989–1990), appointed by George H. W. Bush, negotiated a raise in the minimum wage from \$3.35 to \$4.25 an hour and developed the youth empowerment program. She appointed the Secretary's Commission on Achieving Necessary Skills, which prepared national competency guidelines. Dole also initiated efforts to break the so-called glass ceiling that was restricting promotion of women and minorities into high executive positions.

Programs to develop a highly skilled, well-paid workforce were emphasized by Lynn Morley Martin (1991–1993), the twenty-first secretary of labor and also an appointee of George H. W. Bush. They included improvements in the delivery of employment and training services and a nationwide effort to implement the recommendations of the Secretary's Commission on Achieving Necessary Skills. Martin encouraged corporations and labor organizations to promote women and minorities to top managerial levels. She initiated a model workplace program at the department to provide leadership for the nation's employers.

When Bill Clinton took office as president, he appointed Robert B. Reich (1993–1997) as the twenty-second secretary of labor. Reich worked on important legislation, including the School-to-Work Opportunities Act of 1994 and the Retirement Protection Act of 1994. He also stressed protection of workers by cracking down on sweatshops, unsafe work sites, and fraudulent providers of health insurance.

The twenty-third secretary of labor, Alexis M. Herman (1997–2001), who was also appointed by Clinton, reorganized the Department of Labor skills programs into a simpler, more efficient system that gave working people the needed skills to succeed in the new economy. Herman facilitated the process of moving people from welfare to work and working with disadvantaged youth through the Youth Opportunity Program.

The current secretary of labor is Elaine L. Chao, appointed by George W. Bush in 2001. From the start, she worked to help vulnerable working people, such as people with disabilities, to break down employment barriers and promote productive change. She established New Freedom Initiative Awards to honor people who exemplify a commitment to the principles of the New Freedom Initiative, which provides persons with disabilities with technology that will help them access employment opportunities and become fully integrated into community life.

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See also Bureau of Labor Statistics; Comprehensive Employment and Training Act; Dunlop Commission; Employment and Training Administration; Job Training Partnership Act; Workforce Investment Act

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Self-Employment

The Bureau of Labor Statistics (BLS) considers as self-employed any worker whose primary livelihood is derived from working in his or her own *unincorporated* business, profession, or farm. Roughly 10 million persons, or more than 8 percent of the working population, are self-employed in the United States. In turn, this group can be broken down further into two worker segments (Jacobs 2003, 143): independent contractors (8.25 million) and on-call workers (2.03 million). Not included in these numbers are an additional 1.2 million workers provided annually by temporary help agencies or the 750,000 workers provided by contract firms, since neither group meets the strict definition of self-employment. However, they also do not meet the criteria for traditional employment.

Within the self-employed group, there are significant differences by gender and status. Fifty percent more males than females are self-employed. Only 7.7. percent of self-employed males work part-time; for females, this percentage jumps to 19.8 percent. And in aggregate, females do 69.8 percent of all work done by the self-employed (International Labor Office, 142, 144). However, only 1.3 percent of the self-employed work less than ten hours per week, whereas 70.3 percent report working more than forty hours per week.

The reasons for this distribution are manifold. Persons sometimes enter self-employment because there are no potential employers in their area, or the employers are not hiring. Becoming self-employed may be a matter of convenience for some, such as a mother with children who offers caregiving for other children in her community, a worker who has been displaced as an employee, or a worker still gainfully employed who decides to start a part-time business.

The BLS finds that self-employed independent contractors are most likely to work in the services and construction industries, managerial, professional specialties, sales, and precision production occupations. The vast majority of those surveyed preferred their arrangements to traditional work (83 percent).

In *Free Agent Nation,* Daniel Pink cites four reasons that make self-employment so attractive (2001, 55):

- The social contract of work for loyalty has crumbled.
- The need for a large company as a means of production to create wealth has disappeared.
- Widespread, long-term economic prospects have allowed people to think of self-employment not only as a way to make money but also to derive meaning.

- The half-life of organizations is shrinking—most individuals will outlive any organization for which they work.

Self-employment, however, is not without drawbacks for the individual. Benefits, often taken for granted in traditional work, are now the responsibility of the individual. Further, career paths that include educational and professional development and mentoring, so common in large corporations, are absent.

Patterns of self-employment can vary as the economy goes through cycles. During times of high unemployment and economic distress, many workers will choose self-employment over continued unemployment. Conversely, in times of a very robust economy, many workers will give up the safety net of corporate employment to pursue their careers in positions of self-employment. In general, job tenure is on the decline among midcareer workers, making self-employment more appealing.

From 1983 to 1998, median job tenure for men declined by four months, despite an upward shift in the age of the workforce. All other things being equal, this age shift should have been associated with an increase in tenure. However, median tenure for male workers declined within every age group over the fifteen-year period and offset the age effect. The proportion of men aged twenty-five and over who had worked for their current employer for ten years or more fell from 37.7 percent in 1983 to 32.7 percent in 1998. For men aged forty to sixty-four, the proportion with at least ten years of tenure fell by about 10 percentage points within every five-year age interval (http://stats.bls.gov).

As employers provide less security and longevity to workers, self-employment carries less of a risk. Advances in technology have lessened the capital requirements for entry into self-employment and have encouraged large numbers of highly skilled technology workers to strike out on their own. With median job tenure decreasing significantly over time, there are more choice points to self-employment.

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See also Agricultural Work; Child Care; Elder Care; Job Benefits; Part-Time Work

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Servants and Maids

Servants and maids have figured prominently in U.S. labor history. In fact, the "servant problem," perhaps reflective of the very real inequalities inherent in the institution of domestic service, has been a recurring theme in U.S. social history. Although the conditions of domestic service have changed throughout U.S. history, most noticeably in the near-total disappearance of the live-in domestic servant, the relationship between employer and employee and hence the conditions of work have consistently lagged behind those of most of the rest of the U.S. labor force. As a result, domestic service has consistently remained among the least desirable, least respected occupations in the United States.

The image of the servant as occupying the lowest strata of American society has further been reinforced by factors of gender, race, and ethnicity. The vast majority of domestic servants and maids in U.S. history have been female, and most male servants have enjoyed a higher status than their female counterparts, serving in the most affluent households, often in supervisory positions within large household servant staffs. Although women in specialized domestic positions, such as cook or governess, enjoyed a higher status than the general household servants, there has been no female serving position that equaled that of butler, the highest-status serving position found in the wealthiest households.

Women of many racial and ethnic backgrounds have worked as domestic servants throughout U.S. history, but by the late nineteenth century, the majority were either of immigrant backgrounds, nonwhite, or both. Of all racial and ethnic groups, African American women have most frequently employed themselves as domestics, largely due to the racial discrimination that retarded African American economic mobility. The predominance of

The vast majority of domestic servants and maids in U.S. history have been female, and most male servants have enjoyed a higher status than their female counterparts, serving in the most affluent households, often in supervisory positions within large household servant staffs. (Jack Delano/Corbis)

black women in domestic service began in the post–Civil War South, where following slavery, the word *servant* came to imply black. When southern blacks migrated North in the late nineteenth and early twentieth centuries, black women began to displace white immigrants as domestic servants, and in turn, they brought about the transition from "live-in" to "live-out" as the norm of domestic service. The economic necessity (and hence acceptability) of paid work by black married women furthermore contributed to the black predominance in domestic service, especially when few other occupations were generally open to black women. By contrast, immigrant women of all groups have been more likely to regard domestic service as a necessary way station to marriage or more desirable employment, as well as a means of assimilation. However, white immigrant domestic servants have frequently been regarded historically as more desirable employees than their African American counterparts (though this was not universally the case) and as a result were more likely to obtain the higher-status specialized positions.

As long as there have been servants in the United States, there has been a "servant problem," namely the search for the perfect domestic servants who were hardworking, uncomplaining, and there when needed, but otherwise invisible. Furthermore, there was never a true "golden age" for which many Americans, unhappy with their hired help, pined. There was certainly no such thing as a golden age for those who worked as domestic servants, for whom the intractable problem was the work itself—low status with long hours, often ambiguous duties that left them at the mercy of their employers, and (for live-in servants) little privacy or free time. The problems between servants and maids and their employers, therefore, were reflective of the clash between the ideal of equality and the realities of class differences that caused some Americans to seek domestic servants and others to become them. They also reflected the practical necessity throughout U.S. history of hiring help, whenever it was affordable to do so, to perform housekeeping work that was, if not considered beneath the person (usually the wife) seeking help, too much for her and her family to perform. For African Americans, however, the "servant problem" occurred almost exclusively from the point of view of the servants. Most arrived in the new world as slaves, and long after chattel slavery was abolished, African American women were restricted enough in their choices of occupation to continue the domestic work their ancestors had performed under slavery.

During the colonial era, many settlers who could not afford passage to the New World arranged instead for it to be paid off by a set number of years of service. This arrangement, known as "indentured servitude," involved both male and female and black and white settlers, who comprised the majority of the servant class during this period. Lengths of service, duties, and work conditions for indentured servants varied, but once their term of service was complete, most former (predominantly white) indentured servants went on to take their place as respectable members of free society. By the early republic, chattel slavery had largely replaced other forms of servitude in the U.S. South, in domestic as well as agricultural work. In the North and on the western frontier, domestic service existed in a comparatively egalitarian state, in which the "hired girl" was employed on a largely ad hoc basis and was frequently a friend, relative, or neighbor, for whom the employer might someday work on the same terms. By the late nineteenth century, however, the abolition of slavery, African American migration north, and the rise of immigration had all contributed to the creation of a definable servant class in the United States.

The servant class, however, grew increasingly restive with the turn of the twentieth century, as industry and office work provided competing sources of employment. The restriction of immigration after World War I additionally dried up the supply of women willing to accept domestic work as more than a temporary occupation. Concurrently, labor-saving technology and the domestic science movement's effort to give housework a more respectable cachet reduced but did not eliminate the demand for household help. Efforts to improve working conditions ranging from the creation of employment agencies to failed efforts at unionization did little to alter the essentially isolated nature of the work. The Fair Labor Standards Act (1938) and Social Security Act (1935) of the New Deal initially excluded domestic work.

The Great Depression, in any case, made servants unaffordable for many Americans, even as many American women sought domestic employment out of economic necessity. The rise of the defense industries in World War II further decreased the number of women working as domestics, and since World War II, their numbers have mostly declined, with live-in work almost universally replaced by day work. Nonetheless, servants and maids have not completely disappeared from the American scene. Ironically, the greater opportunities for women resulting from the late-twentieth-century women's movement have resulted in a new phenomenon of professional women hiring out domestic workers, often immigrants and of color, usually as maids and child care workers. Many in the new servant class, moreover, are illegal immigrants, forced to accept whatever wages and conditions their employers will grant them for fear of deportation. Additionally, even legal immigrants, many from developing countries, become domestics more out of compulsion than choice. The servant problem in the United States, therefore, has not so much disappeared as been transformed.

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See also African American Women and Work; Fair Labor Standards Act; Home Economics/Domestic Science; Housework; Social Security Act; Women and Work

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Severance Pay

The purpose of severance pay is to provide funds to a worker whose employment has been terminated. Employers are not required to offer employees severance pay upon termination, absent an agreement or written policy providing for it. However, it is not uncommon for many employers to make severance pay available to some employees in certain situations.

According to the U.S. Department of Labor (DOL), severance pay is usually based on length of employment for which an employee is eligible upon termination. There is no requirement in the federal Fair Labor Standards Act (FLSA)—the 1938 law that regulates labor issues such as wages, working hours, and benefits—for severance pay. Instead, severance pay is a matter of agreement between an employer and an employee. Severance pay can be as little as one or two weeks salary or as much as a year's worth of salary. The amount of severance pay offered to an employee is at the discretion of the employer.

Not all workers receive severance pay after their employment has been terminated. Part-time workers, hourly workers, nonunionized workers, workers in low-skilled, low-wage jobs, and contingent or temporary workers are unlikely to be eligible for severance pay or even work for an employer that provides severance pay to terminated workers. Workers most likely to be eligible for and receive severance pay are full-time workers at a large corporation who occupy managerial positions or higher. Corporate executives, in particular, are most likely to receive severance pay as part of a generous severance package.

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See also Bonuses; Compensation; Contingent and Temporary Workers; Fair Labor Standards Act; Pay Equity; Workers' Compensation

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Sexual Harassment

In the employment context, sexual harassment can be defined as abusive treatment of an employee, by the employer or by a person(s) under the employer's control, that would not occur but for the victim's sex. Sexual harassment can involve two different scenarios: (1) demands for sexual favors in return for employment benefits or under threat of adverse employment consequences (known as "quid pro quo" sexual harassment) or (2) an atmosphere of sexual innuendo or intimidation that is encouraged or at least tolerated by the employer (known as "hostile environment" sexual harassment). Most sexual harassment claims are brought under Title VII of the Civil Rights Act of 1964, but sexual harassment can violate other federal laws and many state laws as well.

Although the term *sexual harassment* first began to appear in the literature in the 1960s, it has been argued that incidents of sexual harassment can be traced back to the 1800s, when women began to assume employment in textile mills in New England. Nevertheless, until the 1960s, women were generally unable to obtain redress even if they were subjected to harassment. The passage of Title VII of the Civil Rights Act of 1964 made employment discrimination illegal, however, and provided the potential for redress against sexual harassment.

In the early cases under Title VII, the lower courts differed over whether and when sexual harassment would violate Title VII. For example, in *Barnes v. Train* (1974), reversed as *Barnes v. Costle* (1977), a female employee brought a sexual harassment claim under Title VII on the grounds that her supervisor retaliated against her when she refused his request for an "after hours affair." The U.S. District Court for the District of Columbia dismissed her claim, stating:

> The substance of plaintiff's complaint is that she was discriminated against, not because she was a woman, but because she refused to engage in a sexual affair with her supervisor. This is a controversy underpinned by the subtleties of an inharmonious personal relationship. Regardless of how inexcusable the conduct of plaintiff's supervisor might have been, it does not evidence an arbitrary barrier to continued employment based on plaintiff's sex.

In other words, the court held that Title VII was inapplicable because it applies only when the employee's gender is the basis for adverse employment action.

In *Corne v. Bausch & Lomb, Inc.,* (1975), a supervisor repeatedly made verbal and physical advances toward two female employees who were allegedly forced to quit because of his behavior. The court held that the supervisor's actions arose from the supervisor's "personal urge," which was distinct from Bausch and Lomb's company policies. Only the latter could provide a basis for a Title VII claim. Other courts recognized that sexual harassment might state a claim under Title VII but held that a plaintiff could not prevail on a sexual harassment claim unless she could show that she suffered some tangible, adverse employment action as a result of the harassment to which she was subjected. For example, the court in *Walter v.*

KFGO Radio (1981) dismissed an employee's sexual harassment claim because she failed to show that "management decisions as to plaintiff's salary, benefits, promotions, and employment were ultimately conditioned on plaintiff's response to management's sexual overtures."

In 1980, the Equal Employment Opportunity Commission (EEOC), which was created by Title VII of the Civil Rights Act, issued a set of guidelines on when sexual harassment would constitute discrimination in violation of Title VII. Although the EEOC guidelines are not binding on the courts (that is, the courts do not have to follow them), they are given great weight by the courts. The EEOC guidelines made two significant points. First, they expanded the definition of harassment to include a claim of "hostile environment." Under the EEOC's definition, conduct may be sexual harassment even if a particular employment benefit is not made conditionally available only through acquiescence to sexual demands; the existence of an offensive, hostile environment based on sex is itself enough to constitute sexual harassment in violation of Title VII. Second, the guidelines made it clear that the crux of the harassment complaint is the "unwelcomeness" of the sexual advance, not whether the harassed employee acquiesced to the demands.

The first time the U.S. Supreme Court addressed sexual harassment was in 1986 in *Meritor Savings Bank v. Vinson*. The Court's opinion in *Meritor* settled a number of issues that had been uncertain before the Court's opinion was handed down. Briefly, the Court ruled that sexual harassment is indeed sex discrimination that is prohibited by Title VII: that sexual harassment that creates a hostile and abusive environment may violate the act, even in the absence of tangible adverse economic consequences for the employee (in other words, the employee need not point to how her job suffered to state a valid claim of sexual harassment); and that an employee's "voluntary" submission to an employer's sexual advances will not necessarily defeat a harassment claim. The true issue was whether the advances were "unwelcome."

In *Vinson,* the Court also recognized and acknowledged that there is a distinction between two types of sexual harassment claims: quid pro quo and hostile environment. As stated above, in a quid pro quo claim, the plaintiff must show that he or she suffered the loss of some tangible employment benefit as the result of the harassment (for example, a person was demoted because she refused to date a supervisor). These terms continue to be important in sexual harassment cases.

The next significant event in connection with sexual harassment under Title VII took place with the U.S. Congress hearings regarding the nomination of Justice Clarence Thomas to the Supreme Court. In October 1991, President George H. W. Bush nominated Clarence Thomas to fill a vacant seat on the U.S. Supreme Court. During the Senate confirmation hearings, Anita Hill, a former subordinate of Thomas at the Department of Education and the Equal Employment Opportunity Commission, alleged that Thomas had repeatedly asked her to go out with him and discussed in great detail his sexual fantasies with her, including scenes from pornographic movies about group rape and bestiality. There was much controversy over Hill's allegations, especially since much of the alleged harassment took place when Hill worked under Thomas at the EEOC—the federal agency that oversees sexual harassment claims under Title VII.

Ultimately, Thomas was confirmed, but the whole incident raised public awareness of the issue of sexual harassment. Interestingly, in 1990, the last full year before the Thomas hearings, there were 6,127 charges of sexual harassment filed with the EEOC. In 1992, the first full year after the hearings, there were 10,532 charges filed.

The Supreme Court's next sexual harassment case came in 1993 (*Harris v. Forklift Systems, Inc.*). In *Harris,* the Court stated that it had agreed to hear the case to resolve a conflict among the circuits on whether conduct must seriously affect an employee's "psychological well-being" or lead the plaintiff to suffer injury to be actionable as "abusive work environment" harassment. The Court rejected the lower court's ruling that psychological injury was required in sexual harassment claims and held that Title VII is violated when the workplace is permeated with discriminatory intimidation, ridicule, and insult that is sufficiently severe or pervasive enough to alter the conditions of the victim's employment and create an abusive working environment. The Court, in an opinion by Justice Sandra Day O'Connor, stated:

> But we can say that whether an environment is "hostile" or "abusive" can be determined only by looking at all the circumstances. These may include

> the frequency of the discriminatory conduct; its severity; whether it is physically threatening or humiliating, or a mere offensive utterance; and whether it unreasonably interferes with an employee's work performance. The effect on the employee's psychological well-being is, of course, relevant to determining whether the plaintiff actually found the environment abusive. But while psychological harm, like any other relevant factor, may be taken into account, no single factor is required.

The next sexual harassment case heard by the Supreme Court was *Oncale v. Sundowner Offshore Services, Inc.* (1998), a case in which the Court resolved the issue of whether Title VII bars "same-sex" sexual harassment (when the harasser and the victim are of the same gender). Prior to *Oncale,* the state and federal courts had taken a bewildering variety of stances. Some had held that same-sex sexual harassment claims were never cognizable under Title VII. Other decisions had said that such claims were actionable only if the plaintiff could prove that the harasser was motivated by sexual desire. Still others had suggested that workplace harassment that was sexual in content was always actionable, regardless of the harasser's sex, sexual orientation, or motivations. A unanimous Court in *Oncale* held that the genders of the participants in a sexual harassment case were irrelevant. In other words, a male can be liable for sexually harassing another male.

Finally, the Court's most recent opportunity to address the issue of an employer's liability in sexual harassment cases came in two companion cases decided on the same day, *Burlington Industries, Inc. v. Ellerth* (1998) and *Faragher v. City of Boca Raton* (1998). Together, the two cases clarified several unresolved issues related to employers' liability for sexual harassment. In fact, both decisions used identical language to set forth an employer's obligations and the scope of an employer's liability for sexual harassment in the workplace. In both cases the Supreme Court said:

> An employer is subject to vicarious liability to a victimized employee for an actionable hostile environment created by a supervisor with immediate (or successively higher) authority over the employee. When no tangible employment action is taken, a defending employer may raise an affirmative defense to liability or damages, subject to proof by a preponderance of the evidence. Such a defense consists of two necessary elements: first, that the employer must exercise "reasonable care" to prevent and promptly correct any sexually harassing behavior; and second, that the plaintiff-employee "unreasonably" failed to take advantage of any preventive or corrective opportunities provided by the employer to avoid harm or otherwise. . . ." [but] no affirmative defense is available when the supervisor's harassment culminates in a tangible employment action, such as a discharge, demotion, or undesirable reassignment." *(Burlington Industries, Inc. v. Ellerth)*

These two cases and the language quoted above have several implications. First, the Court made it clear that if a supervisor engages in classic quid pro quo conduct (that is, demanding sexual favors as a condition of employment) and the employee suffers some job detriment as a result, the employer will be held liable for all damages—even if the employee never complained about the threats and even if the employer itself never knew about the harassment. Second, "unfulfilled" quid pro quo cases (in which a threat might have been made but the employee did not suffer any negative effects for rejecting a harasser's sexual advances) will now be treated as a case of hostile environment sexual harassment. Third, the employer will be able to defend all hostile environment cases on a variety of grounds, including the following: (1) the alleged conduct was neither severe nor pervasive; (2) the employer had a harassment policy and procedure and the employee failed to use it; and (3) when the employee complained, the employer took appropriate corrective action.

All the cases discussed above—and most of the sexual harassment cases that occur in general—involve a supervisor harassing an employee (that is, a subordinate). Sexual harassment cases have been brought in other situations as well. Although the Supreme Court has never addressed the issue, most of the lower courts have held that an employer can be liable for harassment committed by a coworker of the harassment victim. Further, employers have been held liable even for harassment perpetrated by nonemployees, such as customers, clients, and patrons. According to the EEOC guidelines, "[a]n employer may . . . be responsible for the acts of nonemployees, with regard to sexual harassment of employees in the workplace, where the employer (or its agents or supervisory employees) knows or should have known of the conduct and fails to take immediate and appropriate corrective action." Most courts have followed the EEOC's lead and imposed liability in those situations.

Despite the fact that many issues in connection with sexual harassment have been resolved, certain problems remain. For example, one of the main unresolved issues concerns whether an employee can recover monetary damages from his or her supervisor for sexual harassment under Title VII. In other words, if a supervisor sexually harasses a subordinate employee, can the employee recover damages under Title VII from the supervisor, apart from or in addition to recovering damages from the company? Although the employee may be able to recover damages from the supervisor under certain state discrimination laws and common law theories, the courts have split over the victim's ability to recover under Title VII.

Some courts have used a variety of reasoning to reject the possibility of individual liability. Some courts have held that an individual supervisor could not be liable under Title VII because Title VII required the employer to have at least fifteen employees to be covered. Along the same line of reasoning, some courts have pointed to the fact that Title VII created a sliding scale of damages, based on a minimum number of employees that the "employer" must have employed at the time that the discrimination took place, to indicate the intention of Congress to restrict the possibility of personal liability of officers, managers, and supervisors. Other courts have also reasoned that plaintiffs can pursue suits only against officers, managers, and supervisors in their "official capacities" and thus individual liability was not created by the statute. Others have found that there could be no personal liability where the individual defendants were acting with the authority of their employer. Furthermore, some courts have declared that since Congress has failed to create specifically individual liability for supervisors, it would be wrong for the courts to do so on their own. Other courts disagree, however, and have held that a subordinate employee victim could recover damages against an individual supervisor under Title VII.

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See also Stress and Violence in the Workplace

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Sherman Antitrust Act (1890)

This law was the first attempt by the U.S. government to regulate trusts. Since the Civil War, many industries of a similar nature created industrial combinations, which were eventually called trusts, for the purpose of controlling the prices of products, commodities, resources, and labor, as well as other economic activities involved in that trade. The trusts were criticized for their control over the marketplace, especially for any actions that forced out smaller competitors. To the trusts, their actions were neither illegal nor unethical since the marketplace was still open to anyone who wished to participate. To the labor movement, the creation of trusts meant a unified effort by the owners of industry to suppress the needs of workers to organize.

In the United States, the Industrial Revolution accelerated at a phenomenal rate after the Civil War. Although this trend had already been in existence during the antebellum and war years, it was during the post-1865 era that modern business and industry grew so enormous that many began to question whether such large-scale operations were truly beneficial. What especially began to worry many people was that as this situation grew, it appeared that industrial and economic power was becoming controlled by fewer people.

Not only were the nation's industries expanding at a rate previously unthinkable but also that expansion was unchecked by government regulation. The prevailing belief was that the economy was self-regulating and not in need of control. Any government intrusion would harm the ability of industry to operate efficiently and therefore provide any benefits to society. As many argued, this new industrial age could not be governed by methods used when agriculture was the predominant way of life. Social Darwinism, the belief that only those nations that could adapt to changing circumstances would survive, was embraced by many who saw this incredible growth as a sign of superior intellect and genius.

This increased concentration of power had ramifications for many segments of society. For instance, prior to the establishment of trusts, in industries such as oil, widespread competition caused prices to waver, often uncontrollably. In other industries, such as shoemaking and meatpacking, modern factories sprang up everywhere, intensifying this competition by trying to produce goods faster and cheaper. It was believed by some that a strong central body in each particular industry could keep such price fluctuations and overcrowded competition in check.

In addition, intense competition meant that each industry had to find ways to cut its expenses to sell its product at a more competitive—that is, cheaper—price. The first place to cut expenses was in the workforce. Wages were abysmally low, which meant most families barely had enough to survive. Along with poor pay rates, industrial employees might work as many as fourteen hours a day, sometimes even more. Furthermore, many industries were fond of using the "speedup," whereby the machines would run faster, causing the workers to produce even more goods at a breakneck speed.

The most famous of all the early trusts was that begun by John D. Rockefeller and his Standard Oil Company in 1879. In an attempt to control what he saw as instability in the marketplace, he first organized a "pool," whereby the industry was controlled by a central body that would hold the stocks. Besides trying to control the industry through such an organization, Rockefeller was also famous for attempting to eliminate competition by selling his product at price below cost, and he entered into deals with the railroads that would transport his products. Once pools were eventually made illegal, he created a trust in which forty companies placed their stock under the control of a board of directors. Other companies followed this lead, although Ohio dissolved Rockefeller's trust in 1890.

Other industries began to organize on a similar basis. Such other trusts included sugar, tobacco, shoemaking, whiskey, beef, and lead. In each case, the overall goal was to exterminate competition. Sometimes smaller business owners might be allowed to survive, providing they did not limit the influence of the larger, more powerful, trusts.

Several states besides Ohio tried to curb the activities of the trusts, but they were limited in controlling activities within their own state since interstate commerce fell under congressional jurisdiction. The federal government responded in 1890 with the Sherman Antitrust Act, named after Senator John Sherman of Ohio. This law contained eight provisions and made illegal any combinations that would restrain trade, both in interstate commerce and with foreign nations. As stated by the act, "Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several states, or with foreign nations" was prohibited. The act also made it illegal to create a monopoly. In short, it was illegal to improperly interfere with trade or to create an environment in which competition was unfairly eliminated or diminished.

The government was empowered by the act to order the dissolution of a trust. Initial enforcement came through the Department of Justice and the attorney general. Proceedings were brought in federal circuit courts, which were given the authority to prevent and restrain noncompliance. The courts could also issue an injunction against the trust to cease its activities or could dissolve the trust outright. Punishments included fines up to $5,000 and imprisonment up to five years. The act also allowed lawsuits to be brought against violators, with damages set at three times the amount of the actual damage.

As noble as the Sherman Act appeared to many, it contained a number of weaknesses and loopholes, both of which would cause problems in the future. The word *person* was defined to mean corporations as well as individuals, but other words such as *combination* and *trust* were not always clearly defined. Does the mere presence of two companies making an agreement constitute a trust or combination, regardless of what may be in that agreement? Furthermore, do the terms extend to combinations outside industry, such as labor unions or organizations merely pooling their financial resources?

Many critics also pointed out that the law was unrealistic in light of the economy and the development of large-scale industries. The economy was no longer solely agrarian, and the rules that governed that system were not suitable for the new industrial order. It was one thing to have several tobacco or cotton plantations competing in the marketplace, as in the early 1800s; it was quite another for huge industries such as oil and coal, where competition was more widespread and cutthroat, to do business "the old-fashioned way." Other critics of the law argued that unrestrained competition resulted in unstable prices, improper management and distribution of resources, and frequent unemployment. Therefore, they argued that combinations within a specific industry actually helped to stabilize the economic and employment situation. But despite these protests, those in favor of the Sherman Act felt that the measure would ease fears of big businesses running around unchecked.

The U.S. Supreme Court considered the Sherman Act for the first time in *In re Debs* (1894). This case arose out of the infamous and violent Pullman strike in Chicago, led by Eugene V. Debs and the American Railway Union. A Chicago federal circuit court issued an injunction against the strike, arguing that it was a combination in restraint of trade. Debs ignored the injunction, eventually appealing as an individual to the Supreme Court for a writ of habeas corpus. The Court upheld the injunction, and although the Sherman Act itself was not explicitly ruled upon, railroads and labor unions were brought under the provisions of the act.

The first true constitutional challenge to the Sherman Act came in 1895, with the U.S. Supreme Court case *U.S. v. E. C. Knight Company,* and the decision would hamper the strength of the act. In this particular case, 94 percent of sugar-refining manufacturing was done by the American Sugar Refining Company. The U.S. government considered this situation to be in restraint of trade, although it was not a complete monopoly. In its decision, the Court held that although Congress had the authority to regulate interstate commerce, controlling manufacturing was outside its powers. It was up to the states to control production, regardless of how doing so would influence trade. Furthermore, a company's large size does not make it a trust in itself, nor does its size indicate that it is engaged in unfair trade practices. In this case, although the Sherman Act was considered legal, the interpretation would have long-range effects.

From the time of its passage until 1901, there were only eighteen prosecutions under the act, of which four were against organized labor. When Theodore Roosevelt became president in 1901, he instructed the U.S. attorney general to enforce the act against a holding company called the Northern Securities Company. The "holding company" was one way in which some tried to get around antitrust legislation by creating a corporation that would own other corporations, as opposed to a combination of separate companies. Northern Securities was organized to control railroads. In the 1904 *Northern Securities Case,* the Supreme Court ordered the dissolution of the company, ruling it to be an unreasonable combination in restraint of trade through its attempts to control railroads.

Although Roosevelt's administration brought an additional forty-three antitrust cases, one vital case during this time was actually brought by a private company. In 1902, the United Hatters of North America, a union affiliated with the American Federation of Labor (AFL), attempted to organize workers at Loewe and Company in Danbury, Connecticut. The company refused to recognize the union and was able to withstand the strike that followed. The AFL tried to institute a boycott and, as a result, was sued by the company under the Sherman Act. The case finally reached the U.S. Supreme Court, and in *Loewe v. Lawler* (1908), also known as the "Danbury Hatters Case," the boycott was ruled to be a combination in restraint of trade, thus adding to the *Debs* case by bringing labor unions under the jurisdiction of the act, something that was completely unintended by the framers of the law.

William Howard Taft, who succeeded Roosevelt as president, instituted sixty-five antitrust suits, with many of these suits upheld by the Supreme Court. But the overall tone and meaning of the Sherman

Act was still unclear, so in 1914 Congress strengthened the act with the Clayton Antitrust Act. This new law further defined monopolies, price discrimination, and other acts designed to create unfair competitive practices. Labor unions viewed this law as their Magna Carta, since labor unions were exempt from the definition of "combinations in restraint of trade." Congress also created the Federal Trade Commission (FTC), a government agency that would investigate possible antitrust and unfair trade practices.

Interpretation of the Sherman Act would take curious twists and turns throughout the following decades. During the New Deal, many favored vigorous enforcement of the act to help stimulate the sagging economy of the Great Depression. Although many believed that big business should be left alone in order to work out the economic catastrophe, others wanted to make sure that these organizations were still being watched. Then, in 1945, a case involving the Aluminum Company of America reversed the earlier *E. C. Knight* decision and allowed the mere size of a company to be used as a reason for antitrust proceedings.

During the last two decades of the twentieth century, the Sherman Act was still a major issue. Huge companies, such as the American Telephone and Telegraph Company (AT&T), were ordered dissolved in 1984 under the act. In 1998, the computer software giant Microsoft was accused of being a monopoly and engaging in unfair practices to squeeze out its competitors. After extended legal battles in 2002, federal courts eventually reversed a lower court decision to break up the company, but upheld other restrictions on how Microsoft bundles software and other services on its operating system.

In the last years of the twentieth century, the FTC was busy investigating hundreds of possible antitrust violations. If the government should find that a company was in violation of the act, it could break up the company into separate parts (as it did with AT&T) or simply require the company to openly acknowledge competing products.

Enforcement of the Sherman Act is still very much a political issue. While President Bill Clinton was in office during the 1990s, the number of antitrust investigations increased, partly because of the booming economy. The more conservative politicians still adhered to the idea of laissez-faire economics, that is, keeping government regulations out of the economy. To labor organizations, making sure that corporations would not infringe on the rights of others to participate in the marketplace would be a cornerstone of collective bargaining.

The Sherman Antitrust Act was passed at a vital time in U.S. history, when many felt that large-scale industries were overwhelming the nation's economic development, subjugating the labor movement, and choking off smaller competitors. Although those involved in trusts argued for their necessity, the Sherman Antitrust Act did show that there was some concern to protect those who needed help.

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See also Capitalism; Industrial Revolution and Assembly Line Work; Socialism

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Silicon Valley

Silicon Valley, located in the south San Francisco Bay area, is known globally as the center of innovation and new product development in a range of information technology industries. The importance of Silicon Valley, however, goes beyond its dramatic economic growth and technological inventions. The features of the region that have made it so successful, including rapid innovation, complex industrial structure, and flexible labor markets, are frequently seen as characteristics of a new model of social and economic development associated with the rise of the information economy. As a "new economy" archetypal region, it has been widely emulated, though as yet unequaled, by other regions around the world.

The term *Silicon Valley* was first used in print by journalist Don Hoefler in the early 1970s in a series of articles for *Electronic News* about the growth of the electronics industry in the region (Hoefler 1971). Silicon Valley's origins as a region devoted to scientific study, however, can be traced back more than 100 years, to the founding of Stanford University in 1891. One of the earliest technology firms in the region, the Federal Telegraph Corporation (FTC), was founded in 1909 by Stanford University graduate Cyril Elwell, with financial backing from Stanford University president David Starr Jordon. FTC developed the first vacuum tube and led a series of innovations in the field of radio, television, and military electronics. Thus, prior to World War II, a cluster of electronic firms already existed in the valley (Sturgeon 2000). The development of the semiconductor industry and particularly the invention of the silicon-based integrated circuit fueled explosive growth in the region in the 1950s and 1960s, as well as later rapid growth in a range of other information technology industries, including personal computers, storage devices and other computer peripherals, customized software, biotechnology, and Internet-based products and services. By 2000, Silicon Valley housed some 7,000 high-technology companies, including such industry leaders as Sun Microsystems, Cisco Systems, Silicon Graphics, Netscape, Applied Materials, Intel, Oracle, Hewlett-Packard, Yahoo!, and eBay, making it the largest concentration of high-technology firms anywhere in the world. Though originally concentrated around the small town of Palo Alto, home to Stanford University, Silicon Valley is now commonly understood to embrace the entire south San Francisco Bay area, including twenty-seven cities with a total population of 2.5 million people and 1.4 million jobs (JV:SVN 2001) .

There are at least three critical features of the region's social and economic structure that are important for understanding its success as an archetypal information economy region. First and foremost is the ability of the region to reinvent itself, developing new technologies, firms, and entire industries. This trait has allowed the region to remain at the cutting edge of innovation in a range of information technology industries for more than forty years. Although the region has faced periodic downturns and crises and individual companies have come and gone—indeed, of the 100 largest Silicon Valley companies in 1985, only nineteen still existed and were in the top 100 in 2000 (Benner 2002)—as a whole, the valley has shown a remarkable ability to adapt to and take advantage of changing economic opportunity. This "innovative milieux" is in large part rooted in a second distinctive characteristic of the regional economy—a rapidly shifting industrial structure made up of complex networks of relationships between large and small, including the rapid creation of new startup firms, often as spinoffs from larger firms (Castells and Hall 1994). This rapidly shifting network structure, supported by a range of supportive industries (including venture capital, customized legal firms and specialized supplier networks), has promoted a high level of risk taking and entrepreneurial dynamism, making it possible to quickly capitalize on emerging market opportunities. The region's innovative culture is also rooted in the flexibility of the region's labor markets, with high levels of mobility, cross-firm networking, and extensive nonstandard employment. These shifting labor practices have facilitated the rapid sharing of information and knowledge throughout the regional complex, and allowed firms to adjust their labor force to changing economic circumstances.

Of course, certain features of this social and economic structure create distinct problems as well. The region has two times the national percentage of the workforce employed in temporary agencies, with up to 40 percent of the region's workforce involved in nonstandard employment relationships. Rapid turnover, skills obsolescence, and high levels of employment insecurity have become the norm, even for people classified as having "permanent" employment (Carnoy, Castells, and Benner 1997; Saxenian 1996). Growing inequality between the dynamic high-tech industries and less dynamic, locally rooted service industries creates further challenges (Benner 1996). Nonetheless, the region serves as a model of successful regional development in the information economy.

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See also Dot-com Revolution; New Economy

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Sinclair, Upton (1878–1968)

Socialist, propagandist, muckraker, novelist: Upton Beall Sinclair was all of these things, with varying levels of success. Born in Baltimore in 1878, by 1904 Sinclair had joined the Socialist Party and began his prolific, if uneven, writing career. Sinclair's best-known novel, *The Jungle* (1906), examines the inhumane working conditions in Chicago's stockyards.

Although Upton Sinclair was one of the most productive U.S. writers, he receives little critical attention because his books and writings are generally perceived to be didactic, propagandistic, and/or journalistic rather than reflecting the qualities of serious literature. If he is snubbed at home, he is most certainly not abroad, where he is the most widely translated of U.S. writers, with his eighty-nine works resulting in over 832 editions that have been translated into more than forty languages (Mookerjee 1988, 1). *The Jungle* was the result of Sinclair's seven-week investigation of the Chicago stockyards. Utilizing the "muckraker" method of exposé, Sinclair's novel explored the multiple abuses imposed upon immigrant "wage slaves" personified in his fictional character Jurgis Rudkus, from Lithuania. He also intended to promote socialism as a remedy for these horrific conditions. *The Jungle* was a commercial success, but not for the reasons Sinclair intended. The novel's scenes describing contaminated meat and corrupt inspectors enraged the American public, who demanded legislation to ensure safe and pure meat. Sinclair responded, "I aimed at the public's heart, and by accident hit it in the stomach" (quoted in Downs 1980, 349). In 1931, Sinclair was considered for the Nobel Prize in literature, and in 1943 he won the Pulitzer Prize for *Dragon's Teeth.* Putting his politics into practice, Sinclair unsuccessfully ran for governor of California in 1934 on the End Poverty in California (EPIC) platform. Other important works include *King Coal* (1917), *Oil!* (1927), and *Boston* (1928). Sinclair died in 1968.

Sandra L. Dahlberg

See also American Federation of Labor and Congress of Industrial Organizations; Immigrants and Work; Industrial Workers of the World; Meatpacking Industry; Socialism; Solidarity; Strikes; Work in Literature; Worker Housing; Working Class; Workplace Safety

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Social Security Act (1935)

The Social Security Act is economic security legislation signed into law on August 14, 1935, as part of President Franklin Delano Roosevelt's New Deal. Its

Franklin Delano Roosevelt signs the Social Security Bill. Standing behind Roosevelt, left to right: Robert Doughton, Robert Wagner, Frances Perkins, Pat Harrison, and David J. Lewis. (Library of Congress)

main goal was to encourage economic recovery for the United States during the Great Depression, of the 1930s, which left millions of Americans unemployed and penniless, washed out much of the lifetime savings of elderly citizens, and decreased opportunities for profitable employment of working-age adults. These negative outcomes of the Great Depression led the Roosevelt administration to jumpstart the economy while shielding impoverished Americans from hardship. Therefore, the main objective of the Social Security Act was, as President Roosevelt indicated at the signing of the act, to give some protection to average citizens and families against the loss of a job and against an old age of poverty. In particular, the law aimed to "provide for the general welfare by establishing a system of Federal old-age benefits."

Thus, the act set up a system that provided an old-age retirement fund for workers, benefits for victims of industrial accidents, unemployment insurance, and aid for the physically disabled. In so doing, it gave the unemployed in the United States security and ensured their financial stability or, at least, eliminated complete poverty.

Programs Established by the Act

The original Social Security Act was a comprehensive law consisting of eleven titles, or subjects. Six of the titles outlined specific programs, which could be divided into two kinds: social insurance and social assistance. The social insurance programs included old age and survivors' insurance, unemployment compensation, and worker's compensation. In 1956, the disability insurance program was added to the Social Security Act, significantly expanding the scope of the basic national social insurance system. This program provided benefits for severely disabled workers aged fifty or older and for adult disabled children of deceased or retired workers.

The social assistance programs included old-age assistance (OAA), aid to the blind (AB), and aid to dependent children. Initially, the Social Security Act paid retirement benefits only to the primary worker.

Payments and Funding

These changes transformed Social Security from a retirement program for individuals into a broad family-based economic security program. From 1937 until 1942, Social Security paid benefits to retirees in the form of a single, lump-sum refund payment. The earliest reported applicant for a lump-sum refund was a retired Cleveland motor operator named Ernest Ackerman. He retired one day after the Social Security program began, and only a nickel was withheld from his pay. So, when he retired, he received a lump-sum payment of 17 cents. The average lump-sum payment during this period was $58.06. The smallest payment ever made was 5 cents. Payments of monthly benefits that began in January 1940 initially ranged from $10 to $85 and remained frozen at those levels until 1950. The benefits were issued in proportion to the previous earnings and were paid from a reserve fund, which was generated through the payroll taxes imposed on employers and employees. The original charge was 1 percent, but the rate increased to 2 percent in 1937 and 3 percent in 1938. In 1949, the system of taxation for old-age and unemployment benefits imposed a total annual assessment of 6 percent on employers' payrolls, in addition to 3 percent contributed by workers.

Although the federal government provided money for the overall implementation of public assistance programs, this sum was only proportional to the funds made available by states. Therefore, although the act enabled "states to make more adequate provision for . . . blind persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws," nevertheless, the level of assistance received by the needy, old, blind, and mothers with dependent children varied greatly between states.

Consequently, to support a number of public assistance programs, the act bestowed federal grants-in-aid. The grants supported the development at the state level maternal, child health and welfare services programs. Later, these grants became Aid to Families with Dependent Children, which was replaced in 1996 with new block grants to the states for Temporary Assistance for Needy Families.

Amendments to the Act

A number of amendments were added to the Social Security Act that significantly broadened insurance programs. In 1939, Congress added benefits for dependents of retired workers and surviving dependents of deceased workers, making the old-age insurance system a family program. In 1939 two new categories of benefits were added: payments to the spouse and minor children of a retired worker (so-called dependents' benefits) and survivors' benefits, which were paid to the family in case of the premature death of the worker. Since 1939 benefits have been added for disabled widows and surviving divorced wives. One of the most important amendments to the Social Security Act was the establishment of the Medicare program in 1965. The program provided for the medical needs of individuals aged sixty-five and older, regardless of income. The 1965 legislation also created Medicaid (federal grants to states for medical assistance programs), which provides health care for low-income persons. It replaced the medical vendor payments, payments to medical service providers from the state through a fiscal agent. Both Medicare and Medicaid have been subject to numerous legislative changes since 1965.

Since the 1960s, the Social Security Act has been modified and refined. Amendments in 1967 provided disability benefits for widows and widowers aged fifty or older. In 1972, the state-administered cash assistance programs for the aged, blind, and disabled were replaced by the federally administered Supplemental Security Income (SSI) program. In 1972 amendments provided for automatic cost-of-living increases in benefits tied to increases in the Consumer Price Index (CPI) and created the delayed retirement credit, which increased benefits for workers who retire after the normal retirement age (currently age sixty-five). The 1983 amendments made coverage compulsory for federal civilian employees and for employees of nonprofit organizations. State and local governments were prohibited from opting out of the system. The amendments also provided for gradual increases in the age of eligibility for full retirement benefits from sixty-five to sixty-seven, beginning with persons who reached age sixty-two in 2000.

Use of the Social Security Number

Since 1960 amendments have fundamentally changed the Social Security program, expanding not only the categories of coverage but also introducing the Social Security number (SSN). Initially, the Social Security Act did not expressly mention the use of the social security numbers, but it authorized the creation of some type of record-keeping scheme. In 1936, a U.S. Treasury regulation called Treasury Decision 4704 required the issuance of an account number to each employee covered by the Social Security program. In 1943, Executive Order 9397 required "all Federal components to use the SSN 'exclusively,' whenever the component found it advisable to set up a new identification system for individuals." In 1965, Internal Revenue Service (IRS) amendments enacting Medicare required most individuals aged sixty-five and older to have an SSN. In 1966, the Veterans Administration began to use the SSN as its hospital admissions number and for patient record keeping. In 1967, the Department of Defense adopted the SSN in place of the military service number for identifying armed forces personnel. In 1970, the Bank Records and Foreign Transactions Act required all banks, savings and loan associations, credit unions, and brokers/dealers in securities to obtain SSNs from all their customers. In addition, financial institutions were required to file a report with the IRS, including the SSN of the customer, for any transaction involving more than $10,000.

In 1971, the Social Security Administration (SSA) task force published a report proposing that the SSA take a "cautious and conservative" position toward SSN use and do nothing to promote the use of the SSN as an identifier. At the same time, the report recommended that the "SSA use mass SSN enumeration in schools as a long-range, cost-effective approach to tightening up the SSN system, and consider cooperating with specific health, education and welfare uses of the SSN by state, local, and other nonprofit organizations." In 1972, amendments to the Social Security Act required the SSA to issue SSNs to all legally admitted aliens upon their entry into the United States and to anyone receiving or applying for any benefit paid for by federal funds. In addition, the SSA was required to obtain evidence of age, citizenship, or alien status and identity and authorized that SSAs be assigned to children at the time they first entered school. In 1977, the Food Stamp Act required disclosure of SSNs of all household members as a condition of eligibility for participation in the food stamp program. In 1978, the SSA required evidence of age, citizenship, and identity from all SSN applicants.

Initially, the Social Security Act was administered by a three-person Social Security Board (SSB) appointed by the president. Although one member was designated as the chairperson, all three members had equal status, and each had one vote in board decisions. The first chairman of the board was John Winant (a former governor of New Hampshire), who served from August 1935 until February 1937. Arthur J. Altmeyer was chairman from 1937 until 1946. Altmeyer was also the last chairman because on July 16, 1946, the Social Security Board was replaced by the SSA, with a single commissioner as its head. During the years of its operation, the SSB considered various numbering systems and ways (such as the infamous metal tags commonly called dog tags, etc.) by which employees could indicate they had been issued a Social Security number. In addition, the SSB provided employers, employees, and the public with information on how earnings were to be reported, what benefits were available, and how they were to be provided. However, the board's major task was to register employers and workers by January 1, 1937, when workers would begin acquiring credits toward old-age insurance benefits. Since the SSB did not have the resources to accomplish the enormous task of registration and issuance of Social Security numbers, it contracted with the U.S. Postal Service to distribute the applications, beginning in November 1936. The post offices collected the completed forms, typed the SSN cards, and distributed the cards to the applicants. The applications then were forwarded to the SSB's processing center in Baltimore, Maryland, where the numbers were registered and various employment records were established. Approximately 30 million applications for SSNs were processed from November 1936 to June 30, 1937.

Today, one in six Americans receives a Social Security benefit, and these benefits comprise about 5 percent of the nation's total economic output. Social Security has grown exponentially from 1940, when approximately 220,000 people received monthly benefits, to the present, when almost 45 million people receive benefits (Social Security Administration 2002). Statistics often cited by supporters of the program point out that poverty rates among those sixty-five and older declined from 35.2 percent in 1959 to around 9.7 percent in 2000 (Steuerle 2000). Research by the Center on Budget and Policy Priorities indicates that three-fourths of the elderly that would have had incomes below the poverty line without Social Security were lifted above the poverty line as a result of the benefits (Steuerle 1999).

However, statistics show that Social Security is more likely to help those in their sixties and early seventies rather than the eldest of the elderly. Every year, Social Security increases the rate of pay to each new group of retirees so that their benefits are higher than those who preceded them. An average-income couple who retired in 1960 received about $100,000 in lifetime Social Security benefits (in today's dollars). An average couple retiring today would receive about $500,000 in Social Security and Medicare, and the average-income baby boomer will receive about $750,000 (Steuerle 1999). In addition, retirees receive benefits regardless of need. This aspect of the system will become extremely problematic as more members of the baby-boom generation reach retirement age and close to one-third of the population will be receiving Social Security benefits. Outlays for Social Security have and will continue to increase to cover these costs, while other public safety net programs have been slashed. The result is that poverty among children and some other age groups is higher than among those in their sixties and seventies. Social Security represents one of the largest government benefit programs, in numbers of recipients and total dollar outlays.

Over the years, the Social Security Act has had its critics. Some considered it inept and conservative, complaining that the Social Security Act denied coverage to numerous classes of workers, including those who needed security most: farm laborers, domestic workers, government employees, and casual workers (individuals hired for short-term jobs in the public sector) were excluded from both unemployment and old-age taxes. Only employees in industrial and commercial occupations were eligible for protection under the original Social Security Act. In addition, the critics of the act argued that it disregarded sickness as the main cause of joblessness.

Some have criticized the act for failing to set up a national system of unemployment insurance or even to provide for effective national standards. Just about every important decision was left to the states. For instance, the federal government managed old-age insurance on a contributory basis, whereas Social Security and programs for the handicapped used a federal-state system. In addition, because it set up a state-based network of unemployment compensation, the Social Security Act gave rise to the enactment of another type of levy, the sales tax, which spread rather quickly in the nation's poorest region, the South. In addition, funding for Social Security payments was based on payroll taxes. Lower-income workers paid a much larger percentage of their wages in Social Security taxes than did those who had received higher incomes, which gave an unfair advantage to the wealthiest class of workers.

Although not every American citizen agreed with the legislative principles of the Social Security Act of 1935, it played a significant role in national history. The act provided effective social organization for meeting the problems of dependency and unemployment and offered the economic security that the American people desperately needed during the post-Depression era. Most importantly, the Social Security Act dedicated federal power to the general welfare. The federal government decided it had the responsibility to provide its citizens with security and protection from the perils of everyday life.

Despite its flaws, the Social Security Act of 1935 was a significant achievement in that the government for the first time acknowledged a responsibility for the individual welfare of all Americans. It established a number of programs that provided for the material needs of individuals and families. The Social Security Act reflected the humanitarianism of the 1930s, as well as the inclination of Americans in those years to seek security and group acceptance. The various provisions of the act helped to pull the economy out of the Depression, and in later years its guarantee of retirement income relieved Americans who feared financial hardship in their later years.

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See also Job Benefits; Retirement; Roosevelt, Franklin Delano; Socialism

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Socialism

Socialism is a form of government and economic organization in which the state controls the means of production and the distribution of wealth. It is sometimes considered (as per Marxist theory) to represent an intermediate step between capitalism and communism. In socialist forms of government, the state determines needs and wants and allocates capital and labor accordingly. In practice, there have been few attempts to create a "pure" socialist state, but the degree to which government controls and regulates the economy has made tremendous difference in the history of labor in the United States and throughout the world. The modern economy is a mix of capitalist and socialist elements.

Although many classical states could be characterized as socialist in structure, socialism as a modern concept is often attributed to Gracchus Babeuf (1760–1797), leader of the Conspiracy of Equals in the French Revolution. His ideal was radically democratic, centralist, and died with the collapse of the revolution. From its wreckage emerged the romantic ideals of the late eighteenth and early nineteenth centuries. These socialist theories, promoted by the utopian champions Henri de Saint-Simon (1760–1825), Charles Fourier (1772–1837), and Robert Owen (1771–1858), were by contrast more or less antidemocratic and concerned more with the creation of small societies than with the radical remaking of the world at large. These movements mostly failed, though not before the founding of small retreats such as Owen's New Harmony, Indiana, in 1825. The groups they founded tended to become more associative and thereby more democratic over time and influenced the thinking of Karl Marx (Harrington 1989, 41–49).

From the hodgepodge of utopian socialism, Karl Marx (1818–1883) created theories of scientific socialism. Along with his collaborator Friedrich Engels, he posited the socialist state as one in which the proletariat—the working class that has no or little property or stake in the capitalist state—appropriates the means of production from the capitalist bourgeoisie. The state would become director of the economy. Marx named this ultimate conclusion of socialism *communism.* It is important to note that although scientific socialism is predicated on a European structure of society, Marx in particular saw socialism not merely as a salve for nineteenth-century Europe's ills but as an inevitable stage of history the world over, one that would eventually culminate in the creation of a global Communist society. For this reason, Marxist socialist theory takes as a given that national and cultural differences are little more than mirages and that members of the same social class from different nations and even hemispheres ultimately have more in common with one another than with other classes from within their own nation.

Marx's *Communist Manifesto* was published in 1848, a year in which every European nation save Great Britain and Russia experienced revolution. Marx hailed the events of 1848 as the dawn of the Communist era. However, the greatest day in socialist history soon gave way to the failure and collapse of every revolutionary government created. As would become a pattern with socialist triumph, failure quickly led to both the rise of a nationalist right and the bifurcation of the left, in this case into warring liberal and socialist camps. The liberals and socialists on the left broke apart. On the right, the years following 1848 saw the rise of nationalists such as Otto von Bismark-Schönhausen (1815–1898) (McNeill, 543–547). Nationalism emerged from the collapse of the socialist promise of 1848.

Across the ocean in the United States, socialism did not make such early inroads. Still, industrialization in the United States had kept pace with that of every European nation with the exception of England, and at least in the North, there was a core of workers who eventually formed the seeds of socialism in the years following the Civil War. The influx of new labor into the industrial cities of the North, both from the conquered South and from the masses fleeing tumult in Europe, led to the rapid expansion of manufacturing. It was followed by the predictable reduction in perceived quality of life, including long hours, lack of ownership, poor and hazardous working conditions, and want of job security. Simultaneously, the sudden opening of the western half of the North American continent led to the great migration westward in search of free land. Many of these pioneers would later become agrarian socialists, often with a Christian bent, especially when confronted with the centralizing tendencies of increased investment.

As one might expect, it was in the cities that socialism first made its rise in the United States, often coinciding with downturns in the economy. The newer midwestern cities, especially Chicago, became hotbeds of radicalism toward the end of the nineteenth century. The economic downturn of the 1870s led to widespread unrest, including the great railroad strikes of 1877, and culminated in the Haymarket Square Incident in Chicago on May 3, 1886, in the aftermath of which eight police and four civilians were dead. In the wake of the uprisings that continued across the United States, attempts were made to create organized socialist parties. However, the tendency toward anarchism demonstrated by rioting and looting made such attempts more or less fruitless. For the first time, though, wide-scale labor organization took root, as exemplified by the founding of the American Federation of Labor (AFL) in 1886 by Samuel Gompers (1850–1924). Although unions did not necessarily see themselves as socialist, society at large saw little to differentiate unions from socialist parties. The AFL pressed labor issues through negotiation and strike, including the Homestead strike in 1892 and the Pullman strike of 1894. However, as sentiment was turning against the laborers, the industrialists began to employ strikebreakers, and the recovery of the U.S. economy in the latter half of the 1890s led to a general muting of socialist agitation (Pierce 1957, 234–299; Trachtenberg 1982, 94–95). As in Europe in 1848, the left split, this time into warring socialist and progressive camps. The nationalist right saw gains in the 1890s as well, prompting the Spanish-American War in 1898, the centennial of the French Revolution.

In the years following the turn of the twentieth century, a Socialist Party revitalized by the economic polarization of society began to grow in earnest in the United States. Capitalism had swelled the ranks of financiers and industrialists in the cities, leading once more to debased working conditions while simultaneously the creation of new methods and tools made life more difficult for small farmers in the fields, who could not afford new equipment or sell their crops at the lower prices that higher yields made possible for larger enterprises. The dearth of a rapid means of communication was in some sense a boon for the Socialist Party, for it meant that disparate agendas were able to unite without their obvious differences making cooperation impossible. Following the departure of popular progressive Theodore Roosevelt (1858–1919) from the presidency in 1909, recession led to a swelling of the socialist ranks. The urban proletariat, heavily immigrant and Catholic, united ranks with the agrarian farmer, largely native-born and Protestant. The Socialist Party under Eugene Debs (1855–1926) reached its high point in 1912, with enrolled membership of 118,000, and polled 879,000 in the presidential election, or about 6 percent (Howe 1985, 3).

Despite the rosy outlook, expansion of communication between regions combined with societal changes in the United States prevented the Socialist Party from advancing any further in the United States. Most importantly, the first successful Marxist revolution came about during World War I in 1917 in Russia. The war had been exhausting, and fear that socialism might spread across the world led to the great "red scares" in the United States. When the war ended, the right returned in force, and socialism and communism split, the former exemplified by the working-class parties of modernized Europe, the latter by the authoritarianism of the United Soviet Socialist Republic (USSR).

The Soviet Union that emerged from World War I and the internal strife that followed was nearly preindustrial. When it became clear that the rest of the world was not following it into revolution, V. I. Lenin's successor, Joseph Stalin, embarked on a series of plans designed to bring about modernization. They succeeded to some extent. Although they brought the Soviet Union out of a nearly feudal state, they did so at the cost of the creation of a wholly totalitarian state and millions of lives. While the Soviet Union grew, though, Europe was confused and overrun by debt and inflation, and the United States followed a doctrine of nonintervention. When the Great Depression began in 1929, the USSR, unlike every other industrial nation, continued to see its economy expand. The left had a newfound allure. The capitalist West delved into the socialist textbook and created the modern welfare state. This bargain is often referred to as "social democracy," whereby western nations agreed to guarantee certain social and economic standards to ward off greater class antagonism and reduce the inequality between rich and poor. The theories of John Maynard Keynes in England and the practice of President Franklin Delano Roosevelt's New Deal in the United States—both men were members of the traditional upper classes—brought about the melding of capitalist and socialist policies in the industrialized world.

In 1939, the world went to war again. Stalin initially allied with Adolf Hitler's Germany, but Hitler soon invaded the Soviet Union. When the United States entered World War II in December 1941, it fought with the Soviets against fascism. Germany crumbled. After the war, Europe was divided into capitalist and Communist blocs. For the next fifty years, communism was the great evil that the United States fought. Socialism and communism were rejected for their conformity and authoritarianism, and the two sides entered a long Cold War.

After World War II, many Americans feared that communism would spread across Europe and the globe. Through policies such as the Marshall Plan, the United States propped up the economies and governments of unsteady nations. Still, the fear of a "Soviet menace" grew, fed by ever-expanding nuclear arsenals. The second great "red scare" witnessed McCarthyism in the United States and widespread accusations of Communist infiltration.

Nonetheless, the postwar United States was more "socialist" than the country that Franklin Delano Roosevelt (1882–1945) had taken charge of in 1933. After Stalin's death in 1953, the Soviet Union seemed less of an immediate threat, and in the 1960s the United States under President Lyndon Johnson (1908–1973) expanded social democracy, as did Europe. The United States of the late 1960s, though, saw a loss of confidence in government and a decline in "traditional" values. Research from the 1970s questioned many of the intellectual underpinnings of socialism, and Ronald Reagan's successful platform for president in 1980 was antisocialist and for small government. State-run economies were further discredited by the economic recovery following the slump of 1982. In 1989, much of Eastern Europe rebelled against communism. In 1991, the Soviet Union itself fell. Communism was dead.

Although much of the framework for state control of the economy has been dismissed as failure, socialism as an economic tool is still alive and well. In the 1990s, the Democrats in particular sought to find a "third way" between socialism and capitalism. Although capitalism may be efficient in allocating resources and weeding out bad ideas, no method has yet been devised to utilize capitalist methods to alleviate every social ill. Modern governance is still a mix of socialist and capitalist policy. Although the trend has been toward privatization, public oversight is still necessary in many instances. The world may never see another nation that dictates the amount of grain a farmer must grow in a given season, but it may also never see another nation without a graded income tax. If communism has been rejected, social democracy has not.

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See also Capitalism

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Solidarity

Solidarity, a commitment to mutual aid, fellowship, and collective action, is often considered the defining principle of the labor movement. A group acting in solidarity treats the concerns of each of its members as concerns that are important to all of its members. Solidarity can be understood in any of three ways: (1) as a form of rational self-interest through which a collection of individuals agrees that each will support the interests of the others so that all are better able to defend their particular interests, (2) as an expression of underlying emotional loyalties flowing out of a shared sense of group identity, or (3) as an ethical principle linked to notions of justice and equality. The concept of solidarity has been central to organized workers' efforts to describe the dynamics of the labor movement and to articulate the ethical imperatives behind union activities.

Union organizing drives, strikes, picket lines, and other job actions are frequently marked by calls for solidarity. During a strike or other union action, individual workers may stand to gain short-term benefits or avoid short-term sacrifices if they refuse to participate. Only if workers maintain a high degree of unity will the strike or campaign be successful. Convincing workers of the instrumental value, personal emotional importance, or ethical necessity of collective action can move them to set aside considerations of short-term individual gain. For this reason, members of labor unions appeal to the principle of solidarity when they need to inspire a commitment to unified action. The word *solidarity* has also been used in the names of numerous union-related publications, events, and organizations.

Within the U.S. labor movement, perhaps the best-known statements of the principle of solidarity are found in the slogan "an injury to one is an injury to all," associated with the Knights of Labor and the Industrial Workers of the World (IWW), and in Ralph Chapin's 1916 song "Solidarity Forever," which begins:

> When the union's inspiration through the worker's
> blood shall run,
> There shall be no power greater anywhere beneath
> the sun,
> Yet what force on earth is weaker than the feeble
> strength of one?
> But the union makes us strong.
> Solidarity forever,
> Solidarity forever,
> Solidarity forever,
> For the union makes us strong. (Seeger and Reiser
> 1991, 112)

Some observers have suggested that the experience of working is particularly likely to give rise to strong solidarities. People who have the same job or labor in the same workplace face shared difficulties or oppressions and have shared experiences that may give work-based or class-based solidarities a unique vibrancy.

Christian interpretations of solidarity have had particular importance in the United States. Protestants drawing on the social gospel tradition and Roman Catholics influenced by St. Thomas Aquinas (1225–1274), who taught that human beings are social by nature, have both seen solidarity as an expression of Christian social teachings. Understandings of solidarity derived from religious sources tend to emphasize a broad human unity encompassing all social classes.

Socialists have been among the most vocal advocates of solidarity within the U.S. labor movement. They see class-based solidarity as necessary to the achievement of a just society and thus emphasize the importance of working-class solidarity across racial, occupational, and national lines. For Marxist socialists, working-class solidarity is the practical expression of class consciousness, an understanding of the capitalist class structure that is a prerequisite for any serious challenge to capitalism.

Two additional streams of thought have influenced academic studies of solidarity: the sociological tradition founded by Emile Durkheim (1858–1917) and the "rational choice" school of political science. Durkheim emphasized the role of integrative social bonds in human life, suggesting that social solidarity can be based either on a community of ideas and feelings or on a differentiation of functions leading to mutual dependence. Some political scientists, studying what Mancur Olson has labeled the "logic of collective action" (1971), have argued that unless individuals have some compelling reason to think in collective terms, their individual pursuit of personal advantages may tend to make everyone concerned worse off.

The importance of solidarity to the labor movement makes unions unusual institutions in U.S. social and political life. Scholars such as Louis Hartz have argued that U.S. political culture is fundamentally individualistic. Since solidarity entails a rejection of individualism and an emphasis on responsibilities or loyalties to a group, institutions that are committed to solidarity cut against the grain of the individualistic culture Hartz described in 1955.

Labor unions today are faced by the question of how far ties of union solidarity can be extended. The labor movement is becoming more diverse in terms of race, ethnicity, and national origin; gays and lesbians are increasingly visible in the workplace, and women make up a growing proportion of the organized workforce. Appeals for union solidarity today thus cannot rely on the strong sense of personal similarity that reinforced union solidarity in previous eras, when most union members were white and male. At the same time, some union members have called for strengthened international solidarity among workers, as globalization renders the economies of different countries and continents more closely entwined with each other.

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See also African Americans and Work; African American Women and Work; Gays at Work; Globalization and Workers; Immigrants and Work; Industrial Workers of the World; Women and Work; Work and Hispanic Americans; Working Class

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Stanton, Elizabeth Cady (1815–1902)

Elizabeth Cady Stanton began the women's suffrage movement at the women's rights convention she helped organize in Seneca Falls, New York, in 1848. One of the earliest feminists in U.S. history, she had a profound effect on women's organizing and the shape of the U.S. electorate. Though she never lived to see passage of the Nineteenth Amendment to the U.S. Constitution, which enfranchised women in every state in 1920, her fifty-four-year struggle for the vote changed the future of U.S. institutions and politics forever. Always a controversial figure, she shocked the people of her day not only with the call for the vote and the politicizing of women, but also for radical changes within the family, for women's rights to hold property and keep their own wages, and with her critique of Christianity.

Stanton's political life began through her involvement in the abolitionist movement. In 1840, she and her husband traveled to the World's Anti-Slavery Convention in London just after they married. When they arrived, women delegates were not seated at the convention because such political activity was not considered proper for women. There she met Lucretia Mott (1793–1880), and the two became convinced women should hold a conference of their own to discuss women's rights.

That conference occurred eight years later, in 1848. By this time, Stanton was increasingly isolated and constrained by the needs of a growing family (she eventually had seven children) in a small town with a husband who was away much of the time. In some ways Stanton's role as wife and mother detracted from her political work, keeping her from traveling and speaking early on (though she wrote plenty). However, it probably also galvanized her political commitment to women's equality, as she understood the extreme responsibilities women of her day felt and directed her gaze at women's inability to secure resources—such as political influence and property—in their own right.

In addition to spearheading the 1848 conference with Mott and two others, Stanton drafted the Seneca Falls *Declaration of Sentiments.* Modeled after the Declaration of Independence, it enumerated the wrongs done to women at the hands of a male-dominated society. Its most controversial tenet, which Stanton insisted upon including, was the call for woman suffrage. Without the vote, she believed, men could continue to pass laws oppressive to women. That call was so radical it was opposed by many at the conference, including Mott.

Soon after the conference, Stanton met Susan B. Anthony (1820–1906), and the two began a lifelong friendship and political partnership dedicated to the

Elizabeth Cady Stanton, seated, and Susan B. Anthony, ca. 1890 (Library of Congress)

cause of women's suffrage and equality. They formed the New York State Women's Temperance Society in 1852 and the American Equal Rights Association (AERA) in 1866 and founded *The Revolution,* a radical feminist newspaper, in 1868. Although the AERA was designed to help entwine the movement for women's rights with the movement for black rights after the Civil War, struggles over whether combining the two groups' claims for suffrage would jeopardize them both in the debate over the Civil War amendments led to a rift in the women's suffrage movement. Stanton and Anthony decided they would not let the claims of former male slaves take precedence over the claims of women and even employed some racist arguments to help their cause, though both had been abolitionists. In 1869 they formed the National Woman Suffrage Association, which was to deal with all forms of women's oppression, be they social, economic, or political.

Over their fifty-year partnership, Stanton and Anthony struggled to end laws that discriminated against married women by prohibiting them from holding property and from keeping their own wages and by denying them guardianship of their children after a divorce. Once her seven children were old enough, Stanton toured the country on behalf of women's rights and grew bolder and more critical with age. Eventually, Anthony would focus more on suffrage as her primary goal, whereas Stanton would work on a range of topics, taking a more radical view of what it would mean to enact women's equality. She believed women were oppressed sexually, especially in marriage, and fought for women's control over their own bodies, meaning the right to refuse the sexual advances of their husbands to prevent pregnancy and also to delegitimize marital rape. She fought for an end to prostitution, for temperance, and for more liberalized divorce laws—the latter two to help women escape the abuse of violent, drunken husbands, in an era in which physical abuse of wives was widely accepted.

Stanton argued for labor unions, job training, and equal wages. She claimed that education and gainful employment were necessary specifically for women so that they could elevate the morality and virtue, not just of women but of the entire citizenry. She argued that women were degraded and became dishonorable when they were forced to marry to guarantee their own subsistence or position in life. Education and profitable labor would make women independent and just; in turn, they would teach their children the same virtues. In a country that scorned aristocratic systems and despotism, Stanton claimed that to deny women property was tyranny and to force them to marry for social position and financial security perpetuated class hierarchy. Education and independent labor for women were necessary for the United States to live up to its democratic ideals.

Stanton always believed suffrage was necessary so that women could organize politically to alter other areas of oppression in their lives. This was often a more progressive stance than others within the emerging women's reform movement wished to take, as many did not advocate changing the traditional roles of women but rather wished to protect and enhance them. Yet as Stanton aged, she grew even more radical in her claims—advocating free thought and dialogue, even if it might seem to put their suffrage coalitions in jeopardy—and in her attacks on the structure of the Christian church. She believed that Christianity ultimately degraded women by creating double standards about sexuality, but other women reformers believed Christianity elevated the status of women. In 1895 Stanton published *The Woman's Bible,* a feminist commentary on the Old Testament. Stanton's radical critiques, while distancing her from both her fellow women reformers and from conservatives in society, ultimately paved the way for subsequent "mainstream" twentieth-century feminist critiques that called for equal opportunity for women outside the home but also the elimination of the sexual division of labor within it.

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See also Equal Employment Opportunity Commission; Equal Pay Act; Glass Ceiling; Pay Equity; Pink Collar; Steinem, Gloria; Women and Work

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Steel/U.S. Steel

U.S. Steel was, for about a century, not only one of the leading engines of monopoly capital in the United States, but a pacesetter for regional development and labor relations. To a generation raised in a largely deindustrialized landscape, the name *U.S. Steel* may sound like an oxymoron, but for generations the company name symbolized the industrial power and boundless productivity of the U.S. economy, including its massive concentrations of capital, huge smokestack factories dominating a regional manufacturing complex, and enormous workforce represented by a strong union with deep coffers. Indeed, with its immense capacity and countless linkages to manufacturing industries key to the nation's domestic output (notably automobiles), U.S. Steel and the steel industry in toto seemed indispensable to the U.S. economy and social order. Having arisen through mergers seeking in part to avoid price fixing and other prohibitions under the Sherman Antitrust Act of 1890, U.S. Steel became one of the premier vertically integrated manufacturing giants of the twentieth century. Its founders and leaders were household names, as were the leaders of its counterpart union. As Robert Reich summarized, "Thus was the core corporation born in America. Some of the mammoths that emerged bore names that would become synonymous with American industry—names that reflected the unambiguously national identities to which they aspired" (1991, 36). Before the 1980s, few foresaw that U.S. Steel would come to symbolize the decline of U.S. manufacturing; regional devastation; and an end to the unionized, steady work, good pay, and reliable pensions and benefits that sustained communities of steelworkers at midcentury.

Management and Technology

U.S. Steel was formed in 1901 by the merger of a number of previously existing companies, principal among them being Carnegie Steel. The steel company created by industrialist Andrew Carnegie (1835–1919) not only had been a pioneer in technical efficiency in the steel-making process but also had set management patterns that would be dominant throughout the history of U.S. Steel: vertical integration, controlling relationships with customers, and hostility to organized labor. Carnegie Steel controlled all the resources and manufacturing facilities necessary to make steel and sold its product to manufacturers who made finished goods from it. Andrew Carnegie owned iron foundries and rolling mills but was slow to invest in the new Bessemer process to create a plant to make steel. However, a primary consumer of his iron products was railroads, and when it became increasingly clear that the wave of the future would be steel rails, he and seven other businessmen formed a new company to build a Bessemer plant for making steel rails in 1873. Among the investors were two principals in the Pennsylvania Railroad, including the chairman,

J. Edgar Thompson. The Pennsylvania Railroad was one of the country's major combined railroads. It linked Pittsburgh's foundries with the Pennsylvania coalfields and had a policy of brutal suppression of labor unions, most famously in the 1877 Railroad Uprising. Carnegie Steel also set the pattern of seeking any and every means to lower production costs. David Brody has defined this "impulse for economy" originating in Carnegie Steel as a crucial factor in the history of the U.S. steel industry, shaping its brutal labor policy, initial drive for technological innovation, and conglomeration and vertical integration (1960, 2). Carnegie added blast furnaces to the Thompson plant, combined iron and steel production, and acquired competitors' steel plants at Homestead and Duquesne (Hoerr 1988, 84–87; Yellen 1936, 15–20).

The Pittsburgh region had a number of advantages that made it predominant in the manufacture first of iron and then of steel. Built at the confluence of the Monongahela, Allegheny, and Ohio Rivers, it was also where the Pennsylvania and Baltimore and Ohio railroads met and where limestone and, at first, iron ore were mined locally. One of the greatest advantages was the presence of low-sulfur coal in the Connelsville seam, crucial to producing coke for the steel-making process. In 1889, Henry Clay Frick (1849–1919) joined Carnegie as president of the steel company and led it through the final steps of vertical integration, buying the mineral rights to the huge iron ore deposits of the Mesabi Range in northern Michigan and even adding Great Lakes freighters and railroads to transport the raw materials, until every product and every facility to create steel from iron ore was wholly owned by Carnegie Steel.

By 1900, Carnegie and his competitors had made the United States the world's premier steel producer. Frick's successor as president, Charles M. Schwab (1862–1939), enlisted J. Pierpont Morgan and other investment bankers in a plan to create a large industrial combination, similar to other "trusts" like Standard Oil, by combining several steel companies. With industrial capacity in steel and other industries having reached a point at which increased profitability was best achieved through the issuing of securities by combined companies rather than investment in new plants, Carnegie sold his company to Morgan and his partners, and U.S. Steel was born (see Cochran and Miller 1961, 188–192). The new company was capitalized at $1.466 billion and included 213 different manufacturing plants; 1,000 miles of railroad; 41 mines; 112 Great Lakes ore vessels; 78 blast furnaces; and, of course, the great steel-producing works in the Pittsburgh and Chicago areas, including Homestead, Thompson, and Duquesne. U.S. Steel controlled over 65 percent of the nation's and almost 30 percent of the world's steel output (see Marcus 1977, 38–39; Hoerr 1988, 89–90).

U.S. Steel was created in the boom that followed the long depression that began in 1873, and economic factors, including the continued expansion of railroads and the impact of the Spanish-American War of 1898, fueled its growth and that of the other large companies, including Jones and Laughlin, Republic, Youngstown Sheet and Tube, and Bethlehem (led by Schwab after he left U.S. Steel in 1903). Following the financial panic of 1907, big steel companies decided that instead of competition through price cutting, they would protect their profits in economic downturns through price cooperation. Implemented by Judge Elbert H. Gary (1846–1927), one of the architects of U.S. Steel and its chairman from 1901 until his death in 1927, this monopolistic system characterized the industry through the 1960s, maintaining profits but stifling competition and innovation in the industry (see Hoerr 1988, 96–97; Marcus 1977, 39–40).

Informal collusion on prices is one of a series of strategic failures by U.S. Steel's management that led to the corporation's and, because of its leading position, the industry's decline after the 1960s. Vertical integration demanded control of all the materials necessary to make steel, but by the 1950s the high-grade Mesabi Range iron ore deposits were exhausted. U.S. Steel invested in expensive processes to make low-grade ores suitable for processing rather than buy high-grade ores. Organizational rigidity also led U.S. Steel to forecast only growth in the steel market, even as technology and materials science made plastic and aluminum products competitive with or superior to steels for a variety of markets, including containers and the automotive industry. Under the leadership of Myron Taylor, chairman during the Great Depression, U.S. Steel replaced 30 percent of its capacity with modern mills (following Carnegie's dictum of industry expansion during economic contraction), but thereafter, management isolation and arrogance about

Steel mill, Youngstown, Ohio, 1953 (Library of Congress)

the superiority of U.S. technology led U.S. Steel and other integrated steel corporations to fall behind international competitors.

With their vast investment in plants centered on open-hearth furnaces (in which the steel charge is heated and purified by gas and brick recharging chambers), U.S. steel companies adopted only incremental changes to basic technology. The basic oxygen furnace, more efficient than the open hearth, was developed in Germany and Austria after World War II but was widely adopted by U.S. integrated steel makers only in the 1960s. By then, European and Japanese makers had already achieved a cost advantage over U.S. producers, and declining returns on investment limited the capital available to domestic firms for modernization. In addition, conservative management was reluctant to abandon the investments they had made in integrated plants. In the 1980s, the industry faced further competition from plants in developing countries such as Brazil and Japan's new competitors, Taiwan and South Korea. Smaller U.S. steel firms were also early adopters of basic oxygen furnaces and continuous casting technologies, in which steel is cast in a continuous, uniform bar, and these minimills also competed with the integrated plants, particularly in specialty steels (Barnett and Crandall 1986; Hoerr 1988, 93–101; Dertouzos et al. 1989, 278–287).

Under David Roderick, chairman from 1979 to 1989, U.S. Steel bought oil companies, directed investment in steel plants only to the most efficient, and closed plants, cutting capacity by half. In 1986, the company was renamed USX, and its petroleum holdings were separated from steel in semiautonomous internal units. The resulting deindustrialization of the Monongahela Valley and other areas dominated by steel manufacture devastated steelworkers, who lost jobs, homes, and their communities in a few brief years (Bluestone and Harrison 1982; Hoerr 1988; Reutter 1988). In 2001, U.S. Steel was spun off, a small company with three U.S. plants and fewer than one-tenth of the 170,000 workers it employed when founded 100 years before (Warren 2001).

Labor Relations

From its early years, the steel industry was marked by combination and concentration, with well-known captains of industry at its helm and not only self-interested but ideologically articulated hostility to union organization. On the workers' side, too, steel unions have been characterized by size, the combined strength of craft and industrial labor, and skillful leadership dedicated to workers and industrial democracy. Because of steel's centrality to the economy, its years of labor struggles have had impacts far beyond their immediate role in the industry.

Craft Unionism

Initially, Carnegie Steel Company was on amicable terms with the Amalgamated Association of Iron, Steel, and Tin Workers, a 25,000-member-strong craft union and arguably the most powerful American Federation of Labor union in the country; ironically, because union wages were more easily afforded by Carnegie than its comparatively marginal competitors, the union inadvertently proved useful in Carnegie's success. Henry Clay Frick's appointment as operating head in 1889 brought the policy of coexistence with the union to a halt: "With most of its competitors driven from the field, the giant steel company no longer needed the union and was not about to share any of its power with a rival within its plants" (Brooks 1971, 87). Although the union won a brief strike that year, Frick—with the publicly paternalistic Andrew Carnegie's secret approval—forced a showdown in 1892, when the contract was due to expire, with the intention of breaking the union.

The ensuing strike, though it led to defeat of the steelworkers, was a landmark in U.S. labor history. On the one side, Frick cut short contract negotiations by first imposing a drastic wage cut and then shutting down the Homestead works after worker protests. Located just outside Pittsburgh, those works employed 3,800 men in a community of 12,000, and to enforce the lockout, Frick had already hired 300 Pinkerton men. For their part, the union of craft workers took the pathbreaking step of mobilizing the semi- and unskilled workers, who formed a committee that included elected town officials; that committee ran both the strike and the town. When the Pinkerton men arrived at dawn on July 6, the community of men, women, and children turned out to meet them; after the Pinkertons fired into the crowd, a fierce battle followed, leaving dead and wounded on both sides and the workers in control of the Homestead works. On July 12, the company succeeded in pressuring the governor to send in the state militia to retake the town; the union leaders then were indicted for murder, riot, conspiracy, and treason against the state of Pennsylvania. The unionists were successfully defended in court, but the union treasury was used up in the process, and, although other steelworkers called sympathy strikes (and the anarchist Alexander Berkman also had made a famous, retaliatory assassination attempt on Frick on July 23), the Homestead lodges essentially conceded defeat on November 17 (Brooks 1971; Yellen 1956). Amalgamated never recovered from the effects of that strike, and Carnegie Steel announced that it would never again recognize a union in its plants.

Following that debacle, steelworkers labored long hours at low pay for many years. While they faced workweeks of seventy to eighty hours, hard physical labor, speedups, and industrial hazards and accidents, the steel industry experienced rapid growth, with men like Carnegie making as much as twenty thousand times a steelworker's annual income. As summarized by I. W. Abel, former president of the United Steelworkers of America:

> The men who labored in the steel mills in the early, unorganized days of the industry could be said to exist—not live; exist—in a state of industrial slavery. It was the end of the nineteenth century and the beginning of the twentieth century in America but for the workers it was still the Dark Ages. [. . .] Their bodies bent under the weight of a 12-hour day, the seven-day week. They became "old" at 40. Only the hardiest could survive the long hours, the miserable conditions. The work was dangerous and dirty. (Abel 1976, 14)

With the steel industry seeking to economize first and foremost on labor costs, "That was the work pattern: Maximum physical labor at inhumanely long hours" (Abel 1976, 15; cf. Edwards 1979).

Indeed, with the consolidation of U.S. Steel, conditions in the industry further deteriorated, with wages and living conditions becoming the subject of progressive social research (see Byington 1910) and congressional investigation. The workforce was increasingly riven by ethnicity because the workforce consisted largely of recent immigrants of many nationalities, yet despite the industrial workers' support of Amalgamated during the Homestead strike, the union did not view the new semiskilled and unskilled men as candidates for unionization. In 1901, it overplayed its hand in a strike against the American Tin Plate Company (a U.S. Steel subsidiary) and was partially wiped out; following a downturn in 1907–1909, the company announced it would not renew the union contract and then proceeded to ignore a two-year strike by what was left of Amalgamated. To compound matters, the very immigrants passed over by the union were brought in as strikebreakers, creating long-lasting ill will. After that, the entire steel industry worked on an open-shop basis for over twenty-five years, complete with company spies and blacklists (Brooks 1971; Brody 1960).

Nonetheless, faced with high worker turnover and unwelcome public attention to the new combination, U.S. Steel devised a form of corporate welfare designed to supplant unionism in the hearts and minds of its workers, to bind those workers more firmly to the company, and to persuade critics of its good citizenship. Management strategies of the Progressive era included such innovations as model towns with housing for steelworkers, development of a corporate Bureau of Safety, Sanitation, and Welfare (in response to workers' compensation laws), elimination of Sunday work, and introduction of pensions. Such measures, however, were aimed more at native-born skilled workers than immigrant industrial workers.

World War I brought major changes to the steel industry. With rising government demand for steel and an answering rise in production but a labor shortage, the steel companies began to include the immigrant workforce in more elements of corporate welfare, including housing. They also raised wages, but earnings remained well below the rising cost of living as conditions in the mill towns continued to worsen. At the same time, the steel companies sought ways around labor legislation, such as in their attempts to reimpose Sunday work. Under these conditions and with encouragement from the War Labor Board, a number of unions began to make inroads in steel organizing. Under the leadership of U.S. Steel and, most obstinately, Judge Gary himself, the steel companies stood united in their refusal to allow unions into the industry.

Thus, the stage was set for confrontation between unions and steel. In August 1918, the American Federation of Labor convened a conference of fifteen international unions holding craft jurisdictions in the steel industry. Together they formed the National Committee for Organizing the Iron and Steel Workers, with John Fitzpatrick (liberal president of the Chicago Federation of Labor) as chair and William Z. Foster (formerly an organizer of the Industrial Workers of the World and later a leader of the U.S. Communist Party) serving as both secretary-treasurer and lead tactician for a coordinated, national organizing drive. Though the craft unions stopped short of endorsing industrial unionism, they agreed to include residual units of semi- and unskilled workers under their jurisdiction. The organizing drive made immediate inroads among steelworkers eager for union representation, even when the steel companies agreed in October to institute the eight-hour day as a tactical concession to undermine the potential for unionization. David Brody (1960) attributes the continued success of the union organizing campaign to its appeal to sentiments popularized by World War I; in particular, union supporters linked the fight described as one for political democracy with the union fight for industrial democracy at home—indeed, with Americanism itself. Such arguments resounded with immigrant steelworkers, who had little voice in the mills and mill towns, but had only partial success among native-born skilled workers (through a combination of striving, past defeats, and prejudice against the foreign-born) and little or no success at all among African American workers, who had had bad experiences with unions attempting to keep them out of both mills and unions.

For the steel companies, wages and hours proved secondary to the issue of union representation. In September the smaller companies began to introduce "employee representation" (as pioneered by John D. Rockefeller at the Colorado Fuel and Iron Company): elected representatives of the workers were allowed to meet with company administrators to discuss grievances and other issues. In these “company unions,” there was no international support behind the workers’ demands, no solidarity beyond the plant, and no “outside” legal or organizational representation. Yet, though the War Labor Board had ordered election of shop committees at U.S. Steel, the company and Judge Gary refused to allow even company unions onto their grounds.

In November, the war ended abruptly, the War Labor Policies Board was disbanded, and the War Labor Board lost most of its clout. “From the day of the armistice every circumstance—the implacable hostility of the employers, the objectives of organized labor, the heightened expectations of the workmen, and the weak neutrality of the administration—converged to make a great conflict inevitable” (Brody 1960, 230). Without government encouragement or protection and with the sudden rise in unemployment following the end of wartime production, workers in company mill towns were left vulnerable to employer reprisals, including both mass and individually targeted firings. Employer intransigence was especially pronounced in the Monongahela Valley, where workers were denied use of any halls in which to hold meetings. Working hours remained long, despite promises of reform, and the company unions failed to achieve material improvements to the workers’ conditions. With workers threatening to strike even without authorization by the international union, in August 1919 the National Committee for Organizing the Iron and Steel Workers sought a meeting with Judge Gary. Gary’s refusal to meet with them was widely perceived as high-handed, even compared to the behavior of the czar and kaiser; indeed, in later congressional testimony, Gary made it clear that U.S. Steel would on principle refuse to meet with union representatives for any reason (Brody 1965, 124–126). Undoubtedly, his action fueled workers’ outrage and support for a strike, which finally was called reluctantly by Samuel Gompers in September 1919.

On Sept. 22, 1919, some 365,000 steel workers, organized under the direction of William Z. Foster in spite of every conceivable kind of terror in the fourteen months preceding, went on strike in fifty cities of ten states. Virtually every key plant of United States Steel and the big independent producers was closed. Twenty-two were killed, including Fanny Sellins, an organizer of the United Mine Workers; hundreds were wounded or beaten up; several thousands were arrested, while over a million and a half men, women, and children “struggled and starved” (Boyer and Morais 1955, 205).

In this strike, the steel companies found they had an ace in the hole: the red scare, following the October Revolution of 1917 in Russia and the wave of strikes in the United States (many led by radical unionists), enabled them to represent the steel strike as not a defense of Americanism but a taking of private property and assault on American ideals. Indeed, the open shop was recast as “the American plan.” Company and government spies collaborated in identifying pro-union workers, while especially in U.S. Steel territory, police and vigilantes were recruited to disperse union gatherings, physically terrorize union workers and their families, and fill the jails with steelworkers. With such ingredients, the potential for government intervention on behalf of the workers was neutralized, and many were forced back to work.

The unions, too, came up short. Native-born workers were active in back-to-work movements at the local level, sometimes leaving the close-knit immigrant communities holding the field alone or “represented” by discriminatory shop agreements in which they had had no voice (on the underestimated importance for unskilled workers of an ethnic leadership and press, see Markowitz and Rosner 1990). At the top, inadequate funding and jurisdictional disputes among the craft unions continued throughout the strike. Conflict over immigrants, radicals, and the role of unskilled workers also tore apart the tenuous unity of the international unions. In January 1920, the strike finally came to its ignominious end, with the Pittsburgh region counted among the strikers’ last holdouts.

In the postwar period, steel returned to “normal.” Wages fell, hours lengthened, corporate welfare persisted, and at U.S. Steel, the open shop remained the rule. The native-born skilled workers gave way to Eastern Europeans, whose ranks were increasingly filled by Mexican and African American workers. Wartime gains by Amalgamated were lost, and with the perfection of the widestrip continuous sheet mill, its members’ manual skills were threatened with obsolescence. When the union threatened a strike, the lodges simply returned their charters and made peace with steel management (Brody 1960, 278). In the nation, despite some valiant attempts at organization, union membership overall fell under a violent assault in support of the open shop.

Industrial Unionism

Mass production and the large corporation resisted unionization successfully until the Depression and the New Deal, using an array of pro-union legislation and enforcement sanctions. Though that history has been explored often and well, Brody contends that the coming of industrial unionism per se has too often been attributed to structural necessity; rather, he argues, the craft unions were perfectly capable of accommodating industrial units but, having become compromised and complacent, lacked the will to tackle modern, mechanized industry and large capital (Brody 1980, chap. 3).

Nowhere was this lack of will more evident than in steel, an industry that played a key role in John L. Lewis's breakaway formation of the Congress of Industrial Organizations (CIO) in 1938. Passage of the National Industrial Recovery Act in 1933 had led to a proliferation of company unions in steel; indeed, by 1934, about one-fourth of all industrial workers in the United States worked at plants with company unions (Brooks 1971, 169–170). As a companion industry to coal, steel's prostrate condition proved a handicap in strengthening the miners' position.

With the formation of the CIO in 1935, Lewis helped give the green light to industrial organization of autoworkers, rubber workers, and others. In 1936, he set up the Steel Workers Organizing Committee (SWOC) with a miner, Philip Murray, as its director; financing by the United Mine Workers; 158 field directors and full-time organizers and 80 part-time organizers provided by the CIO; and the blessing of the last lodges of Amalgamated. There were 5,000 volunteer organizers. By the end of the year, SWOC had signed up 125,000 steelworkers and established 154 union lodges (Abel 1976, 20–22). With United Mine Workers resources, SWOC from its inception had well-staffed offices and the best know-how available.

In the annals of labor history, the SWOC is forever linked with Little Steel, consisting of Bethlehem, Republic, Inland, and Youngstown Sheet and Tube. Little Steel resisted unionization, resulting in a 1937 strike across seven states met by a shocking level of violence that involved illegal collusion of the companies with authorities and police, use of stockpiled gas against strikers, murder of peaceful picketers (including the infamous Memorial Day Massacre captured in newsreel), and massive firings and intimidation. Such tactics initially defeated unionization, just as they had in the past, but following exposure in the hearings before the LaFollette Committee and the National Labor Relations Board, the companies were forced to accept union organizing and elections. In 1942, SWOC signed contracts with all four of the Little Steel recalcitrants.

By contrast, U.S. Steel surrendered peacefully. After years of opposition to unions, it rolled over without a struggle. Following seven weeks of secret talks between Lewis and U.S. Steel's Myron C. Taylor, Taylor agreed to recognize steelworkers' right to form a union and, more unexpectedly, to negotiate with that union. In March 1937, SWOC was recognized as workers' bargaining agent at a U.S. Steel subsidiary.

Why did Taylor change U.S. Steel's course? Brody (1965, 179–187) credits several factors. Among them was the projected cost of another steel strike like that of 1919; with U.S. Steel just beginning to recover from the Depression, a strike would have interrupted production when the company could ill afford it. Further, the social and political climate had changed drastically as workers' aspirations had risen and tolerance for corporate repression had reached an end. Eleventh-hour attempts to forestall unionization by way of company unions had backfired when SWOC infiltrated them as a platform for organizing. Appeals to nativism and racism fell flat. Pro-union laws and legislators, activist federal officials, and threats of congressional investigation into U.S. Steel's labor practices also played a part in curtailing the company's hitherto near absolute power over its workers. Further, John L. Lewis and Philip Murray had authority and resources that had been denied the National Committee in 1919 (SWOC spent an estimated $2,500,000 from startup through the Little Steel strike in 1937). In the end, Taylor disavowed the rogue course adopted by Little Steel, hoping to contain the spread of unionism rather than stop it by force.

Collective Bargaining and the Social Contract

With contracts reached between Big and Little Steel and SWOC, steelworkers had at last achieved permanent organization. In 1942, SWOC became the United Steelworkers of America, headed by Philip Murray. The organization of the steelworkers represented a huge achievement in industrial organization. At U.S. Steel alone, "citadel of the open shop, . . . 220,000 unorganized workers [had] produced more steel than Germany" (Renshaw 1991, 24). With unionization, those same workers set the pattern in steel bargaining. At the same time, though U.S. Steel and the steel industry in general accepted unions as a cost of doing business, they moved early to contain their influence and voice in company matters. Under the Little Steel formula of wartime, which had stabilized wages, United Steelworkers became adept at expanding the scope of bargaining on wages, hours, and working conditions. However, despite Murray's personal support for a quasi-corporatist Industrial Council Plan to run wartime production, industry was cool to labor involvement in economic decision making (Schatz 1987). Early on, United Steelworkers accepted its junior role in industry, including acceptance of management prerogatives on industry health and profit-making objectives that many feel laid the basis for the union's decline in the 1980s.

In facing corporate giants, United Steelworkers came to depend on government labor laws and political influence to improve its bargaining position. Thus, in 1946, 1949, and 1952, it struck on an industrywide basis, which virtually ensured federal intervention in the strategic industry; United Steelworkers counted correctly on a more favorable resolution of their contract demands with Democratic support. In 1952, however, U.S. Steel led the industry in undermining United Steelworkers's strategy, forcing it into a long strike and provoking President Harry Truman into illegal seizure of the steel mills. The conflict ended with contract gains for the union but paved the way for election of the Republican Dwight D. Eisenhower as president and hastened Murray's death (Schatz 1987).

Through the postwar decades, United Steelworkers adhered to a template of unionism that emphasized top-down authority in the union, with the substance of the contracts negotiated in pattern bargaining, layers of officials and specialists dedicated to minute administration of the contracts and grievance system, but little scope for shop-floor self-activity, innovation, or voice. Politically, United Steelworkers was a powerful voice for liberal reform and remained close to Democratic administrations (see Abel 1976; Renshaw 1991). This combination of routinized collective bargaining and political lobbying transformed the material conditions of steelworker families and provided substantial benefits to the workers, such as pensions and regular cost-of-living adjustments (COLAs). Nonetheless, the workers remained subject to harsh discipline, long hours, unsafe working conditions, and speedup pressures on the job (Aronowitz 1973; Moody 1988).

In the 1960s and 1970s, United Steelworkers was rocked by rank-and-file movements aimed at improving shop floor conditions and gaining more voice in union affairs. One consequence was the election of reform president I. W. Abel, who encouraged activism on such issues as pollution and health and safety. After the 1971 contract negotiations, he decided that even a successful negotiation like that year's (which had produced substantial raises and restoration of COLAs) carried too high a price. In the highly orchestrated dance around contracts, steel customers—conditioned to expect strikes when contracts reached their end—bumped up their orders before negotiations; that practice led inevitably to a drop in demand and extensive layoffs after contract talks concluded. Abel's solution was the experimental negotiating agreement (ENA), basically a no-strike agreement between company and union that would end hedge buying. The ENA governed negotiations in 1974, 1977, and 1980. It was in part supposed to stop the penetration of foreign steel into the United States by guaranteeing a steady supply of steel. Instead, it increased production costs and helped foreign suppliers continue to undercut domestic producers (Hoerr 1988; Reutter 1988).

In the end, some have argued that this system led to its own undoing. Steel executives showed little regard for the social consequences of their actions, and workers and the union, in an atmosphere of distrust and rigid demarcation of union and company rights and duties, knew less than they might or should have known about the investment decisions that shaped their fate. Moreover, despite heroic efforts by steelworkers and the union, there was limited support at the top for grassroots and other innovations outside the existing union system. Though the union fought hard for plant-closing and other legislation that bought the workers some time, attempts to form alliances for worker/community takeovers of plants, to press for legislation supporting brownfield investment, or to define workers as stakeholders having more rights in their jobs than were being respected got a tepid reception in many union quarters (Haas and Plant Closures Project 1985; Hoerr 1988; Lynd 1982; Moody 1988; Panetta 1988; Reutter 1988; Singer 1988). In the end, not only United Steelworkers but U.S. workers at large suffered the consequences. With the sizable decline in union membership and leadership resulting from job losses in steel, the U.S. labor movement took a hit from which it may take years to recover.

Jacquelyn Southern

See also Apprenticeship; Blue Collar; Ironworkers; Manufacturing Jobs

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Steinbeck, John (1902–1968)

John Ernst Steinbeck, born in Salinas, California, in 1902, is regarded as one of American literature's most prolific proletariat writers. Steinbeck's novels and stories reflect the lived experiences of ordinary, often downtrodden, workers in the United States.

Darryl F. Zanuck's production of The Grapes of Wrath*, by John Steinbeck (Library of Congress)*

His portrayal of the Joad family as dust-bowl migrants to California in *The Grapes of Wrath* is often regarded as his best work. Steinbeck wrote eighteen novels, five short story collections, three plays, and six screenplays. He was awarded the Pulitzer Prize in 1940 for *The Grapes of Wrath,* and the Nobel Prize for literature in 1962. Steinbeck died of heart disease in 1968.

Steinbeck's writing career was imbued with conflict because critics misunderstood much of his methods and intentions. Leftist critics complained that his work did not forcefully represent labor or Communist causes, and critics on the right alleged that he was too left-leaning because of his sympathetic portrayals of oppressed workers. Steinbeck's writing was commercially profitable, and this too became a contentious point for critics who felt that material success was antithetical to the serious writer.

For Steinbeck, the landscape and work came to symbolize the human experience. Although preceded by *Tortilla Flat* (1935), *In Dubious Battle* (1936) is considered Steinbeck's first significant novel. *In Dubious Battle* recounts the efforts of California fruit pickers to unionize and the equally strident efforts of the growers to thwart that unionization. Yet, Steinbeck did not consider himself a realistic writer or a proletariat writer. The realism that is reflected in his work is a result of his efforts to portray an "honest fantasy" by basing his novels on the lived experiences of workers. Of *In Dubious Battle,* Steinbeck said, "I wanted to be merely a recording consciousness, judging nothing, simply putting down the thing" (quoted in French 1992, viii). The ethic of his writing depicted "the underlying problems of human greed and inhumane behavior toward other humans as a result of lack of understanding" (French 1992, xi), for which his novels did not offer remedies.

His most memorable work was *The Grapes of Wrath* (1939), which portrays the economic and psychological decline of the Joad family, whom the dust bowl forces from their Oklahoma tenant farm to an itinerant life in California. Tom Joad and Ma Joad have become archetypal American images of an emasculating capitalism and honest suffering in poverty. Other important novels include *Cannery Row* (1945), *The Pearl* (1947), and *East of Eden* (1952). Steinbeck wanted his novels to enable readers to look within themselves and consider their complicity in human adversity. Yet his situating of that adversity at the site of labor strife associated with cannery workers, apple pickers, and Oklahoma tenant farmers has resulted in the proletariat and realistic labels being applied to his work. Regardless of what he intended, Steinbeck is considered to be a champion of the worker because he represents the integrity of marginal lives. It was this humanitarian aspect of his work that gained him the Nobel Prize for literature in 1962, and it is this human quality that inspires new generations of readers.

Sandra L. Dahlberg

See also Agricultural Work; Great Depression; Immigrants and Work; Industrial Workers of the World; Strikes; United Farm Workers; Work in Literature

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Steinem, Gloria Marie (1934–)

Gloria Steinem, born in 1934, is probably the most recognizable icon of twentieth-century American feminism. From humble beginnings, Steinem rose to fame through her work in the magazine publishing industry and her involvement in the burgeoning women's movement of the late 1960s and 1970s. Her contributions to the movement helped to publicly identify barriers to women's full and equal participation in the workforce and society. As a writer, editor, speaker, and organizer, Steinem helped focus the nation's attention on issues such as wage inequality, exploitative working conditions, pornography, workforce segregation, women's unpaid work in the home, reproductive freedom, and the Equal Rights Amendment. She is perhaps best known as the founder and editor of *Ms.* magazine, the first U.S. magazine to be fully controlled by women and dedicated to promoting women's equality.

Steinem was greatly influenced by her troubled, though loving, family life. Her mother was plagued with severe depression and anxiety. After her parents' divorce, as an adolescent Gloria was left to care for her mother in Toledo, Ohio, in conditions of poverty. As Gloria grew older, she came to understand that the limitations put on her mother by the responsibilities of raising a family and abandoning her work as a writer induced or aggravated her depression and anxiety. Additionally, Steinem believed that her mother never received the care or understanding that her condition merited, because the emotional difficulties of women were generally considered to be personal failings, personality disorders, or character flaws, rather than "understandable" responses to their status in society.

Steinem graduated from Smith College in 1956, where she majored in government and was politically active. After graduation, she spent two years in India, where she learned about social movements. Upon returning to the United States, she moved to New York to become a writer. She had a deep desire to write about politics, but employers at that time were not interested in journalism about politics written by women.

Steinem continued her political activism with the New Left and eventually began writing articles professionally but was never assigned the type of political journalism she longed to do. In 1963, *Show* magazine suggested she get hired by the Playboy Club to work as a Playboy bunny and write about it. Steinem worked there three weeks, dressed in the requisite three-inch heels, skimpy strapless satin leotard, and fluffy bunny tail, serving cocktails to men in the semiprivate club lounge. Though supposed to be light, the piece she wrote was an exposé of the exploitative, harsh conditions under which waitresses worked. Ironically—as often would be the case throughout Steinem's career—the article succeeded in focusing attention on the working conditions American women face but may have damaged her own professional career, because the piece was not considered to be the "hard" journalism it was her goal to write.

Steinem wanted to write about the civil rights movement and Vietnam, yet in the mid- to late 1960s found herself interviewing celebrities instead. She found that her own good looks actually got in her way, careerwise, as she was stereotyped as not being a serious professional. Finally, Steinem got a break when she became a founding editor of *New York* magazine in 1968, for which she wrote "The City Politic" column.

Meanwhile, she continued to be active in Democratic presidential politics and attended a meeting of the New York City radical women's group the Redstockings. There the women were sharing stories of illegal abortions, an experience Steinem herself had undergone. Realizing that she wasn't alone and that these experiences were common to many women, she wrote her first openly feminist essay—"After Black Power, Women's Liberation"—in *New York* in April 1969. In it, she emphasized the need for women to work across class lines to achieve their common goals.

As part of the growing women's movement, Steinem helped to form the National Women's Political Caucus in 1971 and attended the 1972 Democratic National Convention on the group's behalf to pressure the party to focus on reproductive freedom for women and to support Shirley Chisholm's candidacy for president. She was also a founder of the Women's Action Alliance, a group dedicated to educating women and supporting women's organizations. She founded *Ms.* magazine in 1972 and established the Ms. Foundation for Women, which gives grants to help establish women's groups and support projects in local communities. She also helped form the Coalition of Labor Union Women, a group that supported women who wanted to negotiate with their own unions or who wanted to organize new labor unions.

In 1972, Steinem was also fervently working to help pass the Equal Rights Amendment to the Constitution, an amendment that would make sex-based discrimination illegal. Though passed by Congress, the amendment failed to achieve ratification by enough states before the deadline and was not added to the Constitution. However, the National Organization for Women (NOW) and other groups are still working to have the ERA ratified by three additional states to reach the number required to amend the Constitution. The constitutional and legal issues surrounding the time limit for radification of amendments are likely to be fought out in the courts, should this occur. The Equal Rights Amendment simply states that "Equality of rights under the law shall not be abridged by the United States or any state on account of sex" and that Congress shall have the power to enforce the article. If ratified, the ERA would likely affect workplace issues, including pay equity, comparable worth, the glass ceiling, sexual harassment, pensions, and insurance.

Steinem has gone on to publish several best-selling collections of essays, as well as a biography of Marilyn Monroe. *Ms.* magazine was sold in 1987 to an Australian media firm and departed somewhat from its original vision. The founders located another group to buy it back, and it has since been reincarnated as an independent reader-supported journal dedicated to feminist issues.

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See also Equal Pay Act; Glass Ceiling; Pay Equity; Stanton, Elizabeth Cady; Women and Work

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Stock Options

Stock options are quantities of a company's stock provided to employees as compensation, valued for each employee at the "strike price," their market value the day they are provided to the employee. Typically, after a vesting period of two to five years, the employee may resell the options at the stock's then current price, if it is higher than the strike price, and collect the difference as taxable compensation. However, if the stock's value is below the strike price, or "under water," the options are worthless. Since a declining stock value therefore can eliminate a substantial share of an executive's compensation, stock options remain controversial and the subject of debate among employees, management, boards of directors, shareholders, and financial analysts. The use of stock options as compensation for executives became widely popular during the economic expansion of the 1990s, particularly among fast-growth technology companies seen as the vanguard of the "new economy."

The 1990s expansion in the United States was marked by exponential growth in executive pay. Fast-growing tech and service companies as well as "old economy" firms sought to recruit and retain executive talent in an escalating "arms race" of compensation packages that saw chief executive officer (CEO) pay break new records every year. The bulk of the compensation boom—75 percent in 2000—for executives arrived in the form of long-term compensation, usually stock options (Leonhardt 2001). Companies gave the average CEO a record 804,000 options in 2000, up 67 percent from 1999 (Executive Compensation Advisory Services 2000). As the war for talent in the historically tight labor market of that period continued, stock options were offered to rank-and-file employees as well. The number of employees receiving stock options in the United States expanded to as many as 10 million workers from about 1 million in the early 1990s, according to the National Center for Employee Ownership and the *New York Times* (Morgenson 2000).

The stock option boom was fueled as "short-on-cash" technology companies lured and retained talent with stock options that for a few years at least often performed well in the stock market, creating thousands of paper millionaires. As the stock markets cooled off, many options packages went underwater. Half of all options granted from 1997 to 1999 (excluding those listed on the Standard and Poor's 500) had gone underwater by April 2000, according to research performed by Brian Hall at Harvard Business School. Although options proved effective in recruiting top executives to new, riskier startups, they did not engender loyalty if the initial public offering did not perform as expected. As options became less lucrative, executives and recruiters sought to include more cash, incentive plans, restrictive stock, and other pay in their overall package.

Declining stock values triggered other controversial practices. To retain executives with worthless stock option packages in companies stuck in a bear stock market, growing numbers of firms in 2000 and 2001 *repriced* options so that option holders may once again exercise their options for positive cash return. Shareholder advocates and analysts dislike the strategy because it dilutes equity value and has the appearance of rewarding poor performance. Studies show that firms reprice options to retain desperately needed executives, typically at new economy technology firms rather than traditional companies (Carter and Lynch 2001). Other companies appease executives holding worthless stock by issuing brand-new rounds of options, driving down stock value and eating up corporate assets as existing options are repurchased.

Well-targeted stock options can be effective tools for business growth. A study by David Larcker, Christopher Ittner, and Richard Lambert of the Wharton School of Business found that firms that give options have higher annual stock returns than comparable companies. However, this effect is more striking for options that are targeted to top managers who make a difference in performance. Startup firms are likely to see their options increase growth if they are limited to managers and key talent. Corporate decisions can be affected by the huge amounts of compensation executives have tied up in stock options, leading in some cases to executives managing disclosures of corporate news to increase the value of their options (Aboody and Kasznik 1998; Morgenson 2000). These issues are magnified when companies have many unexercised options, as many employees work under the same shadow of unrealized wealth.

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See also Compensation; Profit Sharing

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Stress and Violence in the Workplace

Workplace stress is often misunderstood and taken lightly, yet it can pose a serious threat to employee health and well-being. Stress is a biological response to perceived threats whereby the body releases hormones to alert individuals to defend themselves. The National Institute for Occupational Safety and Health (NIOSH), the federal agency responsible for researching job hazards, defines job stress as the "harmful physical and emotional responses that occur when the requirements of the job do not match the capabilities, resources, or needs of the worker" (National Institute for Occupational Safety and Health 1999, 6). Medical studies have linked job stress to musculoskeletal disorders, cardiovascular disease, cigarette smoking, depression, fatigue, hypertension, gastrointestinal illness, psychosomatic disorders, and reproductive health problems (Schnall et al. 1990, 1929–1935; Cheng et al. 2000, 1432–1436).

In today's economic environment of lean production, workers are expected to work longer hours and on tighter time frames to meet demand. Employers have introduced just-in-time production, in which supplies arrive as they are needed, and they employ the team concept that puts pressure on workers to do more work with fewer coworkers (Parker and Slaughter 1988). Many production and computer-processing jobs have been segmented into simplified procedures that involve a high degree of repetitive motions without rest breaks or properly designed work stations. Ironically, this management-by-stress strategy results in stress-related illnesses, as well as repetitive strain injuries (Mogensen 1996).

Job stress contributes to higher rates of absenteeism and turnover, low morale, and low productivity. There were 3,418 reported cases of occupational stress involving lost workdays in 1997. This represents a 15 percent decline since 1992, a trend in keeping with the overall reported injury and illness rates for the same time period. However, the early signs of stress—such as moodiness, sleeplessness, stomach upsets and headaches, and troubled family relationships and friendships—are often missed and may not be reported. Workers suffering from stress lost a median twenty-three days of work, more than four times that of all occupational illnesses and injuries combined. The service industry had the most cases (35 percent), but other sectors of the economy had substantial numbers as well, including manufacturing (21 percent), retail trade (14 percent), and finance, insurance, and real estate (12 percent) (Webster and Bergman 1999, 38).

Women are more likely to hold jobs that involve high workloads, low control, and low rates of social support. Consequently, they suffer 1.6 cases of job stress for every one case for men (Cheng et al. 2000, 1432–1436; Webster and Bergman 1999, 39). Although most workers experience some stress on the job from time to time, the sophistication of advanced information management systems and the ubiquity of computers have raised management's expectations regarding productivity—often leading to highly stressful working conditions. One study of female data entry workers in Quebec, who performed highly repetitious tasks and suffered from work speedup–induced stress, were more likely to experience psychiatric problems and be dependent on prescription and over-the-counter drugs than other working women. The study's authors concluded that the workers were alienated from their jobs and that computerized data entry work is a "high-risk occupation" (Piche and Piche 1987, 942–948).

The stress of short deadlines, employer monitoring, poorly designed work stations, and other factors can combine to result in "technostress," the "inability to cope with the new computer technologies in a healthy manner" (Brod 1984, 16). Since workers using computers can process more information much faster than ever before, managers expect employees to produce more. Automation and computerization have heightened the problem by enabling employers to redesign the work process in ways that speed up the pace of work and segment it into simply defined tasks that rely on repetitive motions. In a study conducted by Northwestern National Life Insurance Company, 40 percent of workers said their job is "very or extremely stressful," and 25 percent cited their job as the main cause of stress in their lives. The St. Paul Fire and Marine Insurance Company found that job strain was more likely to be linked to health problems than other sources of stress, including financial and family problems (National Institute for Occupational Safety and Health 1999, 4, 5). It is estimated that between 25 and 33 percent of workers suffer from high levels of job stress. Health care costs for these workers run nearly 50 percent more and those for workers with both high levels of stress and depression are nearly 200 percent more than those for workers with lower levels of stress (American Psychological Association and the National Institute for Occupational Safety and Health 1999, 2).

The problem of speedup-induced occupational stress is compounded by the computer monitoring of workers. It is especially stressful when done on an ongoing basis. Jobs are often routinized in ways that make computer monitoring easier. Medical researchers have observed that stress increases as an employee's control over the job decreases. Workers doing repetitive tasks report higher incidences of high blood pressure, nervous tension, depression, job dissatisfaction, sleep disturbances, and cardiovascular disorders (Smith et al. 1990; Mogensen 1996, 25–26).

Although there is some disagreement as to whether a worker's personality or working conditions are the primary cause of stress, research studies indicate that poorly designed working conditions are the primary cause of job stress. NIOSH has identified six risk factors that are signs of poorly designed working conditions:

1. Heavy workloads, long work hours with infrequent rest breaks, and repetitive tasks that do not utilize workers' skills or give them a sense of control. In many workplaces, the work process is designed in such a way as to place high productivity demands on workers yet give them little control over how and at what pace the job is done.
2. Work environments that include uncomfortable and hazardous working conditions, including excessive noise, air pollution, overcrowding, and poorly designed work stations can contribute to stress or injury.
3. Management methods that preclude worker participation, poor communication with employees, and lack of support for employees' family burdens isolate and alienate workers.
4. Work roles that are poorly defined and place too much responsibility or conflicting responsibilities on the worker.
5. A lack of supportive interpersonal relationships, which can isolate workers from potential sources of support from coworkers or managers. Such jobs are often called "iso-strain" jobs.
6. Career concerns, including job insecurity, dead-end jobs, and fear of layoffs. (National Institute for Occupational Safety and Health 1999, 9)

Professor Robert A. Karasek at the University of Massachusetts at Lowell, an expert on the relationship between job stressors and the work environment, has developed a method to measure the amount of stress in occupations, which he calls the "job demand control" model. It emphasizes two main points: first, a high level of task demands combined with low levels of control over work contributes to physical and psychological illnesses; and second, jobs with both high demands and high levels of control correlate with healthy well-being and challenge workers to learn new skills. This model shifts the focus from the idea that certain jobs are inherently stressful to a focus on the degree of control the worker has over the job. Karasek also developed the job content questionnaire to gauge the level of risk for occupational stress and coronary heart disease. Using the resulting data, jobs can be redesigned in ways that increase the worker's control and lessen job stress. It is the most widely used model of job stress in the field and has influenced the Swedish and Dutch work environment laws (Karasek and Theorell 1990; European Commission 1999).

Researchers have found that workers who experience low levels of control over the work they do, high job demands, and low levels of work-related social support suffer high rates of work-related stress. Women in these jobs showed the greatest health decline. The researchers ruled out other variables such as age, body mass, disease, alcohol consumption, smoking, lack of exercise, and marital or employment status (Cheng et al. 2000, 1432–1436).

Poorly designed work processes and stations often result in work-related repetitive strain illnesses, which are progressive illnesses affecting the muscles, nerves, tendons, ligaments, joints, cartilage, and spinal discs and are caused by repeated motions in awkward positions. Ergonomics, which is the science of designing the work process and environment to correspond to the natural movements of the worker, can be used to prevent many cases of job strain. When workers are given more control over the work process, stress cases and can be prevented (Mogensen 1996, 15).

Violence in the Workplace

Violence in the workplace has roughly paralleled the rate of violent crime in society at large. The workplace homicide rate peaked at 1,080 in 1994, at approximately the same time that the violent crime in society was peaking. However, the trend has been downward since, with only 639 workplace homicides in 2001 (excluding deaths related to the attacks on September 11, 2001), the fewest on record. There were 505 shootings, 58 stabbings, and 76 deaths in bombings and other incidents. Still, violence at work is the third leading cause of death on the job, after highway accidents and falls (Bureau of Labor Statistics 2001, 2).

There were a total of 16,664 workplace nonfatal assaults and violent acts leading to lost workdays in 1999. They included felonious crimes such as rape and sexual assault, robbery, and aggravated assault and the misdemeanor crime of simple assault. Violent crime in the workplace constituted 18 percent of all reported violent crimes; 22 percent of all violent crimes committed by men, and 15 percent of all violent crimes committed by women. Those at work or on duty were victimized by violent crime at the rate of 13 per 1,000 persons in the workforce. Given the high risks involved in their work, it is not surprising that police officers have the highest rate of victimization of all occupations, with 261 crimes per 1,000 police officers (Bureau of Labor Statistics 2000).

Perhaps the most popular image of workplace violence is that of the stressed-out postal worker who goes on a rampage, wounding and killing his or her coworkers. However, this is a myth. According to 1992–1998 data, postal workers are only one-third as likely to be a workplace homicide victim as all workers. Retail employees and taxi drivers were 8 and 150 times more likely to be victims of a workplace homicide, respectively, than postal workers (National Center on Addiction and Substance Abuse at Columbia University 2000).

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See also Occupational Health and Safety Act; Sexual Harassment

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Strikes

A strike is a refusal to work in protest over pay, benefits, working conditions, or an action. It attempts to disrupt the employer's business or the economy more generally in some cases and to pressure the employer or the government to change their position. Most strikes in the United States are economic strikes over pay, benefits, and work rules in the context of collective bargaining. Strike activity in other countries can be very different.

The right to strike is a hotly debated issue. On the one hand, collective bargaining has been recognized by the International Labour Organization and others as a fundamental human right, and many argue that without the ability to strike, this right is meaningless. On the other hand, the goal of a strike is to stop production and cause economic harm. Some find it troublesome to protect something that is necessarily destructive and seeks to deprive business owners of their property rights. Developed, democratic countries now protect the right to strike, in some form and with limitations, but only after years of legal, political, and social conflict.

The *Oxford English Dictionary* traces this usage of the word *strike* to British sailors in 1768, who struck (lowered) their ships' sails, thus bringing shipping to a halt. But strikes have occurred for thousands of years—such as during construction of the pyramids in ancient Egypt. In the United States, strikes have been part of the industrial relations landscape for the country's entire history. Printers, carpenters, and shoemakers all experienced strikes in the United States before 1800. The goal of a strike is nearly always the same: to increase the employer's cost of disagreement, thereby causing the employer to recognize a union, offer more favorable employment conditions, or reverse an action.

During the 1800s, U.S. companies fought strikes with legal injunctions, labor spies, private security and strikebreaking companies, and sometimes with the help of the U.S. government. A railway strike over wage cuts in 1877 spread to other workers and resulted in general strikes, shutting down several major U.S. cities. Federal troops were dispatched to end this "insurrection." Hundreds of railroad cars were destroyed during rioting, and it is estimated that as many as 100 workers were killed in conflicts with law enforcement agents and troops. The Homestead strike in Pennsylvania in 1892 included an extensive gun battle between striking workers and hired Pinkerton agents, while the Pullman strike two years later involved 15,000 federal troops and other militia and left 700 railroad cars destroyed and thirteen people dead.

Industrial conflict during the Depression in the 1930s was similarly intense. General strikes involving thousands of workers from diverse occupations and industries shut down San Francisco and Minneapolis in 1934. A sit-down strike, in which workers sit down on the job and take over a plant instead of walking off the job, against General Motors lasted forty-four days in 1936–1937 and involved several battles between strikers and police. A strike in Chicago at Republic Steel in 1937 resulted in the Memorial Day Massacre, when police killed ten striking workers.

The greatest amount of strike activity in the United States, however, occurred during the strike year of 1946. As price controls were lifted at the end of World War II, workers wanted to make up for wartime sacrifices, and management wanted to assert its right to manage, there were nearly 5,000 strikes involving 4.6 million workers in 1946. Major strikes occurred in auto, steel, coal, railroad, and many other industries. Though these conflicts generally lacked the violence of the earlier strikes, they sparked questions about union power that resulted in passage of the Taft-Hartley Act a year later. Strike activity declined dramatically in the last two decades of the twentieth century, but significant strikes included an illegal strike by air traffic controllers (the Professional Air Traffic Controllers Organization strike) in 1981 and strikes at Eastern Airlines, Greyhound, Phelps Dodge, Hormel, Caterpillar, the *Detroit News,* and United Parcel Service.

In the United States, it is important to distinguish between several types of strikes. Economic strikes occur when unions and companies are negotiating new contracts and the issues in dispute are wages, benefits, and other terms and conditions of employment. Unfair labor practice strikes are strikes in response to employers' illegal activity, such as refusing to negotiate with a union. A strike to sup-

Verizon Communications workers on strike, August 2000. About 85,000 union telephone operators and line technicians went on strike after their contracts expired. (Reuters New Media/Corbis)

port other striking workers is a sympathy strike, and an unauthorized, often spontaneous strike, typically over unresolved grievances, is a wildcat strike. Finally, a recognition strike is a work stoppage to pressure an employer to recognize a union as the representative of the employees (and to bargain with the union).

In the U.S. private sector, these different types of strikes are regulated by the National Labor Relations Act (NLRA) of 1935. In general, the NLRA protects employees' rights to form unions and engage in collective bargaining. Consequently, most forms of strikes are protected by the NLRA by making it illegal to fire or discriminate against employees for striking over work-related issues.

However, there are several important limitations. First, the NLRA seeks to promote industrial peace in the recognition process by replacing recognition strikes with secret ballot elections supervised by the National Labor Relations Board. Second, many union contracts negotiated with employers contain no-strike clauses. In these clauses, employees agree not to strike during the life of the contract, in return for the employer's agreement to arbitrate any unresolved disputes. Note that this clause lasts for the duration of the contract only and does not apply to negotiations over new terms and conditions of employment. In other words, no-strike clauses do not apply to economic strikes, but they render wildcat strikes unprotected—employees can be disciplined or discharged for participating in wildcat strikes. A union's agreement to no-strike clauses can also be interpreted as forfeiting the right to engage in sympathy strikes. Third, NLRA strike protections do not shield individuals from being fired and prosecuted for criminal actions, such as picket line violence or property damage.

The fourth major legal limitation involves strike replacements. Employees have a right to strike, but employers also have a right to try to conduct business. In *NLRB v. Mackay Radio and Telegraph* (1938), the U.S. Supreme Court ruled that it was legal for an employer to replace striking employees with new employees. In a later case, the court ruled that it is illegal for a company to discharge replacement employees at the conclusion of the strike to make room for returning strikers, if the replacements were told they were "permanent." Thus, workers who have been permanently replaced are not entitled to get their jobs back immediately at the end of a strike. Rather, they have first priority over outsiders as jobs become available. Temporary strike replacements can be fired to make room for returning strikers, and reinstatement issues are often part of the negotiations to settle a strike.

In sum, individuals cannot be disciplined for participating in an economic strike, but they can be replaced. This is a very controversial issue. Organized labor argues that replaced employees have effectively been fired for striking, thus making a mockery of the right to strike and therefore of collective bargaining. Internationally, the United States is unique in this regard, but legislative attempts during the 1980s and 1990s to reverse the *Mackay* doctrine have been unsuccessful.

It is often argued that employers became more aggressive in using strike replacements to break unions during strikes in the 1980s (for example, at Phelps Dodge), which helps explain why strike activity was lower in this period than in previous decades. In response, unions have developed corporate campaigns to put pressure on employers in other ways. A corporate campaign might include attempts at generating negative publicity for a company, making complaints to regulatory officials about violations (for example, of environmental standards), and pressuring a company through its corporate relations with other organizations (for example, trying to prevent banks from lending money to a struck company). The effectiveness of these campaigns has been mixed.

The NLRA also includes provisions for national emergency strikes. If the president of the United States believes that a strike may "imperil the national health or safety," a board of inquiry can be created. The board of inquiry investigates and reports the facts of the dispute. The president can then seek an injunction preventing a strike for eighty days. When these procedures have been exhausted, employees are allowed to strike. Congress can also enact special legislation (for example, forcing the parties into arbitration or seizing the property). Thirty-six boards of inquiry have been created since 1947, the last two during a 2002 West Coast dock workers dispute and a coal strike in 1977–1978. In the health care industry, unions must provide ten days' notice before striking (to provide adequate time to ensure the continued delivery of essential health care services). Special dispute resolution procedures for preventing strikes in critical transportation industries (railroads and airlines) are specified in the Railway Labor Act.

Government employees are not regulated by the NLRA. With some exceptions, federal employees are covered by the Civil Service Reform Act of 1978 and are forbidden from striking. Instead, bargaining disputes are submitted to the Federal Mediation and Conciliation Service and the Federal Service Impasse Panel. State and local government workers are covered by state laws, where they exist. The majority of states prohibit public sector workers from striking and instead require third-party dispute resolution methods, such as mediation, arbitration, and fact finding. Some states also specify penalties for striking. The most well-known is New York's Taylor Law, which provides for a fine of two days' pay for every day a worker is on strike. A handful of states allow nonessential public sector workers to strike. In Minnesota, for example, teachers, bus drivers, and many state employees can strike, but police officers, firefighters, and prison guards cannot.

Making strikes illegal, however, does not prevent labor-management conflict. The air traffic controllers knew it was illegal to strike, but they felt so strongly about their situation that they went on strike in 1981. U.S. postal employees do not have the right to strike, but 225,000 postal workers went on strike for two weeks in 1970. Without the right to strike, some employees engage in sickouts—a coordinated effort to call in "sick." This is known as the "blue flu," after the blue uniforms of police officers who perhaps originated this tactic. Work-to-rule campaigns (sometimes called malicious obedience), in which employees precisely and literally follow every work rule, thus slowing down production, are another tactic for pressuring employers without going on strike. For example, postal employees can manually check the accuracy of the zip code on every piece of mail.

Although labor's goals may be similar, strike activity can be very different in other countries. In European countries such as Germany and Sweden, where collective bargaining tends to be more centralized, that is, more at an industry rather than a firm level, strikes also tend to be more industrywide in nature. In countries such as France, where unions have a greater political or ideological component and there is greater interunion competition, strikes can be more unpredictable, militant, and political in nature. In Great Britain, union contracts are not legally enforceable, and grievance arbitration is not widely accepted, so wildcat strikes are more frequent. In developing countries, strikes may reflect frustrations with political regimes and economic development as much as labor-management conflict.

Scholars in industrial relations and other disciplines have conducted numerous studies of strikes, especially of why strikes occur. Various possibilities have been put forth: miscalculation, imperfect or asymmetric information, unrealistic rank-and-file expectations, and the social-psychological environment. Others theorize about strikes in political terms and assert that strikes occur when workers lack sufficient power to win gains through the political process.

A lockout is similar to a strike but is initiated by the employer rather than the workers. The employer "locks out" the employees to prevent them from working and pressure them into making concessions. Lockouts are legal in the U.S. private sector as a legitimate strategy to obtain more favorable terms in collective bargaining, but cannot be used to try to break a union or infringe on employees' fundamental rights to engage in collective bargaining.

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See also Collective Bargaining; Homestead Strike; Lowell Strike; National Labor Relations Act; Railway Labor Act; Solidarity; Strikes; Working Class

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Suburbanization and Work

Before the mid–nineteenth century, there were relatively few commuters between the city and the suburbs. The suburbs that did exist were not an outgrowth of the city but rather freestanding, thinly settled areas that had their own manufacturing and commercial activities. There was some relation to the city but generally not daily contact. In large part, the lack of contact was due to poor transportation. Starting in the mid–nineteenth century, there were several waves of suburbanization. A first wave was residential, as people moved their homes outside the city. A second wave saw the move of retailing and services to the suburbs. Finally, a third wave saw the shift of employment out of the city and into the suburbs.

Ferryboat Suburbs

By the mid–nineteenth century, improvements in transportation allowed for the growth of commuter suburbs. Reliable, safe, and relatively inexpensive public transportation made such suburbs a viable alternative to living in the central city. Because of the development of the omnibus, railroads, and ferryboats, the walking city began to decline. The first and most important example of a commuter suburb was Brooklyn, located across the harbor from Manhattan. Until the early nineteenth century, Brooklyn was small and agricultural, with few economic ties to New York City. This situation began to change in 1814, when regular steam ferry service to Manhattan began. Soon, Brooklyn's easy access to New York City and its bucolic atmosphere began to attract middle-class families. In 1810, Brooklyn had fewer than 5,000 residents, but by 1860 its population approached 270,000, growing at a rate faster than that of New York City itself. At that time, there were some 100,000 ferry crossings on the East River every workday, as about half of those living in Brooklyn commuted to offices in Manhattan. After achieving city status in 1834, Brooklyn became the fourth-largest city in the country by the late nineteenth century. In addition to being a residential area for many city workers, this ferryboat suburb developed its own commerce and industry. Brooklyn had hat factories, chemical works, foundries, candy companies, sugar refineries, and dressed-meat operations, providing work for many of its residents, including many who were foreign-born. Although Brooklyn and New York City were the most important of these early ferryboat suburbs, other pairs also emerged, such as Camden and Philadelphia, Newport and Cincinnati, Allegheny City and Pittsburgh, and Oakland and San Francisco.

Railroad Suburbs

Railroads also contributed to increased suburbanization. At first, railroads were used more for transporting goods than people. However, by the 1840s, there was increased demand for local suburban travel. Soon, railroad entrepreneurs built more commuter stations for local stops, even offering reduced-price commuter tickets. The railroads then led to the emigration of some workers from the central city to the suburbs. Since the railroad was relatively expensive for many people, it was only the more affluent residents who could move to the suburbs, such as bankers, businesspeople, and lawyers. For example, by 1850, about half of the 400 lawyers working in Boston commuted from the suburbs. In Philadelphia, there were some forty commuter trains every day between the city and its northwest suburb of Germantown.

The stereotype of these "main line" railroad suburbs was one of affluent residents and their country clubs. For example, the Boston suburb of Brookline was sometimes called "the richest town in the world." Although places such as Brookline indeed were home to the rich and famous, there were also many poor residents. In Brookline, 10 percent of the taxpayers controlled 70 percent of the property. At the same time, there was a large, blue-collar Irish community. In most of these railroad suburbs, typically 30–50 percent of the heads of households were businesspeople who commuted 5 or more miles to work, but many less affluent residents worked within the suburb. Many of these poorer residents worked for the wealthier residents, serving as domestic servants or gardeners. Others worked in small industries that sometimes appeared in the suburbs, making these early suburbs distinct from later suburbs in the twentieth century, which generally excluded industry and the working class.

Streetcar Suburbs

In the 1850s, horse-drawn streetcars led to more suburban growth, as transportation became more frequent and convenient. The horsecars were bigger and faster than the omnibus, and fares were lower. Therefore, not only the wealthy but also shopkeepers and tradespeople could live in the suburbs and commute to work. However, most people still resided in the city before the 1860s. The Civil War serves as a dividing line between the traditional walking city and the great industrial city. After the Civil War, such industrial cities began to grow, particularly in the North and the Midwest. Factories were usually found in the zone around the central core of the city because downtown real estate was too expensive. By locating in a ring around the core, the factories had easy access to local markets and the railroads. As a consequence, there was a shift away from residential use of the area in and around the city center. The housing that remained was generally high-occupancy tenements for the factory workers. Existing residential properties were subdivided into small units for the unskilled, often immigrant workers. These workers labored for low wages for twelve hours a day, six days a week. These industrial workers lived near their workplaces, as public transportation was generally too expensive for them.

As downtown became increasingly commercial, with department stores and skyscrapers, there was an outward movement of the middle and upper classes. Although the horsecars had provided the initial impetus, the development of electric streetcars made the growth of suburbs even more possible. By 1900, almost all streetcar lines had been electrified. These electric trolleys provided a number of advantages: they were faster, had a higher capacity, did not pollute, and were cheaper to build and operate. Workers no longer had to live so near their jobs. Instead, they could afford to commute 10–12 miles to work cheaply and quickly. As a result, middle-class residential suburbs sprang up along the streetcar lines.

Automobile Suburbs between the Wars

Starting in the 1920s, new "automobile suburbs" began to appear throughout the United States. Several characteristics made them distinct from earlier suburbs, including their overall pattern of settlement, low-density residential architecture, the length and direction of the journey to work, and the increasing deconcentration of employment. Although most workers still walked or took streetcars to their places of employment, more and more people drove automobiles to their jobs. Automobiles allowed people to commute longer distances to work. Perhaps more significantly, they allowed people to commute to locations not served by public transportation. Now, more people began to commute between suburban locations, rather than between the suburbs and downtown.

In this period, some industries began to move from downtowns to the suburbs. For example, as early as 1914, the National Electric Lamp Association moved from downtown Cleveland to a 40-acre, wooded, campuslike site 12 miles from downtown, foreshadowing later changes in the location of industrial jobs. Between 1920 and 1930, the proportion of factory employment in cities of 100,000 declined. A number of factors contributed to this shift, including the use of trucks, better highways, and changes in materials handling that allowed for one-story manufacturing sites. The shift in manufacturing sites was followed by warehouse and distribution activities. This period saw the development of places such as East St. Louis, Illinois; Norwood, Ohio; and Yonkers, New York.

Post–World War II Suburbs and the Decentralization of Work

Before World War II, suburbs were still mainly places where people lived and commuted daily to jobs in the center city. In the postwar era, however, the location of the workplace shifted. By 1970, this trend was especially pronounced. In nine of the fifteen largest metropolitan areas in the country, most of the jobs were located in the suburbs. In San Francisco, three-fourths of the trips to work were made by those who neither lived nor worked downtown. In New York City, 78 percent of suburban residents also worked in the suburbs.

In this period after World War II, many factories relocated to the suburbs. Open land, access to interstate freeways, and federal tax credits all contributed to this shift of industry from downtown to suburbia. As early as 1963, about half of all industrial employment was in the suburbs. By 1981, two-thirds of manufacturing jobs were located in suburban industrial parks. In Philadelphia, for example, some 140,000 industrial jobs disappeared as factories closed or moved to the suburbs.

Along with factories, many offices also moved to the suburbs. Traditionally, companies had all of their operations centralized in a single downtown location. In the postwar era, real estate prices and developments in communications allowed corporations to split up their activities. Now, accounting and billing departments, for example, could be located in the suburbs. Later, entire corporate headquarters would be relocated to the suburbs. Before about 1950, almost all headquarters were located downtown. Then in 1954, General Foods Corporation moved from midtown Manhattan to a new location in White Plains, New York. That marked the beginning of a major exodus from New York City, as more than fifty corporations moved from the city to the suburbs, including International Business Machines (IBM), Texaco, Xerox, and Nestlé. Most of the companies moved to locations in Westchester County, New York; Stamford, Connecticut; or New Jersey. Between 1972 and 1985, these companies built 16 million square feet of office space in these suburban locations, which was more than in most major cities. Thus, by 1984, Fairfield County, Connecticut, was the third leading home of corporate headquarters, behind only New York City and Chicago.

It was often the top executives of the companies that benefited the most, as they lived in or belonged to country clubs in the suburbs. In contrast, companies often lost much or even all of their support staffs, who still lived in the city and could not afford to relocate to the suburbs. Indeed, companies sometimes paid high severance costs to these employees. Despite this potential cost, companies moved not only to save money on real estate but also to improve the morale and productivity of their employees. They designed campuses or villagelike complexes that were beautifully landscaped. They provided free parking and easy access to freeways and even included amenities such as gyms. Many workers found such surroundings pleasing, but others found them boring.

Multicentered Edge Cities

By the 1980s, a new pattern had emerged with the growth of multicentered suburban cities, sometimes referred to as "edge cities." The old city-suburb dichotomy was no longer valid, as more and more jobs moved to the suburbs, and the suburbs became increasingly urban. Jobs continued to leave the cities and relocate around the shopping malls and freeways of the suburbs. In 1960, about 14 million people worked in the suburbs, but by 1980 that figure had increased to 33 million. The case of Washington, D.C., provides a good example. By 1990, only 29 percent of jobs in the metropolitan area were actually located in the District of Columbia. About 36 percent were located in suburban Virginia, and another 33 percent could be found in suburban Maryland.

In addition to many service-based jobs in the suburbs, there was much new corporate growth there, transforming former bedroom communities into economic centers in their own right. A good example is the case of Plano, Texas, located outside Dallas. Plano is now home to a complex of telecommunications plants, as well as an office development known as Legacy Park, which contains the national headquarters of five major corporations: Frito Lay, Electronic Data Systems, Murata Business Systems, Southland Life Insurance, and J. C. Penney, which relocated from New York City.

Perhaps the most notable example of the shift of a corporate headquarters to the suburbs was the move of Sears from downtown Chicago to the suburb of Hoffman Estates. From August to November 1992, Sears moved some 5,000 jobs out of the Sears Tower to a 120-acre business park known as Prairie Stone. Located about 30 miles northwest of Chicago, the complex had nearly 2 million square feet of office space. Hoffman Estates followed a fairly typical pattern of suburbanization. In the 1950s, it was still largely agricultural. By the 1970s, it had become a middle-class bedroom community. Then in the 1980s and 1990s, the jobs began to arrive. The German conglomerate Siemens brought nearly 1,000 jobs, and telecommunications giant Ameritech built an office for 2,500 employees. After the arrival of Sears, there were some 12,000 jobs in Hoffman Estates, a suburb with a population of about 48,000 in 1993. Other Chicago suburbs, such as Oak Brook, Naperville, Northbrook, and Schaumburg, all possessed upward of 40,000 jobs each.

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See also Automotive Industry; Levittown; Telework/Telecommuting; Women and Work

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Summer Jobs

Summer jobs are most often held by high school and college students, who work part-time or full-time during their vacation from school. These jobs are seasonal and are largely service jobs, many times in sectors in which demand increases because of summer weather and tourism. Summer job participation dropped among youth throughout the 1990s. Among those youth who do want to work, racial and ethnic minorities have a more difficult time finding jobs and higher unemployment rates. Summer jobs prepare younger workers for the workforce, and the federal government does support summer employment for young people as part of its workforce development policy, though it no longer supports a targeted summer jobs program.

Summer jobs can be found in a wide array of sectors, but most are concentrated in the service and retail sectors. Many are related to tourism, landscaping/outdoor work, and child care (particularly for school-age children on summer vacation), sectors that all see increased demand in the summer months. Service and retail jobs, which include fast food restaurants, generally account for 50–60 percent of summer jobs (Bureau of Labor Statistics 2001). Construction, manufacturing, and government employment each provided some 7–8 percent of summer jobs for those sixteen to twenty-four years of age. Although representing much smaller percentages of young summer workers, sectors such as finance, insurance and real estate, wholesale trade, and transportation and public utilities also need summer workers. Internships also occur during the summer months but may or may not be summer jobs since they may or may not be paid.

The Bureau of Labor Statistics tracks youth employment and unemployment during the summer months. In 2001, for example, the number of employed youth between sixteen and twenty-four years of age increased by 2.4 million between April and July. At the same time, the number of unemployed youth in that age group increased by 450,000, as youth searched for but did not find employment. The overall youth labor force participation rate, which measures the number of youth in the labor market, both working and looking for jobs, was about 71 percent in 2001, the lowest rate in the past thirty years.

In the traditional U.S. educational system, the school year runs from September to June. During the summer break, many older students look for jobs, some of which do continue into the school year. In the 1990s, enrollment in year-round schooling and summer school have increased, possibly contributing to the falling labor force participation rate among youth. Children of more affluent middle- and upper-class families also may be choosing not to work in greater numbers, since they do not have the need for income or are pursuing additional schooling or activities to prepare for college applications (Cho 2002).

The summer employment picture for youth varies widely by race and ethnicity. African American youth are less likely to participate in the labor market and have higher unemployment rates. Although youth in wealthier suburbs may choose not to work, youth in low-income neighborhoods are more likely to be unemployed. In July 2001, the unemployment rate for white youth was about 9 percent, but the unemployment rate for African American youth was almost 20 percent (Bureau of Labor Statistics 2001).

Many students do still want to work, and youth unemployment rates in the summer are still higher than adult unemployment rates, despite the falling youth labor market participation rates. In the summer of 2001, the unemployment rate of those sixteen to twenty-four years of age was 10.4 percent, whereas the corresponding rate for adults was 4.6 percent. Youth continue to rely on summer jobs to support themselves, and society expects them to do so. Formulas used by the federal government and public and private colleges and universities to calculate a family's ability to pay college tuition count students' summer earnings as part of the overall financial package.

Beginning in 1965, the federal government supported summer jobs for low-income youth through the Summer Youth Employment Program (SYEP). It was initially an "antiriot" program, created in response to the urban unrest during the summers of the early 1960s (Zuckerman 2001, 275). The program continued for thirty-five years, supporting millions of summer youth workers, largely in the nation's central cities. In the 1990s, the program began to incorporate educational components, in response to criticisms that the jobs alone, often described as "make-work" jobs, were not providing a valuable service. In 1992, after the Los Angeles riots, summer jobs were again seen as a means to keep peace in cities, with $500 million going toward 360,000 summer jobs in seventy-five cities as part of an emergency appropriation package ("Rx for Urban Ills" 1992).

In 1998, the Workforce Investment Act (WIA) ended SYEP as a stand-alone program. The law allows local areas to provide summer jobs but does away with the SYEP funding stream. WIA's youth employment programs focus on out-of-school youth and require year-round youth employment services without any additional appropriations. This change means that it costs more to serve each youth involved and fewer youths can participate. Many cities that relied on SYEP to provide thousands of jobs launched lobbying campaigns to receive additional funding and maintain their level of summer jobs. The issue was larger than providing low-income youth with financial support and work experience, since many nonprofit agencies had come to depend on SYEP workers to staff their summer camps and other summer programs, keeping costs down for school-age child care in low-income neighborhoods. In most cases, states had to find other funding sources, such as surplus welfare money, to maintain the program.

In the field of youth development, summer jobs are considered an important tool to bring young people into the workforce and begin teaching them "soft skills." Soft skills include dealing with supervisors and coworkers, understanding appropriate workplace behavior, and responsibility. Some summer jobs will also teach "hard skills," such as using computers, but the large majority are low-skill jobs. Summer jobs can build self-confidence as well as leadership skills, especially when older youth work with younger children or are given specific responsibilities or projects.

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See also Contingent and Temporary Workers; Internships

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Sweatshops

A sweatshop is both a location of work as well as a labor system. Sweatshops are unsanitary, undemocratic workplaces, and jobs there are usually unsafe and underpaid. Sweatshop labor is characterized by severe conditions, long hours, low wages, and job insecurity, and often takes place in illegal and temporary workplaces. Sweatshops often refer to small, temporary garment "shops." Historically and in addition, sweatshop workers have often toiled in their own homes—in a system called "homework" and frequently involving child labor.

Sweatshop industries tend to be those under the threat of immense competition, often involving seasonal production and requiring very little capital outlay and almost no technological innovation. They are reliant on a constant supply of cheap unskilled labor for economic survival. It is an extreme example of what economists now call "flexible specialized production." The key elements of sweatshops are fixed costs, a permanent labor force, and enforceable work rules. Producers seek to adjust supply to demand quickly by cutting the risk of long-term investment. They expand to meet new demand and retract during downturns. They avoid union rules; legal regulations; and restrictions that set wages, benefits, and conditions by working in hidden shops and moving frequently. Sweatshop labor systems succeed by transferring the social responsibility of production elsewhere. Society is forced to pay the social costs of production that sweatshop owners refuse to pay. They create a secondary labor market, which often involves the most vulnerable of workers: immigrants (often illegal), young women, and the undereducated. Sweatshop labor systems are most often associated with the garment, laundry, and cigar manufacturing industries of the period 1880–1920; greengrocers; and, most recently, "day

Protestors in New York rally against sweatshop abuse and U.S. corporations that use maquiladoras *(foreign-owned factories in Mexico) for their manufacturing needs. (National Labor Committee)* laborers," often (il)legal immigrants, who landscape suburban lawns.

In both England and the United States, sweatshops first became visible through reformers' efforts to expose poor working conditions in the late nineteenth and early twentieth centuries. An investigation in 1889–1890, by the Select Committee of the House of Lords on the Sweating System, brought attention to the matter in Britain. In the United States, the first public investigations came as a result of efforts to curb tobacco homework—the system by which cigar workers took work home, which often involved child labor—by outlawing the production of cigars in living quarters. This resulted in a law outlawing homework in New York in 1884. Reformers seeking to eliminate sweatshops focused on three avenues of reform: support for workers' rights and labor unions, a proactive state and tighter governmental regulations, and an informed consumer.

Sweatshops left public view in the United States after the New Deal, when it was generally assumed that federal legislation—such as minimum wage and maximum hours legislation—curtailed sweatshops in the United States. In the 1990s, however, law enforcement efforts revealed that sweatshops still exist on U.S. soil. In August 1995, federal agencies raided a compound of several apartments in El Monte, California. These residences functioned as a large-scale sweatshop. There, seventy-two illegal Thai immigrants lived and worked in inhumane conditions, sewing garments sixteen hours a day for several nationally prominent retailers. Discoveries of additional sweatshops have led reformers, unionists, and student activists to revive the antisweatshop movement through organizations such as the Union of Needle Trades, Industrial and Textile Employees (UNITE) and Students against Sweatshops.

Richard A. Greenwald

See also Child Labor; Garment/Textile Industries; Homework; Manufacturing Jobs

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Sweeney, John J. (1934–)

John Sweeney was born in 1934 in the Bronx into a union family. As a youth, he recalled being particularly inspired by Michael Quill, the combative leader of New York City's transportation workers. After graduating from Iona College with a degree in economics, Sweeney began his career with the International Ladies Garment Workers Union. In 1961, he became union representative for Service Employees International Union (SEIU) Local 32B in New York City and was elected president of Local 32B in 1976, where he gained attention for leading two citywide strikes of apartment maintenance workers. In 1980 Sweeney was elected president of SEIU, a position he held until 1995.

Under Sweeney, the SEIU grew significantly at a time when the overall labor movement was shrinking. The service workers gained national attention by launching such aggressive campaigns as Justice for Janitors. Sweeney and others grew increasingly disgruntled by what they saw as the lethargy of the national American Federation of Labor and Congress of Industrial Organizations (AFL-CIO). In 1995, in the first contested election in AFL-CIO history, Sweeney defeated incumbent president Thomas Donahue. He immediately set out to reform and reinvigorate the federation. The well-publicized victory by employees of United Parcel Service in a 1997 strike indicated to some that organized labor had reversed a long decline. Sweeney has also emerged as one of the major critics of economic globalization, raising concerns about the impact for workers of dropping trade barriers and internationalizing labor standards. Since 1995, Sweeney has twice been reelected to the AFL-CIO presidency.

Edmund Wehrle

See also American Federation of Labor and Congress of Industrial Organizations; Justice for Janitors; Meany, George

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Swing Shift

A swing shift is a factory work shift that takes place between the day and night shifts and lasts approximately from 4 P.M. to midnight. The swing shift was first used by factory owners and other employers to maintain constant operations, maximize their production, and increase the pool of available labor by offering more shifts at nontraditional times. In the United States, this employment strategy was most evident during World War II (1939–1945), when the draft significantly shrank the pool of available male labor, and the war necessitated a twenty-four-hour production schedule at U.S. defense plants. To meet the country's defense needs, the nation's manufacturers increased production significantly. To staff this increase, employers turned toward the abundant supply of female labor, many of whom worked the swing shift.

Today, many occupations continue to commonly employ a swing shift. These occupations include factory workers and other manufacturers, doctors and nurses, maintenance and janitorial staff, construction crews, and many others in round-the-clock workplaces. Some experts estimate that up to 20 percent of working families in the United States have at least one income earner working a swing shift. Although swing shifts do offer workers flexibility and, for some, the opportunity to earn higher wages (extra pay for working night shifts is a matter of agreement between the employer and the employee and is not required by the Fair Labor Standards Act), the disadvantages to working the swing shift include lack of sleep and time away from family and community.

K. A. Dixon

See also Defense Industry; Fair Labor Standards Act; Manufacturing Jobs; Productivity; Rosie the Riveter; Wartime and Work

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Taylor, Frederick Winslow (1856–1915)

An engineer and inventor, Frederick Winslow Taylor developed and promoted a system of management that he called scientific management. Scientific management was built on the assumption that engineers could use science to divine the "one best way" of performing each task in the factory and managers could use central planning to ensure that workers performed each task in the most efficient manner possible. Taylor developed scientific management as one response to the challenge of managing the new mechanized, large-scale industrial enterprises of the late nineteenth century (Chandler 1977, 272). When Taylor published *The Principles of Scientific Management* in 1911, it was one of many proposals for improving efficiency and boosting production in industry. What separated Taylor's scientific management from other proposals was its comprehensive nature and the broad claims Taylor made about its wide-ranging potential to resolve conflicts between labor and management and to boost "national efficiency" (Nelson 1995, 56; Taylor 1985, 1). Scientific management had enormous appeal at a time when many Americans were worried about growing tensions between employers and workers but had great faith in the ability of science to solve social and economic problems (Jordan 1994, 40–44; Taylor 1985, 6). Yet Taylor's scientific management also generated bitter opposition from those who saw it as an effort to undermine workers' organizations and to enhance the power of management to control workers.

The son of a wealthy Philadelphia family, Taylor took his first step toward a career in engineering at the age of eighteen, when he rejected the study of law in favor of an apprenticeship in a metal-working plant owned by a family friend. After completing his apprenticeship, he took a position at Midvale Steel in Nicetown, Pennsylvania, where he worked as a machinist, foreman, and eventually chief engineer (Haber 1973, 5–7). As the chief engineer in a large steel mill, Taylor became preoccupied with a practice called "soldiering," wherein workers cooperated to deliberately slow the pace of work and limit output. The key elements of Taylor's system of scientific management grew out of his concern with soldiering and his desire to shift control of the pace of work and amount of output from workers to management. These elements included the use of time and motion study to determine the "one best way" to complete each task in the factory, the introduction of payment plans designed to enforce adherence to the one best way, and the establishment of centralized control over all aspects of production.

Taylor used time and motion study to teach himself the traditional craft knowledge of the workers and then, using this knowledge, to systematize even the most complex tasks in the factory. Time and motion study involved breaking each "particular job into its elementary movements," "discarding nonessential movements," and determining "the quickest and least wasteful means of performing the operation" (Haber 1973, 136–139). His goal, he wrote in *The Principles of Scientific Management,* was "the gradual substitution of science for rule of thumb throughout the mechanical arts" (Taylor 1985, 25). Taylor first adopted time and motion study in response to his observation that skilled workers often controlled the pace of production. They were able to do so in part because their "knowledge of their own tasks was superior to that of their employers" (Montgomery 1979, 115). Time and motion study would eliminate this barrier to managerial control, transferring knowledge of factory tasks from skilled workers to engineers and managers (Layton 1971, 137–139).

To ensure that workers performed each task in the prescribed way and at the prescribed pace, Taylor developed a payment system that he called the "differential piece rate." This system was intended as an improvement over the commonly used piece-rate system of payment. Piece-rate systems, in which workers were paid per unit of output, were supposed to motivate workers to produce as much as they could. In practice, however, workers often cooperated to control the pace of production, knowing that if they worked faster to make more money, managers would be tempted to lower the piece rate in an effort to keep employees working at the faster pace for no additional money. Taylor hoped to address this problem by replacing the traditional piece-rate system with a two-tiered system of payment. Workers who performed their work as directed and met daily production quotas would all be given the same good price for their work. All workers who failed to meet the daily quota for production would be given a second and much lower rate, a rate set so low that it would drive poor workers out of the job. According to the historian Samuel Haber, this pay system "was the first inkling of a new order for the factory" (Haber 1973, 1–2).

To make scientific management work effectively, Taylor argued, factories needed to establish central planning departments to coordinate all aspects of production. Taylor envisioned a system in which "the work of every workman is fully planned out by the management at least one day in advance" (Taylor 1985/1911, 39). Taylor's focus on central planning contributed to the rise of a modern managerial bureaucracy aimed at coordinating and controlling production, business historian Alfred Chandler and others have observed (Chandler 1977, 276). The rise of centralized planning also transformed the nature of work in U.S. industry, creating a "radical separation of thinking from doing" (Haber 1973, 24).

Taylor promoted scientific management not only as a means to improved efficiency but also as a path to greater morality in industry. His own attachment to the ideology of the Protestant work ethic led him to link individual morality to productivity (Haber 1973, 5–30). Scientific management, he believed, would instill in each worker the habit of working hard and being productive. As a result, he assumed, the largely immigrant workforce in U.S. industry would learn to imitate middle-class values.

Taylor also claimed that his system would shore up morality among U.S. employers. The arbitrary authority of the foreman would be replaced by the "laws" of science. As a result, he claimed, his system would end the frequent bitter clashes between workers and employers at the turn of the century. Labor disputes, Taylor pointed out, often arose out of disagreements over pay rates, pace of work, and methods of doing work. What Taylor proposed was to put an end to fights between managers and workers by interposing the objective and scientific judgment of the engineer (Kanigel 1997, 280–283). Taylor's critics questioned the objectivity of engineers, suggesting that they sided with management more often than not (Montgomery 1979, 113).

In fact, the adoption of scientific management did not put an end to labor disputes. In many cases, workers resisted the introduction of Taylor's system, citing their hatred of the stopwatch and the close control over their work. The most famous clash over scientific management occurred at Watertown Arsenal in 1911, when trade unions opposed to scientific management lobbied successfully to halt the introduction of the system into the government arsenals. Congressional hearings held to decide the issue polarized public opinion about scientific management, with antiunion employers and their allies embracing scientific management and union members and their friends opposing the new system (Haber 1973, 68–69). These often rancorous public hearings raised doubts about the potential of scientific management to solve the labor problem.

After scientific management encountered setbacks, Taylor's critics and some supporters began to question some of his assumptions about workers. Taylor justified the separation of thinking from doing by arguing that "in most cases one type of man is needed to plan ahead and an entirely different type to execute the work" (Taylor 1985/1911, 38). Taylor dismissed concerns about the effects of repetitive and monotonous jobs on workers by suggesting that these types of jobs were well suited to the "mentally sluggish" men (many of whom were immigrants) working in U.S. factories (Taylor 1985/1911, 44–47). Taylor also assumed that these workers were motivated primarily by economic interests. He assumed that the opportunity to produce more and earn more would appeal to them and was apparently disappointed when workers rebelled against scientific management. Early critics castigated Taylor for overlooking the "human element" and called for a wider understanding of workers' interests. Leaders of organized labor were less kind. They argued that scientific management represented a threat to the traditions of craftsmanship and the independence and dignity of the U.S. worker (Haber 1973, 66–67).

Despite these setbacks, Taylor's ideas had a considerable impact on the development of factory management in the early twentieth century. Although very few employers adopted Taylor's entire system, a large number incorporated some element of scientific management into their operation (Nelson 1995, 62–78). After Taylor's death in 1915, his followers continued to develop and promote his ideas through the Taylor Society. Moreover, the ideas of Taylor and his followers spilled out of the factory to fuel the "efficiency craze" of the 1910s, a movement that influenced everything from self-help books to attitudes toward reform (Haber 1973, 52–59). Although the efficiency craze faded away by 1920, Taylor's ideas about how to organize work continue to shape the U.S. workplace today.

A new critique of Taylor's ideas emerged in the 1950s and reached its peak in the 1980s. Managerial gurus like Peter Drucker charged that Taylorism had made U.S. industry too bureaucratic (Waring 1991, 10–13). In the 1980s, U.S. business thinkers impressed by the productivity of Japanese industry began to challenge the division between thinking and doing that characterized work in U.S. industry. They advocated a management model that reduced bureaucratic hierarchy and stressed worker involvement in planning and problem solving (Prujit 2000, 440). Although some sectors of the economy, like the auto industry, retreated from Taylorism in the late twentieth century, others continued to embrace Taylorism. In the growing service sector, for example, work is highly standardized, and workers have little input into planning or problem solving. In large segments of manufacturing, like meat processing, assembly line workers continue to labor under a Taylorist system. Taylor's system was originally designed to aid U.S. employers who sought to lower labor costs by employing large numbers of unskilled or semiskilled immigrants. Today, Taylorism appeals to cost-cutting U.S. manufacturers relocating in developing countries with large pools of unskilled and semiskilled workers. Managers are still attracted to Taylorism as a means of controlling workers and ensuring that work is done in the "one best way" (Prujit 2000, 441).

Julie Kimmel

See also Industrial Engineering; Industrial Revolution and Assembly Line Work; Productivity; Total Quality Management

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Teaching

Teaching is one of the oldest and largest professions in the United States. Although it is practiced at many levels, including college, precollege, and specialized, and in schools that include public, private, and religious, it is most commonly associated with precollege public school teaching. The teaching profession has greatly evolved throughout U.S. history, undergoing shifts in status and respect that have been affected by a variety of factors, including gender, ethnicity, race, age, and qualifications. The most noticeable trends have been the increasing predominance of women in the precollege teaching profession and the evolution of teaching qualifications from very little besides a strong disciplinary arm to the requirement of postgraduate degrees. The changes in the teaching profession have also paralleled the changes in education in the United States. All these factors have influenced each other, opening the teaching profession to an increasing spectrum of people, notably married women (once barred from teaching in many places) and minorities. Conversely, in recent times the teaching profession is no longer regarded as an obvious occupational choice for women, given the greater spectrum of opportunities in other fields and professions.

The teaching profession in America began with the introduction of compulsory schooling outside the home, well predating the American Revolution. The earliest schools developed in New England as part of the Puritan concern for creating a properly educated Christian commonwealth (and creating a select group of leaders to administrate it). After the revolution, when the needs of the secular republic replaced those of the religious commonwealth, "common schools" were proposed, originally by founders such as Thomas Jefferson, as a way to create an educated citizenry and prevent tyranny. Teachers in America initially were predominantly male, chosen for character and ability to impose discipline on unruly youngsters. By the time the common school movement spread throughout the United States by the mid–nineteenth century, however, the teaching profession dramatically shifted.

The mid–nineteenth century feminization of teaching was both a cause and effect of a number of circumstances during this period. The nineteenth-century idealization of womanhood and motherhood led to the idea that teaching, in addition to being a uniquely respectable career for single women, was also an excellent preparation for marriage and motherhood. School authorities also recognized the economic attractiveness of women teachers who, because of the usually temporary nature of their jobs, would work for far less than their male counterparts. Finally, women were viewed as more tractable than men and less likely to identify themselves as professionals. The resulting decrease in pay and status of the teaching profession during this period in turn made it increasingly a "woman's job," as educated men pursued more prestigious professions. Despite the low pay and subprofessional status, however, the "schoolma'am" was frequently lauded as a civilizing force in U.S. society. Following the Civil War, many white women went to the conquered South to teach newly freed slaves and poor whites, and many others went out to teach on the western frontier.

The feminization of the teaching profession, however, did not exclude concern for the professional aspects of teaching. In the late nineteenth century, this concern spurred the earliest discussion of how teachers should best be prepared to teach, as public education expanded and diversified across the United States. Although the normal school movement for the education of elementary school teachers originated in the 1840s, the dramatic increase in high school attendance by the early twentieth century resulted in the growth of the full-fledged teachers' college, designed to instruct educators in both general and specific subjects. The development of preprofessional education for teachers helped create a more standardized set of qualifications and expectations than had existed previously. It also eventually spurred the ongoing debate over the primacy of educational theory versus subject mastery (whether at the undergraduate or graduate level) in teacher education. Professionalization, however, came at the same time as the increased bureaucracy of larger school systems, so that most teachers became increasingly viewed as functionaries answerable to administrators and less as professionals coequal with doctors and lawyers. Even so, teaching remained the most common career for educated women, and as the twentieth century dawned, immigrant women, especially Irish and Jewish women, became teachers as a way of moving up from the more menial work their immigrant parents performed. Teachers in turn played an important role in Americanizing immigrant children in New York City and similar urban centers, though this Americanization sometimes caused conflict between home and school.

By this period, teachers had begun to unionize to improve pay and working conditions. Although the National Education Association (NEA), founded as a professional association that included administrators in 1857, is recognized today as a teachers' union, the first to be recognized as such by the larger labor movement was the American Federation of Teachers (AFT), chartered by the American Federation of Labor (AFL) in 1915. The AFT, moreover, grew out of the dismissal of a teacher who had gone against the administration's wishes in her effort to discipline an unruly student. Although the early AFT began in difficult circumstances, by the 1960s, teachers' unions had become a force to be reckoned with in U.S. school systems and, as such, were controversial. During the same period, teachers in the NEA struggled to wrest control of the organization from the administrators and professors who had traditionally dominated it and, with such control, to define what kind of organization it would be.

Beyond the growth of unionization, teaching remained relatively unchanged through the 1940s. The onset of the Great Depression retarded and sometimes reversed efforts to allow women teachers to continue working after marriage. In the immediate postwar decades, politics affected teaching as a result of both McCarthyism and the civil rights movement, placing the careers of outspoken teachers at risk. From the 1950s onward, first school desegregation and later affirmative action affected teachers, both black and white, in terms of who was most at risk for job loss. Finally, the opening of new career opportunities to women as the result of the women's movement of the 1960s and 1970s made teaching a far less common occupational choice. During the last few decades of the twentieth century, the teacher unionization movement was regarded as a mixed blessing. Although it has undoubtedly brought teachers better pay, working conditions, and respect, and has striven to uphold teacher quality, there are many who regard teachers' unions as looking out primarily for their own interests, even at the expense of student needs. Moreover, unionization has disturbed the traditional image of the teacher as a selfless public servant, and the AFT's alliance with the larger labor movement has forced a redefinition of what makes a teacher a professional.

Since the 1980s, there has been a growing concern in American society regarding a coming (and later existing) "crisis in education." Concern for both the number and quality of available teachers caused legislators, activists, and ordinary citizens to seek out a variety of solutions. This concern has been exacerbated by other trends that have increased as the twentieth century drew to a close. One is the increased economic stratification of American society that has filtered down to the public school system. Despite governmental efforts to equalize funding, the quality of U.S. schools—and the quality of teachers they are able to attract—is becoming increasingly unequal. Another trend is the increasingly conservative political climate. It has resulted in a call for "back to basics" education and controversy over multiculturalism, which has undoubtedly affected classroom teaching. It has also resulted in a movement for increased accountability on the part of students and teachers alike. These trends in turn have resulted in legislative trends geared especially toward mandating testing and other strict evaluations of schools and teachers. The recent No Child Left Behind Act (2002) promoted by the presidential administration of George W. Bush is only the most recent example.

As a result, efforts to fix the problems with public school teaching have increasingly emphasized standardized testing and using high-stakes tests of sometimes varying quality to determine the fate of students, teachers, and schools alike. In recent years, however, there has been a growing opposition to extensive testing on the basis that it encourages "teaching to the test" and restricts teacher autonomy and innovation. Other solutions to the problems in teaching, ranging from ending social promotion (promoting students to the next grade based on age rather than achievement) to proposals for alternatives to traditional teacher certification have also met with controversy. Finally, there have been increasing trends toward ending public schooling as we know it, by allowing parents to opt out of the now traditional public school system through alternatives such as charter schools and vouchers for private education.

Teachers increasingly struggle with sagging morale, a result of deteriorating working conditions. In addition to loss of autonomy in their classrooms brought on by the increased emphasis on testing, teachers face a variety of contemporary problems, including overwork in the form of increased class sizes, hiring practices that permit few to achieve tenure, and public criticism. There is an increasing gap between the working conditions of the "haves," the most qualified teachers who enjoy better pay and comfortable working conditions in the suburban and city schools, and the "have nots," poorer-paid, less qualified teachers working in poorer inner city and rural schools, who often do not have access to basic supplies and books. Amid these conditions, the teacher unions have increasingly lost power and effectiveness, and in their effort to reach out to the management through a focus on teacher improvement have ended up ceding their role in protecting and improving working conditions. Through it all, teachers have continued their own battle for increased respect and recognition as educated professionals, even as they have rightly or wrongly shouldered much of the blame for the problems of today's schools.

Susan Roth Breitzer

See also Education Reform and the Workforce; National Education Association; Occupations and Occupational Trends in the United States; Professionals; Tenure, Academic; Women and Work

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Teamsters

The Teamsters Union, formally known as the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America, is recognized as a major force in the U.S. labor movement. Affiliated with the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), the organization (called Teamsters or IBT for short) is headquartered in Washington, D.C. Representing 1.4 million members, it is one of the largest—and most diverse—labor unions in the United States (Teamsters 2002). The Teamsters make up 568 local unions in nearly every occupation across North America, with a concentration of 32 percent in the Central United States; 28 percent in the East; 26 percent in the West; and 7 percent each in the South and in Canada (Teamsters 2002).

The union began to organize workers in the freight-moving industry but has grown to include numerous trade divisions. Besides freight, two-thirds of the members work in the following divisions: warehouse, parcel, public employees, and industrial trades, with the public sector the fastest growing. The union also represents members in the airline, automotive, construction, newspaper, produce, taxicab, and other industries. The single largest group of workers holding Teamster membership is United Parcel Service (UPS) workers, with more than 200,000 (Teamsters 2002).

Chartered by the American Federation of Labor (AFL), the Teamsters Union was founded in 1899 as the Team Drivers International Union but then merged with the Teamsters National Union in 1903 to become the International Brotherhood of Teamsters. The union began with 32,000 members (James and James 1965, 14). The first president of the merged unions was Cornelius P. Shea, but he was voted out of office in 1907. That year, Dan Tobin was elected general president and served for forty-five years. The union was established primarily to empower workers through collective bargaining, to establish good working conditions, and to protect workers' rights and benefits—health, safety, and retirement security. Teamster members negotiate and vote on their contracts. A contract, typically set for three years, covers wages, hours, and working conditions.

Trucker climbing into his cab. The Teamsters Union began by organizing workers in the freight-moving industry but has grown to include numerous trade divisions. There are 568 local Teamsters Unions in nearly every occupation across North America. (Jim Erickson/Corbis)

Each local union operates autonomously and uses democratic procedures. Local unions elect their own officers, create their own structure, and vote and adopt their own bylaws. In addition to having local unions, the Teamsters organization is made up of joint councils and trade divisions, conferences, a general executive board, and an international convention. The joint councils comprise three or more local unions and help to coordinate activities such as boycotts and strikes. The trade divisions and joint councils help local unions to negotiate and bargain with employers. Convention delegates meet every five years to further guide direction of the union. The general executive board, consisting of twenty-two vice presidents and three trustees, serve as the governing body of the union between conventions.

The Teamsters's power and membership grew rapidly under the leadership of presidents David Beck and James R. Hoffa in the 1950s and 1960s. Beck moved union headquarters from Indianapolis, Indiana, to Washington, D.C. He made the union more industrialized by classifying it into trucking, warehousing, and food processing divisions and created eastern and southern conferences and several trade divisions. Power fell into the hands of executive officers rather than that of the members, since officers elected top officials to the IBT, but then union officials had long been suspected of trading favors and having ties with organized crime. Hoffa centralized collective bargaining and helped the union to gain big improvements in wages and benefits. He also created pension funds and was the first to negotiate the union's pension plan, which covered 100,000 workers in the midwestern and southern freight industry (La Botz 1990, 127). Hoffa brought corruption into the Teamsters' leadership through ties with organized crime involving union affairs and pension funds. Several Teamster leaders were convicted of mishandling pension funds, giving out loans, and accepting bribes from employers to stop strikes or reduce labor costs. Hoffa was heavily pursued by John F. Kennedy and Robert Kennedy.

He was sent to prison in 1967 and resigned as president in 1971, the same year his sentence was commuted by President Richard Nixon. Hoffa was succeeded by Frank E. Fitzsimmons.

In 1957, the union was suspended from the AFL-CIO and then readmitted in 1987. In 1989, the union and the U.S. Justice Department reached an out-of-court settlement in a federal racketeering suit against the union. In an effort to remove the influence of organized crime, the Justice Department forced the union to sign a consent decree and appointed three officers that would mandate federal oversight of the union's financial activities and elections. The three officers are an independent administrator, an investigations officer, and an election officer (La Botz 1990, 321). The administrator holds the same power as the IBT's general president to discipline union officers and appoint trustees to run local unions. Now, members can elect IBT officers directly. Previously, only Teamster leadership elected top officers. The Justice Department suit resulted in the 1991 election of reform candidate Ron Carey as the union's general president. Carey instituted changes by reducing his salary and purging the union of corrupt leaders. He lost office in 1997 amid charges of illegal campaign financing but was later acquitted.

The Teamsters union has endured other monumental struggles. During its earlier years, the group was not assisted by labor laws as it is today. In 1905, the Teamsters supported another union's strike against Montgomery Ward in Chicago. The group joined 6,000 tailors, who believed they were misled by the management regarding ending sweatshops and child labor. The strike lasted more than 100 days. In all, more than 100 people were killed, the union lost $1 million, employers lost $8 million, and 4,600 Teamsters were left unemployed (Friedman and Schwarz 1989, xi). The early 1980s were considered the most difficult years for the union. Senator Edward Kennedy pushed for deregulation of the trucking industry. The loss of business by union companies contributed to massive layoffs for the Teamsters and a rise in the nation's unemployment rate. One of the Teamsters's biggest contracts was obtained during the summer of 1997, when UPS won across-the-board wage increases and an agreement to convert 10,000 part-time jobs into full-time positions (Russell 2001, 230). From 1991 to 1996, union membership declined, and the group almost went bankrupt.

Since 1999, the union has operated under the leadership of Hoffa's son, James P. Hoffa. Since taking office, Hoffa has worked to rebuild the organization: Membership has increased, and he has created Respect, Integrity, Strength, and Ethics (RISE), an internal committee to investigate and punish corruption. He also has worked to end the government's supervision of elections for top officers. The union is no longer in danger of bankruptcy.

Cynthia E. Thomas

See also American Federation of Labor and Congress of Industrial Organizations; Meany, George; Strikes; Sweeney, John

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Telework/Telecommuting

Telework or telecommuting is the practice of working at home, away from an employer's place of business, using the phone, fax, and computer to perform work. Teleworkers include people who work at home full-time or part-time and those who work full-time or part-time at a remote location other than their employer's central office. Excluded from this definition are people who own home-based businesses and conduct most of their work from their private residences and the purely "mobile workforce," the traveling sales force and consultants of the twenty-

Approximately 10 percent of the U.S. workforce, or 14 million people, were teleworkers in 2000. (LWA-JDC/Corbis)

first century. Telework is increasingly attractive to workers for a number of reasons, including increased worker productivity and job satisfaction. They can easily outfit themselves with home computer equipment that is as fast and powerful as office computer systems, and by telecommuting, many workers can reduce their commute times and better balance work and family. Although employers have been slow to embrace telework, the practice is expected to become more widespread. Telework may allow employers to draw upon a wider pool of talent, it can increase productivity by reducing commute times and worker stress, and it will cost less with the spread of digital subscriber lines (DSL), fiber optic wire, and other new advances in information technology.

Over 100 years ago, the majority of Americans worked at home—*on their farms.* Not until the advent of mass production in the early twentieth century did most workers begin leaving their farms and traveling to factories and offices. When nearly every U.S. home had a telephone, in the mid–twentieth century, telework became a real option for millions, but few actually teleworked then. These early teleworkers who "worked from home" used the telephone to keep in touch with the office and clients, read, and did paperwork. There is no empirical data on the number and characteristics of these pioneer teleworkers. Typically, however, they were senior executives or professionals who controlled their schedules.

There is no commonly accepted definition of telecommuting or telework within the scholarly literature or within government agencies or private firms. The popular media typically use telecommuting and telework interchangeably to describe any nontraditional work arrangement. Academics and other experts apply narrower definitions for the purpose of measurement.

In the 1990s, two powerful trends—the widespread availability of sophisticated information technology and the desire to balance work and family—generated strong interest and participation in telework. Although a few teleworkers were part of the workforce for a long time, the rapid increase in telework has only recently been made possible by the widespread availability of contemporary information technology devices. Millions are now able to accomplish from their residences a wide range of complex tasks, in collaboration with colleagues and others around the world. Equipped with laptop computers, hand-held Internet appliances, fax machines, voicemail, e-mail, and other technologies, a new "anytime, anywhere" work culture is emerging.

Although estimates vary, the consensus view is that approximately 10 percent of the workforce, or 14 million people, were teleworkers in 2000. But the teleworking population could increase dramatically in coming years if technology continues to improve and if workers and their managers fully embrace new models of work. For that reason and several others, it is valuable to better understand the current and potential role of telework in the U.S. workforce.

The broad application of telework could profoundly affect worker behavior and satisfaction, employer profitability, and the preferred management practices. To remain competitive in the global market, U.S. workers must continue to make productivity gains. Telework arrangements may represent an opportunity to increase productivity and worker satisfaction. If further research establishes the positive benefits of telework, traditional management models will have to yield to those that are more effective in the new digital culture.

The digital economy generates millions of jobs that could be conducted in workers' homes, either all or part of the workweek. The explosive growth of e-commerce and the Internet creates demands for workers with information technology skills. These high-end information sector jobs and their retail counterparts, such as customer support and data processing, represent major growth sectors in "teleworkable" jobs. The workforce and businesses must take advantage of these new opportunities and develop career paths for the teleworker.

Aggressive marketing of inexpensive, high-bandwidth, secure Internet connections (DSL, cable, satellite) makes telework much more affordable than it was just a few years ago. Millions of workers are able to access high-bandwidth, secure Internet sites because their corporate local area networks (LANs) and phone systems can be accessed remotely at affordable prices. The percentage of Internet users with broadband access tripled from 7 percent to 21 percent between 2000 and 2003, according to an analysis by Gil Gordon reported in *Business 2.0* (2000). These projections could increase substantially if U.S. businesses promote telework options for their employees.

Telework has important implications for helping low- and moderate-income workers climb the digital ladder. Throughout the strong economy of the 1990s and into the recession of 2001 to 2002, pockets of higher unemployment persisted in the nation's urban cores, rural heartlands, and among the disabled and other special populations. Telework helps these workers overcome traditional transportation, distance, and physical barriers. It may also help assist working parents who cannot afford to pay child care expenses.

Information technology holds the potential to liberate workers from their physical offices. Survey research shows that a significant number of today's workers would like to become telecommuters. According to Work Trends surveys developed by the John J. Heldrich Center for Workforce Development and University of Connecticut's Center for Survey Research and Analysis, four in ten U.S. workers said in 1999 that they could perform their job at a place other than their current place of employment if they had access to a phone, fax, and a computer with Internet access. Although it is true that many jobs cannot be accomplished away from an office, store, or factory floor, only 16 percent in the same survey said they had been given the opportunity by their employers to try this out. Clearly, there is a gap between workers' expectations and their employers' practices.

According to Work Trends data, the typical U.S. teleworker is a college-educated, white, thirty-four to fifty-five-year-old male who earns more than $40,000; owns a personal computer; and works in a professional, managerial, clerical, or technical occupation. Teleworkers are very likely to be highly satisfied with their jobs, unconcerned about the unemployment rate, but somewhat concerned about job security. Obviously, the demographic characteristics of the telework population vary significantly from the general working population. Teleworkers are better educated, have higher incomes, and are more likely to be white and male than other U.S. workers. Approximately one-third of teleworkers work one day from home, another third work two to five days from remote locations, and close to a third (30 percent) telework full-time.

Not every employee has an equal opportunity to take advantage of telecommuting because of the nature of his or her job and the policies of employers. Workers holding a college degree or more are the most likely to report that they can telework. They are also nearly twice as likely as high school graduates to have done so already. Workers who use information technology the most are much more likely to hold jobs that can be performed outside the traditional office setting.

Policy analysts and workforce experts generally agree that many benefits accrue from expanding the use of information technology to allow a broader cross-section of the workforce to work away from a central office. Federal Express has created a division of data-keying jobs that workers perform from their homes. These positions do not require advanced degrees or a great deal of professional experience. They are among the most popular jobs advertised by the company, and postings always receive hundreds of calls and applications. Through telecommuting, the company is able to recruit a stronger pool of applicants than it may have otherwise, maintain high performance, and provide an important option for workers.

Carl E. Van Horn

See also Computers at Work; Professionals; Suburbanization and Work; Yuppie

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The profile of teleworkers is based on the results of two Work Trends surveys that ask questions about telework. Of the 2,005 interviews with U.S. workers conducted through these two surveys (March 1999 and February 2000), there were 164 teleworkers. Access the surveys at http://www.heldrich.rutgers.edu.

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Temporary Assistance for Needy Families (TANF)

The federal law entitled Temporary Assistance to Needy Families (TANF), is the name of the block grant to states established by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) to provide cash assistance to needy families, or welfare. The new law was enacted to replace the preceding welfare legislation, Aid to Families with Dependent Children (AFDC), a means-tested (eligibility based on income) entitlement program that provided cash and services assistance to families of needy children lacking adequate income support because of parental incapacity, death, absence, or unemployment. AFDC aid took the form of cash assistance, job-training programs, and access to food stamps and Medicaid. AFDC was an extension of the original U.S. "welfare" law, Aid to Dependent Children (ADC). ADC was established by the 1935 Social Security Act as part of President Franklin Delano Roosevelt's New Deal to assist widowed and abandoned mothers and their children, who had little or no other means of support unless the sole parent worked. The funding allowed women to stay at home to raise their children, reflecting the cultural mores of the time that the best way to raise children was to have a mother in the home full-time. ADC assistance was strictly for the support of the children in families headed by single mothers. It was later transformed into AFDC to provide financial support for the mother as well as the children (Gordon 1994, 1–13).

PRWORA dismantled much of the system that had been in operation for over sixty years by replacing a law—that provided any family who qualified with assistance for as long as the recipient could demonstrate it was needed—with a program that set limits on the duration that aid could be received and required that single parents work and seek work as a condition of assistance. Through TANF funding, states are given a block grant of a set amount and a great deal of flexibility to provide assistance to needy families. If states do not have enough resources for all of the poor people in their state, they have the choice to fund them out of state funds, but no federal regulation requires a state to do so. TANF was phased in gradually until 2002, when the law was reauthorized by the U.S. Congress. TANF took effect in states after the approval of implementation plans that the law required states to submit in 1997. The U.S. Department of Health and Human Services distributed the grants based on 1995 AFDC spending levels that equaled $16.4 billion per year until 2002.

The sponsors of the new welfare law describe the purposes of TANF programs to include providing assistance to needy families so that children may be cared for in their own homes or in the homes of relatives; ending the dependence of needy parents on government benefits by promoting job preparation, work, and marriage; preventing and reducing the incidence of out-of-wedlock pregnancies and establishing annual numerical goals for the incidence of these pregnancies; and encouraging the formation and maintenance of two-parent families (P.L. 104–193, Sec. 401). The main stipulations of the policy to achieve these goals include work requirements, a five-year lifetime limit on eligibility for assistance, removal of immigrant populations from eligibility, teen parent provisions that require teens to live with a parent or legal guardian, funding for abstinence education, and illegitimacy bonuses for states that reduce their number of out-of-wedlock births. The cornerstone of this policy is the mandatory work requirements, with strict sanctions for all recipients and the emphasis on "work first," meaning *any* job is a step to a better job.

Work requirements in the new legislation require that individuals must engage in work activities after receiving assistance for twenty-four months. The minimum participation rate for single-parent families started with 25 percent in fiscal year (FY) 1997, the first year of the law, and increased to 50 percent in FY 2002. TANF required three-quarters of a state's two-parent families to participate in work in FY 1997 and 90 percent of those families by FY 2002. Although many states had been implementing work programs before the PRWORA was passed (under vouchers received under AFDC), many had far to go to reach these first-year participation rates. Most states did not match the expected 25 percent in 1997 but met their requirements because of vouchers they had acquired before PRWORA, which the new legislation recognized as valid until their expiration date, and because of caseload reduction credits. For any percentage by which a state reduced its caseload numbers, it could reduce its work requirements by the same percentage.

More Federal Legislation

With the reduction of the welfare caseloads that occurred prior to the 1996 legislation (because of the strong economy and the growing number of entry-level jobs during the mid-1990s), government officials began to realize that the recipients who remained on welfare after 1996 were most likely the ones with the greatest barriers to self-sufficiency. Thus, even though TANF emphasizes helping families move from welfare to work, its "work first" strategy may not be adequate for the hardest to employ. Under TANF, funding may be used for minimum job readiness training, such as interview and job application preparation. TANF funding may also be used for transitional aid, such as transportation, health care, and child care, but often states have not been able to develop systems that successfully track former recipients and their progress to maintain distribution of such transitional aid.

The Balanced Budget Act of 1997 authorized the Department of Labor to provide Welfare-to-Work (WtW) grants to states and communities to assist the hardest to employ. This act allocated an extra $3 billion in funds to be distributed in two halves in 1998 and 1999. The WtW program has stricter spending rules than TANF and is awarded in formula and competitive grants. WtW funds can be used for job retention and advancement as well as to promote job entry (the main concern of TANF). These funds have strict stipulations regarding eligibility for such programs and are aimed at helping those who face multiple barriers to employment, such as lack of high school diploma or GED, substance abuse problems, or a poor work history. WtW is different from TANF in the emphasis placed on *both* rapid movements into employment *and* subsequent advancement toward stable employment at self-sufficient wages. Funds may be used for such things as job retention and support services that are not otherwise available under TANF.

In 1997, President Bill Clinton also signed the Taxpayer Relief Act, which creates a tax credit to employers who hire previous welfare recipients. Under the work opportunity tax credit (WOTC), long-term recipients can save their employers up to $3,500 in their first year of employment and $5,000 in the second year (U.S. Department of Labor 1999, 1). This credit exemplifies the heavy emphasis put on the participation of employers in welfare reform.

Results

Five years after the passage of PRWORA, welfare reform has produced some drastic results. Caseloads were cut in half nationwide, and large numbers of former welfare recipients entered the workforce. Statistics show that, on average, those who left welfare for work increased their income above what it had been while they were receiving welfare benefits. However, this increase is mostly due to increased wage supplements or income disregards that allowed recipients to continue to receive cash assistance while working and an expanded earned income tax credit that provided significant tax refunds for low-income workers. Former welfare recipients are generally employed in low-wage service sector jobs with few or no benefits and are faring worse than they did on welfare because of the extra costs of child care and transportation that accompany work. Welfare reauthorization addressed these issues by proposing to increase work supports, such as subsidized child care and health care benefits and transportation vouchers, for former welfare recipients. Welfare reauthorization also proposes to increase mandated work requirements from 35 to 40 hours a week.

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See also Temporary Assistance for Needy Families; Women and Work; Work First

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Tenure, Academic

Tenure is the practice of awarding long-term employment and protection from dismissal without due process to teaching faculty at the college (and sometimes precollege) level. Its purpose is to protect instructors from arbitrary dismissal and thereby both preserve academic freedom and allow instructors to focus on teaching and/or scholarship undistracted by job search concerns. In recent times, however, its value has been questioned for a variety of reasons. Among the principal reasons it has been historically controversial and is more so in recent times is that its conception of work and employment differs markedly from the prevailing labor theory of value.

Although the idea of the necessity for teacher job security originated in ancient Greece and drew upon the traditions of the university that go back to the Middle Ages, it first emerged in the United States during the late nineteenth and early twentieth centuries. Precollege teacher tenure was first legislated in Massachusetts in 1886. Then, in 1915, the newly founded American Association of University Professors (AAUP) issued its first statement proclaiming the necessity of tenure as a safeguard to academic freedom, especially in church-related institutions, where the failure to toe doctrinal lines was sometimes grounds for termination. During the early twentieth century, tenure gradually spread among institutions of higher education (and filtered down to precollege education). In 1925, an additional AAUP statement called for additional provisions that increased faculty input in hiring and firing decisions, although the idea of binding faculty review proved difficult to enforce.

In 1940, the AAUP issued a third statement, strengthening proposed higher education tenure provisions by severely limiting economic circumstances that could serve as grounds for dismissal of tenured faculty. By the post–World War II era, college and precollege teacher tenure in various forms had spread across the United States and received the severest test of its effectiveness during the McCarthy era, as arbitrary dismissal (and career blacklisting) became a frightening reality in U.S. higher education. In many cases, the idea of intellectual independence was twisted to assume that Communists (perceived or actual) blindly followed the party line and were therefore unfit to teach on that basis. Conversely, tenure guaranteed the careers of many aspiring academics during the boom decades of higher education immediately following World War II.

By the late twentieth century, however, the U.S. economic and academic landscape had changed to the degree that academic tenure, especially at the level of higher education, was increasingly called into question. As student populations decreased, the supply of academics began to seriously outstrip demand, and accusations were leveled that tenure kept too many professors who are no longer productive on academic faculties and shut out new talent, especially aspiring women and minorities. Also, as job security declined in other sectors of American society, the rationale for the "privileged" position of teachers has increasingly been questioned. Finally, some have argued that tenure has outlived its usefulness and, far from facilitating greater intellectual productivity, actually stifles it by focusing on quantity of publication rather than quality and ironically restricting career mobility. In any case, some institutions of higher education, such as Bennington College, have made moves to reform or abolish tenure. Additionally, a new trend in higher education has been the replacement of full-time tenure-track positions with untenured part-time faculty, as a cost-cutting measure. This practice has in turn inspired protest and prompted calls for recognition of tenure's enduring value in education.

Susan Roth Breitzer

See also Education Reform and the Workforce; National Education Association; Teaching

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Terkel, Studs (1912–)

Studs Terkel, a popular radio personality and prolific author, interviewed hundreds of working men and women for his book *Working: People Talk about What They Do All Day and How They Feel about What They Do* (1974). Rather than focusing on the end product of the work, Terkel focused on the workers themselves. Armed with a tape recorder and a penchant for asking acute questions, Terkel gave voice to those who drive taxis, read meters, and teach schoolchildren. In *Working,* workers tell their own stories about their work and its worth. Throughout, these narratives make clear that there is a basic urge to work and to take pride in doing so. The popularity of the book, ultimately made into a musical, indicates that it rings true for working Americans.

Terkel has spent a lifetime refining the art of oral history. A true Renaissance man, he boldly employs this methodology to tackle a myriad of concepts at the heart of American society. His published works include *Division Street: America* (1967), *Hard Times: An Oral History of the Great Depression* (1970), *American Dreams: Lost and Found* (1980), *The Good War: An Oral History of World War II* (1984), *The Great Divide* (1988), *Race: How Blacks and Whites Think and Feel about the American Obsession* (1992), and *Will the Circle Be Unbroken? Reflections on Death, Rebirth and Hunger for a Faith* (2001).

Born in New York, Terkel has called Chicago his home since 1922, when his family opened a rooming house there. Terkel credits his views from his early days of listening to tenants, workers, labor organizers, and dissidents. Although Terkel graduated from the University of Chicago with a law degree in 1934, he never practiced law. Instead, he pursued acting and appeared onstage, in radio, and in the movies. He ultimately crafted *The Studs Terkel Program,* heard on Chicago's fine arts radio station WFMT from 1952 to 1997. On this program, Terkel spent hundreds of hours eliciting the thoughts and views of labor organizers, politicians, writers, performing artists, activists, and others who helped shape the past century. Consistent with his focus on the working man and woman, Terkel hosted a special Labor Day program every year.

His work has won him accolades and awards, including the Pulitzer Prize, the Presidential National Humanities Medal, the National Medal of Humanities, the Clarence Darrow Commemorative Award, and the Peabody Award. In honor of his ninetieth birthday, the Chicago Historical Society launched a Studs Terkel website featuring hundreds of hours of his original interviews. At this writing, Terkel is currently a distinguished scholar in residence at the Chicago Historical Society.

None of the well-deserved tributes have gone to his head. Terkel has never driven a car, wearing his signature red socks on the bus in and around Chicago. He continues to marvel at the differences between the "haves" and "have-nots" in the United States, the land of the plenty, where so many have so little and work so hard to get it.

Debra L. Casey

Studs Terkel performing on his Chicago radio talk show, 1977 (Bettmann/Corbis)

See also Lewis, John L.; Lewis L., Sinclair; Sinclair, Upton; Steinbeck, John

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Time Cards

Many U.S. workers begin and end each workday with a time card. According to the U.S. Department of Labor (DOL), every employer covered by the 1938 Fair Labor Standards Act (FLSA)—the law that regulates many aspects of the workplace, including employee records and timekeeping—must keep certain records for each covered, nonexempt worker. There is no required form for the records, but the records must include accurate information about the employee and data about the hours worked and the wages earned. This time card must contain certain information, including the employee's name and Social Security number, address, date of birth (if under the age of nineteen), occupation, time and day of week when employee's workweek begins, and hours worked each day. In addition, employers must use time cards to keep track of each employee's total hours worked each workweek, the basis on which the employee's wages are paid, the regular hourly pay rate, total daily or weekly straight-time earnings, total overtime earnings for the workweek, all additions to or deductions from the employee's wages, total wages paid each pay period, and the date of payment and the pay period covered by the payment.

As a rule, employees who work on a full-time, fixed schedule that varies very little do not use a time card to track their time at work. Employers of these workers are more likely to just note those days the worker is absent from work or is otherwise not fol-

A worker punches her time card at the De Soto plant in Detroit, Michigan, 1942. (Arthur S. Siegel/Library of Congress)

lowing the set schedule. Conversely, part-time workers, shift workers, and other workers with nontraditional schedules are the most likely to use a time card to record their entry into and exit from work on each workday, and employers of these workers are most likely to have a more formal and rigorous time-keeping system to track the participation of their workers.

K. A. Dixon

See also Fair Labor Standards Act; Swing Shift

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Total Quality Management

The quality movement in the United States has contributed significantly to effectiveness and efficiency, particularly in manufacturing. Though it has a long history, quality methodology was not always favored by U.S. companies. However, once it became clear that the quality framework was helping companies be competitive on a global basis, the movement found a permanent home in the United States, evidenced by the fact that new uses of the core quality principles have sprung up even in the last few years.

The quality movement started during the 1920s at American Telephone and Telegraph's (AT&T's) Hawthorne plant, where key figures like Joseph Juran and W. Edwards Deming could be encountered long before their names became synonymous with the worldwide quality movement. These ideas have crossed the Atlantic and the Pacific and returned to the United States, each time with the vigor born of greater learning and reinforcement. A substantial debt of gratitude is owed to the early pioneers of quality and the countless determined managers who have provided the sustainable quality advances that characterize successful public and private enterprises in the United States.

Though there is always controversy surrounding invention, it is possible to cite early contributions by Juran, Deming, and Walter Shewhart as the seminal ones in the quality field. Engineers by trade, they developed the initial analytical schemes that laid the foundations for the quality methods still in use today. They also articulated the critical premise that even the best tools rely on management understanding and commitment for success. Juran, who also worked as a factory manager, carried these ideas further by insisting that learning and participation take place at all levels of the organization and that there should be worker participation in all processes targeted for improvement. This last premise has been easier to relate than to implement, as it is now abundantly clear that issues of culture and human relations are among the thorniest to reconcile when change is needed. Indeed, change management, dealing with this extension of quality principles, remains one of the hottest topics in business.

The concepts developed and integrated over the history of quality management include all aspects of quality control, the Pareto principle, breakthrough implementation, continuous improvement, and the primacy of customer supplier relationships. These methods were developed and studied by the quality pioneers during their early work and then tested and disseminated by the government during the war effort and later in Japan during its rebuilding phase. By then, during the 1950s and 1960s, Deming and Juran were both among a small group of consultants who could travel the world lecturing and working for various companies implementing quality principles in key process areas. Executives were touting the gains made from quality programs. Abroad, it was an era of experimentation and measurable gains in productivity and bottom-line results. Those who were successful took quality well beyond the realm of scientific measurement and instilled it as a philosophy to be practiced and celebrated by employees at every level in the enterprise. Most successful at this were the Japanese, who learned the lessons from their "foreign professors" well in the 1950s. They employed the quality techniques with fervent postwar motivation and took care to blend them with the uniqueness of their culture. This approach produced major successes, particularly in electronics and automobiles, within a decade.

As a manifestation of this success, the Japanese are credited with the development of quality circles, which became a feature on the American scene during the 1970s and 1980s. It is highly ironic that around this time, U.S. manufacturers perceived a looming "crisis" from global competition that was reflected in decreasing margins and market share, the aftershocks of which are still being felt in some industries. It was the very core principles of quality ("Plan, Do, Study, Act, Evaluate") and the cycle of customer-focused improvement that they engender that led the global competitors to be so powerful on the economic scene. Juran himself was the earliest proponent of the "cost of quality" idea and the financial justification for its implementation. He believed that it was the key way to get managers' attention and commitment. Scientists and engineers were convinced by statistics, but statistics could not guarantee successful execution or leveraging of positive results. Only managers could do those things.

In the 1970s, U.S. industry was slow to embrace the quality movement. Many had not clearly heard the earlier warnings by Peter F. Drucker and others that streamlining, participation, well-managed information, and flexibility were the hallmarks of a new age. In many ways, U.S. managers and chief executive officers (CEOs) still had to overcome the Tayloristic legacy of the industrial age and the command-and-control style ushered in with the Sloane model in the 1920s. True implementation of the quality methods ran counter to what was engrained in U.S. business practices, and until the 1970s, there had been no crisis to force new thinking. Confronted with stagnating productivity at home and aggressive innovation plus cost reductions abroad, managers and executives decided that the time had come to consult the experts.

Thus the march toward total quality management began in the United States. Proponents like Tom Peters and Robert Waterman Jr., authors of *In Search of Excellence,* beat the drums of radical rethinking and new approaches to competitiveness even louder. It was not long before U.S. businesses seized on the most prevalent quality improvement and cost management strategies of the day and began to make their own adjustments to the process. Here too, the ideas taking root had to take culture into account. It was very difficult during the 1980s to get senior management to trust workers with decisions on process and product enhancements. But the message was everywhere. Without leadership, buy-in, and trust, companies cannot implement quality. Without quality, competitiveness is at risk. Typically, senior management devise the goals and disseminate the strategy. Then, intensive training on the tools begins, and the workers on the quality teams begin holding meetings to discuss measurements and review progress.

At companies such as AT&T and United Parcel Service (UPS) that had strong Union representation, the move was toward joint implementation of the quality principles between management and union. Programs such as "quality of work life" appeared that made greater attempts to solicit employee suggestions regarding ways the workplace could be made more worker-friendly, thus increasing trust between workers and management. Communication was on the rise. Without planning, measurement, and implementation from the factory floor up, the gains cannot be made. The cycle of improvement described by Deming and Juran cannot be begun, let alone sustained. Companies like General Motors (GM), Gillette, Motorola, and Alcoa had demonstrable successes. They hired the experts, fostered the processes, and rewarded "quality mindedness" and new behavior. Their bottom-line results reflected measurable gains. For a time, during the 1990s, they were no longer at the mercy of their competitors.

Of course, the global business climate is never static. Those companies domestic or foreign who embraced the quality movement had to combine an ever-tighter cycle of breakthrough achievement and control (holding the gains) in major product categories, as well as in nonproduction areas. Otherwise, they would be challenged by competitors who could. Companies are continually buffeted by the rate of technology innovation, shortages of skilled labor, and in many cases, the short-term earnings focus required by financial markets. In such a climate, it is harder to stay the course laid out in the quality principles, and yet one might argue that total quality standards and practices for all employees are the only way to succeed in such a challenging era. Chief among the reasons are that the basic quality principles drive alignment firmwide on goals and values, they force adherence to effective measures and fact-based decision making in real time, and they maximize the contribution of human capital.

Recently, in Belgium, a study was conducted to determine the positive, sustainable aspects of implementing quality-based efficiency initiatives in a large manufacturing firm, the N. V. Bekaert steel wire company. The study assessed innovation, financial gains, and increases in worker knowledge. What the data showed was that initiatives tried over a period of nearly twenty years fell into four categories. Two categories of initiatives produced no measurable, sustained gains. One, which was akin to managing change through "fighting fires," produced negative financial results, and the last category (roughly one-quarter of the projects), produced the positive, sustainable gains the company was looking for. What was different about the last category? According to the study, there were two things common to the projects in the last category. They produced process knowledge that was well delineated and understood by all key players in an integrated process. The information produced was shown to be broadly relevant among the activities the plant was engaged in; and the knowledge produced was proven to have been transferred to other parts of the operation.

Bekaert was a firm that had formally introduced total quality management principles in the 1990s. Having been expanded upon and absorbed by the culture, the principles are still paying off today. But the study also illustrates the pitfalls that await those who devote time, energy, and lip service to quality implementation.

As a further example of how the processes started by Deming, Juran and the others have endured, one need only review the prevalence of the Six Sigma quality program popularized by General Electric (GE) and Allied Signal among others and the international reliance on International Organization for Standardization (ISO) standards for quality and training. Many aspects of team management, current quality control, change management, and business-based conflict resolution or partner-supplier negotiating principles are derived from the quality movement. They are just a few of the management innovations that sprang from the well of quality; and the well has not run dry yet. Quality management represents simplified and tested methods for producing a usable product, consistently designed and manufactured at the desired cost, concepts that would be hard to outdate in any business climate.

Paget Berger

See also Baldrige Awards; Hawthorne Plant Experiments; High-Performance Workforce; Quality Circles

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Trade Adjustment Assistance (TAA) Program

The Trade Adjustment Assistance (TAA) program is a federal program initially enacted in the Trade Expansion Act of 1962 and amended under the Trade Act of 1974. It was established to offset the adverse effects of increased import competition on the U.S. economy. The initial motivation behind the program was to gain the support of the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) for the Trade Expansion Act of 1962, as well as to make it easier for members of Congress to support trade liberalization (Rosen 2002). It is administered jointly by the Employment and Training Administration (ETA) in the U.S. Department of Labor and by the states, who serve as agents of the U.S. Labor Department, typically the State Employment Security Agency.

The program's objective is to assist individuals who have become unemployed or whose work hours and wages have been reduced as a result of increased imports. The benefits provided by the TAA program are designed to assist displaced workers in finding alternate employment. Some of the reemployment benefits are job training, a job search allowance, and a relocation allowance. Participants may also be eligible for a weekly trade readjustment allowance once their unemployment benefits have been exhausted and if they are enrolled in a training program.

Program applicants must first file a petition with the U.S. Department of Labor to establish their eligibility. These petitions may be filed by three or more workers, their union or authorized representative, or by a company official (Michigan Department of Career Development 2002a). Once a petition has been filed, the U.S. Department of Labor conducts an investigation to determine whether three requirements have been met: (1) that workers have been totally or partially laid off, (2) that sales or productions have declined, and (3) that increased imports have contributed importantly to worker layoffs. If the U.S. Department of Labor issues a certification regarding eligibility, trade-affected workers can then apply for the benefits under the TAA program (U.S. Department of Labor 2002). If, however, a petition is denied, workers can then request reconsideration as well as file an appeal seeking judicial review with the U.S. Court of International Trade. Once eligibility has been established, individual workers from the certified firm may file an application with their state unemployment insurance agency to determine their individual eligibility.

Assessing the program's success has been difficult because of a lack of data and because any evaluation is extremely sensitive to the measures used. The Department of Labor has been criticized for not collecting the necessary data, for not properly evaluating the program's results, and for an inadequate attention to performance measures. Part of the problem lies in the fact that states were delegated the responsibility for collecting data, but they have neither the necessary resources to monitor the program nor much interest in checking its effectiveness. As a result, insufficient data make a sophisticated evaluation of the program nearly impossible. Nonetheless, some critics of the program contend that it has been unsuccessful in its goal to reduce congressional opposition to trade liberalization by pointing to the problems that presidents have had in garnering support for fast track legislation. Other critics of the program, such as the Heritage Foundation, assert that TAA has devolved into merely a compensation mechanism, which inadvertently acts to dissuade workers from finding new employment. The program has also been criticized for being inefficient as a result of complicated bureaucratic procedures. And lastly, as trade assumes an even greater role in the U.S. economy, it has become much more difficult to disaggregate the causes of worker dislocation. That weakens any argument for a program specifically designed to assist workers hurt by increased imports. Despite the heavy criticism, TAA has much support, especially from its recipients. Proponents of the program argue that it helps offset the small but concentrated costs of trade liberalization. Although the costs are small, they tend to be concentrated in certain sectors and locations, thus concretely affecting individual workers and their families. Therefore, it is necessary to assist workers who lose their jobs through no fault of their own but rather as a result of a change in government policy. Unlike opponents of the program, supporters tend to think that the present TAA does not go far enough and it should be allocated more financial and bureaucratic resources.

In response to some of the criticisms leveled at the program, the Trade Adjustment Reform Act of 2002 was enacted to reauthorize and reform the program. The main thrust of the reforms was to expand the eligibility criteria and benefits and to harmonize and consolidate the TAA and the North American Free Trade Agreement (TAA-NAFTA), using NAFTA-TAA eligibility criteria. The TAA and NAFTA-TAA, which assists only those workers who are adversely affected by imports specifically from Mexico and Canada, are separate programs, yet many of their benefits and procedures overlap. It is believed that harmonizing them will result in reducing confusion and duplication. Previously, eligibility was restricted to workers whose firm was directly affected by import competition. Under the new legislation, secondary workers (defined as workers employed by firms that are suppliers or downstream producers of firms that are certified as eligible for TAA) are also eligible for TAA. This expansion of eligibility is intended to reduce artificial and arbitrary distinctions between workers hurt by increased imports and will double the size of the program. The legislation expands eligibility criteria to include shifts in production, regardless of country, since a shift in production abroad may increase imports. Furthermore, the Trade Adjustment Reform Act of 2002 lengthens the period of income maintenance to match the training period and provides tax credits for health insurance. Lastly, in response to new criticisms about insufficient data with which to evaluate the program's performance, the new legislation shifts data collection responsibility from the individual states to the federal government.

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See also Export Processing Zones; General Agreement on Tariffs and Trade; North American Free Trade Agreement

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Triangle Shirtwaist Fire

On March 25, 1911, a fire at the Triangle Shirtwaist factory in New York City claimed the lives of 146 young immigrant workers, marking it as one of the worst industrial disasters of the twentieth century. Aside from the devastating loss of life, this event is significant for bringing awareness of the dismal working conditions endured by immigrant workers to the public and forcing the passage of important factory safety legislation.

The Triangle Shirtwaist Factory occupied the top three floors of the ten-story Asch Building at the corner of Green Street and Washington Place on the Lower East Side of Manhattan (Smith 2002). Like many other sweatshops on the Lower East Side, Triangle Shirtwaist employed mostly young, European Jewish and Italian immigrant women as sewing machine operators. They endured long working hours; cramped, unhealthy working conditions; and low wages. According to Fire Marshall William Beers, there were over 500 people working on the eighth, ninth, and tenth floors of the factory when the fire broke out. Beers believed that the fire began on the eighth floor when a male cutter carelessly threw a match into a box under a cutting table that contained fabric waste material. The fire quickly spread to paper patterns and finished garments hanging above the cutting table. The workers tried to use fire pails and the fire hose to extinguish the fire but could not get any water (Factory Investigation Commission 2001).

Both Fire Marshall Beers and Fire Chief Edward Croker noted the hazardous conditions at the factory. Machinery crowded the factory floors. On the ninth floor alone there were 310 workers and 288 sewing machines. Beers testified that sewing machines occupied every square inch of space on the ninth floor, where the loss of life was greatest. Workers could not escape safely because of the lack of adequate fire escapes. There was one fire escape at the rear of the building, which was too small and too light to accommodate all the employees. Even if the fire escape had been larger and heavier, iron shutters on the outside of the building obstructed the access to the outside platform. Although many women made it out onto the fire escape, their combined weight caused the fire escape to tear away from the building, throwing the women onto the concrete. Supervisors locked exit doors to prevent workers from leaving during work hours, and these doors opened to the inside rather than to the outside. As workers rushed to leave the burning building, they found themselves crushed against the door. Thirty workers tried to slide down the elevator cables, only to die when they fell onto the top of the elevator car below. Faced with the choice of suffocation or burning to death, many young women chose to leap from the windows to the street, 100 feet below.

When the fire department arrived, they had a problem getting close enough to the building because bodies filled the streets surrounding the building. When the hook and ladder truck finally reached the building, the firemen found their ladders and hoses were too short to reach the top floors. In all, 146 workers, mainly women and girls, one as young as fourteen, died in the fire (Factory Investigation Commission 2001). Ambulances and police vans carried the dead to Bellevue Hospital and a temporary morgue set up on a pier of the East River.

Reaction to the Triangle Shirtwaist fire was swift. Building owners Max Blanck and Isaac Harris did not escape prosecution, although they did avoid conviction. Like many factory owners, Blanck and Harris subcontracted out work to individuals who hired workers and kept part of the profits. Individual subcontractors paid low wages, crammed as many workers as possible into the available space, and ignored safety and sanitation. Eight months after the fire, the parents and friends of the victims wrote, telephoned, or arrived at the office of the Ladies' Waist and Dressmakers' Union, demanding the union see to it that Harris and Blanck were brought to trial. They were tried for manslaughter in the first or second degree but were acquitted by a New York jury composed of engineers, architects, builders, and businesspeople on the third ballot. The jury deliberated for one hour and forty-five minutes (*Literary Digest* 1912, 6; *The Outlook* 1911). Eventually, the families of the victims brought twenty-three individual civil suits against Blanck and Harris. On March 11, 1913, Harris and Blanck settled the suits by paying $75 per life lost (Triangle Factory Fire 2002).

Immediately after the fire, the International Ladies Garment Workers Union (ILGWU) called for an official day of mourning. Huge crowds gathered in the churches, synagogues, and the streets. The Ladies' Waist and Dressmakers' Union, Local 25 of the ILGWU, planned relief for the survivors and the families of the dead and organized a rally against unsafe working conditions. Representatives of the Women's Trade Union League (WTUL), the Workmen's Circle, the *Jewish Daily Forward,* and the United Hebrew Trades formed a joint relief committee (JRC). These groups distributed weekly pen-

Police and fire officials placing victims of the Triangle Shirtwaist fire in coffins, March 25, 1911. The fire claimed the lives of 146 young immigrant workers, marking it as one of the worst industrial disasters of the twentieth century. (Bain News Service/Library of Congress)

sions and found new work for the survivors. The JRC also worked with the American Red Cross in collecting monetary donations from the public, eventually administering about $30,000 (Triangle Factory Fire 2002).

New protests arose, demanding justice and actions to protect vulnerable workers. The Joint Board of Sanitary Control in the cloak, suit, and skirt industry, consisting of Chairman William J. Schieffelin, Lillian D. Wald of the Locust Street Settlement, and Dr. Moskowitz, as the three representatives of the general public; Dr. George M. Price and Benjamin Schlessinger for the unions; and Max Meyer and S. L. Silver for the manufacturers; issued its report on factory conditions in New York. At a mass meeting held at the Metropolitan Opera House on April 2, 1911, Moskowitz reported that the Joint Board found the following conditions in 1,200 factories:

Factories without fire-escapes, 14; factories with defectively placed ladders, 63; with no other exits than fire escapes, 491; with doors opening in, 1,173; with doors locked during the day, 23; with halls less than 36 inches wide, 60; with stairways dark, 58; with defective steps, treads, and handrails, 51; with obstructed fire-escapes,78; having fire drills, 1 (Gompers 1911).

The WTUL held an investigation of the conditions at the Triangle Shirtwaist Factory, and within one month of the fire, the governor of New York appointed a factory investigating commission. The commission consisted of Senators Robert F. Wagner and Charles M. Hamilton; Assemblymen Alfred E. Smith, Edward D. Jackson, and Cyrus W. Phillips; and unionists and reformers Simon Brentano, Robert E. Dowling, Samuel Gompers, and Mary E. Dreier. The committee conducted statewide hearings and heard testimony about factory conditions. The result of the commission's report was new factory safety legislation: the Hoye Bill. It provided for the creation of a new "fire-prevention bureau" in the Fire Department with a chief and hundreds of inspectors. The bureau's duty was to inspect buildings, make recommendations for improvements for fire prevention, and order that building owners complete the improvements (New York Factory Investigating Commission 1912). Meanwhile, the ILGWU continued its struggle to improve working conditions, fighting for basic fire safety regulations, such as at least two means of escape in each workplace building, fire doors that are not blocked or locked when employees are inside the buildings, and exit routes from buildings that are free of obstructions.

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See also Garment/Textile Industries; Occupational Health and Safety Act

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Undocumented Workers

By the end of the twentieth century, there were some 5 million undocumented immigrants in the United States. Undocumented workers are sometimes referred to as "illegal aliens" because often they do not enter the country legally. They do not possess the proper federal documents that authorize them to visit, live, or work in the United States, thus differentiating them from "resident aliens," who have "green cards" allowing them to reside and seek employment in the country.

These undocumented immigrants fit into three categories. Some are asylum seekers looking to acquire refugee status in the United States. Others have overstayed their visas, such as students and tourists who entered the country legally but whose visas have expired. Finally, a majority of the undocumented immigrants are workers looking for economic opportunities in the United States. Indeed, undocumented workers make a major economic contribution to the United States in terms of labor supply.

The Start of the Undocumented Worker Flow

Although there was occasional concern over undocumented workers before the 1960s, the major flow began with the end of the bracero program in 1964. This program had allowed for the use of Mexican workers in the agricultural sector since World War II. The U.S. government ended the program with the intention of giving more jobs to native-born workers. Instead, however, many growers simply began to hire undocumented Mexican workers. Furthermore, the internationalization of the U.S. economy and global integration contributed to passage of the 1965 Immigration Act, which opened the U.S. labor market. Many legal immigrants still had ties to their countries of origin. Many of their family and friends then came to the United States as undocumented immigrants.

The general pattern of undocumented workers is that a "pioneer" immigrant, usually a young male, arrives first in the United States. This young male generally finds a low-wage job, often in agriculture. Often, the pioneer immigrant makes multiple trips to the United States, returning on occasion to his country of origin, particularly if it is close geographically, as is the case with Mexico and Central America. Later, the male immigrant settles permanently in the United States and begins to bring family, friends, and neighbors to the United States.

The Undocumented Population

By the late 1990s, estimates placed the number of undocumented workers in the United States at more than 5 million. Every year, perhaps 200,000–300,000 more unauthorized workers enter the country. The undocumented population is at an all-time high, and no end to the trend is in sight, indicating that attempts by the U.S. government to stem the tide of illegal immigrants have largely failed. Indeed, about 3 million of the undocumented workers entered the country after 1990. Of all the immigrants entering the United States since 1990, about 43 percent are undocumented. Mexican immigrants account for the largest portion of the undocumented workers, at about 54 percent. Central Americans account for another 15 percent of the unauthorized immigrants. Other significant sources of undocumented workers are Haiti, India, and China. Undocumented workers tend to concentrate in the following six states, which contain 80 percent of all undocumented workers: California, Texas, New York, Florida, New Jersey, and Illinois.

Undocumented Workers in the Agricultural Sector

Many undocumented workers concentrate in the agricultural sector of the U.S. economy. Farmworkers are among the poorest in the United States. They often work for very low wages for less than ten months a year, and the work itself is very hard. In general, only those with no other options work as farm workers, including many undocumented workers. Many of these workers, usually young men, live at or below the poverty line. This situation is ironic, in that farm production and sales are high, yet most farmworkers are poor. By the late 1990s, some 40–50 percent of farmworkers were undocumented workers, rising from less than 10 percent around 1990. The number of undocumented workers is especially high in "new" destinations outside the major farmworker states of California, Texas, and Florida. Many undocumented farmworkers now labor in states such as Georgia, North Carolina, and Kentucky. Indeed, they have become key to the success of the farming sector. Their value can be seen in the fact that in 1986, farmers spent millions of dollars to put pressure on lawmakers to preserve their access to these workers by allowing many of them to become legal immigrants.

Exploitation of Undocumented Workers

Despite the fact that undocumented workers are protected to a certain degree by international law, U.S. law, and the U.S Constitution, such immigrants are often exploited. The United States is not immune to the global phenomenon of trafficking in people. Immigrant women are promised jobs as domestic workers and are later forced into prostitution. Deaf immigrants are forced to sell trinkets on city streets. Furthermore, undocumented workers often labor in very dangerous, low-paying jobs that no one else wants. In addition, because of their illegal status, they have a weak bargaining position and are often abused by employers. Jobs ranging from agriculture to the garment industry can be dangerous in the short term and debilitating in the long term.

U.S. Government Policy toward Undocumented Workers

As global inequalities increase, many people continue to leave their countries of origin in the developing world. These countries have both high populations and growing poverty, leading many to seek better opportunities in the developed world. However, the U.S. government has taken steps to stop the flow of undocumented immigrants into the country.

Among the most important pieces of immigration legislation was the Immigration Reform and Control Act of 1986 (IRCA). This legislation employed a "carrot-and-stick" approach to the undocumented issue. The "stick" was that IRCA imposed sanctions on employers who hired undocumented workers. This legislation also sought to increase enforcement along the borders of the United States. At the same time, IRCA's "carrot" was to grant amnesty for some undocumented workers. A legalization program allowed those undocumented workers who had been in the country for five or more years to become temporary residents and later permanent residents. The government received some 1.8 million applications, of which 1.2 million came from Mexican immigrants. Ninety-five percent of the applications were approved. Furthermore, a special agricultural workers program allowed another 1 million undocumented workers to become legal immigrants.

A decade later, Congress passed the Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA). This 1996 legislation dedicated more resources to border enforcement and strengthened sanctions on employers. It also banned the legal entry of immigrants who had been in the country as undocumented workers in the past. It also encouraged the cooperation of federal, state, and local law enforcement agencies and levied criminal penalties on the undocumented immigrants.

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See also Agricultural Work; Globalization and Workers; Green Cards; Immigrants and Work; Immigration

Reform and Control Act; Work and Hispanic Americans
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Unemployment Rate

The official unemployment rate is a measure of the number of adults who want to find full-time work but are unable to do so. Not included in the calculation are people who are not looking for work, those attending school full-time, or the retired. This important economic indicator is closely watched by the U.S. public and policymakers, as well as economists. For the average citizen, it is the single-most-important indicator of economic performance.

The highest U.S. unemployment rate on record occurred during the Great Depression, when more than one in four Americans were unable to find a job. In the post–World War II era, unemployment has fluctuated from around 4 and 5 percent of the working-age population in the 1950s and 1960s to as high as 10 percent in the early 1980s. The national unemployment rate fell to around 4 percent in the late 1990s, but rose to over 6 percent during the recession of 2000–2002.

Economists have different views about the level of unemployment that is healthy for the economy—that is, the rate of unemployment that will not lead to price inflation because of overdemand for goods and services. The unemployment rate that represents "full" employment is 4 percent (Okun 1965, 14). However, some economists argue vigorously that it should be closer to 5 or 6 percent (Prywes 2000, 289). This debate matters because government policymakers must decide at what point they should be satisfied with economic performance. If the unemployment rate rises above 4 percent, some economists argue that the government should take

The unemployment rate in the United States is reported on a monthly basis to Congress and released to the public on the first Friday of each month. It is among the most closely watched indicators of economic performance, and it influences individual and corporate decision making and the stock market in the United States and in other countries. (Tim Gralish/Corbis) action to stimulate the economy and create more demand for workers. Those who believe that 6 percent unemployment is a better target would argue that no action should be taken by government policymakers until the higher level is reached.

The precise measurement of the unemployment rate began with the Employment Act of 1946, a law enacted by federal government to promote employment, reduce unemployment, and enable Congress to measure levels of unemployment and employment. The unemployment rate started increasing immediately after World War II, when it was estimated to be 2 percent (Prywes 2000, 289). In between the wars, the country had experienced unemployment rates at 14 to 25 percent (Neufeld 1983, 1). During the 1960s and the 1970s, the U.S. employment rate consistently rose. In 1968, the United States experienced a 3.4 percent unemployment rate, which rose to 4.6 percent in 1973 (Abraham and Shimer 2001, 367). In 1982, the unemployment rate reached a post–World War II high of 10.8 percent (Abraham and Shimer 2001, 367), as the U.S. economy underwent a wrenching readjustment that included federal spending cuts and waves of steel and other heavy industry plant closings. At 10.8 percent, 12 million people could not find jobs, and another 2 million were not counted among the ranks of the unemployed because they had stopped looking for work (Baumer and Van Horn 1985, 2). In 1999, as the U.S. economy benefited from a boom in computers and high-tech and service jobs, the unemployment rate fell to 4.2 percent, its lowest since 1969 (see http://www.bls.gov).

The unemployment rate by industry is computed by comparing the number of unemployed individuals in an industry to the number of all individuals working in that industry over a short or long duration. Unemployment rates differ greatly among age groups, occupations, regions, and races. For example, in 1982, unemployment among minority groups was nearly double the national average, and more than half of minority teenagers could not find jobs (Baumer and Van Horn 1985, 2).

The Census Bureau and the Bureau of Labor Statistics are responsible for gathering data on population, labor force, wages, and hours to measure the rate of unemployment. In 1994, the Bureau of Labor Statistics redesigned the Current Population Survey (CPS), the instrument used to measure the employment rate and unemployment duration. Trained interviewers are sent door-to-door to gather information about employment. The CPS survey categorizes individuals into three groups: part-time workers, unemployed workers seeking full-time replacement jobs, and unemployed part-time workers seeking part-time replacement jobs. CPS groups the unemployed into the following categories: job losers, job leavers, reentrants, and new entrants.

Today, the unemployment rate is reported on a monthly basis to the U.S. Congress and released to the public on the first Friday of each month. It is among the most closely watched indicators of economic performance and influences individual and corporate decision making and the stock market in the United States and in other countries.

Cynthia E. Thomas

See also Contingent and Temporary Workers; Corporate Consolidation and Reengineering; Downsizing; Federal Unemployment Tax and Insurance System; Full Employment Act of 1946; Great Depression; Layoffs

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United Auto Workers

Since its founding in 1935, the International Union of United Automobile, Aerospace, and Agricultural Implement Workers of America, commonly known as the United Auto Workers (UAW), has been a leading labor organization in North America. The fastest-growing union in the 1930s and 1940s, the UAW included approximately 1.5 million members in 1979, a majority of them in automobile-related manufacturing employment. In the 1980s, however, its ranks began to decline as industrial employers relocated their manufacturing operations overseas. Broadening its membership base to include workers in health care, higher education, and foreign-owned auto plants, the UAW retained about 750,000 active members throughout the 1990s. It remained, however, one of the most influential labor organizations in U.S. politics, particularly through its long-standing ties to the Democratic Party.

First chartered as an affiliate of the American Federation of Labor (AFL) in August 1935, the UAW found its greatest initial support in the midwestern industrial cities of Toledo, Cleveland, Milwaukee, and especially Detroit, which became the union's home base. With AFL leadership taking a cautious approach to organizing industrial workers, however, the UAW pulled out of the federation and emerged in 1936 as a member of the Committee for Industrial Organization (CIO), known as the Congress of Industrial Organizations after 1938. Pivotal sit-down strikes in Flint, Michigan, in December 1936–January 1937, which shut down most of General Motors's operations, achieved the first recognition of the union as a bargaining agent by one of the Big Three automakers. In the wake of the strikes, the UAW became the fastest-growing union in the United States; in 1940, as the Great Depression abated, the union counted almost 250,000 active members, about one-third of whom worked for General Motors, the Ford Motor Company, or the Chrysler Corporation.

In conjunction with New Deal measures such as the Fair Labor Standards Act of 1938 and the National Labor Relations Act (Wagner Act) of 1935, the UAW worked to bring a measure of stability to labor relations through collective bargaining. During World War II, however, as industrial production expanded to meet government orders, UAW leadership struggled to balance the demands of its members in the workplace and its own no-strike pledge that it had given to the federal government for the duration of the war. The union also confronted internal power struggles between its own political left- and right-leaning caucuses for control over the organization's direction. In 1946 the right-wing caucus led by Walter P. Reuther succeeded in gaining control over the UAW, when Reuther was elected international president, a position he held until his death in 1970. Moving to purge the union's leadership of Communist Party members to comply with the Taft-Hartley Act (1947), Reuther was effectively unchallenged as the union's leader after 1947.

After reaching a peak of almost 1.5 million members during World War II, UAW membership slowly rebuilt its numbers after the peacetime conversion and stood at over 900,000 members in 1949, about 60,000 of whom worked in Canada. Although its membership was still concentrated in the automobile and autoparts factories of the Great Lakes region, the union expanded its rolls in the aircraft factories of the West Coast and Big Three subsidiaries in the rest of the nation.

Under Reuther's leadership, the UAW was vital in establishing the postwar collective bargaining framework that characterized U.S. labor relations through the 1980s. Although Reuther had attempted to make production and investment decisions part of the collective bargaining process during a strike against General Motors in 1945–1946, the UAW's demand for a 30 percent wage increase and a pledge by the company not to raise the price of its products was rejected out of hand. Contract discussions with General Motors in 1950 clarified the arrangement; the resulting agreement, known as the "Treaty of Detroit," not only guaranteed a 20 percent rise in wages over five years but also established a pension plan and partially paid health insurance plan for UAW members in local UAW unions that represented GM workers. The contract also specified the first cost-of-living adjustments (COLA) that an industrial union had ever won in collective bargaining. In exchange for the gains in wages and benefits, however, the UAW agreed to drop its demands for a say in production decisions. From 1950 onward, then, collective bargaining achieved the security and stability that would have seemed impossible during the tumult of the 1930s.

Although the UAW's collective bargaining muscle doubled the standard of living for its members during Reuther's presidency, the organization was equally active outside traditional union affairs. A strategic supporter of the National Association for the Advancement of Colored People's (NAACP) civil rights battles of the 1940s and 1950s—sometimes in opposition of its own rank-and-file sentiment—the UAW was a crucial contributor to the Southern Christian Leadership Conference (SCLC) in the 1960s. The union sent bail money to get several freedom riders out of southern jails in 1961 and did likewise for hundreds of African Americans imprisoned for their actions in the Birmingham civil rights protests in 1963. The UAW was also a major financial contributor to the historic March on Washington in August 1963, where the Reverend Martin Luther King Jr. delivered his "I Have a Dream" address. A cochair of the event, Walter Reuther was the only white labor leader to speak at the march, and UAW locals sent thousands of their members to the capital to participate.

The UAW provided financing and expertise for a number of other liberal programs in the 1960s, including its initial sponsorship of the Students for a Democratic Society (SDS) in 1961–1962. During the Great Society era under President Lyndon B. Johnson, several UAW leaders also served as advisors in shaping the War on Poverty's community action programs to expand economic, educational, health care, and housing reforms. The union also created its own program, the Citizens' Crusade against Poverty, in 1964 to help encourage social activism at the grassroots level in communities across the United States. Its participation in the civil rights movement, War on Poverty, and student protests earned it a reputation as one of the most influential organizations on the political left, and the UAW remained firmly committed in its support for the Democratic Party.

While its influence expanded in the political arena, the UAW continued to demonstrate its power at the bargaining table as well. In an era of constant industrial expansion and almost uninterrupted economic progress, the union negotiated a series of improved wage and benefit agreements in its contract talks. In 1955, the UAW introduced a supplemental unemployment benefits (SUB) proposal in its negotiations with the Ford Motor Company; the resulting agreement paid laid-off workers up to 60 percent of their regular take-home pay when combined with governmental unemployment compensation. The other Big Three automakers quickly agreed to similar contracts, and the SUB amounts were gradually increased in contract discussions in later years. In 1964 the UAW won an early retirement provision for workers in its negotiations with the Chrysler Corporation; the agreement quickly became standard throughout the auto industry for UAW members. Together with gradual increases in regular wages and COLA, SUB, health insurance, and pension contributions from employers, the standard of living for UAW members approximately doubled from 1950 to 1970.

After Reuther's death in a plane crash while en route to a UAW conference center in Black Lake, Michigan, on May 9, 1970, the UAW's leadership remained committed to its successful collective bargaining tactics and activist role in shaping social policies outside the union. With the massive economic restructuring of the U.S. industrial landscape after the oil price shocks of 1973–1974 and the deep recession and stagflation after 1978, however, the UAW's membership roster plummeted as automakers and other manufacturers closed their doors or cut their workforces.

The union was able to maintain its rolls through 1979 at close to 1.5 million members, but the abrupt decline in sales of automobiles by domestic automakers in the late 1970s led to a sharp reduction in auto-related employment by the Big Three. By 1983 UAW membership stood at just over 1 million members; although that figure increased slightly during the modest economic turnaround in the mid-1980s, it continued to decline thereafter, stabilizing at around 750,000 members after 1992. The separation of the Canadian arm of the UAW into an autonomous labor organization, the Canadian Auto Workers (CAW) union, in 1985 contributed to the UAW's membership decline.

In addition to the competition from foreign automakers that took a greater share of domestic auto sales away from the Big Three, U.S. automakers themselves made some crucial decisions in the wake of the energy shocks of the 1970s that also contributed to a decline in UAW strength. By 1980, General Motors had opened twenty-three production facilities outside the United States and therefore outside the jurisdiction of the UAW. The major automakers also stepped up efforts to outsource more of their component parts to outside contractors to reduce their own costs; increasingly, the outsourcing was contracted to nonunion facilities.

Between 1978 and 1993, employment in autoparts production in nonunion plants rose from 142,000 to 245,000 workers, a figure that quadrupled the amount employed in unionized auto parts plants. The transfer of production to nonunion, outside contractors also had a geographical dimension; in the 1980s, as employment in autoparts production in southeastern states jumped 44 percent, the UAW's traditional bastion of support in the Midwest witnessed a 30 percent decline in the same sector.

Given the economic changes that transformed the U.S. economy in the 1980s, the UAW joined many other unions in concession bargaining in the hope of saving the jobs of its members. Its participation in the government bailout of the Chrysler Corporation in 1979—when its concessions helped to bring the automaker back from bankruptcy—was but one example of the UAW's efforts in this area. More typically, however, the UAW was forced to limit or concede its demands for increases in SUB, COLA, and wage increases in the early 1980s in a far more contentious atmosphere. With the federal government issuing a series of antilabor decisions through the National Labor Relations Board in the 1980s, UAW leaders spoke of a breakdown of the labor relations bureaucracy that had been in place since the 1950s.

Indeed, the focus of labor-management relations in the 1980s turned to joint programs that depended on company and union participation to increase worker productivity and product quality. Every auto manufacturer instituted some sort of employee involvement or total quality management program with the input of the UAW; GM went the furthest with the establishment of its new division, Saturn. When it started production at its new Spring Hill, Tennessee, factory in July 1990, both company and union heralded a new era of labor relations based on consensus-based decision making in the plant. Although the UAW's involvement in Saturn was still a far cry from Reuther's vision of a union deeply involved in corporate decision making, the UAW was nevertheless able to help preserve thousands of its members' jobs by actively participating in efforts to raise quality and productivity in the work force.

The UAW was frustrated, however, in its attempt to unionize the U.S. production facilities of foreign automakers in the 1980s and 1990s, a workforce that had increased to 8 percent of all primary auto employment in the United States by 1993. These so-called transplant factories represented a major challenge to the future of the UAW as it attempted to retain its status as the leading labor organization in the United States. Although the union was able to gain a foothold at joint ventures, such as the GM–Toyota New United Motors Manufacturing, Inc. (NUMMI) division and the Ford Motor Company–Mazda AutoAlliance project, foreign-owned plants remained impervious to UAW organizing throughout the 1990s.

The union encountered more success in its efforts to organize health care workers, state employees, educational workers, and other professional workers. By 2001, UAW locals included about 48,000 state employees in Indiana and Michigan, 5,000 members of the National Writers Union, and workers at twenty colleges and universities. The large majority of the union's membership, however, continued to be found in automobile, autoparts, heavy truck, aerospace and defense, and heavy equipment manufacturing facilities.

Timothy G. Borden

See also American Federation of Labor and Congress of Industrial Organizations; Automotive Industry; Collective Bargaining; Democratic Socialism; General Motors; Industrial Revolution and Assembly Line Work; Job Security; Manufacturing Jobs; *Maquiladora* Zone; National Labor Relations Act; Pensions; Quality Circles; Retirement; Reuther, Walter; Strikes; Total Quality Management

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United Farm Workers (UFW)

Cesar Chavez was one of the most inspirational agricultural labor leaders in the twentieth century, and his union, the United Farm Workers (UFW), was the first agricultural union to make substantial gains for field and migrant workers. To understand the importance of the UFW, one must understand the history of agricultural labor relations in California. The California bonanza wheat farmers (farmers with high acreage, large workforces, and modern equipment), especially in the southern and central parts, began to plant fruit trees and vegetables by the beginning of the twentieth century. Improvements in transportation soon made the Central, Imperial, and Coachella Valleys the most important vegetable-producing areas of the nation.

In 1905, citrus growers organized the California Fruit Grower's Exchange, known under the brand name Sunkist. Within the first two decades of the twentieth century, this group came to control two-thirds of the California citrus marketplace. Because of the high cost of irrigation, wealthy growers began to consolidate their landholdings over the first four decades of the century, until by 1947, seventy-eight growers owned roughly 6 million acres of the state. By 1935, three companies controlled 40 percent of the prunes and raisin supply, three wineries sold 26 percent of the wine produced, and four companies owned 66 percent of the cotton ginned in the state. These increasingly powerful growers needed a large workforce at harvest time.

California growers at first turned to the Chinese immigrants that populated the state in the late nineteenth century, but xenophobia and racism soon cut off this labor source. The growers then turned to other ethic groups, including the Japanese, Filipinos, and Mexicans. Even though by the 1920s the Japanese were not in the fields in significant numbers, growers had learned how to pit groups against each other to keep wages low. Owners began to favor Mexican and Mexican Americans because they believed these workers were more docile than Asians, were less likely to unionize, and usually left the area soon after the harvest. Growers came to believed that to live out the "American dream" they needed and had the right to an unlimited supply of cheap labor. This idea led them to appeal to the federal government for help with perceived labor shortages during World War II. Under the guise of a national emergency, the Department of Agriculture (USDA) started the bracero program (from the Spanish word for "arm"), which allowed the federal government to recruit, transport, and house workers from Mexico to perform stoop labor, the hard labor required to plant, cultivate, and harvest a crop, where the supply was lacking. Growers were able to use these braceros as strikebreakers until the program was ended under the Johnson administration in the 1960s.

Because migrant workers were mobile and often foreign, unions generally ignored them. Growers also had the habit of overrecruiting laborers to keep wages low and rid themselves of troublesome workers. Because of growers' political and legal power, any workers who attempted to strike could be quickly broken up. Still, some unions tried to organize the workers to improve their wages and working conditions. The first major attempt to organize workers was by the Communist-controlled United Cannery, Agricultural, Packing, and Allied Workers of America in 1931. Although they met with only limited success in the fields, they were able to raise the consciousness of writers and newspaper reporters like Carey McWilliams, who wrote the influential *Factories in the Field,* which described the plight of migratory farmworkers. After World War II, the National Farm and Labor Union (NFLU), supported by the American Federation of Labor, began to organize workers. A 1947 grape strike in the San Joaquin Valley turned violent when the growers hired thugs and muscle to break the picket lines and destroy the union's headquarters. The growers were able to lay the blame for the violence on outside agitators in the national press. The NFLU was not able to overcome the growers' use of braceros or the political power of the growers to make any substantial gains. The union crumbled in the face of the Cold War climate of the 1950s because of its links to the Communist Party. To further lessen the abilities of a strike to succeed, growers got the Truman administration to invoke the Taft-Hartley Act, which prohibited secondary boycotts, sympathy strikes, and massive picketing. In 1952, they also got Congress to exempt them from prosecution for hiring illegal workers.

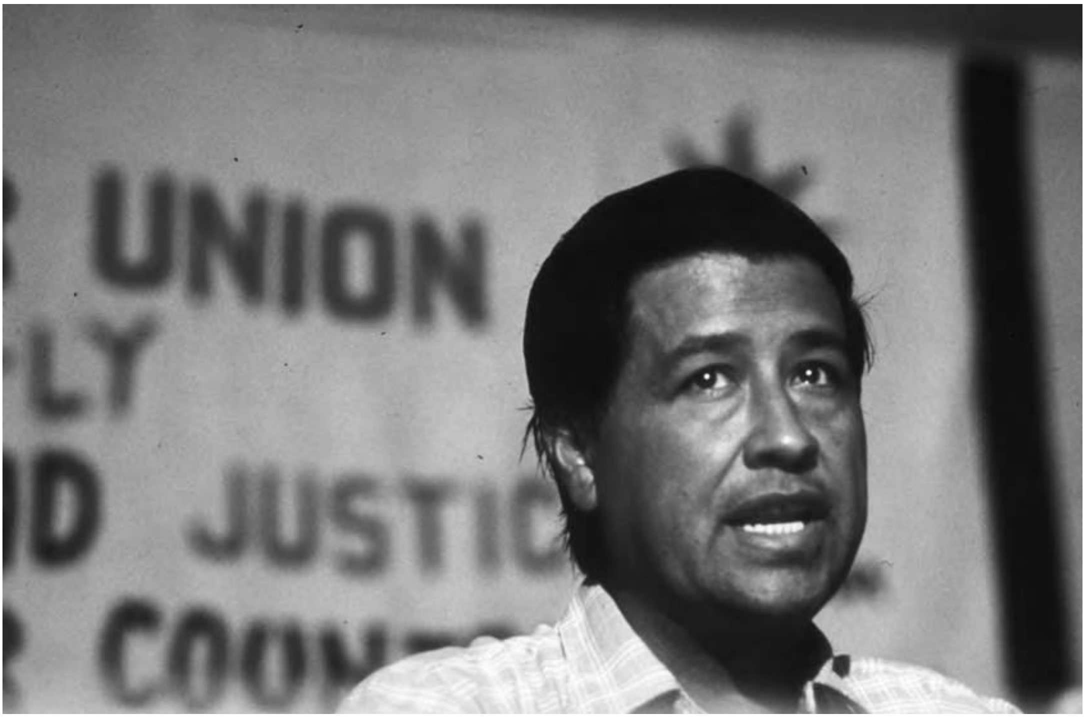
It was in this atmosphere that Cesar Chavez began to organize workers. Born on March 8, 1927, he became an organizer for the Community Service Organization (CSO) in Los Angeles in the late 1950s. He left the CSO in 1962 because the leadership refused to help organize Mexican and Mexican American farmworkers. Moving to Delano in the San Joaquin Valley, he began efforts to organize a union called the National Farm Workers Association (NFWA). Another union called the Agricultural Workers Organizing Committee (AWOC), led by Larry Itliong, was attempting to organize the Filipino workers in the area. These two unions often had a tense relationship over the next three years. Chavez planned on building the infrastructure of the union slowly, establishing its newspaper entitled *El Malcriado,* and developing symbols that could be used to rally workers in the upcoming years.

Circumstances changed Chavez's plans when his young union got caught up in a grape pickers strike by AWOC members near Delano in 1965. Although the bracero program had officially ceased the year before under pressure from the growers, Governor Pat Brown and President Lyndon Johnson agreed to allow a limited number of braceros to do fieldwork in California for at least $1.40 an hour. Filipino workers in the Coachella Valley discovered that they were being offered $1.25 an hour, fifteen cents less than the braceros, leading the AWOC to decide that a strike was in order. Although these workers' pay was increased after ten days, other owners to the north made similar mistakes. On September 8, Filipinos from nine labor camps that serviced nine vineyards surrounding Delano went out on strike because they were being offered only $1.00 an hour. The AWOC soon called on Chavez's new union to join it in the strike. Unlike the AWOC, the NFWA was financially unprepared for the strike. Yet, it had 1,200 families willing to join the Filipinos in what would be known as the Great Delano Grape Strike.

What had started out as an attempt to get growers to raise wages turned into an opportunity to get them to recognize the union's right to represent the workers. With the aid of his top organizers, Gilbert Padilla and Dolores Huerta, Chavez would struggle over the next five years to get local growers to sign contracts with the union. It was not an easy task. Great effort was placed on building solidarity among the strikers, until the two unions merged in 1966 to form the United Farm Workers Organizing Committee (UFWOC). With the support of the Catholic Church and philanthropists, the UFWOC began to reach out to other unions, students, and protesters to aid them in the cause.

From the very beginning of the strike, Chavez stressed that the strikers would have to adhere to the nonviolent principles practiced by Martin Luther King Jr. and Mohandas Gandhi. It proved difficult at times, as picket lines grew and ranchers tried to get their grapes off the vines. Shots were fired at the C. J. Lyons Ranch. Growers like Bruno and Charles Dispoto sprayed picketers with pesticides and threatened them with dogs. Owners of the vineyards appealed to the Delano police to use force to remove protesters. As cries of "huelga" or "strike" mounted in 1965, growers began a smear campaign and increased the level of violence. On October 16, Sheriff Roy Galyen decided that roadside strikers were to be arrested if they "disturbed the peace." On a political level, these arrests were a coup for the young union. Politicians and other labor leaders began to voice their support and visit Chavez. After a 300-mile march to Sacramento in March 1966, the union almost got the Schenley liquor company to recognize it.

Other companies in the valley proved more difficult. Chavez was forced to call for a strike against the DiGiorgio Corporation, which had sales of $230 million, after a series of fruitless negotiations. The company fought back by obtaining an injunction limiting the number of picketers around its Sierra Vista Ranch. In light of the injunction, strikers began to organize prayer services at portable altars surrounding the fields. DiGiorgio tried to enlist the



Caesar Chavez, Migrant Workers Union leader, July 1972 (U.S. National Archives)

Teamsters by rigging worker elections on its farms so that the Teamsters would win and sign sweetheart deals with the company. After a great amount of political pressure, new elections were held in September and November, with the UFWOC coming out victorious. DiGiorgio quickly signed contracts with the union, which it would break within the next two years. The Perelli-Minetti Winery tried tactics similar to DiGiorgio's, but the union appealed to customers across the nation not to shop at stores where Perelli-Minetti labels were sold. In July 1967, the company allowed elections to be held on its farms. Still, only 5,000 of the state's 250,000 farmworkers were covered by contracts.

In 1967, the UFWOC began to focus on the biggest grape concern in the state, the Giumarra Vineyards. Giumarra immediately obtained an injunction limiting the number of strikers. Thus began a nationwide boycott against table grapes. The violence in the fields continued to escalate. In October 1966, Manuel Rivera had his leg crushed when a grower plowed his vehicle through a picket line. Chavez had increasing trouble controlling some of the strikers. As some people's talk turned toward violence, he decided to go on a twenty-five-day fast in 1968 to reaffirm the UFW commitment to nonviolence. This action would become the defining moment in the history of the union's activities, as national press coverage increased and growers tried legal action to force Chavez to eat.

By 1969, the boycott was having a deep effect on Giumarra and other growers, even though the Department of Defense had increased its grape purchasing to 11 million pounds of grapes a year. On July 4, 1969, growers filed a $25-million-dollar lawsuit against the union for losses sustained by the boycott because activists had been able to stop sales of California table grapes in Detroit, Chicago, New York, Boston, Philadelphia, Montreal, and Toronto. Ten growers around Coachella that controlled 15 percent of the market began to negotiate with the union. In April 1970, they agreed to sign contracts with the union. On the heels of this success, Bruno Dispoto agreed to sign union contracts, and Giumarra soon followed. The boycott ended with remarkable success, with the growers negotiating 150 contracts covering 10,000 workers.

Yet growers were not going to give into the union so easily. Vegetable growers in the Salinas Valley that did not want to deal with the UFW signed sweetheart deals with the Teamsters. UFW sympathizers walked off their jobs and began to picket the growers on August 2, 1970. The union dispatched organizers to the lettuce-growing areas, and Chavez decided to apply pressure in the form of a boycott against the companies, including United Fruit. Violence between the two unions escalated and reached a head when UFW attorney Jerry Cohen was seriously injured in an attack by Teamsters. In the midst of the chaos, Dolores Huerta was able to reach an agreement with InterHarvest. Within several weeks, other companies began to rescind their Teamster contracts. In November, Chavez was jailed for not complying with a court order to stop boycotting Bud Antle lettuce. Released on Christmas Eve, he continued the boycott into 1971.

The UFW became a part of the American Federation of Labor and Congress of Industrial Organizations the following year, as it continued its battle against the Teamsters and growers. By 1973, when the UFW's contract with table grape growers came up for renegotiation, the growers signed with the Teamsters, causing 10,000 farm laborers to walk out of the fields in protest. Alarmed, Chavez called for a new boycott of grapes. Two years later, over 17 million Americans were honoring the boycott. That same year, growers supported Governor Jerry Brown's Agricultural Labor Relations Act, a collective bargaining law for farm workers. After its passage, the UFW won most of the union elections in which it participated.

By the early 1980s, thousands of farm workers were working under UFW contracts; they were enjoying better pay, health coverage, pension benefits, and other contract protections. Yet by 1982, the political winds had changed. Republican George Deukmejian was elected governor of California with the help of over $1 million in growers' campaign contributions. Under Deukmejian, the farm labor relations board that had helped workers ceased to function and enforce the law. In response, Chavez called for another grape boycott. This boycott was not nearly as successful as the first two. In 1988, Chavez went on a thirty-six-day fast to protest the pesticide poisoning of grape workers and their children. Many feel the fast led to a decline in his health and his death five years later. The UFW still works to defend the interests of farmworkers across the state of California.

T. Jason Soderstrum

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United Mine Workers of America

Throughout its storied history, The United Mine Workers of America (UMWA) played a pivotal role in U.S. labor relations. Overproduction, cutthroat competition with nonunion mines, labor-intensive production methods, dangerous working conditions, and company control over miners' livelihood combined to create particularly vulnerable employment conditions for coal miners. In 1890, the National Progressive Union and the National Trade Assembly No. 135 of the Knights of Labor amalgamated to form the United Mine Workers of America. For more than a century, the UMWA has leveraged political influence, economic imperative, and work action for the improvement of employment conditions in the coal industry and beyond. The UMWA led the national movement for the eight-hour day, collective bargaining rights, health and safety protections, and health and retirement funds. However, UMWA strength has waned significantly since the 1950s. Today, the UMWA finds itself with ever-decreasing membership and fading influence.

In 1890, the founding members of the UMWA sought increased wages, an end to company towns and scrip payment, the establishment of the eight-hour day, and health and safety protections. Because coal mines were often situated in geographically isolated locales, coal companies were able to establish so-called company towns. Through company towns, the coal company permeated and controlled nearly all aspects of the miners' lives. The company store was often the only store accessible to the miners and their families, and it offered goods at a considerable markup. Moreover, a miner's salary was often paid in scrip. Essentially a check for the company store, scrip payment further committed the miner to shop at the company store and served to further indebt the miners to the company. Moreover, miners' children attended schools that were built with funds from the company, and most homes in the town were rented from the company itself. Under the leadership of President John Mitchell (1898–1907), UMWA strikes in 1894 and 1897 advanced the union's legitimacy.

UMWA negotiations with the coal companies in 1898 brought a number of improvements for the miners. UMWA representation was acknowledged, a geographically stable and competitive wage rate was established, and union dues check-off was allowed. Significantly, the 1898 negotiations also led to the establishment of the eight-hour day. These negotiations created an environment in which the UMWA would ultimately expand to become one of the largest and most powerful labor unions in the country. By 1904, approximately three-quarters of miners were members of the union, and an additional 10 percent were covered by the union's established wage rates. Moreover, the union was able to improve its members' lot in a number of other ways, including an end to child labor and the establishment of cooperative stores to compete with the company stores.

U.S. entrance into World War I in 1917 increased the importance of the coal industry because wartime industry depended on coal as its energy source. To ensure adequate production and proper allocation of coal, the federal government mandated production levels and severely limited UMWA activity to ensure industrial peace. Rampant inflation was particularly problematic for coal miners, whose wages had been set by agreements crafted in 1916. The tendency for industry to exploit wartime conditions combined with inflation to leave miners with diminished purchasing power and increased discontent. Although wildcat strikes flared on occasion, the UMWA, despite its growing grievances, honored the wartime "no-strike" clause and refrained from engaging in authorized work stoppages throughout World War I.

The UMWA emerged from the war reeling with discontent and in 1919 found itself on the brink of a massive strike. Federal attempts to forge an agreement between the UMWA and coal producers proved unsuccessful, and miners struck on November 1, 1919. UMWA demands included a 60 percent wage increase, a six-hour day, a five-day workweek, time and a half for overtime, and double time for Sunday and holiday work. Six weeks after the strike began, President Woodrow Wilson crafted a deal that ended the strike. The deal included an immediate 14 percent wage increase and the establishment of a federal commission that would further investigate conditions in the coal industry and set wages. The union, under the militant and forceful leadership of soon-to-be President John L. Lewis, continued to demand more substantial improvements. Ultimately, based on the commission's recommendations, the union agreed to a 27 percent wage increase and full recognition of the UMWA as the bargaining body of the mine workers.

The UMWA emerged from World War I as the largest labor union in the world, with over 400,000 members in 1918. Moreover, with the rise to the union presidency of the astute John L. Lewis in 1920, the union had one of the most powerful and militant labor leaders in U.S. history. However, a postwar depression, overproduction, and the continued prevalence of nonunion producers left the UMWA in a weakened position after the war. UMWA influence, along with the influence of U.S. unions in general, waned significantly throughout the 1920s. The rise of alternative fuel sources, internal union dissention, and a government-permitted return to unrestrained competition in the coal industry further devastated the UMWA in this decade. Although a 1922 strike successfully prevented proposed wage reductions, miners' problems persisted. Between 1920 and 1932, membership in the UMWA declined from 500,000 to 150,000.

President Franklin Delano Roosevelt's New Deal era was very friendly to the U.S. labor movement. The UMWA wasted no time in capitalizing on the opportunities that the New Deal legislation and environment offered. The passage of the National Industrial Recovery Act formally guaranteed collective bargaining rights in May 1933. The legislative expression of collective bargaining legitimacy emboldened Lewis, and he subsequently led the UMWA on a massive organizing effort in the nonunion coal mines that continually undermined UMWA strength. In the nonunion mines, working conditions had improved little since 1890. Organizers quickly spread through such coal mines under the slogan, "The President wants you to join the union." Within two months, the UMWA claimed 300,000 new members. With Lewis at the helm, the UMWA successfully fought to sign wage agreements in mines that had historically been staunchly antiunion. Thus, a massive hole that had limited UMWA strength and effectiveness for its entire existence was finally closed. It was a huge victory for the UMWA and a symbolic victory for the labor movement in general.

In 1935, Lewis and eight other major union leaders formed the Committee for Industrial Organization (later the Congress of Industrial Organizations, or CIO) within the American Federation of Labor (AFL), the umbrella organization representing the interests of the U.S. labor movement. Lewis's persistent disputes with AFL leadership over his belief in industrial organization, that is, organization along industrial lines as opposed to craft lines, motivated him to move the UMWA into the CIO. In 1938, the CIO and its member organizations, including the UMWA, were expelled from the AFL. These organizations immediately declared themselves distinct from the AFL and named Lewis as the first president of the newly established organization. The AFL subsequently tried to diminish UMWA influence through the establishment of rival unions in the coal industry. Such tactics proved ineffective.

World War II was a controversial period in UMWA history. Discontented with wages, Lewis violated labor's wartime "no-strike" clause and led the UMWA on strike in April 1943. When the UMWA resisted President Roosevelt's ultimatum to return to the mines, the federal government intervened and seized control of the mines. Despite the seizure, intermittent work stoppages persisted until a deal was made in November 1943. In spite of this victory, UMWA defiance in a time of national crisis fueled rising public antagonism toward trade unionism and brought particular criticism of Lewis and the UMWA. In defiance of public opinion, UMWA militancy continued in the aftermath of World War II. Postwar strikes in 1945–1947 were in violation of a federal injunction, which brought heavy fines for the union and its president and further reduced its stature in the public eye. In the same period, the UMWA was readmitted to the AFL in January 1946. However, the UMWA's return to the AFL was short-lived; it was again disaffiliated in 1947, when Lewis refused to sign the non-Communist affidavit required by the Taft-Hartley Act.

Working conditions in the mines had always been among the most grueling, perilous, and unhealthy conditions found in any industry. Workplace fatalities were frequent, accidents commonplace, and respiratory disease rampant. In the postwar period, issues of health and safety were a UMWA priority. In 1946, Lewis and the UMWA fought for and won the establishment of the multiemployer UMWA Welfare and Retirement Fund. The Fund provided miners and their families with medical care such as hospitalization, death benefits, and treatment for the disabled. Its monies allowed for the construction of eight hospitals in Appalachia and the establishment of numerous clinics. Moreover, the Health and Welfare Fund guaranteed a pension of $100 per month to all miners over sixty-two. As a pioneer of such funds, the UMWA transformed health care delivery and pension practices throughout the United States. The fund would experience difficulties in later years, but its significance at the time of establishment was unprecedented. Moreover, in 1969, the UMWA successfully leveraged its political influence, pushing Congress to enact the Federal Mine Safety and Health Act. The act established safety standards and unprecedented preventative health strategies for the entire industry.

The strength of the coal industry and the UMWA has declined considerably since World War II. After the tumultuous 1940s, UMWA strike activity became virtually nonexistent. Moreover, in the 1960s and 1970s, the union became embroiled in a series of internal scandals that furthered its decline. A dissident group, weary of President Tony Boyle's leadership, offered Joseph Yablonski as its candidate in the 1969 union election. Two weeks after Boyle's narrow victory over Yablonski, he was found murdered. Amid flourishing rumors about the scandalous election, a federal judge invalidated the 1969 election in 1972. Arnold Miller, a dissident candidate, defeated Boyle for the presidency in the ensuing election. In 1974, Boyle was convicted of Yablonski's murder.

Before losing office in 1972, Boyle and other top union officials were convicted of making illegal political contributions with union funds. Upon assuming office, Miller quickly removed Boyle's appointees from the union's leadership and embarked on a course to bring integrity back to the UMWA. He also responded to mounting criticism over the salaries and pension of union officials by instituting dramatic cuts. Richard Trumka became head of the union in 1982, and in 1989 the UMWA reentered the AFL-CIO. After Trumka left the UMWA to become secretary-treasurer of the AFL-CIO in 1995, Cecil E. Roberts Jr. succeeded him as UMWA president that year. Roberts presides over a very different UMWA than the one that existed in its heyday. UMWA membership in 1998 hovered around 240,000, a far cry from the 500,000 members it claimed in 1946. Despite its drastic decline in real numbers, it should be noted that the UMWA membership continues to represent approximately 42 percent of all employed coal miners. UMWA decline is more a function of the decline in the entire industry, as opposed to a decline in the union itself. However, the union's strength is necessarily tied to the strength of the industry. As the popularity of alternative energy sources rises, the strength and influence of the UMWA continues to wane.

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See also American Federation of Labor and Congress of Industrial Organizations; Lewis, John L.; Federal Mine Safety and Health Act

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V

Vacations

As the mobility of early Americans increased, so did their opportunities for travel and leisure. Tourism and leisure travel first emerged as an important cultural activity in the United States in the 1820s, as steamboats and canals increased the accessibility of U.S. waterways, and the nation's writers and artists focused their attention on U.S. scenery (Sears 1989). As urbanization and industrialization increased throughout the eighteenth and nineteenth centuries, so did travel among the affluent and the middle classes. As work became more mechanized and routine, workers began to view vacation as an opportunity for both mental and physical replenishment. With the development of the U.S. railroad system (and later the highway system), destinations both domestic and foreign became increasingly accessible, and Americans set out in ever greater numbers. Popular destinations included the East Coast beach resorts, the American West, and Mexico. Today, U.S. workers vacation throughout the world.

Workers anticipate few things more eagerly than vacation. Whether it is two weeks at a beach house in the summer, a few days for a long weekend getaway, or just some time spent relaxing at home, time off from work rejuvenates workers and allows them to reconnect with family, friends, and themselves. For all but the most devout workaholics, a little time off from work is essential. Employers have long recognized the benefits of vacation time, and most are willing to pay for it as an investment in worker productivity and morale. For many workers, however, the days of leaving the office for two weeks at a time, out of site and out of touch, are over. Increasingly, busy employees are combining time off with work, seizing on the portability of today's office technology (laptop computer, cell phone) to create an atmosphere of "any time, anywhere" work that has changed the nature of vacation.

According to "The Xylo Report January 2001: Vacation Habits of Working Adults," 70 percent of working adults planned to take a vacation in 2001. Not surprisingly, full-time workers—who are more likely to receive paid vacation—are more likely than part-time workers to say they will take vacation (76 percent and 52 percent, respectively). Although workers take vacation for many reasons, the vast majority (93 percent) of workers report that taking a vacation increases their productivity at work, with 65 percent saying that it increases their productivity a lot. Regardless of what workers do on vacation, time away from the office or other work site is highly valued.

Vacations are as varied as the people who take them. For some, the ideal vacation is relaxing on the beach. For example, the *Travel Industry World 2000 Yearbook* (2000) reports that three out of four people who traveled in 1999 visited a beach, with beaches generating more than $640 billion a year for the U.S. economy. For others, vacation is a time to sightsee in a foreign city. Some people prefer to travel to a historical or educational site, whereas others like to load up a pack and hit the hiking trails. Some people travel overseas, but others stay closer to home.

Many working adults are not alone on vacation. Children are playing a larger role than ever before in setting travel trends. The Travel Industry Association of America (2001a) reports that almost 50 percent of American adults have taken children on vacation in the last five years, with 20 percent of parents allowing children to miss school while on vacation. The travel industry has responded by creating more travel packages that are planned around children's activities or by including separate programs for parent and child.

Some workers earn more vacation than others, depending on where they work and the number of years they have been employed. For instance, a survey by Hewitt Associates reveals that 83 percent of companies give workers who have been employed for one year ten to fourteen days of paid vacation. To earn fifteen to nineteen days off, most workers must have worked for at least five years for the same employer. Companies are more likely to give twenty to twenty-four days of paid vacation to those workers who have logged ten years or fifteen years (37 percent and 88 percent, respectively) on the job (Hewitt Associates 2001).

Just because workers are earning vacation does not mean they are actually taking time off from work. Increasingly, many of today's workers combine work and vacation, never straying far from their laptop, cell phone, and pager. A 1998 American Telephone and Telegraph (AT&T) survey of 604 adults in the United States found that at least half check voicemail or e-mail and make work-related calls while on vacation. A survey conducted by the American Management Association (AMA) that same year yielded similar results, with more than half (55 percent) of respondents saying that they plan on contacting the office every one to three days while on vacation. A 1999 survey of 1,493 workers by the Masie Center showed that 32 percent of respondents brought their laptop on vacation, 49 percent checked their e-mail, and 47 percent checked their voicemail at least once while on vacation. Many people are disturbed by this trend, worrying that it interferes with workers' ability to balance work and family, causes burnout and stress, and infringes on workers personal lives. Today's fast-paced workplace is such that it is unlikely that this trend will decrease anytime soon. For many, a cell phone and laptop are all they need to do their job, be it on the beach or in the office.

Time is not the only thing workers need to enjoy their time off. When Wirthlin Worldwide (an international survey firm) asked 2,019 adults in 1998 what their major vacation planning challenges were, getting time off from work was a major challenge for less than one-fourth (24 percent) of workers. Almost half (45 percent) cited money as a major challenge, with 26 percent expressing difficulty in even figuring out how much the trip would cost. This confusion might explain the results of the 1998 AMA survey, which revealed that, rather than attempt to negotiate some sort of travel, 21 percent of 1,868 managers and executives in AMA-member companies simply decided to stay home for their summer vacation. Vacations may be a time to get away from it all for some workers, but for others, planning for and paying for a trip away from home is far from relaxing.

Vacation and personal time off from work are a valuable part of workplace culture in the United States, and most employees (and employers) recognize the benefits of getting away on occasion. But as our technology-dominated, global economy continues to change the nature of work, the nature of vacation will change with it. Combining business travel with family travel, taking shorter trips, and staying in touch with the office while on vacation will increasingly become the norm. But it is unlikely that the lure of time off from work will diminish for most workers. Workers will continue to take time off to recreate, relax, and reconnect with their personal lives. Maintaining a healthy balance between work time and personal time is a major challenge for many workers, and vacation will remain an important part of meeting that challenge.

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See also Computers at Work; Job Benefits

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Veterans

Veterans of war constitute one of the rare groups of personnel whose previous job was to kill. In battle, they were sanctioned—even encouraged—to kill by the armed forces that had sent them off to war. Upon returning to civilian life, however, veterans could be confronted by citizens who feared their potential for violence or resented their mass entry into the labor market. Throughout U.S. history, returning veterans have faced significant problems in readjusting to peacetime employment, with one notable exception—World War II.

Following the Civil War, for example, an estimated 1.7 million Union veterans were mustered out, with roughly $200 in back pay but without job training that might prove useful in civilian life. Hundreds of thousands remained unemployed for many years, drifting as occasional laborers, and some were reduced to begging while still in uniform or trying to prove a disability to receive a service pension. For the Confederate veterans—perhaps numbering 800,000—the prospects for employment were even bleaker: a shattered economy and their homeland in ruins.

Of course, many veterans from both sides were farmers and agricultural workers able to return to their former occupations. They were aided by two pieces of legislation enacted during the war. The Homestead Act of 1862 allowed them to claim 160 acres, provided they would remain for five years and make improvements on the land; veterans were even allowed to apply their years of military service to the residency requirement. As a result, many veterans found new opportunities in the agricultural states of Wisconsin, Minnesota, Iowa, and Nebraska. Likewise, the Morrill Act of 1862 proved helpful by establishing land-grant colleges that provided agricultural and mechanical training.

For those Civil War veterans more inclined to mechanical and manufacturing work, the advances of the Industrial Revolution eventually resulted in many new job opportunities, particularly as the railroads expanded westward and as new factories were constructed. Veterans could also find employment in oil fields or as miners for coal, silver, and gold.

The Spanish-American War, lasting less than four months in 1898, produced only 300,000 veterans, many of whom had relatively little difficulty returning to their civilian jobs. However, for the veterans of World War I—numbering close to 4.5 million in 1918—readjustment to civilian life was considerably more troublesome. The typical World War I veteran received only $60 as mustering-out pay before entering a chaotic and glutted labor market. The U.S. Congress made matters worse in 1919 by cutting the budget for the U.S. Employment Service and then tried to help in 1921 by forming the U.S. Veterans Bureau. This new agency, however, was rapidly engulfed in corruption and ineptitude and did little to help the veteran. In 1930, the Veterans Bureau was consolidated with two other agencies to form the Veterans Administration, which was

A member of the 139th Aeromedical Evacuation Flight of the New York Air National Guard hugs her infant daughter after returning from a two-week tour of duty in Saudi Arabia in August 1990. (Mai Do/Corbis)

upgraded to the cabinet level in 1989 as the Department of Veterans Affairs.

During the economic depression of the 1930s, veterans were conspicuous among the unemployed. Although they had been promised a bonus for their service in World War I, actual payment did not occur until 1945. Needing more immediate compensation, approximately 20,000 veterans descended upon Washington, D.C., in 1932, forming the so-called Bonus Army before being routed with tear gas by federal troops. In 1936, Congress finally authorized immediate payment of the World War I bonus, but memories of the debacle lingered and certainly affected planning for the treatment of the next group of U.S. veterans.

World War II produced the largest group of veterans ever seen in the United States—roughly 16 million—and the prognosis for their postwar prosperity was pessimistic. Massive unemployment was predicted by labor economists, as well as by large numbers of soldiers and civilians. Fortunately, they were wrong, thanks not only to consumers eagerly spending their wartime savings after victory but also to generous new legislation. Hoping that no World War II veterans would meet the same fate as those of World War I, the federal government created the landmark Servicemen's Readjustment Act of 1944 (popularly known as the "GI Bill of Rights"), Vocational Rehabilitation Act of 1943, Surplus Property Act of 1944, Employment Act of 1946, and more. As a result, veterans could receive $20 a week for up to fifty-two weeks if unemployed (known as the "52–20 Club"), as well as job training and counseling, and had the legal right to reclaim their old jobs. Defying pessimistic predictions, the unemployment rate in 1945 was less than 2 percent, and it remained below 4 percent for the next two years.

The veterans of World War II may have received such munificent treatment because theirs was a clear-cut victory over a genuine axis of evil. The next two wars—in Korea and Vietnam—had much less sanguine results and correspondingly less generous provisions for the veterans of those wars. For example, the Veterans Readjustment Assistance Act of 1952 reduced the time allowed for educational and vocational training for the 5.6 million Korea-era veterans; and the Veterans Readjustment Benefits Act of 1966 was even less charitable for the 8.7 million Vietnam-era veterans. Moreover, due to certain stigmas attached to the veterans of these two conflicts, especially Vietnam, the transition from soldier to civilian was particularly problematic for many of them. Because they were discharged when their individual terms of service had ended and not demobilized en masse as was the case with earlier wars, their impact on the economy was minimized. But the absence of a massive demobilization following victory may also have made their own personal readjustments even more difficult.

With the end of the military draft in 1973 and the shift to an all-volunteer force, the impact of veterans on the labor market has been significantly reduced. For instance, following the First Gulf War, a relatively small percentage of the 500,000 veterans reentered the civilian labor force immediately. Overall, a larger percentage of military personnel are serving for longer periods in the armed services, thereby changing the character of the veteran population and its historic relationship to work and labor markets.

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See also GI Bill; Military Jobs and Careers; Rosie the Riveter; Wartime and Work

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W

Wage Gap

The term *wage gap* is most often used to refer to the difference in wages earned by full-time male and female workers in the United States (Women Work 2001, 2). In addition to a well-documented gender wage gap, substantial income gaps exist between groups of workers based on race, family type, age, education, occupation, disability, and union affiliation. Wage gaps create disparities in worker assets, debt, financial stability, and security (Weinberg 2000, 4).

The U.S. Census Bureau's government index of income concentration (Gini) index, employed to identify rates of income inequality, has highlighted growing income inequality in the United States since the mid-1970s (U.S. Census Bureau, 2000a). This gap has been exacerbated by trends in the receipt of nonwage benefits (such as health insurance and pensions). It has been hypothesized that persistent wage gaps are the result of hiring and wage-setting practices, employment choice, changes in the economy, technology, disparate education levels, and discrimination (Mishel 2000, 7).

In the United States, incomes and productivity grew quickly from the 1940s to the 1970s. From about 1970 to the end of 2000, productivity continued to increase, yet during this period workers, except those in the top 20 percent of all wage earners, received a smaller share of income growth (Zweig 2001, 63). Median earnings for all private sector workers, adjusted for inflation, fell nearly 20 percent during this period. By 1999, the median income for all households was $42,148; the median income for those in the top 5 percent of all earners—the highest wage—category was $145,526 (49.7 percent of all income); and the median income for those in the lowest 10 percent of all wage earners was $10,600 per year (just 3.6 percent of aggregate income) (Mishel 2000, 1–3).

Although productively increased overall by more than 42 percent from 1975 to 2000, 60 percent of all the gains in after-tax income went to the richest 1 percent of families. The bottom 80 percent of the population received just 5 percent of the increase (Zweig 2001, 14). By 1992, the top 1 percent of the U.S. population owned 30.5 percent of all personal assets (Zweig 2001, 69–70).

Wage gaps exist between the incomes of full-time male and female workers. In 1829, women's median annual earnings stood at one-third that of men's. By the end of the nineteenth century, women's full-time incomes had risen to 54 percent of those of men's. In 1980 women earned 60 percent of what men did, and twenty years later, in 2000, they earned 73 percent of what full-time male workers earned. Men have a median income of $37,339, whereas women have a median income of $27,358 (U.S. Census Bureau 2000c). This wage gap statistic does not take into account the salaries of part-time employees, of which women are the majority (Women Work 2001).

This wage gap is especially wide for older women, who are less likely to have pensions or savings and typically have smaller Social Security income. Women forty-five to fifty-four years old earn just 67 percent of what men earn, and women fifty-five to sixty-four years old earn just 66 percent. The disabled also face a wage gap in that they are employed less often and at lower wages than are other workers in the United States. (Mishel 2000, 8; Rothman 1999, 42; Women Work 2001, 5).

Men and women of color also earn significantly less than their white counterparts. The median income for black men and women was $14,700 less than it was for white men and women in 1999, and Hispanic families had the lowest median incomes in 1999. Median family incomes for Asians were higher than those of whites, however (U.S. Census Bureau 2000c).

Family type dramatically increases the wage gap. Households headed by women earn significantly less than households headed by men or married couples. In 1999, a single female householder earned approximately 47 percent of the income of married householders and 67 percent of single male householders' median income (Rothman 1999, 16; Weinberg 2000, 3; Women Work 2001, 4; Zweig 2001, 90–93).

Many analysts argue that the most compelling wage gap is that based on educational attainment (U.S. Census Bureau 2000a; Adair 2001). Since 1973, the wage gap between educated and undereducated U.S. workers has widened. By 1999, for every dollar that a high school graduate earned, a college graduate made $1.48. In 1999, men with high school degrees earned a median income of $32,098; men with college degrees made almost twice that amount, at $51,005 (EPINET 1999, 2; U.S. Census Bureau 2000c).

The educational wage gap is exacerbated by gender. Women with the same educational credentials as men earn significantly less than their male counterparts. In 1999, women with high school degrees earned 68 percent of what men earned with the same degree, and women with college degrees earned about $1,000 per year less than did men with some college but no degree. Even though women held more college degrees than did males in 1999, their degrees yielded significantly less income, adding to a gendered wage gap (Adair 2001, 223; Women Work 2001).

Class, race, gender, family type, disability, age and educational level affect workers' employment status and occupational segregation, which in turn create wage gaps. In 1999, 22 million people worked part-time jobs in the United States; over 4 million of them did so because they couldn't find full-time work (Zweig 2001, 14). Part-time employees earn only 62 cents per hour for every dollar that a full-time worker earns. This wage gap is particularly prevalent for young, female, and/or less-educated workers and for workers of color (Zweig 2001, 23–29).

Similarly, occupational segregation creates wage gaps, notably for women, workers of color, and older, disabled, and less-educated workers. For example, women are generally clustered in industries that have low-wages, few benefits, and little opportunity for advancement. In the professional and managerial industries, women are paid better but suffer larger wage gaps (Rothman 1999, 18; U.S. Census Bureau 2000a).

Joining a union can offer higher wages to those who experience wage gaps most often. The wage gap between union men and women is only sixteen cents per dollar, as compared to twenty-four cents for nonunion workers. However, a much smaller percentage of women in the workforce are in unions, as compared to men, and union enrollment overall decreased during the 1990s (Women Work 2001, 8).

The Equal Pay Act of 1963 and Title VII of the Civil Rights Act of 1964 were designed to establish equitable pay practices, but they have been poorly enforced (Women Work 2001, 9; Zweig 2001, 83). Several campaigns for pay equity have been sponsored by the National Organization for Women and the American Federation of Labor and Congress of Industrial Organizations (Women Work 2001, 10). However, because these gaps are the product of complex and changing relationships between employers, employees, and families, they are persistent and slow to change.

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See also African Americans and Work; African American Women and Work; Asian Americans and Work; Disability and Work; Education Reform and the Workforce; Equal Pay Act; Minimum Wage; Native Americans and Work; Productivity; Women and Work; Work and Hispanic Americans

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Wage Tax

Wage taxes, which are also referred to as payroll or employment taxes, are levied on every employer and employee to cover the cost of Social Security, Medicare, unemployment, and disability. Unlike state and federal income taxes, employers are required to match these payments up to a certain level, which in the first few years of the twenty-first century had reached slightly more than $85,000.

The amount withheld from employees' paychecks and contributed by employers is a percentage of a worker's income up to the base amount. This percentage has risen more than a dozen times in the seventy years since the program was established, and by the early 2000s stood at 15.3 percent. Established during the Great Depression, Social Security was seen as providing a financial safety net for all workers. The plan called for the funds collected from these taxes to be put into a pool or trust to provide monthly retirement benefits to all contributors.

The plan and the accompanying tax structure have come under increasing criticism over the years that has resulted in a stream of calls for reform. Despite these efforts, reform has been difficult to achieve for a host of reasons, including concerns that any adjustments will result in some contributors not receiving all the money they directly contributed. Economist Milton Friedman once noted that Social Security is a flawed "sacred cow" that is difficult to correct, given the competing aims and influences playing on the program.

The fund has also been criticized for providing poor returns on the money invested, helping certain economic segments at the expense of others, and constantly reducing promised benefits to offset the fund's structural problem. The rising rate of wage taxes has also drawn sharp criticism. The National Center For Policy Analysis, for example, reports that approximately 40 percent of workers now pay more in wage taxes than they do in income tax. The center also claims that workers who have retired since the mid-1980s will have paid out more in wage taxes than they will receive in benefits when the amount is adjusted for inflation.

All of these pressures on funding and wage taxes have come as the fundamental role of the program has changed. As a result of its limited benefits and the growth of other retirement investment vehicles, such as individual retirement accounts (IRAs) and 401(k) plans, Social Security is no longer the primary retirement support for most Americans.

The combined effect of this realization and wide agreement that the program's financial structure is flawed has led to ongoing calls for reform, much of it centered on wage taxes. Despite these calls, there has been little agreement on how to specifically reform the system, which exacerbates the political nature of the debate. Some reforms call for accelerating raises in wage taxes, whereas others maintain that benefits be reduced to keep the fund solvent. President George W. Bush campaigned on the pledge to allow workers to create private accounts for some of these funds that hopefully would secure higher returns. Still another plan calls for benefits to be directed toward the most needy based on an individual's wealth.

Very few of these efforts have been able to gain enough political traction to drive substantial change. The downturn in the national economy in the first decade of the twentieth century has further hindered the reform drive as the flow of incoming money from wage taxes slowed.

John Salak

See also Estate Tax; Wage Gap

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Wall Street

Wall Street has come to represent many things. Certainly for the past 150 years it has designated more than a simple stretch of road in lower Manhattan. It has come to symbolize capitalism in general and the economic power of the United States in particular. Yet its influence extends past its central role in world and national economics. Wall Street's shadow touches on the political and even social fabric of the United States. Consequently, it increasingly serves as a lightning rod for both criticism and praise of the U.S. and western civilization.

According to John Steele Gordon in *The Great Game* (1999), Wall Street, ultimately, is a power in its own right: "As a metonym . . . it is in a class by itself. . . . as the second millennium closes, that market has become the beating heart of world capitalism, and today sovereign governments, other markets, and mere individuals alike must all pay heed to *Wall Street* or suffer the consequences." Its name originated 350 years ago, after Dutch colonial governor Peter Stuyvesant constructed a barrier along the site to protect the growing prosperity of Nieuw Amsterdam. The wall lasted longer than Dutch control of New York. The greatest legacy the Dutch left New York, however, was establishing the city's unrelenting interest in commerce. As New York grew during the eighteenth century, the area of lower Manhattan became a hub of financial and trading interests tied together by a loose set of rules and practices that were supported by dozens of currencies and financial instruments.

Amazingly, Wall Street first gained national prominence in politics, not finance. In 1789 George Washington took the oath of office as the first president at Federal Hall, which rested at the intersection of Wall and Broad Streets. Three years later, the seeds of its eventual prominence were planted when a group of local merchants signed the Buttonwood Agreement. The pact committed the signers to trade securities exclusively among themselves, to establish broker fees, and to refrain for participating in securities auctions. The agreement was the foundation of New York Stock Exchange.

The power of Wall Street grew during the first half of the eighteenth century during a cycle of booms and busts fed in part by new federal banking regulations. This growth eventually let the New York Stock Exchange to outstrip the prominence of a rival exchange in Philadelphia. Yet Wall Street ultimately remained largely out of the national consciousness for the best part of the eighteenth century. In fact, it didn't emerge as a symbol of U.S. economic power until the Civil War. Its ability to help finance the Union war effort's then unprecedented financial demands elevated Wall Street's position and offered new power and prominence to financiers that would last well into the twentieth century. The Union financed the largest portion of the nation's war cost through bonds that were largely distributed by Wall Street financial houses. Unlike in the past, however, brokers no longer sold the bonds exclusively to the rich or investment houses. Instead, a large portion of the issues were sold to the working classes, exposing them to the financial markets for the first time.

The war effort later also led to an unprecedented boom in stocks in general, creating additional wealth for brokers and various investment houses. Wall Street and the financial markets rode several boom-and-bust cycles during the second half of the nineteenth century. But the financiers and industrialists who identified with Wall Street certainly grew steadily in stature as the nation flexed its industrial muscles and pushed development westward. By the onset of the twentieth century, a new select social class headed by the likes of J. P. Morgan, John D. Rockefeller, and Andrew Carnegie had emerged. Their power was directly tied to their industrial holdings and their financial positions on Wall Street.

The power of these individuals symbolized by Wall Street did not go unnoticed by a developing radical element in the country that was gaining political capital by leveraging the unrest created by

The Wall Street bull in New York. Wall Street has come to symbolize capitalism in general and the economic power of the United States in particular. Yet its influence extends past its central role in world and national economics—Wall Street's shadow touches on the political and even social fabric of the United States. (Bob Krist/Corbis)

the impact of urbanization and industrialism. This unrest hit Wall Street directly in 1920, when a bomb concealed in a wagon parked outside of J. P. Morgan and Company exploded. Hundreds were wounded and more than forty killed. The terrorists were never captured, although many historians and journalists speculate it was the work of the Italian anarchist Luigi Galleani's followers (Geselowitz 2001).

By that time, Wall Street was clearly in the national consciousness. The health of the United States could be and often was measured daily—even hourly—by tracking indexes that measured stock performances coming out of Wall Street. As the twentieth century evolved, Wall Street drew even more attention as the United States went into an unprecedented economic expansion led by an industrial boom that triggered a seven-year surge in stock prices. For the first time, this seemingly no-lose environment encouraged a wide segment of the general population to speculate on share prices. The expansion, often hyped to unrealistic levels, brought paper wealth to thousands, if not millions, and helped create a new middle class. The financial gains also contributed to creating new social norms on work, entertainment, socializing, and sexuality that came under the heading of the Roaring Twenties.

The prosperity of the 1920s gave way to the catastrophe of the 1930s known as the Great Depression. Its origins were directly tied to the wild investment speculation in the stock market in the 1920s. Although national leaders at first claimed the crash of 1929 was an unfortunate yet isolated incident tied to Wall Street, it soon became apparent that its impact would be felt across the country as individuals and banks lost fortunes. The Depression created new cultural realities for the United States, as average Americans came to grips with the realization that their well-being was connected to Wall Street and financiers even if they hadn't speculated. Even though new controls were placed on Wall Street, only the outbreak of World War II ended the economic problems.

The postwar United States largely prospered, but activity on Wall Street remained reserved, although profitable, through the mid-1960s. At that time, however, brokers once again began targeting a wider audience to invest in shares. The cultural developments of the 1960s, however, often came into direct conflict with Wall Street, which was seen as a bulwark of the status quo. Once again, Wall Street and the New York Stock Exchange became the target of protesters.

Yet ultimately the advent of new trading technologies and eventually personal computers only drew more interest to investing in shares. The drive was accelerated by shifts in compensation plans, especially the creation of 401(k) retirement plans, that allowed employees to drive substantial untaxed earnings into mutual funds, among other investments. As a result, many Americans became obsessed with Wall Street, thanks to the 401(k) investment streams, a technology-led surge in share prices during the 1990s, and the ability to track share performance in real time online.

This obsession helped create a new group of U.S. heroes, businesspeople who led their companies to higher and higher share performance levels. As in the past, many of these business heroes built up by Wall Street became villains when the runaway market collapsed in the late 1990s.

John Salak

See also Capitalism; Council of Economic Advisers; Empolyee Stock Ownership; New Economy; Stock Options; *Wall Street Journal*

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Wall Street Journal

The *Wall Street Journal* has been the weekday Bible of U.S. businesspeople for more than a century. Launched in 1889 by media entrepreneurs Charles Dow (1851–1902) and Edward Jones (1856–1920), the newspaper's approach to journalism and its focus on financial and business news helped revolutionize the industry. Even its first competitors recognized the difference. The *New York Star* reported a century ago that its new competition was unique because it centered on straight news that focused on statistical and financial intelligence.

The journal has evolved over the last century in its attempts to keep pace with international business trends and its competitors' advances. Despite its name and connection to New York, the paper has positioned itself as a national publication for more than fifty years. In recent decades, it has even launched international editions.

The journal's modern evolution began in the mid-1980s when its coverage expanded beyond corporate and financial news to touch on technology, marketing, media, personal finance, and the arts and culture. The newspaper was also at the forefront of labor and workplace issues. Certainly, as the country's preeminent daily business newspaper, the journal was always a leader in covering labor issues. Its daily platform gave it ample opportunity to report on breaking news regarding unions, strikes, contract negotiations, and wage and employment trends.

By the 1990s, the newspaper's coverage also began to concentrate more on workforce subjects that explore deeper issues relating to management, environment, training, education, motivation, and production. Like almost all business publications, the journal also dedicated more space to career management issues for individuals.

The most recent structural change involved a major redesign in 2002 that brought color images to the front page for the first time. In many respects, however, the paper's focus and target readership remained unchanged. With daily U.S. circulation approaching 2 million, it is the world's most influential business publication and one of the most powerful newspapers in the world. Yet for all the changes from the mid-1980s on, the journal maintains its commitment to being the business community's newspaper of choice.

The newspaper's rising status follows a decade of surging interest in business news across all media—print, electronic, and online—thanks in part to the boom and then bust in the financial markets. This emphasis in business coverage became a double-edged sword, however, as the journal found itself confronting new competitors from every quarter, including the venerable *New York Times,* which broadened its national distribution and deepened its business coverage.

Company officials have always remained confident that no other daily newspaper can match what the journal produces in terms of business coverage and that, ultimately, its main competitors are *Fortune, Forbes* and *Business Week*. "No matter how much *The Times* wants to be like the *Journal,* they never will be the *Journal,*" one journal editor told *Fortune.* "They have a different mission. They are not a business paper" (Stein 2002).

Although the journal clearly is a business newspaper, it is the centerpiece of a media enterprise run by the Dow Jones Company. The lineup includes publications such as *Barron's* and the *Far Eastern Economic Review,* as well as the Dow Jones Newswires—an established wire service specializing in providing business and stock market news to the securities industry. The corporation is also responsible for producing a series of well-regarded stock market indexes, including the Dow Jones Industrial Average, which tracks the performance of thirty blue-chip U.S. stocks.

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See also *BusinessWeek;* Capitalism; *Fortune;* Wall Street; White Collar

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Wartime and Work

When considering the impact of war upon work, workers, and the economy, the tendency is to concentrate on the characteristics of mobilization for "total war" during the twentieth century. However, the effects of war and preparation for war upon work have been a shaping influence in U.S. economic and political life throughout U.S. history. The evolution of work in wartime can be conceived of as a progression from a preindustrial phase during the colonial period through a process of industrialization during the nineteenth century, culminating in the industrialized "total war" mobilization characteristic of the twentieth century. As armies increased in size and mass-produced weapons and equipment became central to warfare, war came to require ever-greater mobilization of labor and the economy. Despite the apparent decline of the total war paradigm in the post–Cold War era, the U.S. military establishment and defense industry sector possess a substantial degree of inertia, manifested in a social, economic, and political presence that has preserved them largely intact.

The Colonial Era: Preindustrial Warfare

The preindustrial economy of British North America defined the patterns of military preparation and warfare. During the colonial period, the impact of war upon the economy was largely an issue of the drain of scarce manpower away from economic activity. The isolation of the British colonies and the imminence of the threat of attack from both competing European powers and powerful Native American tribes and confederations meant that the colonists had to be constantly prepared to defend themselves without recourse to British regular forces. The relative shortage of labor prevailing in the colonies throughout the colonial and early national eras constrained the military options of the colonists, however, as the economy could not support a standing professional army of sufficient size to defend the colonies' long, exposed frontiers.

The response on the part of the colonists was the institution of a militia system. In theory, the militia concept required that every male of military age own a weapon and appropriate equipment and participate regularly in drills with his local militia unit. Thus equipped and trained, the militia could quickly muster to defend a settlement under attack by Native American or European raiders until help could arrive.

A tension always existed between the security function of the militia and its drag on economic activity and resources, however. As the frontier moved west and the Eastern seaboard became more pacified, many communities in more secure areas tended to neglect the maintenance of their militia, as the requirements for drill and equipment came at the expense of time and money invested in productive economic activity.

These economic concerns were distinctly but not solely a reflection of the venality of the colonists, as the costs associated with the mustering of the militia meant that it was very rarely the primary instrument of military force employed by the colonists during actual warfare. Mustering the militia in a locality meant a mobilization of all of the military-age males in the community. It was an eminently rational course of action for an isolated settlement under attack by raiders but would result in significant economic loss should the conflict be protracted—particularly given the prevailing shortage of labor in the colonies.

As a consequence, the colonists generally relied on the militia for local defense, but for offensive actions and in protracted conflicts they chose to raise volunteer units specifically organized for the conflict at hand. In contrast to the militia, which was (in theory) composed of virtually all the males in a given area, the troops of these volunteer units were usually drawn from a wider area and composed mostly of younger men on the margins of economic life—men who did not yet have families or own their own land, apprentices, and the like. The young men who joined volunteer military units hailed from a fairly broad social spectrum but were at a point in their lives at which they could be spared for extended military service with comparatively little social and economic harm to their communities (Anderson 1984, passim).

The recruitment of military manpower during the American Revolution (1775–1783) bore much resemblance to the dual militia-volunteer system of the colonial era, but the experience of the war was much different because of the political nature of the war. After the initial flush of revolutionary enthusiasm was replaced by an appreciation of how long and difficult the struggle would be, the American patriots despaired of quick victory and turned these established institutions toward a novel policy of protracted political, economic, and military struggle not entirely dissimilar to the revolutionary warfare of the twentieth century. The colonial militias were largely controlled by the patriots, which employed them most effectively as a political police force. Although the militia were rarely very effective in combat against British regulars, the presence of armed and organized patriot militia units in a locality proved very effective in intimidating or actively suppressing Loyalist opposition (Shy 1976, 29–42).

The ineffectiveness of the militia in combat led the patriots to rely heavily on the small Continental Army, however—an army organized and trained along the lines of the British regular units the colonists so despised. After 1775, war-weariness was pervasive in many parts of the colonies. Although some regions were ravaged by combat, the scale of the war was such that many people had little contact with the war. Although men would respond to militia calls for service in their local area, few were willing to sacrifice years of their lives to enlist in the Continental Army (see Royster 1979, passim). American independence was ultimately secured, however, aided greatly by the intervention of French ground and naval forces on the American side and Britain's deteriorating fortunes elsewhere in a global war with France.

The Civil War: The Roots of Industrialized War

With the rapprochement with Britain after the War of 1812, the United States faced few imminent security threats from abroad and was thus able to rely on a small regular army of a few thousand men—composed largely of immigrants and U.S. -born members of the lower class. The duties of the army consisted largely of attempting to maintain peace on the western frontier, a task that often devolved into forcibly removing recalcitrant Native American groups in the face of white expansion. The fundamental character of war remained essentially limited, however, as seen in the brazen but limited land grab of the 1846–1848 Mexican-American War.

The Civil War (1861–1865), however, was a fundamentally economic conflict occasioned by broad societal mobilization on both the Union and Confederate sides for what was in truth a precursor to the "total wars" of the twentieth century. The most striking thing about the Civil War from the perspective of work and workers was the extent of military and economic mobilization. During the course of the war, some 2 million men served in the Union Army (out of a total white population of 20 million), and some 750,000 men served in the Confederate forces, out of a white population of approximately 6 million (Millett and Maslowski 1994, 163). Maintaining these levels of military manpower came at great economic cost: in the Confederate case, the near-total mobilization of young men for military service resulted in great hardship on the home front and ultimately contributed to economic exhaustion as the war dragged on, whereas from the northern perspective, the appealing prospect of untapped manpower in the form of African American slaves in the South was a central factor in the transformation of northern war aims from restoring the Union to the extinction of slavery.

Although the tensions between North and South that led to the Civil War were broad-based, the ultimate issue dividing the two sections was the future of the slave economy of the South. In neither North nor South were appeals for or against slavery usually the direct motivation for fighting, but the impact on sectional tensions of the two societies' fundamentally different economic organization was central to the outbreak and character of the war (McPherson 1988, 308–338).

Because of the strength of conviction on both sides, their large populations and area, and the resilience of their economies, early expectations of a quick war soon disappeared—victory for the North would only be ensured by destroying Confederate military power, and the South could prevail only by exhausting the Union's formidable will to restore the Union. Consequently, both sides were compelled to go to new lengths in mobilizing their manpower and economies for a war that would drag on for four years, require armies of hundreds of thousands of men, and cost millions of dollars. Given that the Union states possessed a vastly greater quantity of the nation's prewar industrial capacity, it is not all that surprising that the North was ultimately more successful in its economic mobilization than the South. Northern economic superiority proved a crucial advantage in the war but did not by itself produce Union victory.

When considering the impact of war upon work, workers, and the economy, the tendency is to concentrate on the mobilization for "total war." However, the effects of war and preparation for war upon work have been a shaping influence in U.S. economic and political life throughout U.S. history. Military bases, such as Fort Hood in Killeen, Texas, employ and house thousands of people who greatly impact local and regional economies. (Wally McNamee/Corbis)

Although subsequent analysis shows that the oft-heard charge that the conflict was a "rich man's war but a poor man's fight" was not entirely borne out with regard to military service—industrial and agricultural laborers were marginally underrepresented in the Civil War armies—the economic hardship imposed by the war fell most heavily upon the lower classes of both sections, fueling discontent with the war. This proved manageable in the North, but the wrecked economy of the South was ultimately a major factor in the Confederate collapse (McPherson 1988, 602–604, 606–608, 612–618).

The war aroused notable class tensions in both North and South, particularly surrounding the subject of conscription—the Civil War saw the first use of a military draft in U.S. history. Although both sides initially relied on volunteers, the ongoing war led the hard-pressed Confederacy to resort to the draft in 1862, followed in 1863 by the Union (McPherson 1988, 428–433). In both North and South, the draft was intended more as an inducement to reluctant men to volunteer (in which case they could join a unit of their choice, frequently electing their own officers, instead of being assigned as a replacement to an existing unit) than as a primary method of recruitment, but it proved to be an extremely unpopular policy in both sections nonetheless. The practices of "substitution" and "commutation," whereby a man with sufficient means could hire someone else to perform military service in his place or pay a fee exempting him from the draft call, aroused anger among the less well-off. Coupled with the payment of escalating monetary bounties to volunteers as the war dragged on, these policies created a seller's market for military recruits—leading some enterprising men to take the money and desert, often serially (McPherson 1988, 431–432, 600–611).

Substantial elements of the lower-income populations in both North and South became increasingly disenchanted as the war dragged on. In the North, working-class white Democrats perceived that the ultimate goal of the "Republican" war was to free the slaves—who would then compete with them for low-income employment. Numerous strikes and protests erupted, particularly during 1862–1863, as well as a number of riots, including a week-long antidraft/antiblack insurrection in New York City. In the South, tensions mounted as the Confederacy's increasing desperation for manpower led the Confederate Congress to raise the age limit for conscription from thirty-five to forty-five, placing many heads of low-income households at risk of being drafted. The fact that this act exempted one white man from each slave-owning household with twenty or more slaves (bowing to concerns that slaves might become restive or even openly rebel in the absence of white male authority) aroused further resentment among working-class southerners, adding to the rich man's war/poor man's fight perception. Subsequently, many poorer southern soldiers concluded that their loyalties to family were stronger than to country and deserted (McPherson 1988, 611–613).

In both sections, the war effort fell heavily upon working-class people. Weak financial resources led Confederate financiers to turn to the perilous expedient of simply printing more money to make up the bulk of their government's "revenues." The consequence of injecting a billion and a half additional paper dollars into the Confederate economy without any increase in productivity was, naturally, runaway monetary inflation. Prices skyrocketed, wages lagged behind, and savings were rendered virtually worthless. These effects fell most heavily on poor southerners, producing further anger and alienation from the Confederate cause (McPherson 1988, 437–441). In the Union, however, the more robust northern financial infrastructure was able to keep inflation essentially under control throughout the war. Unfortunately for the collective interests of workers, a large expansion in the number of women working in the cash economy, coupled with expanded mechanization of agriculture and industry, meant that the decreased supply of male labor occasioned by the military's demand for manpower failed to drive wage growth as quickly as inflation—but the 20 percent decline in real wages during the course of the war proved endurable amid a spirit of wartime sacrifice, and the productivity of the economy increased significantly (McPherson 1988, 442–448).

As hopes for quick victory faded, the Union eventually settled on a policy of economic pressure upon the South, in which opinion on the future of slavery underwent a striking evolution. Initially, the Lincoln administration was careful to rule out abolishing slavery as a war aim—partly in order to avoid alienating slave owners in the border states that had remained loyal to the Union but also because public opinion nationwide simply did not support such a measure. As the war dragged on, however, northerners came to view the slaves as a crucial swing factor in the war. Eventually, the military logic of freeing the slaves prevailed over the objections of border state concerns and northern racial and economic fears, culminating in the issuance of the Emancipation Proclamation on January 1, 1863, and the subsequent wholesale enlistment of African Americans in the U.S. military. Ultimately, African American servicemen would account for 10 percent of the military manpower raised by the Union in the course of the war, a contribution magnified by the fact that it only began in earnest in 1863 when white recruits were already becoming scarce (McPherson 1988, 557–563).

The Civil War was a turning point in U.S. economic history as well as in the evolution of warfare. Although the federal government postponed specific decisions on the long-term social and economic order of the South until after the war (and after 1876 effectively abandoned southern blacks for the better part of a century), the role of the war in altering the social and economic character of southern life for both blacks and whites was nonetheless dramatic. In truth, the impact of the Civil War was felt nationwide, as it affirmed once and for all that it would be the northern industrial capitalist model rather than the prewar southern agrarian model that would shape the future of the U.S. economy and society.

From World War to Cold War: Industrialized Warfare

During the half-century between the end of the Civil War and the beginning of World War I, the United States completed its transition from an agrarian nation of little consequence in world affairs to an industrialized economic powerhouse with global significance and interests. As a consequence of increasing U.S. industrialization, trade, and integration with a global economy, the outbreak on the other side of the Atlantic of World War I in 1914 had dramatic effects on the United States. Industrialization also defined the character of war, as mass armies and mass production ruled the battlefields.

Certainly World War I (1914–1918) caused problems for U.S. diplomacy and trade—but the United States also perceived the European war as an opportunity to greatly expand the U.S. role in the global economy. The United States remained neutral for the first several years of the war because the American public saw little purpose in U.S. involvement in a foreign war and U.S. economic interests desired to avoid conflict—neutrality was too profitable. During this period, U.S. economic interests took advantage of neutrality, penetrating overseas markets traditionally dominated by Britain and usurping Britain's status as the center of global finance. Relations between the United States and Germany deteriorated, however, as U.S. "neutrality" seemed to be decidedly one-sided in the eyes of the German government. U.S. bankers' opportunistic role in financing the Entente war effort and the British blockade's funneling of U.S. trade to Germany's enemies gave credence to German concerns, but the Wilson administration was not about to interrupt the expansion of the U.S. economy facilitated by the European war. Eventually, Germany concluded that the military impact of "neutral" U.S. trade was so beneficial to its enemies that U.S. ships heading for Europe would be included as targets for German submarine attack. Following this provocation, the U.S. Congress declared war on Germany on April 6, 1917. Although President Woodrow Wilson stated the case for U.S. belligerency as a crusade to "make the world safe for democracy," U.S. conclusions that its long-term economic interests lay with the established global trading system of Britain and France rather than the continental ambitions of Germany played a central role (Kennedy 1980, 302–309).

U.S. entry at that late date into the greatest war up to that point in history necessitated an unprecedented program of mobilization—of public opinion and the economy, as well as the military. Recognizing the unsuitability of voluntary recruitment for the enormous task of building virtually from scratch an army of 1 million men and transporting it to Europe in a year's time, the administration returned to the practice of conscription. The United States had clearly learned from its Civil War mistakes, for the Selective Service system that emerged from the administration's deliberations was an effective tool for raising large amounts of manpower in a quick and orderly fashion. The Wilson administration actively sought to *restrict* men from volunteering for service, preferring to exercise the centralized control afforded by conscription to precisely manage the vast flow of manpower in order to avoid disrupting crucial industries by denuding them of workers. (Kennedy 1980, 147–155). Although conscription was by no means uniformly popular, it was the crucial factor in creating a 5-million-strong military during eighteen months of war (Kennedy 1980, 156–163, 165; Millett and Maslowski 1994, 346).

The U.S. economy was also mobilized to a degree never before seen. Beginning with the National Defense Act of 1916, the president was afforded unprecedented power to centrally manage the economy. Given the pressure of time created by German advances in France in 1917, U.S. economic mobilization demanded centralized direction—but Americans were both inexperienced and unenthusiastic at imposing government control over the economy. Far from government dictating to industry, the membership of the General Munitions Board, War Industries Board, and other subordinate committees included prominent industrialists eager to prevent radical measures such as nationalization of industries. Ultimately, although the government exerted greater authority over the economy than ever before, the Wilson administration preferred to convey guidance to essentially self-regulating industries. The institution of "cost-plus" contracting reflected this approach, encouraging industry to produce for the war effort by guaranteeing profits. In the end, the U.S. war effort was successful in dramatically increasing production, but the government's inexperience and initial reluctance to apply firm measures resulted in significant economic dislocations (Millett and Maslowski 1994, 351–355, 360–362).

For workers, World War I mobilization was not without its benefits. The war had earlier contributed to recovery from a 1914 recession, and the even greater expansion after the U.S. declaration of war led to significant job growth and wage increases. The wartime tax acts enshrined the policy of progression in taxation—linking rising tax rates to higher incomes—in U.S. fiscal policy, producing a lasting shift away from taxes on consumption that fell most heavily on lower-income Americans (Kennedy 1980, 112–113).

The government's efforts to stimulate food production for the war effort proved quite beneficial for farmers. Although the legacy of the Populist antiauthoritarian movement survived among the nation's agricultural population and contributed to a marked lack of enthusiasm for the "European war," the nation's farmers soon found the war effort quite profitable. In seeking a centralized organization of farmers with which to confer on policy, the government also assisted the rapid expansion of the American Farm Bureau Federation (AFBF). The AFBF facilitated cooperation between farmers and their traditional enemies in rural banking and marketing of agricultural produce, providing an important step in subverting the antigovernment/anticapitalist remnants of the Populist era. This cooperation in turn helped to catalyze the emergence of a new rural conservative bloc in U.S. politics (Kennedy 1980, 118–123).

For U.S. industrial workers, the war proved to be an exercise in overoptimism, however, as the atmosphere of xenophobic patriotism whipped up by the government subsequently turned against labor. Mainstream organized labor led by Samuel Gompers and the American Federation of Labor (AFL) had enthusiastically supported the Wilson administration's efforts to prevent strikes in war industries in exchange for new legitimacy and large increases in membership. Although labor groups took more strike actions in 1917 than in any previous year, the government's often cooperative relationship with organized labor ameliorated the situation and ensured that war production was largely uninterrupted by labor problems. During the war, wages increased in the most heavily unionized industries 20 percent over 1914 levels, and the eight-hour day sought by labor for decades finally became a widespread reality.

Perhaps just as important from the perspective of labor politics, the administration's wartime crackdown on dissent saw the destruction of the Industrial Workers of the World and other more radical alternatives to the accomodationist model of the AFL. The successful demonization of organized labor in the minds of the public by capitalist magnates in the midst of a failing 1918–1919 strike in the steel industry and the rapid erosion of wartime wage gains amid postwar inflation quickly dispelled the wartime optimism of Gompers and the U.S. labor movement, however. Management exploitation of racial and ethnic tensions among workers combined with the Wilson administration's war on political radicals in the 1918–1920 "red scare" paranoia resulting from the October Revolution in Russia to demolish any remaining momentum for the labor movement (Kennedy 1980, 259–279, 288–292). The war led to a great expansion in the power of the federal government, a welcome development to U.S. labor; but the end result of the war would be a fracturing of the mainstream left in the United States and postwar dominance for conservative Republicans.

The outcome of World War I effectively accelerated the rise of the United States to global economic preeminence, but the U.S. failure to exercise leadership commensurate with its new position must be acknowledged as one of the factors contributing to the destabilization of the world economy in the Great Depression and ultimately leading to World War II (1939–1945). The next six years would see the largest and bloodiest war in world history, which would represent the apotheosis of industrialized total warfare.

Public opinion in the United States remained opposed to intervention in the war, however, in part because of revelations during the1930s of the web of influence and the vast profits to U.S. economic interests intertwined in the U.S. intervention in World War I. The public outrage with the so-called merchants of death led to the imposition of strict neutrality laws that constrained the administration of President Franklin Delano Roosevelt from acting in support of Britain and France in Europe. After the fall of France in the summer of 1940, however, the Roosevelt administration convinced Congress to fund a truly massive increase in the U.S. military establishment. A vast naval buildup was begun, and the first peacetime draft in U.S. history was initiated. A more forceful policy of economic pressure upon

Japan was adopted, and mounting stocks of U.S. war materiel were shipped to Britain and subsequently to Soviet Russia after Germany invaded the Union of Soviet Socialist Republics (USSR) in June 1941.

During World War II, the Roosevelt administration took a much more aggressive policy toward mobilizing the economy than had the Wilson administration a quarter century before. Under the watchful eye of a central War Labor Board, U.S. assembly lines, which in 1941 were still suffering from the effects of the Great Depression, were turned toward war production; civilian consumer goods took a back seat as items as diverse as food, gasoline, and women's nylon stockings were subject to government-imposed rationing. Although the policy of positive encouragement of industry cooperation through cost-plus contracting and similar measures was resurrected, the government was now willing to actively intervene: in cases in which the government judged that private industries engaged in crucial war production were threatened by labor strife or mismanagement, the government seized control of plants and installed military officers as managers (see Ohly 2000, passim., for an account of the army's involvement in this process).

By 1943, with over 8 million men and women in the armed services, the manpower pool available to the United States began to run out, necessitating creative new measures to supply the war economy with labor. Although many skilled workers were considered indispensable to war production and were excluded from the draft, the continued demand for soldiers forced the breakdown of the prewar exclusion of African Americans and women from most industries. World War I had initiated a substantial migration of African Americans from the rural South to short-lived employment in wartime industrial jobs, but World War II fueled black migration on a dramatically larger scale. Although incidents of discrimination toward blacks by both industry and government during World War II were numerous, the vast expansion of federal government oversight of industries during the war greatly assisted the penetration of large numbers of African American workers into jobs and industries from which they had previously been excluded, accelerating the spread of the African American population across a much broader geographic area (Shubert 1994). The opening of many formerly closed-off industrial jobs to women had followed a similar pattern to that of African Americans. The wartime performance of "Rosie the Riveter" helped to fracture prewar social and economic assumptions, although in the case of women, the postwar period would see a long period of social and economic retrenchment before the rise in earnest of the women's movement in the late 1960s.

The Cold War and After: Institutionalized Mobilization

After World War II, the United States reverted to its time-honored practice of military demobilization. The always difficult task of reintegrating millions of soldiers back into the civilian economy was further complicated in this instance by the sheer magnitude of the tasks of demobilizing the armed forces and the conversion of the war economy back to civilian production. One measure instituted to aid the process would have lasting social impact: the Servicemen's Readjustment Act of 1944, better known as the "GI Bill," provided veterans money for education and training and guaranteed home loans, in addition to supplying unemployment pay and job-hunting assistance. The dramatic expansion in both the college-educated population and the rate of home ownership resulting from the GI Bill would transform the nature of the U.S. workforce and political life. In a break with the past, however, the postwar demobilization would be short-lived.

The defining feature of the four decades following the end of World War II would be a protracted Cold War pitting the United States and the Soviet Union against one another in a global struggle that, although it failed to result in nuclear Armageddon, produced a level of conflict that belies the term *peacetime.* Perceptions of the mounting threat posed by the expansion of Soviet communism in the late 1940s led U.S. policymakers to embrace a strategy of "containment." It was initially envisioned as a largely diplomatic and economic strategy with a military element, but the policy was decisively militarized with the outbreak of the Korean War in June 1950. The next forty years would see U.S. and Soviet military forces—and those of each side's allies and proxies—in battle across the globe. Americans heartily endorsed hitherto-unheard-of levels of military expenditure and submitted willingly to conscription from 1948 to 1973. During the Cold War, the ongoing competition with the Soviet bloc made government defense contracts a steady source of revenue for interests as diverse as large industrial producers and the nation's growing research universities—and a useful political tool for many members of the U.S. Congress. The rapid growth of defense-related industries in the South and West helped to fuel a demographic shift in the U.S. population. Although the war in Vietnam would lead to the end of the draft and unprecedented questioning of the consensus of support for the Cold War, the nation's disenchantment in the aftermath of Vietnam would largely fade by the 1980s, swept away in a wave of renewed patriotic fervor and a massive new military buildup credited by its supporters (with debatable logic) with winning the Cold War by bankrupting the Soviet Union (see Sherry 1995 and Markusen et al. 1991).

The collapse of the Communist bloc in 1989 and the dissolution of the Soviet Union in 1991 led observers to anticipate a "peace dividend," as the United States finally retreated from its decades-long mobilization—but it was not to be. Although the U.S. military shrank to about two-thirds of its 1989 size during the 1990s, the peace dividend never really materialized, as U.S. policymakers came to rely increasingly on military power as a tool of foreign policy during years following the Cold War. Although the performance of U.S. arms against Iraq in the 1991 Persian Gulf War was a spectacular validation of U.S. military power, it also convinced many potential adversaries that fighting a conventional war with the United States was foolhardy. Subsequent conflicts in Somalia and the Balkans, as well as the struggle with the Saudi terrorist Osama bin Laden would see opponents seeking to frustrate U.S. efforts to bring to bear its full conventional military power. The U.S. defense establishment resisted calls for organizational transformation, however, preferring to preserve the Cold War model of large professional forces backed by a massive array of high-technology equipment. This inertia was in part a reflection of the undeniable success of established methods and the unique range of global commitments underwritten by U.S. military power but was shaped as well by the desires of defense contractors, their employees, and their elected officials to preserve the economic gains that had accrued to them from maintaining the Cold War defense establishment (see Greider 1998 and Hart 1998 for a pair of incisive critiques of the U.S. defense establishment in the post–Cold War era).

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See also Defense Industry; Gays at Work; GI Bill; Military Jobs and Careers; Rosie the Riveter; Sexual Harassment; Veterans

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Welfare to Work

Welfare to work is the familiar term for family assistance programs for poor U.S. families that emphasize a move from dependency on cash assistance from the government to employment. This phrase became very popular in the 1990s, when the

Welfare recipient Rosa Garza works at Holy Rosary Hospital, Ontario, Oregon, in order to keep her welfare benefits, September 1996. (David Butow/Corbis)

means-tested entitlement program, Aid to Families with Dependent Children (AFDC), established by the Social Security Act of 1935, was replaced with a block grant to states called Temporary Assistance to Needy Families (TANF), established by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). Under this new policy, states receive block grants from the federal government to assist needy families. States are given great flexibility in administering the new welfare programs, but the emphasis on work is a requirement built into the reformed federal law. According to the 1996 law, individuals must engage in work activities after receiving assistance for twenty-four months to continue to receive any benefits (these benefits include some cash assistance in several states, child care and transportation reimbursement if qualified, possible food stamps, and Medicaid coverage). The individual must be engaged in work activity for a minimum of thirty hours per week. States must require minimum participation rates of 50 percent of their single-parent families and 90 percent of their two-parent families by 2002 (one or both parents may engage in work activity to fulfill this requirement for two-parent families) (P.L. 104–193 Sec. 407).

Work programs have a long history in the United States. As early as the 1700s, community service or work activity was required from poor people seeking relief from settlement houses. During the Great Depression of the 1930s, Franklin Delano Roosevelt created works programs on a grand, sophisticated scale through efforts such as the Federal Emergency Relief Administration, the Civil Works Administration, and the Works Progress Administration (Rose 1995, 3). The War on Poverty of the 1960s placed many poor people in public sector employment. In the more recent past programs such as the Comprehensive Employment and Training Act (CETA) and the Work Incentive Program (WIN) have existed alongside and in conjunction with AFDC (Rose 1995, 3).

In 1988, welfare reform took the form of the Family Support Act (P.L. 100–485). In it, mandatory work programs were institutionalized for the first time as a permanent part of AFDC. Previously, work programs were experimental and largely voluntary. The centerpiece of this reform was the creation of the Job

Opportunity and Basic Skills (JOBS) program in 1988. Applauded as a consensus between liberals and conservatives, the program combined conservative demands for work requirements and liberal demands for education and training (Rose 1995, 139). Central to this program was the emphasis on the necessary education and/or training to find meaningful, stable employment to prevent recipients from returning to welfare. At the same time, this legislation introduced a demand for reciprocity in the relationship between government and welfare recipients. Enrollment in the JOBS program was seen as an exchange for assistance. This new conception of welfare would grow and eventually lead to the mandatory work requirements with strict sanctions for all recipients that were included in the 1996 welfare reform. PRWORA differs from JOBS in its emphasis on "work first," meaning *any* job is a step to a better job. Any training or education necessary is to be done on the job, not before beginning to work.

To aid in the move from welfare to work, the Balanced Budget Act of 1997 authorized the U.S. Department of Labor to provide Welfare-to-Work (WtW) grants to states and communities to assist the hardest to employ. This act allocated an extra $3 billion in funds to be distributed in two halves in 1998 and 1999. The WtW program has stricter spending rules than TANF and is awarded in formula and competitive grants. WtW funds can be used for programs that encourage job retention and advancement as well as promote job entry (the main concern of TANF). WtW is directed at the local level, as 75 percent of the federal WtW funds are allocated to states based on a formula that considers states' shares of the national poverty population and TANF caseload. States must pass 85 percent of the funding they receive to local workforce investment boards (WIBs), established under the Workforce Investment Act of 1998.

These funds have strict rules regarding eligibility for such programs. To qualify, programs must spend 70 percent of grant funds on TANF recipients who have been on welfare for a long time or will shortly reach their time limit and who also have two of three specific problems affecting employment prospects, or on noncustodial parents of children in a long-term TANF case, who themselves face two of the three specified problems. The three problems are (1) lack of high school diploma or general education degree (GED) and low reading and math skills, (2) substance abuse problems, and (3) a poor work history (Perez-Johnson and Hershey 1999, 5). Up to 30 percent of the remaining funds may be used for recipients who do not necessarily meet these criteria but have characteristics associated with long-term dependence, such as no high school diploma or teen pregnancy.

WtW is different from TANF not only in these strict requirements but also in the emphasis placed on both rapid movement into employment and subsequent advancement toward stable work at self-sufficient wages. WtW is intended to move individuals into jobs, but the law recognizes that the longest-term and least-skilled welfare clients may need additional services (Brauner and Loprest 1999, 2). Funds may be used for job retention and support services that are not otherwise available under TANF (Perez-Johnson and Hershey 1999, 29). Many states, for example, are using WtW funds to address transportation issues that have been barriers to work participation.

The Department of Health and Human Services (HHS) is the main agency that distributes and evaluates TANF, and the Department of Labor (DOL) controls WtW funding. Interestingly, the legislation that established WtW requires HHS to undertake evaluation of the programs, not DOL. WtW is implemented by WIBs in coalition with employers, nonprofits, and state and local agencies. Business takes a large role in this program by hiring, training, and recruiting recipients.

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See also Living Wage; Temporary Assistance for Needy Families; Wage Gap; Work First

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White Collar

White-collar work is commonly understood to be work that is primarily mental rather than physical. It names work that takes place in an office or similar setting, does not require the wearing of a uniform, and emphasizes formal education. White-collar workers are generally thought to enjoy greater autonomy, cleaner and safer workplaces, and higher-skill jobs than their counterparts performing physical labor ("blue collar") or service work ("pink collar"). In his landmark 1951 study, *White Collar,* sociologist C. Wright Mills described white-collar work as "the handling of paper and money and people." White-collar workers, Mills wrote, do not "live by making things; rather, they live off the social machineries that organize and coordinate the people who make things" (Mills 1951, 65). Upton Sinclair introduced the phrase in 1919 to refer to "the petty underlings of the business world, the poor office clerks, who are often the worst exploited of proletarians, but who, because they are allowed to wear a white collar and to work in the office with the boss, regard themselves as members of the capitalist class" (Sinclair 1919, 78). White-collar workers have long been the locus of social criticism, seen variously as representatives of U.S. upward mobility, emblems of the decline of the independent entrepreneur, and workers misguidedly loyal to an exploitative economic and social order.

"White collar" has always been a complicated and contradictory term. No firm consensus exists about what exactly constitutes a white-collar worker; indeed, during the twentieth century, most attempts to define the category have begun by acknowledging the impossibility of doing so. It is often defined as that which is *not* other kinds of work—in particular, as work other than industrial wage work. Such a definition encompasses an enormous array of work, resulting in little coherence or internal logic. Many types of work generally considered to be white collar—financial services, sales, and customer service, for example—might just as easily be categorized as service work. At the same time, routinization, deskilling, and automation have transformed white-collar work much as they transformed blue-collar work, resulting in striking similarities across the lines of collar color.

In spite of all the difficulties it presents, white collar is a popular if imprecise shorthand name for a general category of work that has grown dramatically over the past century. Although the U.S. Census no longer uses white collar as an occupational category, in 1970 it defined white-collar occupations as "Professional, technical, and kindred workers; managers and administrators, except farm; sales workers; and clerical and kindred workers." Only 7.5 percent of U.S. workers held jobs that roughly matched that definition in 1900, but between 1900 and 1950 the number of those workers increased by 300 percent (Edwards 1934, 504; Barry 1961, 12). By 2001, occupational groups fitting the 1970 U.S. Census definition of white collar included roughly 60 percent of all civilian workers (Bureau of Labor Statistics 2002). A large proportion of female workers work in white-collar occupations, growing from about 3 percent of the white-collar labor force in 1870 to 39 percent in 1930 (Edwards 1934, 504). By 2001, women constituted 57 percent of workers in the white-collar occupational groups but only 47 percent of all workers (Bureau of Labor Statistics 2002). Historically, a relatively small proportion of people of color have held white-collar jobs, and they continue to be underrepresented in the white-collar workforce. In 1930, native-born whites comprised roughly 90 percent of white-collar workers in the United States, foreign-born whites 9 percent, and blacks and other races only 1.5 percent (Edwards 1934, 502). In 2001 the white-collar workforce was still 85 percent white, and people of color in white-collar occupations remained concentrated in lower-level jobs (Bureau of Labor Statistics 2002).

The confusion about white collar arises largely from attempts to use it as a social-scientific occupational category that designates certain kinds of work, when it is more correctly understood as a cultural or ideological term. Types of work tend to be called white collar because they possess certain symbols that are associated with power, authority, and money. Those symbols typically include type of dress (street clothes rather than a uniform), work environment (office rather than factory floor), and the kind of work performed (handling of paper, money, and people rather than objects). Some kinds of white-collar work derive status from the education and skills they require, as well as the power, authority, and income granted to those performing that work. However, many other kinds of white-collar work possess only a borrowed status, a product of their symbolic association with authority, power, and money more than their actual possession of those things.

A data entry clerk with a high school diploma who spends the workday typing information into a computer but wears professional clothing and works in an office exemplifies the contradictory nature of white collar. That clerk occupies a subordinate position with little power or authority, has no advanced education, uses a narrow range of skills, and operates machinery much like a blue-collar worker. He or she would still be considered a white-collar worker by most observers, however, and as a result would enjoy some degree of higher status. As Upton Sinclair's 1919 observation illustrates, this contradiction was built into white collar at its very inception.

Although the precise diagnostic meaning of white collar has long been uncertain, in the twenty-first century even its cultural meaning is difficult to define, as the symbols that historically have represented power and authority for white-collar work take on new associations. Business attire is increasingly seen as a new uniform and the shirt and tie as a symbol of repressive conformity. Offices, although still arguably possessing higher status than factories, often emblematize drudgery, boredom, and alienation. At the end of the twentieth century, new symbols of white-collar work such as the laptop computer, cellular phone, and relaxed business attire suggested that a new regime of work would recover white-collar workers' lost autonomy and status. The meaning of white collar will continue to shift with the meaning of the symbols through which it is represented.

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See also Blue Collar; Pink Collar

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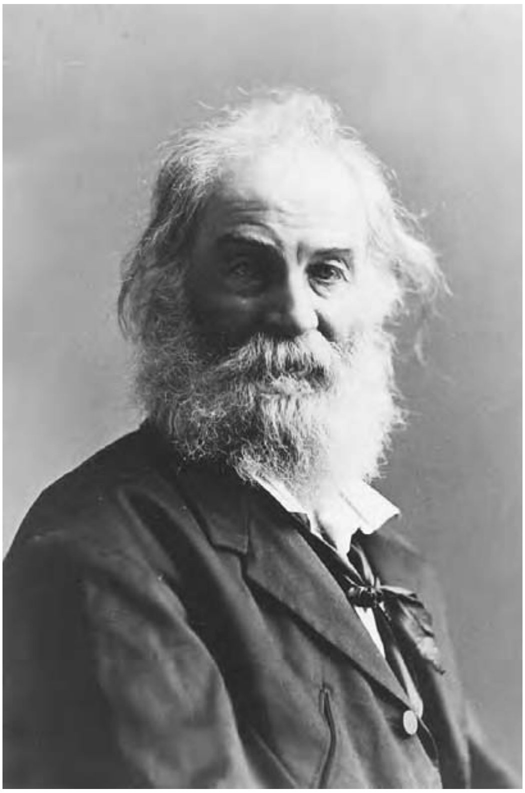
Whitman, Walt (1819–1892)

Walt Whitman is widely recognized as one of the most influential and gifted U.S. poets. His break from traditional meters and rhyme patterns was groundbreaking, greatly inspiring future poets. His most notable work, *Leaves of Grass,* is a collection of poems that has been characterized as a celebration of the working class.

Walt Whitman was born on May 31, 1819, in West Hills, New York. Although his schooling consisted of just six years in a Brooklyn public school (he finished his formal schooling at the age of eleven), Whitman continued a more informal, self-directed instruction, which included reading widely through use of the public libraries, visiting museums, and attending plays and lectures. Whitman's first employment after leaving school was as an office boy for Brooklyn lawyers. A few years later, the Whitman family moved out of Brooklyn, but fourteen-year-old Walt remained behind to live on his own, as he would for much of his life. He would never marry.

Although Whitman engaged in a number of professions, including printing, journalism, and teaching, his greatest contribution was as a poet. His poetry was innovative for its time, employing free verse of long unrhymed lines and lacking in an identifiable meter. Whitman is often credited with inspiring future poets to experiment with their own written verse. His contribution was not only in the structure of poetry but also in the social themes woven through them. By constructing images of many diverse cultural and occupational arenas into one verse, Whitman's poetry voiced a collective



Walt Whitman, ca. 1880 (Feinberg-Whitman Collection/Library of Congress)

American identity in a time of disunity (Reynolds 2000, 26). In an industrial era when the working person became witness to his or her own devaluation, Whitman's verse offered a picture of the American worker as both dignified and valuable. His most notable work, *Leaves of Grass,* was first published in 1855 with twelve poems. The following is an excerpt from Whitman's "I Hear America Singing":

> I hear America singing, the varied carols I hear,
> Those of mechanics, each one singing his as it should be blithe and strong,
> The carpenter singing as he measures his plank or beam,
> The mason singing his as he makes ready for work, or leaves off work,
> The boatman singing what belongs to him in his boat, the deckhand singing on the steamboat deck,
> The shoemaker singing as he sits on his bench, the hatter singing as he stands.

Although Whitman wrote (through both journalism and poetry) to maintain the dignity of the working-class hero, it is important to note that his efforts were reserved mainly for the white worker. Whitman was an abolitionist, but his writings clearly illustrate that his primary concern was not with the institution of slavery but rather the negative impact slavery placed on the conditions of the white worker, whom he feared would find it nearly impossible to secure decent wages for work that slaves might provide instead.

In all, seven editions of *Leaves of Grass* were published under his supervision, with the final edition, the Deathbed Edition, appearing in 1892. In the same year, Walt Whitman died and was buried in Camden, New Jersey.

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See also Work in Literature

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Whyte, William Foote (1914–2000)

William Foote Whyte, a prominent sociologist, believed that social scientists could study societies from within while still maintaining objectivity. Although some academics questioned his methods, calling for a more detached approach to research, Whyte's participant-observer method influenced work in a range of disciplines, including industrial relations and organizational behavior. Using his fieldwork approach in a wide array of contexts, Whyte studied work, workers, and economic development with an eye to effecting needed social reforms. With his wife and coresearcher, Kathleen King Whyte, he extensively studied the inner workings of the Mondragón Cooperatives in the Basque country of Spain. His book *Making Mondragón: The Growth and Dynamics of the Worker Cooperative*

Complex contributed greatly to the literature on employee ownership.

Whyte was an early champion of the participant-observer methodology. After earning a degree in economics from Swarthmore in 1936, Whyte joined the Society of Fellows at Harvard University. It was there that he researched Boston street gang culture by living in the North End with an Italian family and adopting the lifestyle of his subjects. He took copious notes on the social interactions, norms, and views of the gang members. His research was first published as the book *Street Corner Society: The Social Structure of an Italian Slum* in 1943. Still his best known work, *Street Corner Society* has been translated into many different languages and published in several different editions, making it one of the best-selling sociology books to date. After earning his Ph.D. in sociology at the University of Chicago in 1943 and briefly teaching sociology at the University of Oklahoma, Whyte was offered a position at Harvard University. This opportunity, however, never came to be because Whyte contracted polio in 1943.

After braving an experimental treatment and a difficult year of rehabilitation, Whyte made a remarkable recovery. Despite predictions he would not walk again, he continued his field research with the help of braces, crutches, and canes. His first study after rehabilitation examined workers and conditions in restaurants in the Chicago area and was published as *Human Relations in the Restaurant Industry* (1948). Instead of joining the Harvard academicians, Whyte became one of the first faculty members hired at the New York State School of Industrial and Labor Relations at Cornell University. He taught there from 1948 to 1980, often speaking out for social reform.

In addition to his participatory methodology, Whyte believed that research should support needed social changes in and around the world of work. Many of his writings used the field study methodology to examine industrial relations from the inside. His prolific writings include *Money and Motivation: An Analysis of Incentives in Industry* (1977), *Men at Work* (1948), *Worker Participation and Ownership: Cooperative Strategies for Strengthening Local Economies* (1983), and *Social Theory for Action: How Individuals and Organizations Learn to Change* (1991). In addition to his substantive studies, he delineated how to research as a participant observer in *Learning from the Field: A Guide from Experience* (1984), *Participatory Action Research* (1991), and *Participant Observer: An Autobiography* (1994).

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See also Industrial Engineering; Industrial Psychology

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Women and Work

Women have always engaged in work in the United States, and yet much of the work they do has been and remains unrecognized, undervalued, and under- or unpaid. Most work in the home, which is vital to the development and security of the family and the nation, is performed by women and is unpaid. Increasingly, women make up the paid workforce, and yet full-time, year-round women workers make only a portion of what their male counterparts earn. In addition, much of the work that women do both in and out of the paid labor market is not recognized as "productive work" and as a result garners less social status and reward than does the work of men; and many women must negotiate complex ideologies that position them as suspect when they work in the paid labor market and as unproductive when they do not. Finally, women's work and women as workers are accorded disparate values and rewards based on their race, class, nationality, marital and maternal status, and physical ability.

The History of Women and Work

The American colonies developed a primarily agrarian economy and culture. Early economic growth in the United States depended upon African slaves, who were used as free agricultural and domestic labor; large numbers of immigrant women, who came to the United States both as indentured servants and cheap paid labor; and poor white women, who were engaged as agricultural workers, domestics, and workers in small cottage industries. For the majority of the free, white colonial population, the individual household was the basic unit of production and consumption. This economic structure was predicated on gendered divisions of work in which men had primary responsibility for agricultural production and women engaged in the inner economy of food, clothing, and family and child production. But these divisions were quite fluid, with males often involved in family socialization and training and women working to keep inventories; care for livestock; supervise workers; plant, cultivate, and harvest crops; and generate cash through the sale of products and services.

Agriculture gave way to industry at the beginning of the nineteenth century in the United States. This industrial transformation involved technological and organizational changes and was accompanied by shifting ideologies and cultural values that shaped the lives and careers of women workers. The Industrial Revolution reduced the numbers of autonomous workers while increasing the number of those who worked for others, particularly in new factories, in exchange for wages. Displaced rural men and newly arrived immigrant workers filled the ranks of the emerging urban working class. Although it was difficult for women with child-rearing obligations to combine domestic responsibilities with that of paid work outside the home, women in the industrial period found employment in domestic service, textile factories, and piecework shops. For some women, the Industrial Revolution provided independent wages; it also allowed many young women to bring income back to their parents' households. For the vast majority of women, however, factory work in the early years of the nineteenth century resulted in a life of hardship with little reward.

Ideologies of the "cult of domesticity" or "true womanhood," extolling the virtues of sexual purity, submissiveness, and domesticity, proliferated during this period. This ideology relegated women to an "inferior" position, separate from the market-oriented male sphere, and circumscribed women's economic and political power and aspirations. Many scholars have hypothesized that this ideology also stabilized the new republic; white males were better able to consider each other equals if they maintained that women and people of other races were inferior.

By the early decades of the nineteenth century, New England textile mills employed a substantial number of native-born white women. They were often young, single, rural women who were thought to be "naturally" attentive and able to engage in detailed and tedious work, less likely to organize or protest, and willing to work for "pin money." Often working ten to twelve hours a day, six days a week, these young mill women had difficult and sometimes unsafe lives. The saga of "mill girls" was embraced in popular narratives of domesticity—through a proliferation of public and literary representations—positioning the factory as a place where they could learn to be attentive, caring, and hard-working—in other words, "womanly and domestic"—until such endeavors prepared them for the salvation of a good marriage.

The most rapid industrial growth occurred in the United States between the Civil War and World War I. This growth exacerbated a dichotomous separation of men's and women's social and occupational roles. In addition to being responsible for unpaid work in the home, increasing numbers of working-class women during this period became laborers in the paid labor market. Some women produced income at home, including doing laundry, taking in boarders, and selling home products and services as a means of supplementing the family income. Others did industrial "homework," such as sewing, making lace or buttons, or rolling cigars, on a piecework basis. (This practice was banned in the 1940s because it was used by employers to avoid minimum wage and child labor laws.) Others worked full-time as laborers in addition to caring for their families. By 1879, women comprised 16 percent of the official paid labor force (Hapke 2001, 67).

Entering the twentieth century, women continued to be channeled into specific jobs based on stereotypes and culturally constructed valuations of physical difference and mental skill. The professions—law, medicine, science, and engineering—emerged as primarily "male occupations," as did higher-paid white-collar professions. The feminization of clerical and low-paid sales work began at the end of the nineteenth century. Women outnum-

A waitress balances trays of food at a Delaware restaurant. Women have always engaged in work in the United States, and yet much of the work they do has been and remains unrecognized, undervalued, and under- or unpaid. (Kevin Fleming/Corbis)

bered men in these professions by 1920, and by the end of the millennium held over 90 percent of jobs as bank tellers, secretaries, and typists (Coontz 1992, 158). Black women, although no more than one-quarter of the female population, were half of all city laundry workers and by 1920 nearly 40 percent of the urban servant population (Amott and Matthaei 1996, 142).

Increasing numbers of married women sought employment during the late 1920s and early 1930s, as their husbands were laid off or took wage cuts during the Great Depression. Despite an increase in women's workforce participation from 29 percent to 35.5 percent during this period, the public failed to accept or support women's—especially married women's—labor force participation (Coontz 1992, 158). Federal legislation and business policies discouraged the hiring of married women and mandated that they be the first to be terminated during cutbacks. By 1930, twenty-six states had passed laws barring their employment (Coontz 1992, 158).

The most dramatic increases in women's labor force participation in the United States date from the 1940s and U.S. entry into World War II, as men left their jobs to enter the military. Women filled jobs in both the civilian industry and the military, including those that they allegedly lacked the psychological and physical traits to master. According to historian Stephanie Coontz, "despite the double burden of paid labor and motherhood, most American women looked at employment as a 'passport to progress and independence'" during World War II (Coontz 1992, 156).

With a sizable portion of the male labor force in the military, traditionally male jobs opened up to women in factories, as civil service workers, and in new positions created to support the war effort. This new employment allowed women to increase their presence in the workforce by 50 percent between 1940 and 1945 (Coontz 1992, 159). In the past this labor pool had been dominated by unmarried and childless women, but the majority of women filling these new positions were married with school-age children. In an effort to support this labor and thus increase wartime production, the state and federal governments created and funded child care centers;

at their peak, these centers served 1.5 million children (Coontz 1992, 159).

These war-time jobs represented many women's first experience with challenging, rewarding, and well-paid work. It is not too surprising, then, that when the war was over and men demanded their jobs back, many women found it difficult to give them up. From 1944 to 1947, the proportion of women in the work force fell from 36.5 percent to 30.8 percent (Coontz 1992, 160). Some women were laid off to make room for returning servicemen, despite polls showing that most of them wanted to work; some remained in the workforce but experienced demotions and work reductions; others remained in the workforce to fill the hundreds of thousands of new jobs created in a expanding, postwar economy.

Despite losses of jobs in the wake of World War II, overall from 1940 to 1950, the number of women in the labor force grew by 29 percent (Coontz 1992, 161). Concomitantly, a reinvigorated cult of domesticity flourished that was antithetical to the lives and concerns of working women. This recycled ideology heralded unpaid professional mothering and household chores as the most valuable work in which a woman could engage. The expectation—perpetuated by mass advertising—was that domestic work was fulfilling work, that middle-class wives' incomes and social statuses were defined by their husband's status and occupational attainments, and that women's personal development and fulfillment were and should be subordinated to those of their spouses and children.

Paradoxically, the 1950s represent both a proliferation of these ideologies and high employment for women workers in the United States. By the end of the decade, 40 percent of all women over the age of sixteen held a job (Coontz 1992, 163). Rising real wages in industry increased the costs of staying home and provided new incentives for women to work. A tremendous expansion of women's jobs in clerical work, teaching, nursing, and retail sales occurred after the war. The GI Bill encouraged women to work by offering men incentives to go to college on allowances that were so low that wives had to work to support families. Married women entering the workforce accounted for the majority of female job growth throughout the 1950s. There was a 400 percent increase in the number of working mothers between 1940 and 1960, and nearly one-third of all women workers at this time had school-age dependent children in their homes (Coontz 1992, 161).

In the 1960s and 1970s, women continued to move into the workforce in response to a strong economy, new growth industries, changes in cultural mores, and women's social and political activism. Additionally, legislation enacted to address gender, race, and class inequities vastly increased not just the number of jobs women held but the kind of jobs and incomes to which they had access. By the end of the 1960s, 39 percent of women were in the work force, although they earned only 58.9 percent of what men earned. The 1970s saw a 41 percent increase in the number of working women, and those workers earned less than 60 percent of what their full-time, year-round male counterparts made. In the 1980s, women made 68.7 percent of men's salaries, and by the end of the 1990s, they were making about 73 percent of male wages for comparable full-time work (U.S. Census Bureau 2000a).

Although all working women have had and continue to deal with inequity in pay, oppressive work conditions, the double bind of paid and unpaid home labor, and pressure to conform to gendered (double) standards, women of color and immigrant women have faced additional burdens when attempting to survive and support their families through work. In 1880, the first black woman became a lawyer in the United States, and 13,525 were employed as schoolteachers (Amott and Matthaei 1996, 157). The majority, however, were engaged in low-wage work: 44 percent labored in household service and about the same number in agriculture in 1900, as compared to the less than 1 percent of white women engaged in domestic service and 10 percent in agriculture in the same year (Amott and Matthaei 1996, 159). By 1900, 41 percent of black women were engaged in paid employment in addition to the work they did in their own homes (Amott and Matthaei 1996, 141).

During the Great Depression, black women's employment rates were higher than those of white women. Additionally, in the sectors in which black women could find work—domestic service and agriculture—workers were exempted from the protection of new labor laws that went into effect during this period. In 1935, 4 million African Americans were unemployed and dependent on government relief (30 percent of the black population). Jobs opened up for black workers after the Depression, and by 1960, the share of black women employed in manufacturing doubled, as clerical and sales jobs grew eightfold (Amott and Matthaei 1996, 181). From 1950 to 1970, black women's employment grew in the United States, in part as a result of antidiscrimination and affirmative action legislation. By 1979, almost one-third of all employed black women worked for federal, state, or local governments (as did one-fifth of women as a whole) (Amott and Matthaei 1996, 181). In 2000, black women had a median income of $25,117 per year, about 92 percent of the median income of all women and 67 percent of the median income of all men (U.S. Census Bureau 2000c).

Unlike African American women, who were forcibly brought to the United States in the 1700s, most Mexican American women immigrated in the twentieth century. Immigration reached its height in the 1930s, when one-twelfth of Mexico's population migrated to the United States (Amott and Matthaei 1996, 91). Most women who came from Mexico worked in seasonal, backbreaking, migrant farm work. Clustered in Texas and California, these women were often engaged in family labor, working on family farms (often with their entire family) where they were not paid full wages; this low pay was particularly important to the growth and profitability of agriculture as an industry in those states. By 1930, one-third of Mexican American women in the U.S. worked as domestic servants, 21 percent in agriculture, and 25 percent in manufacturing (Amott and Matthaei 1996, 63–66). Today, Mexican American women work primarily in the service sector (31 percent in 1990), clerical work (26 percent in 1990), domestic work in private homes (21 percent in 1990), and manufacturing (20 percent in 1990) (Amott and Matthaei 1996, 63–71). Women of Hispanic descent make less than any other racial or gender group, with a median income of $20,527 in 2000, or 54.9 percent of what all males earn and 75 percent of what women of all races earn working full-time, year-round (U.S. Census Bureau 2000c).

Like all categories of race, that of "Asian women" is artificial and misleading, in that the term encompasses a range of different nationalities, races, and thus experiences. In general, however, from 1840 to World War I, Asian immigrants came from impoverished regions of the world as low-wage workers in the United States. Chinese men were recruited to build U.S. infrastructure and agriculture but were often prohibited from bringing women members of their families with them to the United States. When they did immigrate, women supported men in their work but were most often not paid themselves and not counted as workers. In 1900 only 10 percent of Asian women worked outside of the home officially. By 1930, 13 percent of them worked in domestic service and manufacturing, 12 percent in clerical work, and 14 percent in sales. One-quarter of Chinese "professional class" women worked as teachers in 1930. Asian American women's labor force participation rose from 16 percent in 1930 to 29 percent in 1950 and to 34 percent in 1960 (Amott and Matthaei 1996, 195). Today Asian American women have a high level of educational attainment and relatively high median earnings. In 2000, Asian American women had a median income of $31,156, higher than that of any other group of women and yet still less than the median male income (U.S. Census Bureau, 2000c). This is not true of all Asian American women. Many new immigrants from Cambodia, Laos, and Vietnam work at the very low end of the labor market. In 1990 the overall poverty rate for Asian Americans was 14 percent, and yet 42 percent of all Cambodians and 62 percent of the Hmong people of Cambodia resident in the United States lived below the poverty line (Amott and Matthaei 1996, 250).

In the eighteenth and nineteenth centuries the U.S. government encouraged European immigration, and a 1790 law allowed recently arrived immigrants from Europe to become citizens when employed. Between 1850 and 1920, over 30 million new immigrants arrived from Europe; between 1829 and 1869, two out of every five immigrants in the country were women, and the majority of these women worked (Amott and Matthaei 1996, 111). By the turn of the twentieth century, poor immigrant families made up one-third to one-half of the population in major U.S. cities (Amott and Matthaei 1996, 113). Wages were low and working conditions deplorable for these women, who engaged in domestic service, homework, and factory work. In 1855, 75 percent of all domestic workers in New York City were Irish immigrant women (Hapke 2001, 68). Many immigrant women and children worked in factories and sweatshops where they toiled under dangerous, demoralizing, and dehumanizing conditions for less pay then men.

Gender and Wage Gaps

Wage gaps exist in the United States between the incomes of full-time male and female workers. By 1829, the median annual earnings for women were one-third of those for men. Women's full-time incomes had risen to just half those of men by the end of the nineteenth century. By 1980 women earned on average about 60 percent of the income men earned, and by 2000 they earned on average about 73 percent of what full-time male workers earned (Women Work 2001). This gap is exacerbated when nonwage benefits, such as health care, are considered. This gap reflects the disparity between full-time male and female workers—the statistics do not include the wages of part-time employees, of which women are the majority (Women Work 2001).

Disability, age, and family type also impact the wage gap. The disabled, who are employed less often and often receive lower wages than other workers, face a wage gap in the United States. This gap is more pronounced for older women, who are less likely to have pensions or savings and typically have less Social Security income. Gender as it is linked to family structure also dramatically increases the wage gap. Single female householders earned 67 percent of the income earned by single male householders in 1999 and only 47 percent of the income earned by married householders (Rothman 1999, 16; Weinberg 2000, 3: Women Work 2001; Zweig 2001, 90–93).

Most analysts posit that the most persistent wage gap is related to education level, when considered with gender (U.S. Census Bureau 2000a; Adair 2001). At every level of educational attainment, women earn less than their male counterparts. In 1999 women with high school degrees earned 68 percent of what men with a high school degree earned. Additionally, even though more women held college degrees than did men in 1999, women's degrees yielded significantly less income.

The gap that exists as a result of this unequal valuation of educational credentials between men and women is evident across a range of occupations. In 1999 women in sales earned just 59.9 percent of their male counterparts' income, and women physicians earned 62.5 percent of the median income of male physicians (Rothman 1999, 84). Industry segregation also accounts for wage gaps for women, who are often clustered in occupations that have low wages, little opportunity for advancement, and few benefits. For example, women are overrepresented in clerical, retail, sales, and service occupations, but they are underrepresented in higher paying professional, managerial, and high-skill craft jobs. Women in these higher paying positions often incur wage gaps (Rothman 1999, 18; U.S. Census Bureau 2000a). The organization Women Work has calculated that the annual incomes of the families of working women would rise $4,000 and the number of single-female headed households living below the poverty line would be reduced by half if working women were to earn the same income as males with commensurate credentials in similar positions (Women Work 2001).

Women on the lowest rungs of the income level, those on welfare, are doubly penalized; they don't earn enough to support their families, and welfare reform legislation, enacted in 1996, at best discourages and at worst prohibits them from earning the educational degrees they need to secure employment that would lead to financial stability. Comprising a broad tangle of legislation, congressional "welfare reform" devolved the responsibility for assistance to the poor from the federal to the state level and required that poor women "work first." This policy emphasized rapid entry into the labor force and penalized states for allowing long-term access to education and training. As a result, after 1996, the number of poor women enrolled in educational degree-granting programs across the United States was reduced by 47.6 percent (Greenberg 1999). At the same time, as a study from the Urban Institute made clear, the median yearly income for this population in 1997, after "working first," was just $8,047, well below the poverty level (Greenberg 1999; Adair 2001, 218).

Ways to Close the Wage Gap

Joining a union can offer women higher wages. The wage gap between union men and women is only sixteen cents per dollar, as compared to twenty-seven cents for nonunion workers. As long as women have been in the workforce, they have fought for better working conditions through union organization. Before the Civil War, members of the Lowell Female Labor Reform Association supported strike movements tied to the New England Workingman's Association. In New York, women struck in sympathy with ore molders and were aided by them in the 1860s and 1880s. In 1881, 3,000 African American women participated in a washerwomen's strike (Hapke 2001, 141). In the Midwest, 65,000 women became Lady Knights of Labor and participated as strikers and worker's wives in the Great Upheavals of 1877. In the winter of 1909, Jewish and Italian women clothing trade workers were arrested for protesting in a general strike that is known as the Uprising of 20,000, a landmark of women's labor history. (Hapke 2001, 142).

Although women did make inroads into male-dominated unions, it has not always been an easy transition. Unions were willing to accept women to boost their numbers and collect union dues, but they also often segregated their female membership. The International Brotherhood of Electrical Workers (IBEW) for example, created separate locals for telephone operators with lower pay scales and lesser benefit packages. Women were excluded from powerful or influential positions within some unions, and still others used legislation to keep women from certain unions altogether. Women of color experienced the prejudices of both race and gender in unions.

In 2001, union membership for women workers reached an all-time high of 6.77 million (Bureau of Labor Statistics 2001), yet working women still hold only a small percentage (14 percent) of positions as presidents of their unions. However, women hold 51 percent of recording secretary positions in unions across the nation. Women's lesser position in unions, coupled with the time constraints they experience as a result of their dual roles as workers both in and out of the home, impedes their move into positions of power within union movements.

Several legislative attempts have also been made to remedy work inequity for women in the United States. It wasn't until the passage of the Equal Pay Act on June 10, 1963, that it became illegal to pay women lower rates for the same job strictly on the basis of their sex. In part as the result of two landmark cases (*Shultz v. Wheaton Glass Co.* in 1970 and *Corning Glass Works v. Brennan* in 1974), 71,000 women workers received back wages totaling more than $26 million in the 1970s (Women Work 2001).

The 1964 Civil Rights Act and a series of affirmative action legislation are part of the United States' long, although only marginally successful, history of working to redress gender and race discrimination in employment and education. Affirmative action as a recognizable set of legislative actions designed to remedy workplace inequities had its origins in President Johnson's 1965 Executive Order 11246, requiring federal contractors to "take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, creed, color, or national origin" (American Association for Affirmative Action 2002). In 1967, Johnson was pressured by newly emerging women's rights advocates to expand the executive order to include the category of "gender."

In the twenty-first century, affirmative action legislation, although under attack by many groups, is used to make litigation a more effective and viable means of pressing for gender equity at work. Affirmative action goals and timetables work to mandate equality of opportunity and treatment in the labor market for women, people of color, the disabled, and veterans. In 1996, a national survey reflected that 79 percent of U.S. respondents supported the use of affirmative action to continue to increase and promote equal opportunities in hiring, promotion, and government contracts (American Association for Affirmative Action 2002).

Working Mothers

As women and specifically mothers have entered the workforce, the need for child care has also grown. In 1997, 29.1 million U.S. families had children under the age of fourteen (U.S. Bureau of the Census 2000c). Half these families were headed by two working parents or by a single working parent, and three out of five mothers with children under age six worked outside the home (Zweig 2001, 16). For many working women, finding affordable, quality child care can be a problem. For poor mothers, lack of child care can be a particularly serious obstacle preventing them from finding and keeping employment and from securing employment in higher-paying or career positions.

Maternity protection has also been a pressing issue for working mothers, especially after the dramatic increase in their numbers at the end of the twentieth century. Policy concerns over mothers working and employment equity were addressed in

A scientist at the National Institute of Health examines DNA gel as part of genetic engineering research. Many work barriers have been eased, especially for middle-class and professional women workers, allowing women access to nontraditional careers. Still, women grapple with inequality in pay and promotion in the workplace, discrimination and sexual harassment on the job, insufficient child care and maternity supports, and the conflicting and unequal demands on women to balance the needs of career with those of family. (Richard T. Nowitz/Corbis)

Congress's Family and Medical Leave Act. This legislation, passed in 1993, guaranteed new mothers (and fathers) up to twelve weeks of unpaid maternity leave and the right to return to their old jobs at the end of the leave. But again, this legislation has had little impact on low-income, single, and working-class mothers, who often have no way of supporting their families without earning income.

These child care and maternity laws have had an impact on workplace practices and on social expectations about working women during their childbearing years. Yet the gains enacted by legislation so far have failed to resolve many of the fundamental problems that employed women experience. At some point in their careers, most working women face unequal treatment in employment because of their gender and the assumption and reality of their reproductive ability.

Even when women are able to secure pay equity and security on the job, they still are not reimbursed or adequately valued for the work they accomplish in the home. Women in the United States work more hours than men and yet are paid for only about one-third of the vital work that they do (Rothman 1999, 11). Most of women's unpaid labor is devoted to housework and child care. A study issued by the United Nation's Development Program in 1995 revealed that women in industrial nations like the United States spend 34 percent of their time engaged in paid labor and 66 percent of their time in completing "house" work for which they will never be paid; in contrast, men spend 76 percent of their time in paid labor and only 24 percent of their time engaged in unpaid work (Rothman 1999, 12). The inequity of this underpayment is exacerbated by class in a stubborn, circular paradigm: wealthier professional-class men and women can afford to hire others to do the work of maintaining homes and families, freeing them up to invest even more of their time in activities that will yield income. Until these issues are addressed, women workers will never achieve parity.

At the dawn of the new millennium, many work barriers have been eased, especially for middle-class and professional women workers. Still, women continue to grapple with inequality in access, pay, and promotion in the workplace; discrimination and sexual harassment on the job; insufficient child care and maternity supports; and the conflicting and unequal demands on women to balance the needs of career with those of family. Crucially, they also must contend with the double bind of being framed within a ubiquitous ideology that marks working women as being less than other women when they work and as being less than other workers when they don't.

Vivyan C. Adair and Sharon Gormley

See also Affirmative Action; African Americans and Work; African American Women and Work; Asian Americans and Work; Disability and Work; Education Reform and the Workforce; Equal Pay Act; Family and Medical Leave Act; Home Economics/Domestic Science; Living Wage; Native Americans and Work; Wage Gap; Work and Hispanic Americans; Working Class; Work First; Work in Literature

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Work and Hispanic Americans

People of Latin American descent, known as Hispanic Americans or Latinos, have long played an important role in the labor force of the United States. In the nineteenth century, Mexican workers could be found laboring on railroads in the Southwest, and Cuban factory workers made cigars in Key West and Tampa. In the twentieth century, especially after World War II, much larger waves of Latin American immigrants and their U.S.-born children played an even more significant role in the economy of the United States. Indeed, Hispanics often have a higher labor force participation rate than native-born U.S. citizens: the average U.S. participation rate is about 63 percent, but many Latin American immigrant groups in the United States work at rates of 70 percent or higher. Although Hispanic Americans come from countries throughout Latin America, immigrants (and their U.S-born offspring) from Mexico, Puerto Rico, and Cuba dominate the Hispanic American population and workforce.

Mexicans

Mexicans and Mexican Americans (or Chicanos) comprise the most numerous Hispanic group in the United States. This fact is due in large part to Mexico's geographic proximity to the United States and the 1,800-mile-long border shared by the two coun-

A carpenter in his workshop. Hispanics often have a higher labor force participation rate than native-born U.S. citizens: the average U.S. participation rate is about 63 percent, but many Latin American immigrant groups in the United States work at rates of 70 percent or higher. (Ronnie Kaufman/Corbis)

tries. In addition, great income disparity leads many Mexicans to enter the United States. Until the 1924 Immigration and Naturalization Act, the border was largely open, and Mexicans were welcomed in the United States as unskilled workers, just as immigrants from Europe had been before.

Mexicans have long been present in the United States, since much of the present-day Southwest was once part of the Spanish Empire and then an independent Mexico. After the 1845 annexation of Texas and the Mexican-American War (1846–1848), many Mexicans found themselves in the United States by conquest. Soon, Mexican workers in much of the southwestern United States became a minority that depended on Anglo employers for jobs. In the late nineteenth and early twentieth centuries, most Mexican workers could be found in Texas, New Mexico, and Arizona. They worked in three main areas: agriculture, railroads, and mining. Half of the Mexican workers in this period labored in agriculture. Many of them were migrant workers who followed the harvests. For example, after the Civil War, Mexicans could be found in the Texas cotton harvests. Also, Mexican workers formed the majority of the labor force in the railroad and mining industries of the Southwest.

A larger wave of Mexican migrants began to arrive after the start of the Mexican Revolution in 1910. Most of these immigrants were poor, rural Mexicans who rarely assimilated into the U.S. mainstream. By the time of World War I, many Mexicans worked on the large farms of California's Central Valley as migrant workers. Also, there was significant two-way migration, as many Mexicans returned to their homeland after the harvests. This trend continued until the Great Depression, when many Mexicans returned to their homeland voluntarily or were sent back by the U.S. government.

Then during World War II, a new wave of Mexican immigrants came to work in the United States under the bracero program, a series of agreements between the governments of the United States and Mexico signed from 1942 to 1964. The name of the program comes form the Spanish word *brazo,* or arm, implying that the Mexican workers would be supplying manual labor. The program originally started during World War II when there was a labor shortage in the United States. The U.S. government signed an agreement with the Mexican government to bring in temporary workers, mainly in the agricultural sector. The two countries renewed the agreement several times in the postwar era until the program ended in 1964.

Despite the end of the bracero program, many Mexicans continued to come to the United States. In fact, since 1965, Mexico has sent more migrants to the United States than any other country. Structural problems and income inequalities continued to push many Mexicans out of their homeland. For example, in the 1960s, some 900,000 agricultural jobs in Mexico disappeared. Also, real wages in Mexico fell, starting in the1940s, and did not return to their 1939 level until 1968. Continued economic problems during the 1970s and 1980s led to even more Mexican immigration to the United States. Although many Mexican and Mexican American workers in the postwar ear were still agricultural laborers, many also lived in cities. In fact, by the early 1990s, most Mexican workers in the United States lived in cities, especially Los Angeles, which had more Mexican residents than any city outside Mexico City.

Puerto Ricans

There was a small number of Puerto Rican workers in the United States as early as the 1830s. After the Spanish-American War of 1898, Puerto Rico became a U.S. possession, increasing contact between the island and the mainland. By the early twentieth century, there was a small Puerto Rican community in New York City of perhaps 1,500. World War I saw an increase in the number of Puerto Ricans working in the United States, as some 12,000–13,000 laborers came from the island to fill wartime shortages. It became easier for these Puerto Ricans to enter the United States in 1917, when they were made U.S. citizens. In addition to the Puerto Rican workers, some 18,000 served in the U.S. military, although like African American soldiers, they were segregated. By 1920, the Puerto Rican population on the mainland numbered about 12,000, with most of them living in New York City, particularly in Harlem and near the Brooklyn Navy Yard. In the 1930s, however, like their Mexican counterparts, many Puerto Ricans left the country because of the economic effects of the Great Depression.

Puerto Ricans did not begin to come to the United States in large numbers until after World War II. When postwar development strategies on the island largely failed, many Puerto Ricans left the island for the U.S. mainland. This mass migration was made possible in part by the introduction of inexpensive commercial airline flights that replaced the five-day sea voyage. Postwar immigration reached a peak in 1953, when almost 75,000 Puerto Ricans entered the United States. By 1970, the total Puerto Rican population on the mainland was about 1.4 million, with most of them choosing to live in New York City. Because of the poor U.S. economy throughout much of the 1970s, there was a net outflow of Puerto Ricans during that decade. Net migration resumed again the 1980s, when a new wave of Puerto Rican immigrants came to the mainland as serious economic problems affected the island. In response to high unemployment, many government workers and professionals left Puerto Rico in search of jobs. By the 1990s, there were some 2.75 million Puerto Ricans living within the United States, although there continues to be much two-way migration, as Puerto Ricans move back and forth between the island and the mainland.

Over time, the Puerto Rican population in the United States has changed. For one, fewer are island-born. In 1950, about 75 percent of the Puerto Ricans living on the mainland were born in Puerto Rico, but by 1980, the number had fallen to less than half. The geographic distribution of the Puerto Rican population also has evolved. At the time of World War II, 75 percent of Puerto Ricans resided in New York City. Again, by the 1980s, less than half lived in New York City. Puerto Ricans could then be found in other cities, such as Hartford, Philadelphia, Cleveland, Chicago, Los Angeles, and Miami.

Despite public opinion to the contrary, most early Puerto Rican immigrants were more urban and better educated than the general Puerto Rican population. They generally had been employed in more skilled jobs on the island than the average Puerto Rican, and few had been unemployed. They also tended to come from stable family backgrounds. However, because of many of the disadvantages they faced in the United States, most of these early migrants experienced downward job mobility once they reached the mainland, often taking on semi-skilled or service-oriented jobs. In general, Puerto Ricans did manual labor in the years after World

War II because such industrial jobs were often plentiful in places such as New York City. Indeed, Puerto Rican migrants often had their choice of jobs in meatpacking, the garment industry, washing dishes in hotels and restaurants, or driving taxis. Others worked in agriculture in the Northeast and Midwest. In fact, during the 1940s and 1950s, labor recruiters from the United States sometimes went to Puerto Rico to offer jobs and airfare to potential workers. For example, in 1947 and 1948, the National Tube Company in Lorain, Ohio, a subsidiary of U.S. Steel, recruited some 500 Puerto Rican workers for its steel mill. Thousands of other Puerto Ricans found similar jobs in other parts of Ohio and Indiana. Although the jobs may have been plentiful, these migrants often worked long and difficult hours. Nevertheless, the jobs paid enough that they could provide for their families.

Cubans

A first wave of Cuban immigration to the United States came in the late nineteenth century, when more than 100,000 Cubans fled the independence wars on the island. Many of these early Cuban migrants were unemployed tobacco workers seeking jobs in the cigar factories of Key West, Tampa, New Orleans, and New York City. Perhaps the best-known case is the establishment of Ybor City near Tampa. Vicente Martínez Ybor and Ignacio Haya built a company town there and set up a steamship line between Havana, Key West, and Tampa that guaranteed a steady supply of Cuban workers for Ybor City's cigar factories. By 1900, there were 129 of these factories.

On the eve of the Cuban Revolution in 1959, there were some 30,000 Cubans in the United States. After the revolution and the rise of Fidel Castro, a much larger wave of Cuban immigrants arrived. In the first four years after the revolution, some 215,000 Cubans left their island for the United States. By 1980, some 10 percent of the Cuban population had left their homeland, and most of these exiles settled in the United States. Unlike most typical immigrants, many of these Cubans were from the country's elite, who were most negatively affected by the revolution. Some were managers of U.S. corporations that had operated in Cuba, and others were former government officials. These Cuban exiles also included doctors, lawyers, and scientists. Thus, they brought with them high educational levels and technical skills. More than one-third, for example, had some college education.

The U.S. government aided these Cuban immigrants to an extent that that no other immigrant group enjoyed. The government provided public assistance, Medicaid, and food stamps, as well as scholarships and English-language courses. In addition, the government offered business credits and start-up loans to Cubans. Even jobs could be had, as the Central Intelligence Agency employed many Cubans in Miami.

This combination of skilled immigrants and government aid led to a sort of "Cuban miracle" in Miami, where a majority of the Cuban immigrants settled. Many of the Cuban migrants started off by opening their own small businesses, such as a grocery or jewelry store. Many of them or their children then moved up the economic ladder, getting jobs ranging from bankers to real estate agents. Then, the Cubans proved to be extremely loyal to their own group, hiring other Cubans or only buying from Cuban-owned stores and companies. For example, Cuban loan officers would be sure to approve loans for other Cubans, who might not receive credit elsewhere. In turn, such loans contributed to the growth of Cuban-owned businesses. The Cuban presence also led some industries to relocate to Miami. For example, many factory owners in the New York City garment industry, unhappy with the cost of operating in their city, left the North for Miami. In the 1960s and early 1970s, the number of garment jobs in Miami tripled to 24,000. Many of the workers were Cuban women. Thus, by the late 1980s, there were more than 60,000 Hispanic-owned businesses in Miami, with \$3.8 billion in gross receipts, far more than in any other U.S. city. Most of these businesses were Cuban-run.

Ronald Young

See also Globalization and Workers; Immigrants and Work; Undocumented Workers

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Work First

In 1996, the U.S. Congress enacted the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) as a part of welfare reform. This bipartisan act "devolved" the responsibility for assistance to the poor from the federal to the state level and, through a range of block grants, sanctions, and rewards, encouraged states to reduce their welfare rolls by developing work requirements, imposing strict time limits, discouraging "illegitimacy," and reducing the numbers of applicants eligible for services (Adair 2001, 219). Specifically, PRWORA was designed to encourage "marriage and work" as a means of ending the "dependence of needy parents on government benefits" (U.S. Department of Labor 2000). In developing programs and policies mandating that recipients "work first," this legislation moved large numbers of recipients off the welfare rolls and into the subsidized and unsubsidized workforce, although many continue to earn incomes that keep them below the poverty level (Holcomb et al. 1998, 13).

Prior to the passage of PRWORA, the average welfare recipient had remained on welfare for less than two years, and most had spent a part of that time engaged in work activities (Holcomb et al. 1998, 6). Recipients averaged the same number of hours in the paid workforce as did other mothers: about 1,000 hours per year (Albelda and Tilly 1998, 369). Earlier work incentive programs supported recipients in their efforts to find sustainable employment. The program costs for work first—an average of $3,507 per recipient—exceed those of earlier work programs (U.S. Department of Labor 2000).

Work first programs emphasize rapid workforce participation. States must comply with minimum work participation rates or face economic sanctions. Failure to participate in work requirements can also result in a reduction or a termination of benefits to the family (Brown 1999). Activities that count toward a state's participation rate include unsubsidized or subsidized employment, time-limited on-the-job training, work experience, community service, job search, and vocational and job skills training related to work (New 2000, 6). Work first requirements also drastically limited poor women's opportunities to participate in postsecondary education programs while receiving state support (Adair 2001, 222–229).

As a result of work first policies, the number of welfare recipients was reduced from 12.2 million in 1996 to 5.3 million in 1998 (National Public Radio 2002; MacDonald 2002, 2). Some advocates report that a reduction in welfare rolls is concomitant with a reduction in real poverty (MacDonald 2002, 1). Others cite census data to report that as a result of work first, the poor in the United States have become poorer (Adair 2001, 218), that most recipient workers are still dependent on support services (Loprest 1999, 12), and that a significant number of worker-recipients will be forced to return to welfare (Loprest 1999, 13). The nonpartisan Urban Institute found that "those [recipient-workers] with job training earned only three cents per hour more than those without job training. Both groups earned hourly wages that, even if earned full-time, year round, would not lift a family out of poverty" (Loprest 1999, 20).

The PRWORA was reauthorized in 2002–2003. The reauthorization increased work participation and hours requirements while maintaining prohibitions against education and long-term career training. The reauthorization cites work first as the hallmark of successful welfare reform (MacDonald 2002, 1).

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See also Minimum Wage; Temporary Assitance for Needy Families (TANF); Welfare to Work

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Work in Film

Movies both reflect and shape cultural values. Because they are viewed by so many people on the larger-than-life big screen, movies can validate or demean what audiences believe or do. Since most audiences are made up of people who work, it is instructive to examine how films depict work, workers, and workers' struggles. Films are a powerful vehicle to consciously propagandize for a point of view. The filmmaker, whether of a fictional feature film or a documentary, lets the audience see what he or she wants them to see. Sometimes directors have tried to depict labor realistically, even heroically, most often in a wide range of little-viewed documentaries. But sometimes, their own lack of knowledge and understanding of the work that people do translates into condescension or hostility on the big screen. If it were not for the commitment of a few independent filmmakers like John Sayles and recent generations of documentary filmmakers like Barbara Kopple, inspired by the women's and civil rights movements and by some sense of the value of labor, the film catalog about real work and real workers would be slim.

The film industry's problematic approach to work might stem from the fact that movies are big business, and moviemakers have to deal with the workers who do the grunt labor of filmmaking and their unions. Worker demands for better wages, safety, or overtime pay may get in the way of a producer's budget and timetable; labor-management conflict and consequent antagonisms surely shape the employers' attitudes, just as they do in a factory or mine.

In the early 1900s, many films about labor were produced, most of them as antiunion propaganda. Silent films like *Lazy Bill and the Strikers* (director unknown, 1911) and *Gus and the Anarchists* (John A. Murphy, 1915) pointed out the evils of unionization to workers portrayed as brutes easily swayed by promises to improve their lot (Puette 1992, 13). At the same time, with 26 million people going to the movies weekly, any film made had an audience, and between 1905 and 1915 there were a number of pro-worker, even radical, movies. Collective confrontations with management were depicted, and at least one film, *The Blacklist* (William C. de Mille, 1916), inspired a Connecticut strike (Ross 1998).

The strange conflation of class and race in the United States brought sympathetic depictions of workers in films made by D. W. Griffith, the same director whose notoriously racist *Birth of a Nation* (1915) glorified the Ku Klux Klan. Earlier Griffith made explicitly pro-labor films, including *A Corner in Wheat* (1909), wherein grain speculators destroyed harmonious and productive farmers, and *One Is Business* and *The Other Crime* (both 1912), criticizing a legal system that had different rules for the rich and the poor.

Griffith's epic *Intolerance* (1916) cuts back and forth between four plots, one of which depicts a strike by mill workers against wage cuts. The owner, who intends to use his savings for charity donations, calls out the state militia to break the strike. The depiction of workers is, however, from a distance, with strike scenes of a brutish mass that would be echoed for the next century.

During the 1920s, workers continued to be seen as easily misled by radicals and unions, which were synonymous to most employers and the government. Employer industrial associations, along with banks and chambers of commerce, developed the American plan to retain loyal employees, offering vacation and insurance benefits while ruthlessly suppressing signs of unionism, except into company-dominated employee associations. Joining in the intense attacks on the anticapitalist unionism of the Industrial Workers of the World (IWW), Walt Disney produced a cartoon short, *Alice's Egg Plant* (1925), where "little Red Henski" leads a subversive hen's strike. This short film may have been the inspiration for the later animated film, *Chicken Run* (Nick Park and Peter Lord, 2000). This comedy for all ages, using claymation techniques and movie star voices, shows chickens successfully organizing themselves, in the best spirit of the IWW, to escape being slaughtered for food.

The story of the Industrial Workers of the World is told in *The Wobblies* (Stewart Bird and Deborah Shaffer, 1979). Mixing interviews with surviving Wobblies and archival footage, including scenes from *Alice's Egg Plant,* this sympathetic documentary focuses on IWW highlights like the Bread and Roses strike in Lawrence, Massachusetts; the silk strike in Paterson, New Jersey; and free speech fights.

As part of the national antiunion atmosphere, censorship developed in Hollywood. The Motion Picture Producers and Distributors Association, headed by U.S. Postmaster General Will Hayes, was established in 1922, followed by the Production Code Administration in 1934. Both attacked films deemed favorable to labor and banned strike footage from newsreels. Some pro-labor films were banned outright, but depictions of workers acting as a lawless mob were allowed.

In 1925 the Brotherhood of Sleeping Car Porters was founded by African American Pullman porters who convinced black radical A. Philip Randolph to head their union. Two documentaries tell that story, necessarily spanning decades from the union's beginnings to more recent times. *Miles of Smiles, Years of Struggle: The Untold Story of the Black Pullman Porter* (Jack Santino and Paul R. Wagner, 1983) uses interviews with rank-and-file porters and women's auxiliary members to refute the myth of the "happy" servant. *A. Philip Randolph: For Jobs and Freedom* (Dante J. James, 1996) focuses on the union leader and his increasing stature as the conscience of the labor movement, whose successes included winning integration of defense industries before World War II and the 1963 March on Washington for civil rights.

With the advent of the Great Depression in 1929 and the election of Franklin Delano Roosevelt on a New Deal platform in 1932, the situation of working people became a subject for popular art and literature, much of it under left-wing auspices. The huge growth in union membership, spurred by victories of the Congress of Industrial Organizations (CIO), reset national attitudes, scuttling the American plan. Although many Depression-era movies were meant to be purely escapist, others incorporated the new consciousness.

A satiric look at work came from Charlie Chaplin with *Modern Times* (1936). Chaplin's famous Little Tramp works on a production line under constant speedup and finally cracks. This section of the film is richly realized and hilariously funny, as are later scenes of Chaplin working in a restaurant. Unfortunately, Chaplin's sympathy for workers is marred by his own upper-class bias. In the film's opening scenes, workers are literally portrayed as sheep, and in another sequence, the Little Tramp is arrested for accidentally finding himself at the front of a protest march.

In *The Devil and Miss Jones* (Sam Wood, 1941), union department store clerks are the major protagonists. The "richest man in the world" becomes a clerk himself to catch a daring union organizer and meets the organizer's girlfriend. He discovers love and solidarity and gifts his employees with an ocean liner cruise. The film is a comedy but generally treats workers' issues with respect. The obligatory happy ending, however, has the humble clerk now living in her new husband's mansion, thus escaping from her working-class heritage.

In 1934 muckraking novelist and socialist Upton Sinclair won the Democratic nomination for governor of California. His End Poverty in California (EPIC) program called for taking over unused factories and farms and putting the unemployed to work on them, using a barter system to exchange goods and services. Hollywood director King Vidor dramatized EPIC's cooperative concepts in *Our Daily Bread* (1934). Vidor had to finance the movie himself and won studio release only with Charlie Chaplin's help. The artistry of labor is celebrated in the film's final sequence, everyone working together to dig a 2-mile-long irrigation channel to save their crops. Manipulating camera speed, Vidor creates a highly stylized and powerful picture of workers laboring together.

Release of the film was delayed until after the California elections, however, which Sinclair lost to Republican Frank Merriam. While keeping *Our Daily Bread* out of theaters, Hollywood created and distributed fake newsreels of "man-in-the-street" interviews designed to influence voters away from Sinclair.

Vidor returned to work as a film subject in *An American Romance* (1944), using documentary footage of factories in a story about labor and management having faith in each other to settle problems. A sit-down strike in the original script was cut by censors, and the boss' son surfaces as the union negotiator.

John Steinbeck's novel, *The Grapes of Wrath,* captured public attention, and John Ford's dramatization (1940) became an instant classic. The story of the Joad family being forced off their Dust Bowl farm and cheated by California farm labor contractors captured the bleakness of the Depression years. A clean and caring government migrant workers' camp is contrasted with a strikebreakers' camp overseen by armed guards. Tom Joad, played by Henry Fonda, becomes a union organizer at the end, with Ma Joad's blessing. Jane Darwell's Ma Joad is a strikingly strong woman fighting to hold her family together. Each scene was composed like a Dorothea Lange photograph. Ford returned to work as a theme in *How Green Was My Valley* (1941), a story of striking Welsh coal miners much depoliticized from Richard Llewellyn's best-selling autobiographical novel.

The women's movement of the 1970s looked back to recover the rich contributions made by women to the building of the modern labor movement. Julia Reichert, with Jim Klein and Miles Mogulesco, told the story of three *Union Maids* (1976) who helped build the CIO. Using interviews and historical footage, this movie makes a start in placing women in struggles too often seen as male domains, and as a subtheme, viewers gain an understanding of why so many people turned to the left during the Depression. Intrigued by the women she met making *Union Maids,* Reichert went on to make another documentary, *Seeing Red* (1983), a personalized history of involvement in the Communist Party told by past and present Reds, with footage of militant, often left-led, labor struggles.

There are a number of excellent documentaries depicting work and workers' struggles in the 1930s. Among them are *Halfway to Hell* (Steve Zeltzer, 1988) showing the building of the Golden Gate Bridge by union labor. *Strikestory* (Rhian Miller, c.1990) celebrates the 1934 West Coast longshore and San Francisco general strikes led by Harry Bridges.

The Great Depression ended with World War II. A celebration of homefront labor contributions to the war effort can be found in the American Federation of Labor and Congress of Industrial Organizations's (AFL-CIO's) documentary *Working for Victory* (Labor Institute for Public Affairs, 1995). The unsung contributions and sacrifices of merchant seamen during the war are documented in *The Men Who Sailed the Liberty Ships* (Maria Brooks, 1995). Brooks uses some footage from Hollywood's feature film, *Action in the North Atlantic* (Lloyd Bacon, 1943), which shows the wartime hazards and solidarity of seamen and includes a rare scene in a National Maritime Union hiring hall. Curiously missing onboard the ethnically diverse ships, however, are African American seamen, although the CIO union depicted led the struggle for integrating ship's crews.

During the war, millions of women were recruited to work in defense plants. That story, using government recruiting films and interviews with surviving "Rosies," is the subject of Connie Field's documentary, *The Life and Times of Rosie the Riveter* (1980). Without any narration, Field conveys the hardships and joys of these working women and their sense of profound betrayal when they were terminated at war's end, with the government propaganda films now aimed at sending women back into the kitchen. Hollywood's take on the same subject, *Swing Shift* (Jonathan Demme, 1984), focuses on Goldie Hawn's loneliness and eventual affair with Kurt Russell while husband Ed Harris is off to war. Although portraying women's friendships at work and sexual harassment by male coworkers, *Swing Shift* ultimately trivializes the women and their work. Even though his name appears as director, Demme reportedly was secretly dismissed at Hawn's behest for wanting to make a more honest film, and the screenwriter's name is a pseudonym because no one would take the credit (Zaniello 1996, 236).

The men's side of the story is told in *The Best Years of Our Lives* (William Wyler, 1946) as three veterans return home to face job competition, not with women, but with men who did not go to war. An interesting subplot involves a disability issue—a sailor returns home with a hand missing and is concerned about how his friends and family will react.

With the advent of the Cold War and accompanying antilabor campaigns that resulted in passage of the Taft-Hartley Act in 1947, movies shifted away from the social realism of films like *The Grapes of Wrath* and *Our Daily Bread,* turning instead to union corruption and to films extolling the worker's desire to escape into the middle class. The House Committee on Un-American Activities targeted Hollywood during the red scare, resulting in the blacklisting of writers, directors, and actors who were suspected or actual members of the Communist Party. The most famous film of the period was perhaps *On the Waterfront* (Elia Kazan, 1954). This well-made and well-acted film stars Marlon Brando as a thug for a corrupt New York Longshoremen's local union who repents and testifies against the mob. Unlike Martin Ritt, who incorporated a more ambiguous attitude toward informers in *The Molly McGuires* (1970), Kazan and writer Budd Schulberg glorify informing and treat the longshoremen as cowed and apathetic. It is instructive to note that both Kazan and Schulberg, along with Lee J. Cobb, who played the local union boss, were former communists who testified against their comrades. *On the Waterfront* was as much about justifying their own actions as about concern over union corruption.

While *On the Waterfront* was garnering awards, its ideological opposite was being picketed and prevented from being shown. *Salt of the Earth* (Herbert Biberman, 1953) was made by blacklisted Hollywood talent along with members of the Mine, Mill, and Smelter Workers Union, a union expelled from the CIO for leftist sympathies. Based on a true story, *Salt of the Earth* recounts in heroic terms the struggle of Mexican American zinc miners for equality with Anglos and their months-long strike. When the employer obtains an injunction against union picketing, the wives, mothers, and daughters take up the line, challenging not only the court and the company but the macho attitudes of their men as well. Financed with small donations and with star Rosaura Revueltas deported to Mexico during the filming, the movie was effectively banned when it was released. Still, *Salt of the Earth* continues to be popular among those concerned with workers' and women's issues.

Another dockside labor film appeared in 1957, *Edge of the City* (Martin Ritt). Ritt was recruited to the theater by Elia Kazan and joined the Communist Party. He was blacklisted in 1951 but, after directing a successful Broadway play, made his peace with Hollywood and directed this film, his first. In *Edge of the City,* Ritt chose to tell a more personal story within the context of union corruption, adding an interracial element with the growing friendship of Sidney Poitier and John Cassavetes. Poitier is killed in a fight with a union bully, and Ruby Dee has the job of convincing Cassavetes to tell the police who did it.

Union-management conflict is at the heart of *The Pajama Game* (George Abbott and Stanley Donen, 1957), a rare labor-related musical. But there is no murder or corruption in this comedy that pits manager John Raitt against union activist Doris Day in a pajama factory. Although the plot is somewhat silly and quite sexist, there is some stunning choreography by Bob Fosse (especially in the factory speedup and union slowdown scenes) and a bunch of memorable songs, none of which have anything to do with the labor-management story. A less-successful labor musical was *Never Steal Anything Small* (Charles Lederer, 1959). James Cagney plays a crooked longshore union leader who wants to be president of his local and becomes the people's candidate because he's less crooked than the mob running the union. None of the songs have survived in popular memory.

The desire to rise out of the working class and the tedium of working-class social life is told in *Marty* (Delbert Mann, 1955). Butcher Ernest Borgnine agonizes over whether or not to buy out his boss' shop against the growing competitive threat of supermarkets. Unions are never at issue, and the movie message of the 1950s becomes clear: go into business for yourself and become the American Dream.

The 1960s saw the rise of the civil rights, student, and anti–Vietnam War movements. Workers and unions were argued about and theorized about but were rarely depicted on the big screen, or even on the little screen that now flickered in most U.S. homes. An exception was the made-for-television documentary *Harvest of Shame* (Palmer Williams, 1960) that depicted the intolerable working conditions migrant farm workers were subjected to in the United States. Narrator Edward R. Murrow quotes a farmer: "We used to own our slaves. Now we rent them." The film caused a public outcry and fed into fledgling union organizing campaigns. A few years later, the historic grape strike began and the United Farm Workers (UFW) union was born. The story of the UFW and leader Cesar Chavez is sympathetically told in newsreel footage and interviews by colleagues and adversaries in *The Fight in the Fields* (Ray Telles and Rick Tejada-Flores, 1997).

The civil rights struggles of African Americans to end segregation changed the United States, and the movies reflected aspects of that struggle. The film adaptation of Lorraine Hansberry's play, *A Raisin in the Sun* (Daniel Petrie, 1961), depicts black working-class life in Chicago and characters' dreams of escaping that life. One character wants to quit his job as a chauffeur and open a liquor store, and another wants to go to medical school; the American Dream lives on.

For steelworkers facing institutionalized racism from both employers and unions, the dream was simply one of equality of opportunity and access to higher-paid, skilled jobs. That aspect of the civil rights movement is told in the documentary *Struggles in Steel* (Ray Henderson and Tony Buba, 1996).

When civil rights leader Martin Luther King Jr. was assassinated in Memphis in 1968, the national agony that followed caused Americans to lose sight of why he was in that city. Municipal sanitation workers had struck for union recognition to combat low wages and deadly working conditions, and their cause had become a new phase of the civil rights movement, linking economic concerns with social justice. King went to Memphis to lead a nonviolent march that was marred by window breaking by younger militants. In a way, Memphis became the crucible that would set the direction for the future of African American struggles. This powerful and moving story is told with extraordinary insight and clarity in *At the River I Stand* (David Appleby, Allison Graham, and Steven Ross, 1993). Historic footage includes King's last speech, which seemed to foretell his own death, and is a reminder of how tragic a loss that death was.

When the 1960s generation moved on, some creative artists went into filmmaking, and the next decade saw a modest spate of movies about work and workers. Some, like *Blue Collar* (Paul Schrader, 1978) continued the genre of union corruption, this time in an auto workers' local. The movie captures the monotony of assembly line work, from which his characters escape with drugs, alcohol, and sex.

F.I.S.T. (Norman Jewison, 1978) presents the story of a fictionalized Jimmy Hoffa and the Teamsters Union, starring Sylvester Stallone. The first half of Stallone's and Joe Eszterhas's script is a fairly intelligent look at how the mob gets its hooks into a union. The workers strike against employer injustice, the boss hires goons to beat them, and the workers accept any offer of help they can get to fight back. Now victorious, the mob guys want a little something for themselves. The second half, however, degenerates into a more traditional unions-as-gangsters story. At least in *F.I.S.T.* there is some motivation for what happens. In the later *Hoffa* (Danny DeVito, 1992), there is absolutely no way to understand why big-rig drivers blocked Washington streets in support of their leader, targeted by Bobby Kennedy's "Get Hoffa" squad in the Justice Department.

Hester Street (Joan Micklin Silver, 1975) looks at immigrant life in New York in the early part of the twentieth century as newcomers struggle to find jobs and become Americans. The Amalgamated Clothing and Textile Workers Union also told the story of immigrants in *The Inheritance* (Harold Mayer, 1964), but this movie included the story of organizing and multiethnic struggles against their employers.

Stereotyping of working people hit a new low in *Joe* (John Avildsen, 1970), which had Peter Boyle drinking beer and denouncing hippies, African Americans, gays and antiwar protesters, while an ad agency executive beats his daughter's dope-smoking boyfriend to death.

Sounder (Martin Ritt, 1972), however, is a sympathetic look at a poor African American sharecropping family in Louisiana in the 1930s. After *Edge of the City* came out in 1957, Ritt continued to make socially informed and concerned movies, although not always unambiguously. He returned to labor issues explicitly with *The Molly McGuires* (1970), the story of Irish American coal miners who organized a secret society to pursue vengeance against brutal coal operators and their flunkies. Richard Harris is recruited by the Pinkerton Detective Agency to infiltrate and expose the Molly McGuires and condemn Sean Connery and his boys in 1877, a year of massive labor strife. Ritt clearly both sympathizes with and is repelled by the role of the informer-provocateur, reflecting his own ambivalence toward his leftist past.

Although most Hollywood films could be assured of widespread distribution, independent filmmakers face a constant struggle to have their work reach an audience. The grainy black-and-white film *Northern Lights* (John Hanson and Rob Nilsson, 1978) never reached much of an audience, despite being well-crafted. This film tells of the building of the farmer Nonpartisan League among Norwegian Americans in 1915 North Dakota. Nilsson went on to make other mostly worthwhile but unsung films, including *Signal 7* (1983) about San Francisco cab drivers.

President Ronald Reagan's firing of thousands of air traffic controllers for going on strike in 1981 signaled a return to an earlier robber baron capitalism in which "greed is good," as Michael Douglas's character says in *Wall Street* (Oliver Stone, 1987). Unions were broken, their members permanently replaced, and Wall Street wheeler-dealers were king. In reaction to the excesses of corporations, there was a small spate of films challenging the ethos of greed. *Wall Street* skewers the stock market manipulators who wreck companies and deprive workers of jobs. *9 to 5* (Colin Higgins, 1980) skewers corporate sexism with humor and fantasy and, despite a gratuitous sequence involving the transport of a corpse, is a deeply pro-worker and pro-woman film and very funny.

The hazards of working in a nuclear industry plant are dramatized in *Silkwood* (Mike Nichols, 1983). Based on a true story, this movie portrays Karen Silkwood as she works with her union to expose Kerr-McGee's violations of safety rules. Silkwood is mysteriously contaminated with radioactive plutonium and dies in an auto accident en route to delivering proof of the company's violations to a reporter. As in *Norma Rae* (Martin Ritt, 1979), this working woman is depicted as unstable and loose, finding redemption and purpose in fighting the company. A sidelight is that the video version went out of print for years. With stars like Meryl Streep, surely one of the great American actors, Cher, and Kurt Russell, this movie should have stayed in print. That it did not was curious.

The Milagro Beanfield War (Robert Redford, 1988) shows, with humor, the resistance of Mexican American farmers to land developers trying to take over their land. Latinos from Central America and their illegal and perilous flight from civil war to the United States is the subject of *El Norte* (Gregory Nava, 1983). Braving guns and rats and fear, a young brother and sister make their way to Los Angeles, she to work as a domestic and he as a day laborer shaping up on the streets. The story is compelling and grim. Grim also is the plight of African American slaughterhouse workers in 1919 Chicago as told in *The Killing Floor* (Bill Duke, 1985), based on a true story. Originally made for a proposed Public Broadcasting System history of the U.S. worker and directed by one of the few black directors at that time, *The Killing Floor* looks at race relations on the job and in the community, as workers of different races and ethnicities try, unsuccessfully, to unite for higher wages and respect.

Much less grim and less interesting is *Gung Ho* (Ron Howard, 1986), a story about an auto union steward convincing a Japanese corporation to take over their ailing plant. Although *Gung Ho* is a fantasy, the reality depicted in Sturla Gunnarsson's *Final Offer* (1985) is far more riveting. This documentary about the Canadian Auto Workers–General Motors contract negotiations and strike of 1984, set against the backdrop of the Canadians' increasing independence from the Detroit-based union, is one of the rare times the camera has been allowed inside bargaining and caucus sessions, as well as inside the plant to talk to workers and management.

The camera also goes inside the action in a pair of related documentaries, *Taylor Chain I* (Jerry Blumenthal and Gordon Quinn, 1980) and *Taylor Chain II* (1984). The first shows the organizing of a Hammond, Indiana, chain company, the first labor-management negotiations, and a strike. The second depicts concession bargaining as times go bad for the company, with eventual layoffs and closure.

One of the most powerful pro-labor films made is *Matewan* (John Sayles, 1987). Sayles, an independent filmmaker who used his earnings from writing horror movie scripts to make a string of always intelligent films, many of which depict real work as done by real people, tells the fact-based story of a 1920 coal miners' strike in Matewan, West Virginia. The company brings in Baldwin-Felts detectives to intimidate the strikers and Italian immigrants and African Americans as strikebreakers. The mine union organizer seeks to unite them against their common foe. Although the movie tells a male-dominated story, Sayles finds ways to make women's roles important, even central, to the film. The film ends with the Matewan Massacre, a shootout between strikers and detectives, which sparked the Mingo County coal wars (not shown in the film), in which federal troops had to come in to end a state of virtual civil war.

The coal wars of the 1970s were the subject of Barbara Kopple's documentary *Harlan County U.S.A.* (1976). This story of union organizing in Kentucky and the company's use of gun thugs to try to defeat the miners brings Kopple's feminist concerns to the fore when the miners' wives join the struggle and bring their own ideas on how to run it. This film won the first of Kopple's two Academy

Awards. A fictionalized and less interesting telling of the story is *Harlan County War* (Tony Bill, 2000). Also of interest is *Coalmining Women* (Elizabeth Barret, 1982), a documentary about women working in the mines and bringing up safety concerns in this most hazardous occupation. *Women of Steel* (Randy Strothman, 1985) looks at barrier-breaking women steelworkers who are laid off and go from high-paying union jobs to working at Pizza Hut and the like.

An unusual conjunction of women's and labor issues is told in Lee Grant's documentary *The Willmar Eight* (1981), the story of how a group of female bank employees in Willmar, Minnesota, got tired of being passed over by men, organized their own little union, and went on strike, winning support and respect, if not their long struggle. Mike Nichols returned to the subject of work in *Working Girl* (1988). This often sharp comedy is about Melanie Griffith's plot to escape her secretary job and become a boss.

Unions faded from U.S. films about work in the 1990s, with the dubious exception of *Hoffa,* discussed earlier, but class issues remained in sharp focus. *Thelma and Louise* (Ridley Scott, 1991) is the story of two oppressed women, one a housewife and the other a waitress, on the run from killing a would-be rapist. At the end they choose death together over capture. *Thelma and Louise* starkly dramatizes the lack of options available to working-class women facing oppression. Lack of options for African Americans in the ghetto is also the class theme of Spike Lee's *Do the Right Thing* (1989), with resulting violence.

Mac (John Turturro, 1993) celebrates the craft worker's ethic in building a house, the satisfactions and frustrations as the son of Italian immigrants tries to escape the working class by becoming an independent contractor. *Clockwatchers* (Jill Sprecher, 1997) depicts the tedium of contemporary office work and the insecurity of temporary workers. A later look at office work comes from San Francisco monolog performer Josh Kornbluth in *Haiku Tunnel* (2001). Based on his own experiences working in a law firm, Kornbluth extracts broad humor from some of the absurdities of employment relationships.

Four aspects of the life of immigrant workers in the New York area are explored in *La Ciudad/The City* (David Riker, 1998); two of the episodes deal directly with work. In one, a group of day laborers is hired and transported in a closed truck. Left alone, they do not even know where they are and cannot get help for a worker when a brick wall falls on him. In another, sweatshop women and men unpaid for weeks have a spontaneous work stoppage to prevent a firing. The film is in Spanish with subtitles.

An anomaly for the 1990s and for Walt Disney Studios was *Newsies* (Kenny Ortega, 1992), a musical based on a newsboys' strike in 1899. Although the songs will never replace "Solidarity Forever" and the choreography is choppy, the film's bias is unabashedly pro-union, with the newsboys pitted against the greedy Joseph Pulitzer. The staunchly antiunion Disney probably spun in his grave when this film was released. Another musical is *Take Care* (Tony Gillotte and Hart Perry, c. 1990), produced by the Bread and Roses Cultural Project of Hospital Workers' Local 1199 in New York. The project first talked to hospital workers, then wrote a script from what they learned, and then performed it using professional actors, for the original workers with great success.

Roger & Me (Michael Moore, 1989) was a surprise hit, a class-conscious documentary that was critical of both modern capitalism and unionism. Moore took his camera and wacky sense of humor in search of General Motors chairman Roger Moore to discuss the closing of the Flint, Michigan, General Motors plant, where the 1936–1937 sit-down strike launched the United Auto Workers and the CIO. With selective filming and editing, a sometimes grotesque portrait of Flint emerges. Quite a different documentary showed a bitter strike against the Hormel meatpacking company and the split between the local and international unions. Barbara Kopple earned her second Academy Award with *American Dream* (1990). *American Dream* is an excellent example of how the filmmaker presents the story he or she wants us to see. Initially sympathetic to the local union, Kopple's vision shifts to support for the international as events drag on and to contempt for the hired gun Ray Rogers, who orchestrated the local's failed struggle.

Barbara Kopple also directed, with Bill Davis, *Out of Darkness* (1990), the history of the United Mine Workers of America (UMWA), which, because of the UMWA's centrality to much of labor's history, is also the story of the modern labor movement. The film won a five-minute standing ovation at the union's convention. Setting the union's history against the

Michael Moore filming Roger & Me, *his 1989 documentary about the closure of General Motors' plant at Flint, Michigan, which resulted in the loss of 30,000 jobs. (The Kobal Collection)*

1989–1990 watershed Pittston Coal strike, Kopple and Davis create a compelling work, balancing their independent views with the needs of their union sponsors. Once again, Kopple found legitimate ways to integrate the important and usually overlooked role of women into the picture.

Women are at the center of an unusual documentary, *Live Nude Girls Unite!* (Julia Query, 2000). This movie is the story of strippers at San Francisco's Lusty Lady theater rebelling against bad working conditions by organizing into the Service Employees International Union. It contains one of the best picket line chants ever recorded: "Two, four, six, eight; don't come here to masturbate!"

Class distinctions have always been more obvious in England and there is a long tradition of worker-oriented film making. The downsizing and worker displacement of the Thatcher years gave rise to a series of hit movies. Often funny and often moving, films like *Brassed Off* (Mark Herman, 1996), *The Full Monty* (Peter Cattaneo, 1997) and *Billy Elliott* (Stephen Daldry, 2000) spoke to the plight of the new unemployed in post-Thatcher England. Perhaps the most consistently class-conscious movies in the last decade of the twentieth century came from Ken Loach. His *Riff-Raff* (1991) was a tragicomically look at formerly union construction work. Loach, in his first U.S. film and with no U.S. financing, took on the story of janitor union organizing in Los Angeles. *Bread and Roses* (2001) tells a bittersweet story of immigrants and exploitation and empowerment, including newsreel scenes of the 1990 police attacks on peaceful marchers. Those scenes are also found in *Sí Se Puede!/Yes We Can!*, a 1990 video produced by the Service Employees International Union's Justice for Janitors campaign. There are hundreds of such videos being produced by unions to aid in contract and organizing campaigns and to support their programs, and many of them are quite professional and worthwhile.

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See also Sayles, John; Work in Television

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Work in Literature

Work has been a central theme in much American literature since the colonial era. Indeed, the promise of work and the failures—personal, financial, and ethical—associated with that work are foundational tropes in American literature. Readers and writers have embraced an American work ethic, whether that work was conducted in the exercise of the agrarian ideal or entrepreneurial pursuits, in the blue-collar or proletariat arenas, in the corporate sphere, or in the invisibility of the immigrant experience. Literature instructs and critiques notions of work as well as the actual work practices; authors delineate the value of the work performed and show how that work defines personal and national dignity, agency, and self-worth.

Entrepreneurs in Literature

The entrepreneurial spirit has become fused with American notions of individuality and enterprise, and forms the foundation for representing work in American literature. The first entrepreneurs were the explorers and settlers, those men and women whose life work was intimately tied to the colonies. John Smith is usually regarded as the first entrepreneur of Anglo-American literature. Appointed president of the Virginia Company's economic venture at Jamestown, Smith suggested that with work, any person would flourish in the American environment. His 1616 work, *A Description of New England,* pleads for fishermen and farmers to migrate to the colony and begin business enterprises, from which a profit could be made handily, with little effort. Smith also introduces the American agrarian ideal of a viable farm for all who can work the land. His literary efforts were preceded by those of Spanish explorers of the Gulf Coast and West, most notably Alvar Núñez Cabeza de Vaca's *Account* (1542), that describes rich lands in need of settlement. Cabeza de Vaca's writing resulted in several generations of European migrations to the American continent: entrepreneurial migrations like those of Juan de Oñate recorded in Gaspar Pérez de Villagrá's *History of New Mexico* (1610), Pedro de Casteñeda's *Narrative of the Exploration of Coronado* (trans. 1904), even Smith himself and later English entrepreneurs such as Thomas Morton in *New English Canaan* (1637) and William Bradford in *Of Plymouth Plantation* (1630). The hope for land, for access to enterprise and profitable work, inspired generations of migration to the American colonies and later the United States.

By the middle of the eighteenth century, the entrepreneurial agenda was redefined by Benjamin Franklin, whose influence is still visible in the American cultural consciousness of work. Franklin's *Autobiograph*y (1791) recounts the dignity of hard work, and this ethic was threaded through Franklin's persona of Poor Richard in his almanacs and in *The Way to Wealth* (1757). Franklin invited to the continent "Artisans of all the necessary and useful kinds," especially "husbandmen," "mechanics," and any person who valued hard work well done (Franklin 1986/1782, 240). In "Information to Those Who Would Remove to America" (1782), Franklin wrote specifically to dispel the myths circulating in Europe of easy money in America, reinforce America as a "Land of Labour," and celebrate the work performed in the trades. Franklin also recognized science and invention as important entrepreneurial work and wrote about his own experiments. This theme was reproduced in Romantic era literature in Nathaniel Hawthorne's "Rappaccini's Daughter" (1844) and "Artist of the Beautiful" (1846), as well as Edgar Allan Poe's "Ligeia" (1845). As the country moved west, the frontiersman became the icon of American entrepreneurial individualism, and James Fennimore Cooper's "Leatherstocking Tales" featuring Natty Bumppo, including *The Last of the Mohicans* (1826), *The Pioneers, or the Sources of the Susquehanna* (1823), *The Prairie* (1827), *The Pathfinder* (1840), and *The Deerslayer* (1841), represented an emerging American work ideal.

With the increasing urbanization of American life, the rugged American type becomes transformed not by nature but by capitalism. In *Ragged Dick* (1867), Horatio Alger personified the American bootstrap hero myth by claiming that any person can achieve sustained success, if not wealth, by working hard, as did Alger's orphaned, impoverished, and homeless bootblack. Alger's Dick parlays a chance meeting into an education and long-term employment, implying that obstacles can be overcome through work. Alger wrote a series of pieces featuring Ragged Dick, as well as the *Luck and Pluck* stories (1869) and the *Tattered Tom* tales (1871). Alger's rags-to-riches imagery has become more than a literary construct; it has pervaded the national consciousness and influenced social policies since it was introduced in 1867. Ragged Dick allows the ordinary reader to ponder concepts of individuality also expressed by Ralph Waldo Emerson in *Self-Reliance* (1847), and by Henry David Thoreau in *Walden* (1854). Alger's rags-to-riches theme is clearly evident in a variety of immigrant narratives such as Anzia Yezierska's "America and I" (1923) and Mary Antin's *The Promised Land* (1912). These stories so thoroughly shaped the American consciousness that Americans continue to believe one can choose to overcome poverty, much in the same way that Ragged Dick did so, and that honest labor is readily rewarded.

By the twentieth century, the entrepreneurial spirit had assumed new proportions and faced increasing criticism as cultures and values clashed. American individualism, once the vanguard of Anglo-America, was increasingly embraced in defiance of cultural oppression, as was the case with *The Ballad of Gregorio Cortez,* a turn-of-the-century South Texas *corrido* (folk ballad) that retains its popularity today, and Américo Paredes's *Hammon and the Beans* (1994), a collection of stories about the military occupation of Brownsville, Texas in the 1920s and 1930s. Paredes's *George Washington Gomez* (1990) examines the psychic disjunctions between American individualism and Tejano collectivism. Theodore Dreiser chronicles the ups and downs of entrepreneurialism in his Frank Cowperwood trilogy of *The Financier* (1912), *The Titan* (1914), and *The Stoic* (1947). Lorraine Hansberry's play *A Raisin in the Sun* (1959) explores the opportunities for black workers in the white workplace, as does the poetry of Langston Hughes. In *The Right Stuff* (1988), Tom Wolfe explores the cultural climate of the late 1950s and early 1960s as American self-reliance and entrepreneurialism became exemplified by the Mercury astronauts. The quest to send humans to the moon rivaled John Smith's vision of limitless opportunities. This metanarrative of unlimited opportunity was juxtaposed against the economic declines of the late twentieth century and the disappointment and disillusion experienced by Americans of color. Writers such as Gloria Naylor in *Linden Hills* (1986) exploded the entrepreneurial myth by examining the personal and spiritual traumas caused by an unmitigated quest to be the best, economically and socially.

Representations of Agrarian Life

In *Letters from an American Farmer* (1782), J. Hector St. John de Crèvecoeur's character James posited that "we are the most perfect society now existing in the world" with the locus of that perfection in the farmer's labor and fruitfulness, establishing an enduring trope in American literature that was reinforced politically by Thomas Jefferson with the Louisiana Purchase (Crèvecoeur 2002/1782, 906). Critical of other American institutions, most notably slavery (which sullies the agrarian pursuit), Crèvecoeur uses his pastoral depictions of farming to show that the "progress of [the farmer's] labour" will overcome slavery and postrevolution disunity. In Royall Tyler's *The Contrast* (1790) Yankee farmer Jonathan becomes an American archetype, and Caroline Kirkland's *A New Home, Who'll Follow?* (1839) and *Forest Life* (1842) portray the transformation of the continent's massive forests into farmland and the roles women played in the transformation.

By the mid–nineteenth century, the agrarian ideal was at its peak and thus was also ripe for critique, as realism replaced romanticism's representations of farm life. In Nathaniel Hawthorne's *The Blithedale Romance* (1852), fiction is used to explore the contradictions between an agrarian life that promises peace and freedom and the manner in which the rigors of manual farm labor impedes intellectualism. At the same time, slavery increasingly disrupted earlier pristine imagery associated with agrarianism through the writings of Sojourner Truth, Frederick Douglass's *Narrative of the Life of Frederick Douglass, an American Slave* (1845) and Albion Tourgée's *A Fool's Errand* (1879). In the West, the titles to millions of acres of land were contested in the decades following the Mexican-American War in 1848. The racism, corruption, and greed inherent in this struggle are the subject of Maria Amparo Ruiz de Burton's *The Squatter and the Don* (1885), and Mariano Guadalupe Vallejo's (1875) narrative about the confiscation of his landholdings. Frank Norris's *The Octopus* (1901) and *The Pit* (1903) examine the same environment, focusing instead on the U.S. government's refusal to stem the tide of corruption in the emergent railroad industry, whose tyrannical practices all but enslaved the wheat farmers in the western territories and states. By the time Hamlin Garland was publishing his books, the farmer's independence was reframed as unending servitude to the whims of nature and the trials of the land in his short stories "Up the Coulé" (1891) and "Under the Lion's Paw" (1889). The stark, harsh existence of the farmer was reinforced in O. E. Rölvaag's trilogy about Norwegian farmers in Dakota Territory in *Giants in the Earth* (1927), *Peder Victorious* (1929), and *Their Father's God* (1931). Sherwood Anderson's title story in *Death in the Woods* (1933) shows the poverty experienced by many small farmers.

In the wake of World War I's horrors, the idealized environment of the rural life was again expressed in American literature. Willa Cather's *O Pioneers!* (1913) and *My Antonia* (1918) present female characters finding self-validation and profit by working the land, a land abandoned by men. Cather's novels invoke Crèvecoeur's farmer fantasy, but this time agriculture becomes the site of female fulfillment and ownership, the same ownership offered to immigrant men two centuries earlier. Farming as tenuous and tedious was reintroduced into the literary consciousness with the Great Depression, most notably in the work of John Steinbeck in *The Grapes of Wrath* (1939) and *In Dubious Battle* (1936), and in Erskine Caldwell's *Tobacco Road* (1932) and *God's Little Acre* (1933). These writers interrogate the ability of the land to sustain, let alone nurture, as farming was increasingly motivated by profit during the economic depression of the 1930s. Steinbeck and Caldwell critique notions of self-reliance and self-worth embedded in the agrarian ideal and create instead characters who become cogs in the growing agricultural industry.

Contemporary writers continue to critique the agrarian ideal. Cormac McCarthy's protagonist John Grady searches in vain for the lost ideal, the family ranch, in his border trilogy *All the Pretty Horses* (1993), *The Crossing* (1994), and *Cities of the Plain* (1998). At the same time, the loss of tribal lands during U.S. expansionism and sovereignty are integral to much contemporary Native American literature, including Linda Hogan's *Mean Spirit* (1992), which explores the exploitation of Osage farmers when oil is discovered on their lands; James Welch's *Fools Crow* (1986), which recounts the impact of white contact on the Blackfeet people of Montana; and Leslie Marmon Silko's *Ceremony* (1986), which shows a veteran of the Bataan Death March trying to cope with the memories of war and reestablish his cattle business. Chicano writer Rudolfo Anaya recounts the loss of land and forced urbanization in *Bless Me, Ultima* (1972) and *Heart of Aztlán* (1976). The trauma of internment during World War II and the loss of family farms and livelihoods is recounted in Hisaye Yamamoto's "Seventeen Syllables" (1949) and "Yoneko's Earthquake" (1951) and in David Guterson's *Snow Falling on Cedars* (1995).

Immigrants and Work in American Literature

American literature has eulogized the availability of work and the value of working hard, especially as a means to self-reliance and advancement. The narrative of immigrants, however, often reveals a different aspect of the American dream—a counternarrative of loss, disenfranchisement, and death. One of the first counternarratives was Richard Frethorne's letters to his parents (1623), in which he pleaded for release from his indentures by depicting the disease, death, and starvation rampant in Jamestown. His letters refute Smith's assurances of prosperity and provide a vision of American work that is not often dwelt upon: much of this work was performed by immigrants whose lives were filled with endless toil and trauma. By the nineteenth-century era of realist fiction, continuous waves of immigration forced the brutal work conditions faced by immigrant men, women, and children to the forefront of American literature. The characters in Rebecca Harding Davis's *Life in the Iron Mills* (1861) are poor Welsh immigrants working with iron refuse while being seen and treated as human refuse by those for whom their labor provides a profit. Sixty years later, the issue of human life as refuse was painstakingly presented by Upton Sinclair in *The Jungle* (1906), a noteworthy realistic text that examines the abuses faced by Lithuanian immigrants in the stockyards of Chicago. What was intended as a justification for socialism and workers' rights resulted instead in American consumers' demands to clean up the meatpacking industry. The condition of the meat was of more concern to Sinclair's readers than the condition of the workers handling that meat.

Immigrant workers have faced enormous abuses because of their immigrant status, lack of English, and lack of access to the U.S. legal system. The extreme poverty of many of these workers also renders them invisible to the larger society. In *America Is in the Heart* (1946), Carlos Bulosan recounts the enduring hope of immigrant Filipino workers at an Alaskan fish cannery in the face of substandard wages and unsafe working conditions. Bulosan shows that the American dream of safe, well-paid work is a fallacy for many workers, and he describes the ways in which this inhumane treatment is exacerbated by the loss of family, home, and country as these workers search for the dream of America. The immigrant's search for work and fulfillment is the focus of many other important works. Arthur Miller's play *A View from the Bridge* (1955) examines the conditions encountered by Italian dockworkers; Pietro di Donato's *Christ in Concrete* (1937) describes the death of an Italian immigrant bricklayer; and Mario Suárez's stories portray Señor Garza, a barber in a Tucson barrio, and the lives of his friends and neighbors. More recent works that explore the immigrant condition in the United States include Sandra Cisneros's *The House on Mango Street* (1984), *Woman Hollering Creek* (1991), and *Caramelo* (2002), all of which depict the impact a lack of viable work, or the devaluation of the immigrant worker, has upon poor people trying to sustain themselves in a foreign environment. Oscar Z. Acosta's *The Revolt of the Cockroach People* (1973) chronicles the activism of the Chicano movement and the centrality of Cesar Chavez and the United Farm Workers in the empowerment of all the nation's poor people.

Representations of Women and Work

From the turn of the eighteenth century through the end of the millennium, working women were represented in literature in ways that reflected larger social and economic concerns and contradictions. At the core of these representations was the question of whether work itself could be reconciled with culturally proscribed tenets of "womanliness"; representations also addressed issues of work and sexuality, family, motherhood, marriage, power, and social activism.

Antebellum writers attempted to either expose or reconcile notions of feminized innocence, purity, and domesticity with the toils and dangers of life in factories. In early foundational texts such as Susanna Rowson's *Charlottle Temple* (1791), working-class women were represented as being able to retain their virtues and earn their salvation through marriage. In T. S. Arthur's *The Seamstress* (1843), Fanny Fern's (Sara Willis Parton) *Ruth Hall* (1855), Ariel Ivers Cummings's *The Factory Girl* (1847), and Sarah Bagley's *Offering* (1841), work fails to erode the moral superiority of "good" women who through their labors support their families, learn usefulness, and practice self-sacrifice—all crucial components of the "cult of true womanhood." Similarly virtuous wage-earning women were represented in Nathaniel Hawthorne's *The Blithesdale Romance* (1852), Harriet Beecher Stowe's "The Seamstress" (1840), and Day Kellogg Lee's *Merrimack: or, Life at the Loom* (1854).

Other writers of the time focused on the dangers of work for women. In "The Paradise of Bachelors and the Tartarus of Maids" (1855), Herman Melville pandered to fears about workplace waywardness by representing the factory as a place where women's "natural" procreative powers are corrupted, even as women tend to their machines with maternal care and vigilance. Female authors of the era, such as Rebecca Harding Davis and Elizabeth Stuart Phelps, also focused on how industrial wage earning deformed rather than elevated the female character. In *Life in the Iron Mills* (1861), Davis examined the physical and psychic toll that factory work took on women by exposing the dangers of mass production, human alienation, and the unequal sexual division of labor. In *Silent Partner* (1871), Phelps represented working women as the victims of moral and physical debilities while further attempting to represent women's struggles for better working conditions.

Most of the literary representation of women workers during the nineteenth century focused on white women. Black women writers wrote to argue that the cult of true womanhood excluded African American women, who were forced to work. Harriet Jacobs, in *Incidents in the Life of a Slave Girl* (1861), argued that slave women were excluded from the protections of "feminine" behavior. Her characters reverse the association of black women with "unnatural" sexuality and reconcile the contradiction between "pure" and "fallen" working women to include the experiences of black women.

Like Jacobs's narrative in *Behind the Scenes: or Thirty Years a Slave and Four Years in the White House* (1868), Elizabeth Keckley portrayed an urban slave dressmaker who supports her bonded family through her labor. In the process, she elides the culture of true womanhood for black women. Similarly, in *Our Nig, or Sketches from the Life of a Free Black* (1859), Harriet Wilson describes the harsh employment and marriage conditions that oppress her black female characters.

The interest in and fear of women breadwinners increased during the Progressive era. Amid the publication of increasing numbers of new sociological surveys (Edith Abbott's 1910 *Women in Industry* and Elizabeth Beardsley Butler's 1907 *Women and the Trades*), literature continued to rehearse the gendered fears of a nation. Margaret Byington's *Homestead* (1911) depicted sexual deprivation that resulted from women's entry into this "unnatural" environment, and Theodore Dreiser's *Sister Carrie* (1900) presented enduring images of women who, in an environment of industrial capitalism, were vulnerable to both labor and sexual exploitation. Other fiction of the era depicted working women's emerging militancy—either favorably or unfavorably. In Mary Wilkins Freeman's *The Portion of Labor* (1901), young men and women work together to strike, and James Oppenheimer recounts the lives of striking women in *The Nine-Tenths* (1911).

Writers also created narratives portraying the immigrant working woman's escape through acculturation and assimilation. Mary Antin's *The Promised Land* (1912), Rose Cohen's *Out of the Shadows* (1918), and Anzia Yezierska's *The Bread Givers* (1920) portrayed working immigrant women who, by having the courage to endure humiliations, access education, assimilate, and survive. Bella Cohen problematized this belief in the power of assimilation in *Streets* (1922), in which a working-class immigrant woman is denied an education because she smells like onions.

The Great Depression witnessed a flowering of working-class consciousness and representation, yet most male writers continued to position their female working characters in the home as a sacrifice they must make for the larger political cause. Even embedded in strike novels such as Edward Newhouse's *This Is Your Day* (1937), good women accorded housework and party organizing equal importance. In contrast to the notion that women's value rested still in their domestic abilities, many women writers of the period rethought women's roles and values as workers. Tillie Olsen, Meridel Le Sueur, and Agnes Smedley consider the connection between women's economic victimization as workers and their domestic oppression through the institution of marriage under capitalism. In *Yonnondio: From the Thirties,* Olsen presents a heroine housewife who is physically and emotionally scarred by her oppressed laboring husband. Le Sueur's *The Girl* (1939) focuses on female strikers, women on public assistance, and unmarried mothers; in *Salute to Spring* (1940), she relocates and revalues motherhood outside patriarchy and capitalism. Similarly, in *Daughter of Earth* (1929), Smedley presents characters who expose motherhood as both a personal and a political sham for working women.

Shored up by representations of working migrant women by acclaimed photographer Dorothea Lange, Depression-era texts—such as John Steinbeck's *The Grapes of Wrath* (1939), Erskine Caldwell's *Tobacco Road* (1932) and *God's Little Acre* (1933)—further began to delineate an alleged distinction between "deserving" and "undeserving" working, poor rural women based on their relationship to men and work. Urban working women, and particularly working women of color, were judged by a similar measure in works by Claude McKay (*Home to Harlem,* 1928) and Carl Van Vechten (*Nigger Heaven,* 1926).

Within a few years of the publication of these texts, the United States entered World War II, and women entered the workforce en masse, only to be returned to their homes in the following years. In 1955, Harriette Simpson Arnow rewrote the male factory story in *The Dollmaker* to tell the tale of women who had to adapt to the loss of wage earning and its concomitant authority. By the 1950s, directed by fears of charges about "un-American activities," polemical representations of women workers waned, and writers instead addressed what they saw as working women's misdirected quests for consumerist fulfillment.

By the 1960s, cynicism about upward mobility spurred a new genre of bootstrap narratives for women, sometimes referred to as "up from trashiness" novels. In these representations the working poor, often poor working women of color, came to terms with their working-class positions without necessarily internalizing the values of the middle or elite classes. In Joyce Carol Oates's *Them* (1969), working women shed self-contempt and shame. In Dorothy Allison's *Bastard Out of Carolina* (1992), women reject middle-class notions of transformation through marriage and acculturation for a desire for self-reliance and economic independence. Similarly, in Carolyn Chute's *The Beans of Egypt, Maine* (1985), women workers lack class cachet and social attractiveness while celebrating their community.

Writers Agnes Rossi, Claudia Shear, and Barbara Ehrenreich confronted the conditions of work for women directly. In *The Quick* (1999), Rossi considered the work of women who are really the working poor but find both beauty and limits in their lives. In *Blown Sideways through Life* (1994), Shear traces the movements between jobs and joblessness. Barbara Ehrenreich, posing as a "low-wage" worker in order to write *Nickel and Dimed: On (Not) Getting By in America (*2001), exposes both the strength of community and the oppression that marks the lives of poor working women in the United States.

Blue-Collar Workers and Proletariat Literature

The representation of the blue-collar worker, the tradesperson, or the industrial worker underlies national notions of work. Early celebrations of tradespeople are evident in Philip Freneau's *The Country Printer* (1791) and mid–nineteenth-century writers extolled the virtues of workers: blacksmiths, sailors, carpenters, mechanics, masons, and butchers. Walt Whitman's "Preface" to the 1855 edition of *Leaves of Grass* lauds "the noble character of the young mechanics and of all freed American workmen and workwomen," and seductively sensuality is imbued in "I Hear America Singing" and "Song of Myself." Henry Wadsworth Longfellow's "The Village Blacksmith" provides an enduring image of a tradesperson in the United States, as does Frederick Douglass's autobiographical portrait of his work as a ship caulker. Lydia Maria Child's plea for the rights and dignity of black workers in *Appeal in Favor of That Class of Americans Called Africans* (1835) addressed the lack of opportunity accorded free black workers in the North by attacking the systemic prejudice that restricts black workers to manual and menial labor.

Sailors and seamen were the subject of numerous works and show the importance of the shipping, fishing, and seafaring industries. Herman Melville's experience as a seaman inspired some of his most important works. *Moby Dick, or the Whale* (1851) is a treatise on nineteenth-century whaling, and "Benito Cereno" (1856) attacks American society's deliberate blindness regarding slavery and the role of northern shipping interests in the promotion of the trade; *Typee: A Peep at Polynesian Life* (1846) and *Omoo* (1847) are memoirs of Melville's early years as a seaman; *White Jacket; or The World in a Man-of-War* (1850) and *Billy Budd, Foretopman* (1924) explore the ways that the isolation of the ocean contributes to cruel and inhumane treatment of sailors at the hands of officers. Olaudah Equiano's narrative recounted how he was captured and sold into slavery, his years as a slave on a merchant vessel, and his later life as a freed merchant. Richard Henry Dana's *Two Years before the Mast* (1840) and Mark Twain's *Life on the Mississippi* (1883) also portray the experiences of those plying trades on U.S. waterways.

Although Whitman and Longfellow applaud the tradesperson, other writers examine the exploitation of workers by U.S. industry. In Herman Melville's "The Tartarus of Maids" (1855), the lives of the women working at the paper factory remain blank, empty of the promise life should offer them in the form of families, children, and health. The loss of life and limb and the infliction of sexual assault upon them gives Blood River meaning: it literally drains the life out of these workers as the fruits of their labors (paper) are absently used by the upper classes depicted in the companion story "The Paradise of Bachelors." Jack London's story "South of the Slot" (1909) depicts the emerging union movement and displays the prejudices faced by workers who just decades earlier were lauded for their contributions to American life.

Proletariat literature can be defined as that which represents workers with consciousness, dignity, and voice. This genre had its beginning in the 1800s in the United States as proletarian portraitures began to develop in the character of "Mose the Bowery Boy." In Benjamin Makers's play "A Glance at New York" (1848) and George Fosters's *New York in Slices* (1849), this character challenged prevailing class mythology. Later manifestations cast the character as inept (Cornelius Mathews's *The Career of Puffer Hopkins,* 1842), a drunk (Walt Whitman's *Franklin Evans; or the Inebriate,* 1842), or rightfully indignant (George Lippard's *The Nazarene,* 1846; *Adonai* 1851). Other writers who created Emersonian heroic labor protagonists included Elizabeth Oakes Smith (*The Newsboy,* 1854), Sylvester Judd (*Richard Edney*

1859), and Herman Melville (*Redburn, His First Voyage,* 1849).

Proletarian literature was most prolific and most celebrated around the 1930s. Most noteworthy were proletarian writers Mike Gold and Jack Conroy. In Gold's poetic, semiautobiographical *Jews without Money* (1930), the protagonist comes to terms with his own working-class background, recovers an intergenerational working-class identity that had been denied to his father, and moves not upward through tropes of exceptionalism but toward solidarity with labor. Similarly, in Conroy's *The Disinherited* (1933), the labor hero recovers community for his working-class father, rising with his class and developing a working-class consciousness based on strength and the dignity of the community.

Even revolutionary proletarian realist literature eclipsed the female working subject. In addition to proletarian women's representations by Olsen, Le Sueur, and Smedley, writers Mary Heaton Vorse, Grace Lumpkin, Fields Burke, and Josephine Herbst responded by creating a proletariat women's labor landscape that allowed their characters to posit the dignity and power of working women. In *Strike!* (1930) Vorse portrays the fierce resistance of women workers in an oppressive southern mill town. Lumpkin, in *To Make My Bread* (1932), represents good mothers who are similarly committed, powerful, and adept strikers and strike leaders. In *To Call Home the Heart* (1932) Burke (Olive Dargan) creates a powerful martyred mill mother and organizer. Herbst's trilogy, particularly *The Executioner Waits* (1934), similarly portrays noble but complex working-class subjects who struggle to be true both to their class brothers and their proletarian mothers, sisters, and daughters.

The proletarian novel shifted but continued to shape literary representation at the end of the millennium. This movement was most evident in self-conscious labor characterizations at the intersections of race, class, gender and sexual identity. Ben Hamper's *Rivethead: Tales from the Assembly Line* (1991), Richard Russo's *Nobody's Fool* (1993), and Ralph Lombreglia's "Make Me Work" (1994) examine class and consumerist fulfillment embedded in modern industrial work. Other views on the subject can be found in Michael Dorris's "The Benchmark" (1993), John Edgar Wideman's *All Stories are True* (1993), and Nathan McCall's *Makes Me Wanna Holler: A Young Black Man in America* (1994), which consider the intersection of race and class identity and consciousness; Lan Samantha Chang's *Hunger* (1998), Sherman Alexie's *Reservation Blues* (1995), Esmeralda Santiago's *When I Was Puerto Rican* (1993), and Luis Alberto Urrea's *Nobody's Son* (1998), which address class as well as race, ethnicity, gender, and nationalism; Terrry McMillan's *Mama (*1999), Rosalyn McMillians *Blue Collar Blues* (1999), and Ramona Lofton's (Sapphire's) *Push* (1997) rethink representations of working- and poverty-class identity with race and gender; and Dorothy Allison's *Trash* (1988) and *Bastard Out of Carolina* (1992) and Linda Niemann's *Boomer* (1990) reframe experiences of class and (nonhetero) sexuality. Tomas Rivera's portrayal of Mexican migrant farm workers in South Texas in *. . .y no se lo tragó la tierra/And the Earth Did Not Devour Him* (1971) challenges readers to recognize that the bounty they enjoy is harvested at the hands of poorly paid laborers. Rivera challenges the dehumanizing reduction of human labor to "hands" by presenting children whose futures are jeopardized by the work that supposedly inscribes dignity and worth. Together these contemporary proletarian representations reconfigure labor's myriad, complex, and fluid experience, consciousness, and representation.

White-Collar Workers in Literature

With the rise of industrialization and the corporatization of U.S. society, representations of white-collar workers, professionals, and corporate workers have been introduced into American literature. The first novel to focus on the businessman was William Dean Howells's *The Rise of Silas Lapham* (1885). Howells's work depicts the dangers inherent in the sanctification of American businessmen, for whom profit alone establishes worth and "holiness." The racial prejudice that denies freedmen access to the professional white-collar world is the subject of Paul Laurence Dunbar's "Mr. Cornelius Johnson, Office Seeker" (1899) and Rebecca Harding Davis's *Waiting for the Verdict* (1868). In *McTeague* (1899), Frank Norris addresses the professionalization of health care and dentistry.

By the 1920s, the trope of the businessman was integral to American literature, and his life and values increasingly came under scrutiny. Satirist Sinclair Lewis's George Babbitt has become closely associated with the excesses of middle-class narrow-mindedness and smugness. In *Babbitt* (1922), Lewis examines the unimaginative aspirations of the American middle class, the role work plays in defining white-collar worth, and the unending quest for profit and status; *Arrowsmith* (1925) focuses on the medical profession; and *Elmer Gantry* (1927) is a scathing indictment of the business of charismatic evangelism. In Arthur Miller's play *Death of a Salesman* (1949) the actual quest for profit is subordinate to the appearance of success and assurance. Miller's Everyman is a salesman, Willy Loman, who has so absorbed the concept of the sale that he has lost track of the substance of life and work. Loman's blindness regarding the value of appearances versus work results in the sense of failure that leads to his suicide. Edward Albee's play *The Zoo Story* (1959) depicts the middle-class's discomfort with its own work values, and Elmer Rice's *The Adding Machine* (1923) explores the impact of work on the human psyche. The theme of middle-class malaise and anger characterized Tom Wolfe's *Bonfire of the Vanities* (1988), which explored the corrupt nature of Wall Street workers.

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See also Blue Collar; Great Depression; Immigrants and Work; Lewis, Sinclair; Professionals; Sandburg, Carl; Sinclair, Upton; Socialism; Steinbeck, John; White Collar; Whitman, Walt; Women and Work

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Work in Television

The most profitable and pervasive medium of entertainment in the United States is television. Yet, throughout its history, this dominant medium has seemed to pay little or no attention to the average American's most time-consuming activity—work. This is not to say that television has ignored issues of social class or status. Working-class characters, settings, and cultures have played an important role in the rise and success of television, from the bus-driving hero of *The Honeymooners* in the 1950s and 1960s to the inner-city project dwellers of the *Good*

Times in the 1970s to the parcel-delivering protagonist of today's *King of Queens.* Working-class characters have become a familiar element of television's imaginary American landscape; the work these characters do, however, is usually a more obscure element of the small screen.

One reason is that television divides its representation of American life into two distinct spheres: the domestic and the public. Indeed, whole periods of television history have tended to be dominated by one sphere or the other. This bifurcation evolved out of an original, eclectic mix of television programming, much of it initially borrowed from formats, genres, and narratives popular among radio audiences. A glimpse at the first decade or so of television programming—from 1948 to 1958—demonstrates the initially disorganized prime-time schedule, as variety shows like *The Ed Sullivan Show* and *The Milton Berle Show* were slotted among live television drama anthologies like *Philco Television Playhouse* and *Silver Theater;* boxing and other sports shows; game shows; and televisualized radio shows like *The Goldbergs, Mama, Martin Kane,* and *Dragnet.* By the watershed season of 1957–1958, television had started to become a rationalized medium, with variety and live theater shows giving way in prime time popularity to made-for-TV narratives, mainly dramatic serials, as specific genres began to consolidate their shape and presence. In that season year, a Western, *Gunsmoke,* became the number-one-rated prime-time show, followed by the family comedy *The Danny Thomas Show,* and a slew of other Westerns like *Tales of Wells Fargo, Have Gun, Will Travel,* and *Wyatt Earp.* By 1958, the TV schedule itself had begun to take shape—with soap operas moving to daytime television and prime time divided into an early slot (7 to 9 P.M.) dominated by game shows, domestic comedies, and variety shows, and a late slot (9 to 10:30 P.M.) dominated by Westerns and crime shows. This division reflected a gendered segmenting of the audience, with women and youngsters targeted in the early slot and men targeted in the later prime-time slot. As television organized its schedule (based in large part around developing markets for advertisers), television also organized its audiences.

The gendering of the TV schedule reflects a broader gendering both of television genres and televisual representations of work. Early television dramatic shows, rooted like the medium's early audiences in post–World War II urban life, focused on family life. In shows like *I Love Lucy, The Goldbergs, The Life of Riley,* and *The Honeymooners,* women stayed at home while husbands left for work. The television camera remained at home, almost always recording the drama and comedy of domestic conflict and resolution as it played itself out within the four walls of apartment and home. In the 1960s, as the American middle class abandoned the city, this domestic setting was transferred to the split-level and ranch homes of the nation's burgeoning suburbs. Thus, beginning with shows like *Father Knows Best* and *Dennis the Menace,* through a long string of 1960s and 1970s hits like *Leave It to Beaver, My Three Sons,* and *The Brady Bunch,* the same pattern prevailed: dad departed for work, now usually as a professional or vaguely defined businessman, and left mom and the kids at home. This pattern within the family drama or comedy show persists to the present in more recent sitcoms like *Growing Pains, The Cosby Show,* and (with inverted gender roles) *Who's the Boss*. Presenting the home as the center of everyday life, family television resolutely defined paid work as a mysterious, often burdensome, but rarely explicated realm.

At the same time, television began to develop a whole series of alternative genres to project less direct representations of the public sphere. If the domestic drama and comedy gave equal time to mom and the kids, these alternative genres were dominated by men, and particularly by men without explicit ties to women or family. The roots of this alternative television world can be found in the immense and enduring popularity of the Western in the late 1950s and the 1960s. Indeed, we often think nostalgically of early television as a celebration of the American family, but television actually rose to national popularity on the backs of gunfighters and cowboys. Early westerns like *Gunsmoke, Wanted Dead or Alive, Tales of Wells Fargo, Wagon Train, The Rifleman, Maverick,* and *Have Gun, Will Travel,* featured a world dominated by single men and violence. Unlike television's domestic entertainment, these shows chronicled the conflicts and adventures of men moving across public landscapes—from the saloon to the cattle trail. Work, whether as a sheriff or a cowboy, was more visible here, even if subordinated to the central dramas of revenge and justice.

By the late 1960s, the television Western had lost considerable ground to the sitcom. With some important exceptions, work would not emerge in a broad way into the television camera's view until the mid-1970s, when the cowboy genre evolved into the police drama. The basic elements were the same: single men, violence, and stories of law and order. Yet, in transferring these elements to the "wild west" of the city streets, the police drama also foregrounded the work of policing. Thus, shows ranging from *Hawaii Five-O* to *Baretta* to *Adam–12* and *Dragnet* were hardly interested in complexities of character or the richness of human psychology. Instead, the procedures of police work—detection, confrontation, and apprehension—became the narrative drama. Work was central to these shows, and the key value exhibited by all cop-heroes, from *Dragnet*'s laconic duo to the hipper cast of *Kojak,* was a cool, resolute professionalism, an ability to get the job of police work done under any and all circumstances despite personal conflicts and private life. The value of law and order professionalism reached a climax in ensemble shows like *Hill Street Blues* and more recent incarnations like *Law and Order, NYPD Blue, Homicide,* and *CSI.*

Today's television schedule still maintains the split scheduling of old—with sitcoms and domestic dramas dominating the early evening slot and law and order shows dominating the late slot. However, the earlier gender splits that supported this programming no longer hold sway in the same way; women are now just as much a part of law and order shows as they are of sitcoms and family dramas. The key to this shift was the tremendous regendering of prime time that occurred in the early 1970s, when women gained equal time in prime time largely through workplace-centered dramas. Early television had sporadically represented women in the workplace, most notably in *Private Secretary* (1953–1954) and *Our Miss Brooks* (1952–1956), but these series were short-lived and largely driven by the popularity of their stars, Ann Sothern and Eve Arden, respectively. As the world outside television started changing in the mid- to late 1960s, fuller portrayals of working women began to gain more purchase, especially in popular shows like Marlo Thomas's *That Girl* (1966–1971) and the groundbreaking *Julia* (1968–1971), a family drama starring Diahann Carroll as a single, African American mother working as a nurse. The real breakthrough came, however, with *The Mary Tyler Moore Show* (1970–1977), not only because the show put a single working woman at the center of its comedy-drama but also because the show's success spawned a production company, MTM Enterprises, headed by Moore and husband Grant Tinker, that continued to generate woman-centered and innovative dramas beyond *The Mary Tyler Moore Show*'s prime time success. In her own way, Mary Richards, the character played by Mary Tyler Moore, decisively broke the conventions that had allowed women access to prime-time television. Mary was single (and originally conceived as a divorcee), middle class, and professionally successful; she succeeded in the traditionally male work world of broadcast news; and, by dramatizing the tensions between traditional female gender roles centered on romance and new roles, including professional work, she became a televised representative of major changes occurring in the social world. It's important to note, however, that despite these changes, Mary Richards never made a complete break with earlier female television types: most *Mary Tyler Moore* shows centered on romantic attachments or entanglements; Mary tended to be the peacemaker and mediator of the fictional work world she inhabited; and Mary never broke out of her somewhat subordinate role in the newsroom hierarchy. An argument could in fact be made that, in significant ways, *Mary Tyler Moore* represented a crossover or hybrid of the family drama and its more masculine prime-time cousins, with Lou Grant (Ed Asner) as the stern but ultimately benevolent boss–father figure overseeing a dysfunctional family that benefited from the new "feminine" values supplied by Mary Richards.

Nonetheless, *Mary Tyler Moore* opened the gate to fuller female representation in prime time and particularly in the prime-time workplace. The show generated spin-offs centered on single, working female characters, most notably *Rhoda* (1974–1978) and *Phyllis* (1975–1977). (MTM Enterprises went on to produce further, more "relevant" programming like *Hill Street Blues, St. Elsewhere,* and *The White Shadow.*) In 1976, for instance, *The Bionic Woman* was added to the prime-time schedule to complement the *Six Million Dollar Man.* By the mid-1970s, women had even begun to infiltrate the once-wholly male law and order shows, with *Police Woman* appearing in 1974 and, to underline the ways in which this progress could sometimes prove dubious, the appearance of *Charlie's Angels* in 1976.

The tensions within gender roles and between domestic and work experiences for women explored by *The Mary Tyler Moore Show* would also nurture the comic and dramatic conflicts of Mary Richard's daughters, like Murphy Brown in the series of the same name, Maddie Hayes of *Moonlighting,* and the female cast of the short-lived movie spin-off *9 to 5* (1982–1983; 1986–1988). Murphy Brown and Maddie Hayes are more obvious descendants of Mary Richards; a less obvious progeny is Roseanne Arnold, whose enormously popular sitcom, *Roseanne* (1988–1997) explored the blue-collar world of work and family rather than the travails of the professional-managerial independent woman. Still, in her efforts to meet the demands of work—as employee and later employer—and the demands of home life, *Roseanne* explored gender tensions similar to Mary Richards's. One common televised way of handling these conflicts has been to divide them between characters, as in the police drama *Cagney and Lacey* (1982–1988), in which the statuesque blonde Cagney (Sharon Gless) embodies a more "male" professionalism and the darker, brunette Lacey (Tyne Daly) embodies more "feminine" traits of nurture and compassion. By the mid-1980s into the early 1990s, on shows like *St. Elsewhere, ER, Cheers, LA Law, Baywatch, Third Watch,* and countless others, women had been integrated into the televisual workplace, although the frictions and conflicts first explored by *Mary Tyler Moore* remained popular sources of dramatic and narrative action.

Another key aspect of work in television highlighted by *The Mary Tyler Moore Show* is the medium's use of the workplace as setting, device, and dramatic source. Except for *Mary Tyler Moore* (and the different medium of radio in *WKRP*), media workplaces—studio, newsroom, and set—have made rare appearances on prime-time TV. Subgenres within workplace-centered television include the military (for instance, popular shows like *Combat,* 1962–1967; *Gomer Pyle, U.S.M.C.,* 1964–1969; *McHale's Navy,* 1962–1966; *China Beach,* 1988–1991; *Major Dad,* 1989–1993; and today's *Jag*); schools (the early *Our Miss Brooks,* 1952–1956; the funky *Room 222,* 1969–1974; *Welcome Back, Kotter,* 1975–1979; *The White Shadow,* 1978–1981; *A Different World,* 1987–1993; *Coach,* 1989–1997; and more contemporary shows like *The Education of Max Bickford,* 2001–2002 and *Boston Public*); and even domestic service (*Hazel,* 1961–1966; *Family Affair,* 1966–1971; *Nanny and the Professor,* 1970–1971; *Benson,* 1979–1986; *Who's the Boss; Mr. Belvedere,* 1985–1990; and *The Nanny,* 1993–1999). There have even been a few oddball efforts to represent less familiar workplaces, including long haul trucking (*Movin' On,* 1974–1976) and janitors (the short-lived Jim Belushi and Michael Keaton sitcom, *Working Stiffs,* 1979).

Other workplaces have proven much more popular and common, however, particularly the courtroom, the police precinct, and the hospital. Starting most famously with *Perry Mason* (1957–1966), the courtroom has been a favorite TV workplace. Legal trials are by nature narratively structured; they also easily incorporate aspects of the "whodunit." So pliable is the courtroom setting that it also crosses genres, from the soap opera to the drama (*Judging Amy*) to the sitcom (*Nightcourt,* 1984–1992). Police shows have proven a mainstay of prime-time fare as well, ranging from straight police procedurals (like *Dragnet; Adam–12,* 1968–1975; and today's *CSI*) to detective shows (*Mannix,* 1967–1975; *Murder, She Wrote,* 1984–1996; *Matlock,* 1986–1992; *Magnum PI,* 1980–1988; etc.), more action-oriented shows (*The Mod Squad,* 1968–1973; *SWAT,* 1975–1976; *The Rookies,* 1972–1976); and various intergenre hybrids, most bizarrely the "police musical" *Cop Rock* (1990) but also the more popular *Quincy, M.D.* (1976–1983) and today's *Crossing Jordan,* both of which reflect the marriage of police and hospital dramas. Like courtroom dramas, hospital or medical dramas have also mutated across genres, from soap operas to comedies (like *M.A.S.H.* or the contemporary *Scrubs*) to dramas and crime TV. As in the courtroom, events in hospitals are intrinsically narrative, with the process of diagnosis, treatment, and recovery (or fatality) comprising a basic narrative structure. But like other workplace-centered television, hospital and medical dramas also focus on workers who are clearly defined by special expertise, an expertise fundamental to critical moments and anxieties of everyday life (from murders to heart attacks) and enmeshed in technical terms, practices, and procedures. In all these ways, workplace television defines itself as both central to viewers' lives and as distant and somewhat adventurous.

More recently, workplace television has given rise to a surge of ensemble dramas—shows in which the workplace both draws groups of disparate characters together under the camera's eye and offers multiple dramas and narratives. The ensemble show has its roots in the twinned currents of earlier television programming; by emphasizing the web of relations among characters, it resembles the daytime soaps, but by focusing on the professional ethos, it harks back to earlier cop shows like *Hawaii Five-O* and other paradigms of professional-ensemble drama like *Mission Impossible* (1966–1973) and *M.A.S.H.* (1972–1983). Many of these shows use the work setting, whether the hospital of shows like *ER, Chicago Hope,* and *St. Elsewhere* or the law firm and precinct station of shows like *Hill Street Blues, NYPD Blue, Law and Order, The Practice,* and *Third Watch,* as an opportunity to create more fully representational casts and workplaces, including fuller representation of women, ethnic and racial minorities, class strata, and even sexualities. Here, apparently, work itself provides the essential stuff of television narrative, as the camera tracks an assorted group of professionals who are actively managing an assorted group of clients and work situations.

Many of these ensemble shows are not so much concerned with the labor of work as with workplace relations, however. So, for instance, shows like *ER* and *The Practice* are less about doctoring than about the relations between doctors or lawyers or about the relations between these professionals and their clients. Tense courtroom scenes and action-packed trauma centers tend to obscure the real work of lawyering or doctoring—from the tedious hours of case searching to endless paperwork filing and report filling. Other, more procedurally oriented shows like *Law and Order* (in all its various incarnations), *CSI,* and *Third Watch,* however, focus squarely on work itself and draw the viewer into the actual behaviors, techniques, and knowledges that comprise work.

Indeed, *CSI* exemplifies the way work itself is represented in television today. Through its ensemble cast, *CSI* represents the new diversities of today's workplace where men, women, and minorities cooperate harmoniously. Likewise, there is a rough workplace democracy: the *CSI* lab is run by chief technician and benevolent patriarch Gil Grissom, but his management style is low-key and laidback. Careful, strict professionalism conquers the challenges of the task at hand. The show's narrative is structured not around personalities or personal conflicts but around the case or cases to be solved and the technical expertise of its highly trained characters. Work in *CSI* is not physical but mental and cognitive. All the characters find fulfillment in their work; little of the characters' off-work lives or histories plays a central role in the show. Indeed, the satisfaction of watching *CSI* comes from watching these characters as they work together, even if the particulars of this work—from spectroanalyzing ketchup to determine its chemical makeup to peering through microscopes to match bullet fragments—are actually pretty esoteric and dull. Shows like *CSI* celebrate and idealize work because extreme devotion to work and its codes of professionalism promises personal fulfillment, communal identity, and a way to avoid broader social contexts and conflicts. Most American workers would probably find it difficult to divorce their work and workplaces, at least to the extent portrayed on television, from the intricacies of their personal lives and the social system.

Representations of work in American television, then, generally tell us less about the realities of American work than about an idealized workplace and idealized work relations. The workplace is a place detached from home, generally void of power and power relations, largely based on professional expertise, usually dominated by teamwork, and where the job always gets done. Comic versions of the workplace, like *Roseanne, Nightcourt,* or *M.A.S.H.,* simply invert these conventions, mocking their sanctity while recognizing their authority. As in other media like cinema and novels or short stories, work itself—daily, repetitious labor—tends to resist narrative representation. Substituting the workplace and work relations for work itself, television gestures to the world of work even as it erases work from its video pleasures.

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See also Work in Film

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Work in Visual Art

Work in the visual arts has been a ubiquitous subject, explored, valorized, and revalorized in numerous traditions of American art. In the late eighteenth and early nineteenth centuries, the depiction of work in U.S. art concentrated on images of artisans and farmers. Later in the nineteenth century, with the growth of industry, images of forges and factories grew more prominent. In these industrial scenes, workers were often anonymous figures lost in vast workspaces. As labor unrest and organizing grew in this period, images of strikes and other confrontations also began to appear in paintings and magazine illustrations. The Ashcan school of turn-of-the-century New York brought a new diversity of imagery to depictions of work and urban life. It took the funding of public art by the federal government during the Depression in the form of commissions and support from the Works Progress Administration (WPA), combined with the impact of left-wing movements like Mexican muralism and the development of the U.S. regionalist movement, to bring workers as individuals or collectively to the forefront of murals, paintings, and sculpture. Although still anonymous, these figures, primarily masculine, defined the image of the industrial worker that still dominates public and union commissions of images of labor. After an eclipse of imagery focused on workers, factories, and strikes during the conservative 1950s, the 1960s and 1970s saw a renaissance of murals in urban and ethnic community-based movements, followed by a renewed and continuing interest in depictions of work and workers, often sponsored and exhibited by labor unions.

Artisanal Republicanism

In the colonial period in the United States, work was rarely represented in art, which consisted principally of portraiture, landscape, and allegorical or religious paintings and engravings. In the hierarchically ordered world of the colonies, the arts served often to celebrate property and status. In portraiture, for instance, the main interest lay in depicting the family through elite social markers such as clothing and possessions, not in terms of work or profession. However, the iconography of work changed as republican ideas and values spread, linking work with the useful exercise of reason, human progress, and prosperity. Thus, images of colonial laborers and craftspeople appeared in prints and engravings published in books and broadsides, most inspired by the meticulous images of craftspeople canonized in Denis Diderot's *Encyclopedia* (1762–1777). Such new ideas are evident in two exceptional portraits of silversmiths by John Singleton Copley (1738–1815), Boston's painter to the colonial elite: *Nathaniel Hurd* (c. 1765) and *Paul Revere* (1768–1770). Revere (who would only later gain fame as a revolutionary) is shown holding one of his own silver works while he looks directly at the viewer, his chin resting in his right hand. Although not shown at work, he wears his working clothes, and the entire painting functions as a metaphor for his craft, from the gleaming silver vessel grasped by and echoing his brightly lit hands to the direct gaze that emphasizes the craftsman's skill and intelligence.

From the late eighteenth to the last quarter of the nineteenth centuries, republican ideals continued to infuse the iconography of work. The arts privileged images of white, skilled, independent artisans and farmers—those who epitomized the Jeffersonian ideal of American democracy. In this discourse, mechanics and yeoman farmers were the foundation of the American experiment. That is, the political independence of the American republic was based on the self-reliance of knowledgeable, economically independent citizens who embodied both the spirit and the ends of the work ethic—whose labor yielded them its just rewards. Hence a popular series of engravings by Oliver Pelton in the 1840s illustrated sayings from Ben Franklin's *Poor Richard's Almanac;* for example, one showed a blacksmith's shop accompanied by the motto "Industry pays debts, while despair increaseth them" (Hills 1985, 121). Alternatively, as ruling elites grew more conservative and exclusionary, this discourse took on a dissenting edge as the "radical republicanism" of labor and workers' movements (see Fink 1994; Weir 1996; Wilentz 1984).

Thus, in this period, images of work can be divided primarily into urban and rural genres. In urban settings, portraits of artisans or skilled craftsmen focused on the independent workman as a kind of American hero, surrounded like a classical hero or saint by the attributes of his work. In rural settings, the labor of the farmer was celebrated. Both genres, however, represented work as an elevating activity combining manual and mental labor in a harmony of ends and means. Celebratory images of the labor process in the context of new science and technique, even awe-inspiring workshops, shared in that fundamentally optimistic spirit. Republican imagery was highly classicized, granting work and industry a semantically rich nobility and spiritual scope lifted above the quotidian spur of production.

Thus, a large oil painting by the Philadelphia portraitist Bass Otis (1784–1861), *Interior of a Smithy* (1815), portrays the craft of the artisan in a dramatically lit interior view of a scythe maker's shop. The painting focuses on the details of the process, and it has the clarity of an engraving of the sort that might have appeared in the books that craftspeople consulted. Otis had apprenticed with a scythe maker before becoming an artist, and his painting also appeals to the pride of craft of the artisan.

A powerful example of the image of the artisan is John Neagle's (1796–1865) commissioned, full-length portrait of a blacksmith and locksmith, *Pat Lyon at the Forge* (1826–1827). In this painting, Lyon is shown in his workshop with a fire burning behind him, but the light plays on his face and white workman's shirt with sleeves rolled up to bare his muscular arms, one hand on his hip and the other resting on an anvil. He wears a leather mechanic's apron, and his intellectual mastery of his craft is further secured by the two open books on the workbench behind him. Behind Lyon stands an apprentice fanning the forge with a bellows. He is in shadow now, behind the master, but his pose echoes Lyon's; he symbolizes the future, when he will have learned the craft and set out on his own (Dabakis 1999, 10–12).

The sturdy yeoman farmer, a familiar figure that would again be celebrated in the regionalist art of the twentieth century, was the subject of such nineteenth-century paintings as Eastman Johnson's (1824–1906) *Corn Husking* (1860). In this work, the farmer lifts the corn in a basket to his back in a symbol of physical strength, and he is surrounded by the members of his family who depend on his labor. The image, which shows the family seated in the hay and conversing, combines images of labor and leisure to envision the balanced rhythm of preindustrial life. Although the work was widely circulated in the form of a handcolored print by the New York firm of artist-publishers Currier and Ives (founded 1857), its valorization of the yeoman farmer already was contested. Contemporary writers saw Eastman's work as a nostalgic depiction of a lifestyle slipping away before the tide of industrialization (Hills 1985, 124; Foner and Schultz 1985, 13).

Noble images of farmers and artisans have a history stretching back to classical antiquity, and the classicizing impulse did not stop at the Eastern Seaboard. Idealized traders and trappers appear in the work of such frontier artists as George Catlin (1796–1872), Charles Deas (1818–1867), George Caleb Bingham (1811–1879), and later, Frederic Remington (1861–1909). *Long Jakes* (1844) by Deas established the romantic type of the trapper: a mounted figure dressed in furs and armed with a long rifle, portrayed with the drama and sweep of a Velasquez equestrian portrait, an almost religious apotheosis of a free-spirited figure designed to appeal to urban easterners (Johns 1991, 66–73). Bingham's Western genre scenes parallel the farmers of Eastman and Mount in their harmonious, classical compositions and noble but lively figures. In *Fur Traders Descending the Missouri* (1845), *Raftsmen Playing Cards* (1847), or *The Jolly Flatboatmen* (1846), Bingham's westerners are clearly defined social types participating in the economic development of the frontier preparatory to integrating it economically and socially with the East (Miller 1992).

The industrialization of the United States proceeded throughout the nineteenth century and was first concentrated in the textile mills of the Northeast. With the spread of railroads and the development of mines and foundries, the small workshops of the artisans were replaced by industrial establishments founded on the labor of wage workers. The greatest spur to industrialization was the Civil War (1861–1865), and it is appropriate that among the relatively few paintings of workers engaged in industrial production are John Ferguson Weir's (1841–1926) *The Gun Foundry* (1864–1866) and *Forging the Shaft: A Welding of Heat* (1878). The former was commissioned by Robert Parrott, owner of a foundry in Cold Spring, New York, across the Hudson from West Point, where the eponymous artillery that sounded in so many Civil War battles was cast. A blazing cauldron of molten metal at the left is poured into a gun mold, its brilliance lighting the brawny bodies of the foundry workers, while Parrott and his family watch from the right. *The Gun Foundry* was the only work of art depicting an industrial scene to be shown at the 1876 Centennial Exhibition in Philadelphia, which was otherwise a showplace for the new machines and industries of the United States. *Forging the Shaft* also is set in a

Cold Spring foundry; it shows fourteen men working together to forge the drive shaft for the propeller for an oceangoing ship. Together, the two paintings can be read as metaphors charting the uses of the North's new resources after the war. The Parrott gun and the army that used it in the Civil War would become the weapons that defeated the Native American nations as the United States expanded westward, and industrial facilities and oceangoing ships would spread the country's economic reach around the world.

Yet, despite the quickly apparent disparities and insecurity of the post–Civil War United States, republicanism remained a powerful vein of work and worker iconography. One well-known example is the work of Thomas P. Anschutz (1851–1912), a student of the Philadelphia realist artist Thomas Eakins (1844–1916). Anschutz's *The Ironworkers' Noontime* (1880–1881) places the muscular, masculine bodies of a group of West Virginia foundry workers in a grand frieze across the painting in a composition that recalls the sculptures of a classical temple. Partially stripped to wash up for lunch, the strength of the men's bodies is reinforced by the massive foundry building behind them, with smoking chimneys and a hulking blast furnace. Similarly, the ironworkers' union called itself the Sons of Vulcan. Echoing that, classical imagery is explicit in a mural about the ironworkers by Edwin Austin Abbey (1852–1911) in the rotunda of the Pennsylvania State Capitol in Harrisburg: *The Spirit of Vulcan, the Genius of the Workers in Iron and Steel* (1907) showing the god in an upper register and groups of workers below.

Slaves and Wage Slaves

If skilled, male, white, independent work and workers remained iconic, other forms of labor were viewed as degraded and marginal. For example, although independent artisans owned their own tools and were expected to rise and prosper from their knowledgeable labors, wage labor was compared with slavery—indeed, it was termed *wage slavery.* Reformers saw in wage labor a condition of subjection and permanent dependency tending toward a servility and lack of "competency" at odds with the republican ideal. Women, African Americans, slaves, and wage workers were represented as "other" to the real economic citizens of the American republic and nascent labor movements. Instead of being valorized, they were constituted by a largely Christian, heavily sentimentalized rhetoric of victimization and even childish ignorance. Such symbolism led easily to negative characterization—especially of minorities and the foreign-born—as unruly forces.

In contrast with the muscular, male, independent artisan, women were sentimentalized as victims of the industrial economy. For instance, the women textile workers of New England factories were portrayed in Winslow Homer's (1836–1910) *The Morning Bell* (1872). During the course of the nineteenth century, conditions had steadily worsened in the New England mills, as hours were increased and wages were lowered. The female workforce had changed also, from educated Yankee women to the rural poor and newly arrived immigrants. In Homer's painting, a single, well-dressed woman strides purposefully toward the mill, preceding a group of three plainly dressed female figures who approach the workplace more reluctantly. The shabby condition of the mill building, the dog with lowered head before the building, and the depressed-looking cabin in the background also allude to the working conditions and the origin of the workers who endured them (Dabakis 1999, 18–19; Hills 1985, 132–133).

Similarly, wage labor—especially that of immigrant industrial workers—was represented as a vale of tears. Sentimental and religious symbolism underpinned the most widely circulated imagery of mine and mill. Although a few images of labor appeared in prints (such as in the production of the Currier and Ives Company), the largest number appeared in weekly illustrated magazines that began to appear in the 1850s. With the growth of cities and industry, expansion of the middle class, and extension of education, two weekly magazines appeared that published a mix of topical nonfiction and news articles and fiction by U.S. and British writers, with each serving a different segment of the market. More popular was *Frank Leslie's Illustrated Newspaper* (founded 1850), published by the English artist and entrepreneur Henry Carter (1821–1880); the publishing firm of Harper and Brothers published *Harper's Weekly* (founded 1855), more sophisticated and politically influential. Other weeklies included the *Illustrated American News, Gleason's Pictorial,* and *New York Illustrated News. Harper's* remains famous for the pro-Republican and anti-Tammany cartoons of Thomas Nast (1840–1902). It also featured engravings by Winslow Homer and other journalistic artists as well as the work of Anschutz and other painters. An engraved version of *The Morning Bell* (published December 13, 1873) features a line of stoop-shouldered figures approaching the factory; an accompanying, anonymous poem describes the "heavy factory bell" calling them to "a day of hardship" (Hills 1985, 132–133). The original engraving *New England Factory Life—Bell Time* (July 25, 1868), depicting the mills in Lawrence, Massachusetts, shows a gray mass of workers, from young boys to old women, trudging in an endless line into bleak, monolithic mill buildings lining the river. French immigrant Paul Frenzeny (1830–1904) published images of workers in both *Leslie's* and *Harper's,* including images from the Pennsylvania coal-mining region such as a depiction of a tragedy in Schulkyl, *Horrors of the Mine—After the Explosion* (May 3, 1873) and *The Strike in the Coal Mines—Meeting of the Molly McGuire Men* (January 3, 1874), a romantic image that metaphorically links this Irish Catholic society of miners with Christ and his apostles (Gladstone 1993, 42–49; Doezema 1980, 35–42).

African Americans also fell outside the canon of heroicized labor. Images as slaves, servants, minstrels, and other racially delimited stereotypes dominated American fine art, magazine illustration, prints, and cartoons in the eighteenth and nineteenth centuries, although a growing body of more positive images developed after the Civil War. Typical depictions begin with Justus Engelhardt Kühn's (fl. 1708–1717) *Henry Darnell I as a Child* (ca. 1710), showing a kneeling African American slave wearing a silver collar; the slave functions as an attribute of a gentleman, displaying his wealth (McElroy 1990, xi). As John Michael Vlach (2002) has demonstrated, antebellum prints and paintings of plantations rarely featured the labor of African Americans, instead foregrounding the planters, their mansions, and their families while downplaying slavery—the source of plantation wealth but also controversial and potentially incendiary. During Reconstruction, plantation views detailed the labor of African American workers in the context of fields and agricultural production. They expressed the longing of the southern elite for the past and, at the same time, a growing confidence in the industrialized agricultural prospects of the New South. Thus, *A Cotton Plantation on the Mississippi* (1883) by William Aiken Walker (1838–1921) shows an expansive landscape with the plantation owner and his family in the foreground and detailed depictions of fields, laborers, and the cotton gin that illustrate the process of growing cotton and preparing it for market; rather than conceal African American labor, the painting gives a sense of the plantation opening out to the wider world, achieved through the high viewpoint and the scene of docking riverboats that would carry the goods to market (Vlach 2002, 133–142). Walker's painting was widely circulated as a Currier and Ives print. So was the *Dark Town Series* (1884–1896) by Thomas Worth (1834–1917) comprising over 170 racist caricatures of African Americans with grotesquely distorted bodies failing at work and leisure activities (Hatt 1992, 32–34). The meaning of free black labor remained a contested field. Winslow Homer's insightful and empathetic post–Civil War paintings, done after a visit to Petersburg, Virginia, in the mid-1870s, include *A Visit from the Old Mistress* (1876), which makes a powerful contrast with antecedent servant images in the haunting tension between the well-dressed white woman and her former slaves, capturing the permanent change in society. *The Cotton Pickers* (1876) and *Upland Cotton* (1879–1895) depict rural African American women at work and are sympathetic depictions of the hardships endured by those who labored as tenant farmers or sharecroppers in the changed South (O'Leary 1996, 155–157).

Though Christian and republican imagery served to cast whole categories of persons and workers as "other," it also came to be deployed by the burgeoning labor movements with inclusive, valorizing effects. Those who had been disenfranchised workers—the poor and unpropertied, the "unskilled" masses of industrial labor, women, minorities—also came to be newly envisioned as virtuous and deserving subjects of the economy and workers' movements (see Rodgers 1978). The development of industrial capitalism in the nineteenth century and in particular the economic spur of the Civil War led to the development of movements like the Molly McGuires in Pennsylvania and the Knights of Labor (also founded in Pennsylvania in 1878 but soon thereafter becoming national). The great seal of the knights combined celestial and Masonic symbols—a star and the pentagram—to express the universality of the knights' membership, which, in contrast to the later, craft-based American Federation of Labor, embraced all workers—skilled and unskilled—and all races and ethnic groups (Fink 1994, 93–96).

After a series of economic depressions and failed attempts at permanent worker organization, the eight-hour day took center stage as a unifying goal of labor actions. On May 1, 1886, general strikes were called across the United States in support of the eight-hour day. Three days later, one of the most controversial incidents in U.S. labor history took place in Chicago, one of the key centers of the movement and the scene of a strike against the McCormick Reaper's Works. When a peaceful rally in Haymarket Square to support the strikers, organized by anarchists, was broken up by the police, a bomb was thrown, killing and wounding police and demonstrators. The famous engraving from *Harper's* by Thure de Thulstrup (1848–1930), *The Anarchist Riot in Chicago, May 4, 1886* (May 15, 1886), although based on photos and sketches by a Chicago source, is factually inaccurate but iconographically sympathetic to the demonstrators. Dark-haired anarchist leader Samuel Fielden is portrayed with a white beard, recalling abolitionist John Brown and Old Testament prophets; biblical revelation and Christian theology formed part of the discourse of even anarchist leaders in their support of labor organizing (Gladstone 1993, 56–58).

Harper's included an engraving of *The Strike,* a painting by the German-American artist Robert Koehler (1850–1917) in its May 1, 1886, edition. Koehler, whose parents had immigrated to Milwaukee when he was four, embraced socialism when he returned to Germany for his artistic training; he based his painting on his memories of the Great Strike of 1877, particularly the massacre of twenty civilians by militia in Pittsburgh. Koehler's work was exhibited at the National Academy of Design in 1886 and favorably reviewed in the *New York Times.* The painting expresses his sympathy with the strikers through the grim hulk of the factory in the background; the contrast between the elegant, top-hatted owner and a poorly dressed mother and two children in the foreground; and the large and growing group of workers at the center of the painting, discussing the issues with one another, confronting the industrialist, and unifying themselves in a massive group (though in the foreground, one stoops to pick up a rock). More sentimental than militant, the painting became an international icon of labor after its reproduction in *Harper's;* it was reproduced repeatedly in magazines and as prints in Europe and the United States (Foner and Schultz 1985, 17–18; Hills 1985; Gladstone 1993; Dinnerstein 1979, 116–117).

The Haymarket Square Incident, succeeded by the prejudicial and unjust trial of eight anarchists for murder—four of whom were executed, and all of whom were later exonerated—was commemorated in a statue by Albert Weinert (1863–1948) erected in Chicago's Waldheim Cemetery (1893). The sculpture functions as a variation on a pieta, with the supine body of a martyred worker identifiable as a Christlike figure, but with the female figure standing before the body rather than seated and supporting it. She is in working-class dress and, with her bared, powerful arms and exaggerated contrapposto, she "serves as both an allegory of justice or, even perhaps vengeance *and* as an embodiment of working-class womanhood" (Dabakis 1999, 35–36).

To modern and postmodern sensibilities, this sentimentalized wage worker may seem to strike a cloying note. However, this iconography can fruitfully be contrasted with more secular images of industrial wage workers. One such example is *The Struggle for Work,* a sculpture by Johannes Gelert (1852–1923). It was displayed at the World's Columbian Exposition in 1893 in Chicago. Depicting a scene common in the depression of 1893, three men contend for a work ticket that will give its holder factory work, while a woman and her children fall at their feet. In this work, the spiritual order is not so kind to wage workers; industrial injustice and suffering are akin to a natural order, of which these workers form perhaps the lowest human element. The sculpture tacitly reinforces social Darwinism and, unlike the strong working woman modeled in *Haymarket Monument,* "reinscribe[s] gender hierarchies onto a paternalistic factory system" (Dabakis 1999, 37–38).

The Proletarian Imaginary

In the twentieth century, U.S. work and workers were dramatically refigured. Under the combined impact of modernism and left-wing social and cultural thought, "the worker" as proletarian emerged as the icon of the laboring population. As the subject of class struggle, the proletarian hero was quintessentially white, male, manual, and goods-producing—the industrial wage worker at the bottom of the factory regime, at the helm of the labor movement. With modernism, the proletarian imaginary moved away from the classical and realist canons of the nineteenth century, adopting a representational but semi-abstract aesthetic conducive to portraying a collective type. The move toward modernism in portraying work and workers is generally attributed to the Ashcan school. Between 1897 and 1917, a group of artists who began their careers in Philadelphia and then moved to New York City created a body of work that drew on both the realistic painting tradition of Philadelphia (developed in the work of Eakins and Anschutz) and the lively and multifaceted field of journalistic illustration for magazines and newspapers. Before it was technologically possible to print photographs, newspapers relied on journalistic artists to render images (albeit often based on photographs) for their pages. The artists of the Ashcan school, so-called because their drawings and paintings concentrated on the life of the streets and on capturing the energy of the common people, were veteran illustrators from Philadelphia newspapers. Their leader, Robert Henri (1865–1929), told them, "All art that is worthwhile is a record of intense life" (quoted in Doezema 1980, 57); it was he who organized the exhibition in New York's Macbeth Gallery that garnered them wide publicity under the name "The Eight." The Ashcan artists continued to work as illustrators after moving to New York, but increasingly for popular magazines that featured muckraking articles, such as *McClure's, Munsey's,* and the *Saturday Evening Post;* for example, William Glackens (1870–1938) illustrated a series of articles on child labor in New England and southern cotton mills in 1906. In their paintings and prints, the Ashcan artists were more often found portraying the life of the streets or dramatic industrial or construction sites than recording quotidian toil. George Bellows's (1882–1925) sweeping *Pennsylvania [Station] Excavation* (1907) is more characteristic than his *Men of the Docks* (1912), Henri's *Working Man* (1910), or George Luks's (1867–1933) *The Miner* (1925). All the artists supported progressive causes; John Sloan (1871–1951) not only joined the Socialist Party but ran for office on its ticket. Like the other artists, his paintings of work per se are relatively few, but among his sensitive works depicting women are *Hairdresser's Window* (1907); *A Woman's Work* (1912), a poetic washday image of domestic labor; and, most famously, *Scrub Women, Astor Library* (1910), in which title and image resonate with class distinctions (Zurier, Snyder, and Mecklenburg 1995, 45–99; Hills 1985, 141–144).

The agonistic character of the Ashcan school can more clearly be appreciated by comparison with work that idealized class privilege, occluding the oppression and lack of voice among workers and the poor. For instance, women's labor was also the subject of a series of four paintings created by the popular mid-nineteenth-century artist Lilly Martin Spencer (1822–1902). One of the very few successful women artists of her day, Spencer may have used her own Irish immigrant servants as models, showing the women at work in detailed domestic settings, engaged in mundane tasks of cooking and cleaning. Spencer's paintings envision cooperation and understanding between mistress and servant at a time when Catharine Beecher's writings had made household management more a matter of middle-class women's pride and professionalism; Spencer's paintings effectively mask the tensions between white middle- and upper-middle-class employers and immigrant workers (O'Leary 1996, 66–108).

Nearly contemporary with the Ashcan school, the artists of the Boston school (associated with the School of the Boston Museum of Fine Arts) painted a world of refinement, privilege, and order that was entirely and intentionally the opposite of the spirited urban scenes of the New York artists. Among their historical and allegorical paintings, contemporary domestic scenes, and portraits of Boston's elite were a group of elegant, Vermeer-influenced images of female servants. *A Girl Sweeping* (1912) by William McGregor Paxton (1869–1941) shows an aproned girl in a setting defined by a glowing chiaroscuro that highlights the simple yet elegant furnishings and a large Chinese vase that echoes the form and colors of the woman. This and other Paxton paintings, such as *The Kitchen Maid* (1907) and *The Waitress* (1923), are emblematic of the assimilation of ethnic servants, primarily Irish immigrants, into the working culture of the Northeast. They situate servants almost as a species of elegant possession rather than as individuals with rights and aspirations of their own (O'Leary 1996, 210–247).

By contrast, the artists of the Ashcan school foregrounded class struggle—not merely the structural antagonism between labor and capital but, more importantly, the activity of workers. One of its offshoots was the visual content of *The Masses* (1911–1917), a short-lived but extremely influential leftist magazine produced in New York. Its art editor, John Sloan, published work by Ashcan school and other artists as well as by the best of the left-wing cartoonists, notably Art Young (1866–1943). *The Masses* published a wide variety of drawings, not limited to political work, as well as the work of journalists like John Reed, poets like Carl Sandburg, and writers like Sherwood Anderson. Influenced by Honoré Daumier, many dealt with urban life and the working classes. For instance, Sloan's *The Return from Toil* (July 1913) acutely observes working women, and one of his most powerful drawings, *Ludlow, Colorado* (June 1914), shows a miner firing a pistol and holding the charred body of a child, referencing the bloody confrontation called the Ludlow Massacre. The artistic tradition of *The Masses* was carried on in *The Liberator* and, later, the *New Masses* (Zurier 1985).

Heroic representations of wage workers moved out of left-wing art and labor circles and into the cultural mainstream with the advent of the New Deal. The Great Depression of the 1930s both devastated the U.S. worker and led to new interest in depicting work in the United States—first in response to economic conditions and then under the patronage of President Franklin Delano Roosevelt's New Deal. The federal government established the Public Works of Art Project (1933–1934), followed by the Treasury Section of Fine Arts (1934–1943), which awarded competitive commissions for public buildings, including 1,100 murals, and the Works Progress Administration's (WPA) Federal Art Project, which provided relief support for over 5,000 artists who created murals, paintings, sculptures, and prints.

U.S. murals of the 1930s owe a deep debt to the Mexican muralist movement that followed the revolution of 1910. The *tres grandes* of the movement—Diego Rivera (1886–1957), José Clemente Orozco (1883–1949), and David Alfaro Siqueiros (1896–1974)—all worked and taught in the United States, but Rivera's work was by far the most influential. *Detroit Industry* (1932–1933) stands as an emblem of proletarian art. Painted for the Detroit Institute of Arts under the patronage of the Ford family of automobile fame, its central panels concern workers in automobile plants; the complex iconography includes imagery linking science and human industry with progress. Rivera incorporated ideas and images from many sources, including pre-Columbian art, Cubism, and Marxism (Azuela 1986).

Among the most outstanding of the federally sponsored murals are those by radical artist William Gropper (1897–1977), a student of Henri and a contributor to both the anarcho-syndicalist newspaper of the Industrial Workers of the World and the *New Masses.* For the Department of the Interior building in Washington, D.C., he painted *Construction of Dam* (1937) showing groups of workers constructing a public works project in a dramatic western landscape. Gropper's powerful *Automobile Industry* (1941) in a Detroit post office shows a triumphant, pyramidal composition of workers assembling cars in a skylighted factory space (Hills 1985, 148–149; Lozowick 1983, 50–52). Like *Automobile Industry,* other federally sponsored murals show industries characteristic of the areas in which they were painted, such as Howard Cook's *Steel Industry* (1936) in Pittsburgh, Pennsylvania, and many of the murals painted in San Francisco's Coit Tower by a group of twenty-six artists. With their classically balanced compositions, semiabstract representations of Fordist work and laboring bodies, and sheer size and scope, such murals favored a monumentalizing aesthetic for the U.S. worker. At the same time, the close attention to American science, technology, and know-how had a nationalist bent that coexisted uneasily with the class thematics. Karal Ann Marling (1982) has observed that such murals often represented the trades and industries most deeply affected by the Depression, proclaiming the strength of U.S. workers but at the same time offering a positive series of images countervailing the reality of closed factories, jobless workers, and dispossessed farmers. Moreover, the New Deal agencies discouraged representations of women, white-collar, and minority workers. The powerful, active, and cooperative workers in these commissions have been interpreted by Barbara Melosh as propaganda for the New Deal, which "innovated by elevating the working-class man to heroic stature, but . . . conserved other existing hierarchies of race and gender" by its concentration on workers of European ancestry and its focus on women as partners in marriage, not as workers (1993, 178).

Nonetheless, inroads were made in the profound exclusions of the empowering but rigidly defined proletarian imaginary, as it developed under New Deal restrictions. For instance, Asians were revisioned as part of the core working class. Chinese immigrants had come to the United States in the mid–nineteenth century to work first in the gold fields and then on the transcontinental railroad. Illustrated magazines showed hard-working immigrants, particularly in the series in *Leslie's* called *The Coming Man* (1870), which included cigar makers, laundry workers, and shoemakers in factories (Choy, Dong, and Hom 1994). Economic downturns later in the century led to calls for the banning of Chinese immigrants, and magazines and newspapers featured a host of racist cartoons and drawings. (A rare positive image of Asian immigrant workers appeared in Japanese-language newspapers in *The Four Immigrants* comic strip (1904–1924) (Kiyama 1999). During the New Deal, however, immigrant Chinese laborers were among the workers heroically depicted by Edward Laning (b. 1906) in *Laying the Rails for the Union Pacific,* one of a series of Ellis Island murals entitled *The Role of the Immigrant in the Building of America* (1937).

In the ferment of the time, socially conscious artists produced images of laboring men and women in a variety of media, both with government support and independently. WPA artists included social realists like Philip Evergood (1901–1973), whose *American Tragedy* (1937) depicts police firing on a crowd of striking workers at Republic Steel's South Chicago Plant, and Jackson Pollock (1912–1956), later a founder of the abstract expressionist movement, among whose works is the lithograph *Miners* (1934–1938). The Fourteenth Street Group, composed of artists affiliated with New York's Art Students League, continued the Ashcan school's heritage in the late 1920s and 1930s in works like Reginald Marsh's murals for the Washington, D.C., Post Office Department building showing mail handling and his New York Customs House murals and Raphael Soyer's (1899–1987) *Study for the Unemployed* (late 1930s). Leftist artists organized groups linked to the Communist Party, like the John Reed Clubs (1930), the American Artists Congress (1935), and the Artists Union (1933), which worked with labor unions to suggest subjects for its members' works. Socialist ideals also influenced Jerry Siegel (1917–1996) and Joe Shuster (1914–1992) who created Superman, the first successful comic book character; their Depression-born hero led miners and construction workers in struggles against corrupt owners and bosses (Andre 1980; Doezema 1980, 115–122; Hills 1990).

A related but politically distinct artistic movement of the 1930s was American regionalism, whose foremost exponents were three painters from the Midwest: Thomas Hart Benton (1889–1975) from Missouri, who became the most famous, together with Grant Wood (1892–1942) from Ohio and John Stuart Curry (1897–1946) from Kansas. Benton's key work is *America Today* (1930–1931), a series of murals for the New School of Social Research. Panels such as *Steel, City Building,* and *Mining* feature detailed and optimistic depictions of U.S. workers and industry. Benton rejected modernist movements like Cubism, instead embracing the American experience. Regionalism, as defined by the urban theorist Lewis Mumford, sought a balance between technology and culture, hoping to use the experience of the American past to create a better future. The expansive multiple panels of Wood's painting *Dinner for Threshers* (1934), showing a gathering of several farm families, best expresses his belief in "the spirit of honest labor, close to the soil" (quoted in Dennis 1986, 135), and his farm panoramas like *Spring Plowing* (1932) use surrealist devices to inscribe agrarian activities in the midwestern landscape. Curry's murals in the Kansas State House (1937–1942) (he is best known for his portrait of abolitionist John Brown) include *Kansas Pastoral—Farmer's Family* (Doezema 1980, 92–104).

With the advent of World War II, worker-centered art became less prominent. The topicality and patriotism of female defense workers led to posters and, most famously, the image of *Rosie the Riveter* (1943) by Norman Rockwell (1894–1978), which was first published on the cover of the *Saturday Evening Post* and then widely reproduced. During the 1950s, artistic traditions that foregrounded work and workers were pushed to the margins by the dominance of abstract expressionism, but new work appeared and grew in prominence during the social changes of the 1960s, including a community-based revival of the muralist movement. Murals, which often expressed political and social protest, originated in ethnic communities, particularly in urban African American and Mexican American neighborhoods. Groups like New York's Cityarts Workshop developed procedures for trained artists to work with community and youth groups to create murals. For instance, the *Great Wall* series of murals in Los Angeles (begun in 1976), directed by artist Judy Baca (b. 1946), includes numerous historical labor scenes, such as Chicana leader Luisa Moneno organizing Mexican American workers. *History of Mexican American Workers* (1974–1975) by Ray Patlán, Vicente Mendoza, and José Nario in Blue Island, Illinois, concerns United Farm Workers organizing. In 1975, a government-commissioned mural was executed in a public building for the first time since 1942; Jack Beal (b. 1931) created a four-panel *History of Labor in America* for the Department of Labor in Washington, D.C. (Cockroft, Weber, and Cockroft 1998; Doezema 1980, 132–135).

Moreover, despite ups and downs in critical and public reception, the worker-centered artistic traditions of the 1930s have been continued in succeeding decades, often by artists whose careers had begun then (sometimes those who were close to or patronized by labor unions), and by African American artists. For instance, Ben Shahn (1898–1969) began creating posters for the Congress of Industrial Organizations (CIO) in the 1930s. His poster for the 1944 presidential election *For Full Employment after the War: Register/Vote*—showing two welders, one black, one white—was widely reproduced. Shahn's 1937–1938 mural for the planned community Jersey Homesteads (now Roosevelt, New Jersey) celebrated labor and the Roosevelt administration, particularly the International Ladies Garment Workers Union, many of whose members settled in the community. Shahn continued with a prodigious output even during years of eclipse by abstract expressionism (Pohl 1989). Jacob Lawrence (1917–2000) produced a series of paintings in the early 1940s that depicted the migration of African Americans from the South to the urban North, their employment on assembly lines, and their role in labor organizing. He continued to paint images of labor throughout his long career (Nesbett and DuBois 2000). Ralph Fasanella (b. 1914), an organizer for the United Electrical Workers union (UE) of the CIO, began painting in the 1940s, but his canvases of workplaces, cityscapes, and individual workers did not achieve fame until the 1970s. His painting *Dress Shop* (1968–1972), which combined an interior view of a garment factory on Manhattan's Lower East Side with a panorama of multiethnic neighborhoods, gained critical attention, as did the many versions of his allegorical image *Iceman Crucified* (first version in 1948) (Watson 1973). Local 1199, the Health and Hospital Workers Union, New York, maintains a labor art gallery and sponsors visual and performing artists through its Bread and Roses project.

At this time, visual representations of work and workers no longer have a cultural or iconic center. With the fading fortunes of labor and left-wing movements, there is only limited support for the continued creation of such work. Nonetheless, the proletarian imaginary continues to inspire a call and response from American artists, who can be expected to develop new icons for changing times.

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See also Work in Film; Work in Literature; Work in Television

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Work Sharing

Work sharing involves a reduction in individual working hours so that additional jobs can be created or layoffs prevented. Work sharing was advocated in the United States during the Great Depression in the 1930s and during other periods of high unemployment. Work sharing and other work-time reduction schemes have been proposed over the last two decades in Europe as a method for reducing unemployment.

The central idea underlying work sharing is that if each person works fewer hours (typically calculated on a weekly basis), then employers will hire additional workers. By creating extra leisure time for employees, work sharing can also be part of the labor movement's push for a reduced workweek to improve workers' lives.

Not everyone agrees about the effectiveness of work sharing at creating new jobs. When weekly working time is reduced, workers resist seeing their take-home pay reduced. Therefore, reducing hours without cutting pay can produce the unintended effect of increasing hourly labor costs, which can mitigate or even prevent job creation. The fixed cost of fringe benefits per employee can also reduce the effectiveness of work sharing in creating new jobs. Any increases in productivity from reduced working time can potentially offset these mitigating factors.

Work sharing is usually voluntary, but public policies can encourage its use. In the United States, the Fair Labor Standards Act (1938) requires an overtime premium for hours greater than the standard forty-hour workweek. This premium is intended, among other things, to encourage firms to hire new workers rather than make extensive use of overtime among existing employees.

In France, policymakers instituted reductions in the standard workweek that reduced the standard workweek from thirty-nine to thirty-five hours between 2000 and 2002. Labor unions have supported this reduction, but employers have been opposed. Some additional flexibility in working hours has accompanied these changes. Hours in excess of the standard are not prohibited but require the payment of an overtime premium or time off.

In Germany, working-time reductions have been pursued by labor unions through collective bargaining. In the metalworking industries, for example, unions negotiated reductions in the standard workweek from forty hours to thirty-five between 1984 and 1995. More recently, working-time accounts have been negotiated as a compromise between labor's desire for reduced working time and employers' need for greater flexibility. Working-time accounts allow workers to accumulate credits when their hours are in excess of a standard, and these credits can be used for extensive time off or even early retirement.

Although work sharing is primarily advocated to reduce unemployment, a form of work sharing, called "job sharing," is offered by some U.S. organizations as a family-friendly benefit. Job sharing is an explicit division of one full-time job into two part-time jobs to allow workers to balance work and family responsibilities.

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See also Part-Time Work; Worksharing

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Workday

The length of the workday in the United States has gone through several changes, from an essentially agricultural "twelve hours per day, six days a week" model, to a period in which organized labor variously struggled for a ten- and then an eight-hour workday, through the Fair Labor Standards Act (FLSA) of 1938, which suggested a standard of eight hours a day, five days a week, forty hours per week. Commentators dispute the current length of the workday and the social consequences of greater or lesser working hours.

The length of the U.S. workday has changed several times. Americans first seem to have followed an agrarian workday model, from sunup to sundown (roughly twelve hours), six or seven days a week. As the 1800s progressed and industry rose, more people moved to cities and began to cluster into larger, nonagrarian workplaces, usually factories, where working conditions made the agrarian workday model, difficult even in an agrarian setting, unbearable.

Several ideas underlay and justified the long workday. Workers were thought to be of low morals and character and would turn to drink, promiscuity, crime, and vice without long working hours to occupy them. Also, it seems to have been widely believed that long working hours were critical to the economy because workers would produce more the more they worked, and in some circles it was believed that longer hours actually increased per-hour worker productivity.

The movement for shorter hours began during the 1820s and found some limited success, such as a ten-hour workday for federal government employees (1840), a New York State law that limited workers on public work projects to ten hours barring an agreement (1853), and various state laws limiting the working hours of women and children. Efforts to enact broader working hours laws were thwarted. The twelve-hour workday appears to have persisted in the majority of the private sector at least until the Civil War, the outcome of which essentially heralded the transformation of the United States from a rural agrarian to an urban industrial economy.

In this context, the eight-hour workday movement began, apparently at an 1866 union convention in Baltimore, Maryland. The arguments for the eight-hour workday were partly economic (greater worker productivity and worker safety) and partly noneconomic (the potential for greater leisure time, worker health, and self-improvement).

The eight-hour workday movement employed several techniques, including negotiations with employers, "protest" tactics, and eventually a legislative strategy. Throughout this entire struggle, it appears that the twelve-hour workday persisted, despite growing evidence that, if anything, shorter work hours had the potential to increase worker productivity. The unions did win a few victories, however.

It took the Great Depression and the massive unemployment it heralded to get the eight-hour workday enacted in the United States. The Fair

Labor Standards Act (FLSA) of 1938 required most workers who worked more than forty hours per week to be paid at time and a half for the additional time. The idea was to discourage overtime because the fewer hours each individual worker worked, the more total jobs there would be in the economy, and overall employment would increase.

The FLSA system has persisted for a long time, but recent changes to the economy have challenged it. The knowledge-based "new economy" saw the rise of salaried white-collar workers who are usually exempt from most of the FLSA. Increasing foreign competition, or fears or threats thereof, has squeezed more working hours and more per-hour productivity out of U.S. workers. Since the 1950s, the United States has also seen a considerable decline in union membership, thus removing an important counterweight to management. Finally, work time and leisure time have merged somewhat, as new technologies (e-mail, voicemail, home computers, etc.) have allowed for more work to be performed inside the home.

Methodological difficulties complicate determining the workday's current length. The U.S. Department of Labor's Bureau of Labor Statistics usually places it at slightly over forty-two hours per week, which has remained consistent since the 1940s. Other commentators have argued that the workday length is increasing and insist that the official statistics do not properly count working from home, performing work-related activities at home, and unpaid white-collar overtime.

According to the International Labour Organization (ILO), U.S. workers worked longer hours in 2000 than did workers in any other industrialized nation and were surpassed only by workers in South Korea and the Czech Republic, which are not considered "industrialized" by the ILO. The social consequences of increasing working hours, if they are increasing at all, are often studied but also are difficult to determine.

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See also Fair Labor Standards Act; Overtime and the Workweek

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Worker Housing

For most families, decent or adequate housing (a standard that has increased over time in the United States) represents the single-most-expensive item of household consumption. Throughout U.S. history, a significant portion of the population, based on prevailing wages, has not had the income to afford decent housing (a typical definition of decent housing: a weatherproof, soundly built structure with full kitchen and bath facilities and access to basic utilities). Two outcomes typify the housing gap between what is decent and what is affordable: (1) private developers build housing that is inadequate but affordable, or (2) public or philanthropic intervention subsidizes decent housing. Overcrowded urban tenement housing of the late nineteenth century and today's poorly maintained multiunit owner-in-absentia rentals exemplify the first outcome. Public housing and subsidized rental developments illustrate the second outcome.

The federal Housing Act of 1937 designated federal funds for the development of public housing (rental tenure), as a means to provide a hand up for average and low-wage workers on their way to accessing decent, private market housing. Nevertheless, since the inception of the New Deal, government homeownership subsidies have far outweighed direct public support for affordable rental housing. The National Housing Act of 1934 had established the Federal Housing Association (FHA), which insured mortgages. Because the FHA intervened to back home loans, banks were freed to reduce rates and extend payment periods on mortgages, greatly increasing homeownership affordability. In addition, the federal government entitles homeowners to deduct property taxes and mortgage interest payments from income. Interest deduction alone costs the government over $63 billion per year (U.S. Census Bureau 2002, table 539). Conversely, the federal government's Department of Housing and Urban Development (HUD 2000) spends only $30 billion per year for explicit affordable housing programs. As a consequence, although homeownership rates soared to nearly 70 percent by 2000 (Department of Housing and Urban Development 2000), limited affordable rental housing programs (along with housing budget cuts over the last twenty years) have led to increased homelessness and a general deterioration in housing quality for those with limited incomes.

All housing is worker housing to the extent that dwellers are employed. However, the term *worker housing,* which originated in Europe, dates back to French architect Claude-Nicolas Ledoux's eighteenth-century design for a salt-processing plant just outside Paris. Designed in neoclassical proportions, the housing spread out like a horseshoe from the main manufacturing pavilion, with the goal of providing dwellings with easy access to the plant. Many variations on this theme have cropped up since, including American slave quarters that were built in close proximity to plantation processing areas and the owner's residence. But it was not until the onset of the Industrial Revolution that multiunit privately built worker housing became an urban norm. Mechanized industrial processes and iron and steel frames allowing for multilevel buildings demanded mass numbers of laborers to be within walking distance of work. Particularly because technological advancements in transportation had not yet led to the electrified streetcar or subway, severely overcrowded housing began to spread to urban America by the middle of the nineteenth century. Urban worker housing took the form of tenements: units that provided poor light and ventilation, small outhouses in rear yards, and water drawn from wells that were easily contaminated.

The first governmental interventions to improve living conditions came in the form of building regulations, codified in New York City's Tenement Housing Act of 1901. Studies on tuberculosis and other airborne diseases pointed to the need for light and air for healthy living conditions. The tenement law required a "dumbbell" design: central light-wells punctuated 20-foot wide five-story walkup buildings to draw ventilation to inner rooms. In addition, interior bath facilities were mandated, and buildings were limited to covering only 70 percent of property lots. Most U.S. cities followed suit; although diseases subsided, overcrowding remained a problem.

Private developments built during the late nineteenth century, such as William Field's Riverside Tenement Yard in Brooklyn, suggested that developers could provide decent worker housing at a reasonable price. But because developers invariably aim to find the "highest and best use" for property, new developments tended to cater to wealthier classes. Ironically, because of the new regulations—which meant higher development costs—many developers veered away from worker housing, which could no longer net the highest profits. As Edwin Mills has pointed out in his landmark study on urban economics, "the dynamics of income and population change do not create surpluses of low-income housing" (Mills and Hamilton 1994, 418). Fortunately, transportation advances in the early twentieth century relieved some urban population pressures. Wealthier families moved to "bedroom communities" patterned after Ebenezer Howard's Garden City. This change meant that many urban units formerly inhabited by higher-income families became available and affordable (as they aged) to workers, in a process known as "filtering."

The Great Depression propelled government, for the first time, to intervene directly in the construction of housing. The Housing Act of 1937 authorized direct subsidies to local housing authorities to build and run public housing for the working poor. The program was designed to stimulate moribund urban economies as well as provide decent affordable housing. Since then, using a variety of subsidy programs, the government has built millions of affordable rental units; public housing alone provides housing for over 1.25 million households (Varady, Preiser, and Russel 1998, 241). Despite massive perceived failures in such housing, including the famous demolition of the Pruitt-Igoe complex in St. Louis and the Nixon administration's moratorium on public development in 1973, public housing has been an invaluable source of worker housing. In New York City, for example, public housing successfully provides over 8 percent of the city's rental housing stock (Schill 1999, 3).

Since the end of World War II, government dollars have shifted massively from supply-side worker housing supports to average and higher-income homeownership opportunities. Highway subsidies, cheap suburban land, affordable gas and cars, tax deductions, and significant demand led to the suburbanization of the United States. In this new housing regime, average worker housing became epitomized by Levittown, Pennsylvania, and other vast suburban developments outside the city center. Nevertheless, because of increasing housing costs and a decreasing rental stock, along with decreasing average wages, many modern workers can no longer afford decent housing (particularly in the Northeast, where new development tracts are limited), either to buy or to rent.

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See also Levittown; New Deal; Suburbanization and Work; Working Class

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Workers' Compensation

Workers' compensation refers to laws that provide compensation to employees who are injured or disabled on the job. These laws also provide benefits for the dependents of workers who are killed because of work-related accidents or illnesses. Workers' compensation laws are state laws that exist in all fifty states, and there are a number of federal laws that cover employees who work in specific industries or suffer certain specific types of injuries as well.

Before workers' compensation laws were passed, employees who were injured on the job often had a very difficult time recovering damages for their injuries because the courts relied on three legal doctrines that made it nearly impossible for employees to recover:

1. The fellow servant rule stated that masters were not liable for servant injuries that were the result of the negligence of fellow servants. In other words, an employer would not be liable for an injury to an employee if those injuries were due to the negligence of another employee.
2. Contributory negligence was a principle that prevented an employee from recovering anything if his or her own negligence contributed to his or her injury. Under contributory negligence, even if an employer was 99 percent responsible for an employee's injury, if the employee's own negligence was responsible for the other 1 percent, there was no recovery.
3. Assumption of risk was based on the notion that employees agreed to assume (accept) the dangers normally associated with work. If an employee assumed the risks associated with his or her work he or she could not recover anything if those risks were realized.

Workers' compensation laws were passed in response to the difficulties employees had recovering in court, as legislatures wanted employees to have some protection from on-the-job injuries. The earliest workers' compensation laws began being passed in the United States shortly after the turn of the twentieth century, but several of the earliest laws that were passed were struck down as being unconstitutional. The first workers' compensation law to survive constitutional attack was passed in New York in 1910 and ruled to be constitutional in 1914. Other states began to follow suit, and by 1920, all but eight states had adopted workers' compensation acts. In 1963, the last state, Hawaii, passed a workers' compensation law.

Employers in every state are required to have workers' compensation insurance, and there are three general methods of securing workers' compensation coverage: private insurance, self-insurance, and insurance in state funds. Which method(s) are permissible vary from state to state, however. Many states have a state workers' compensation insurance fund, and employers may secure coverage through this fund, just as they would purchase insurance privately. Private insurance companies provide workers' compensation insurance to employers in many states, and other states allow employers to elect coverage through self-insurance (they pay employees' claim through their own funds). At least two of these options are available in all fifty states.

Since the inception of workers' compensation, there have been difficulties defining the precise scope of when an injury is "compensable" (that is, when an injury is covered by workers' compensation). All states differ in the precise statutory wording of when an injury is compensable, but most states have similar requirements. In general, all states require that (1) an employee must sustain an injury; (2) at the time of the injury, both the employer and employee must be covered by the workers' compensation law; (3) the injury must "arise out of employment"; and (4) the injury must occur "in the scope of employment." "Arising out of employment" refers to whether the injury that occurred was the result of the employee's job and the activities normally associated with that job. Generally, for coverage to be granted, the injury must have occurred as a result of duties assigned by the employer or from activities undertaken while performing the assigned task. Arising out of employment is much like a causation requirement. For an injury to be covered by workers' compensation, it must be caused by the employee's work or activities related to his or her work.

"In the scope of employment" is more of a time, place, and circumstances requirement. It means that there must be a sufficiently close relationship between the time, place, and activity of the injury and the employee's work to justify worker's compensation coverage. In general, the injury must have occurred at the workplace, during the employee's normal work hours, and while the employee was engaged in work activities for it to be compensable, although there are exceptions (for example, injuries sustained while an employee is commuting to and from work are generally not covered, but they may be if the scope of the employee's duties includes travel or if the employee was running an errand for the employer during his or her commute).

In addition, workers' compensation generally covers only accidental injuries. Injuries that are intentionally self-inflicted or caused intentionally by an employer or even a coemployee are not covered. Some states also exclude injuries that are caused by the employer or employee's recklessness as well. Finally, many states will not cover injuries that are brought about by acts of God. Needless to say, there is often a great deal of dispute between employee and employer over whether an employee's injury "arose out of" and occurred "in the scope of" employment, and the courts are often required to decide.

In general, there are three types of benefits that are paid for by workers' compensation (1) medical expenses (for example, the cost of hospitals, doctors, medical treatment, etc.), (2) disability pay (temporary pay to compensate the employee who is unable to work; disability pay can become permanent if the employee cannot return to work), and (3) vocational rehabilitation (payment for physical therapy to enable the employee to resume his or her existing job or payment for retraining to enable the employee to pursue a different occupation).

Finally, it should be noted that workers' compensation is a type of strict liability. If an injury meets the conditions listed above, it is automatically covered by workers' compensation. The employee need not demonstrate that the injury was caused by anyone's negligence or fault. As a corollary, however, workers' compensation will be the employee's sole redress for his or her injury. The employee cannot commence a lawsuit against the employer to recover additional compensation for his or her injuries. This situation has led to an interesting shift over the years in how employers and employees view workers' compensation and having a compensable injury. When workers' compensation laws were first in existence, employees almost always sought to have their injuries be covered by workers' compensation, and employers almost always opposed those efforts. That is because, as stated above, workers' compensation would have been the only possible way the employee could have recovered anything for his or her injury. Today, however, the situation is often reversed: employees often seek to have their injuries excluded from workers' compensation, whereas employers seek to have them included. That is because the relaxation in tort standards has made it so much easier for plaintiffs in tort (personal injury) cases to recover large damage awards. If an employee's injury is covered by workers' compensation he or she cannot sue the employer to recover for those injuries. If the injury is not covered, however, the employee can commence a lawsuit against the employer (or any parties responsible for the injuries), and the damage award is potentially much larger.

From a historical perspective, it should be noted that there have been periods ever since workers' compensation laws first were enacted in which the existence of workers' compensation was questioned. There have also been national movements for reform. When Social Security was extended to cover disabilities in 1956, some suggested that state workers' compensation programs should be folded into the Social Security program. It was not done, however. Then in the 1970s, there was concern in Congress that workers' compensation programs were not providing adequate coverage for employees. As a result, the National Commission on State Workers' Compensation Laws was established by Congress and released its report in 1972. The commission's essential recommendations included compulsory coverage with no occupational or numerical exemptions; full coverage of work-related diseases; full medical care and rehabilitation services without limitations as to time or dollar amount; employee's choice of jurisdiction for filing interstate claims; adequate weekly cash benefits for temporary total, permanent total, and death cases; and no arbitrary limits on duration or sum of benefits. The commission also recommended over a longer period that the maximum weekly rate be set at 200 percent of a state's average weekly wage. Studies have shown that many of the commission's recommendations were put into place. As a result, workers' compensation costs to employers rose greatly in the 1970s and 1980s.

Then, in the early 1990s, groups such as the National Federation of Independent Businesses and the Chamber of Commerce began to push for reforms of workers' compensation aimed at reducing costs. These calls for reform were generated by the recession of the early 1990s as well as the rising cost of medical services in general. These cost-cutting efforts were successful, principally in the reduction of expenditures for medical benefits. As a result, the ratio of real medical expenditures to covered workers has declined greatly, while medical costs continued to rise. In other words, even though medical costs are rising, employers are spending less on workers' compensation per employee. This result has led many people to question the adequacy of the current system.

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See also Occupational Health and Safety Act

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Workforce Investment Act (WIA) (1998)

The umbrella federal law that governs how state and local governments allocate funds for and administer job training, education, and unemployment programs. The Workforce Investment Act (WIA) is the latest piece of enabling legislation passed by the U.S. government since World War II to provide state and local workforce systems with rules and structures intended to make job training and education services cohesive and effective, as well as accessible to those who need help. The law provides funds, requirements, and guidelines for state and local organizations that manage and provide training funds and dollars to people who are unemployed, in search of different work, or in need of information about the job market. The bill's sponsors defined the purpose of the act this way: "To provide workforce investment activities through statewide and local workforce investment systems that increase the employment, retention and earnings by participants, and as a result improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the nation."

History

The establishment of programs funded and/or operated by the government to create jobs and provide job-related training and education to workers began on a large scale with the upheaval of World War I and Great Depression in the early decades of the twentieth century. These programs grew quickly, achieving influence on a large scale and changing the lives of generations of Americans. Over the ensuing decades, the economic and social trends at large in American society exerted their influence on the legal, policy, and social goals behind these programs, as well as on the operation and administration of services.

During the Depression and World War II, the Roosevelt administration created new services and laws aimed first at using the resources and power of the federal government to get people to work and second to put in place basic insurance and support programs for the elderly, unemployed, and impoverished. New Deal programs such as the Civilian Conservation Corps and National Recovery Administration created public jobs for thousands of unemployed Americans. In 1933, Congress and the administration passed into law the Wagner-Peyser Act, which created a nationwide employment service that would be a source of training and emergency funds for jobless individuals. It was federalized during World War II to help address labor shortage problems in U.S. industry.

After World War II, the nation focused on the importance of retraining returning soldiers and displaced defense workers. Congress returned administration of the employment service to the state level and created the GI Bill of Rights (officially, the Serviceman's Readjustment Act of 1944), guaranteeing a college education to any U.S. war veteran. New laws passed during the late 1950s and early 1960s reflected the growing activism of the federal government as the United States, now a dominant global superpower, faced a Cold War adversary abroad and its own failures to provide for racial and social equality at home.

The Vocational Rehabilitation Act of 1954 focused on helping and employing disabled Americans; the National Defense Act of 1958 funded teacher training to address teacher shortages and the new "space race" with the Soviet Union. In 1962, the federal government enacted the Trade Expansion Act and the Manpower Development and Training Act to retrain displaced workers and in 1963 the Youth Unemployment Act to establish the Youth Conservation Corps (Heldrich Center 2002). In the mid-1960s, the ascendancy of the civil rights movement and War on Poverty led to new social legislation and amendments to existing laws. The Higher Education Act of 1965, the Job Corps Act of 1966, and Social Security Amendments of 1967 focused on the needs of poor children, young people, welfare clients, and other low-income groups.

Two sweeping but vastly different national laws made their stamp on employment and training services and programs during the 1970s and 1980s. The Comprehensive Employment and Training Act of 1973 (CETA) funded and provided job training opportunities as well as new publicly created jobs for economically disadvantaged, unemployed, or underemployed persons. Local community organizations of many kinds were given a large amount of autonomy under the act to provide services and create jobs. In 1982, CETA was replaced with the Job Training Partnership Act (JTPA), which instead provided funds and authority to local cities, counties, and governing boards, where governments and employers had a larger voice.

Few observers have questioned the high intentions and goals of the crafters of these laws; but as these services were carried out in communities, particularly during the 1970s and 1980s, they encountered persistent problems. Although some local and state organizations developed and managed excellent organizations, the national system as a whole continued to be plagued by and criticized for multiple funding streams, lack of accountability and reporting requirements, fragmented services, and a lack of coordination with employers. To critics of publicly funded programs, the long-standing flaws in the system resisted one national reform effort after another.

The New Mandate of WIA

The Workforce Investment Act received strong bipartisan support in Congress from 1998 to 2002. It also enjoyed a good deal of interest in the states and at the community level because of its ambitions to provide far more cooperation and alignment of services and funding; to encourage, reward, and in some cases require more accountability, wider access to services, and more emphasis on "work first"; and to focus on incumbent workers, youth programs, and better information for consumers and employers.

The WIA grants state and local workforce investment boards (WIBs), in partnership with elected officials and state agencies, the authority to carry out changes in the workforce development system to meet the nation's needs for a high-performance, high-skills workforce. According to the law, 85 percent of WIA funds ($630 million in federal funds in 2001–2002) are allocated to WIBs; the remaining 15 percent of WIA funds ($94.5 million) may be used by states for discretionary purposes, such as administration, statewide initiatives, or competitive grants. More important, the policy and strategic role of WIBs provide a platform to influence and shape the spending of billions more in federal dollars.

By strengthening WIBs, the authors of the WIA addressed the long-stated need to unify, streamline, and make more effective the patchwork of private and public spending on skills training and employment education. The chief elected official of a county or counties makes appointments to WIBs, which must include representatives of private sector businesses as a majority, along with organized labor, community-based organizations, educational institutions, the state employment services, human service advisory councils, and economic development agencies.

WIBs charter or designate so-called one-stop career centers, which are intended to connect employment education and training services into a coherent network of resources at the local, state, and national levels. One-stop centers link employers to applicants and provide adults and young people with access to employment and training opportunities and information. Services provided by these centers include information about local, state, and national labor markets; job and career resources; job listings; hiring requirements; job referral and placement; and the quality of education and training programs. Services provided by one-stop career centers to employers include recruitment and prescreening of qualified applicants; easy access to post job listings on the U.S. Department of Labor's America's Job Bank; job and industry growth trends and forecasts; wage data and other valuable labor market information; and compliance information on federal legislation.

WIA enhances the private sector's authority over workforce programs and the allocation of funds. Job seekers are given greater choices in how to use workforce services and funding to manage their careers. Adults who are eligible to get government funds for training under WIA include disadvantaged jobseekers who have not found a job after making a required job search.

By controlling education and training funds in their communities, WIBs are in a position to stimulate broad-based changes in their community's education system. Through their strong private sector membership and mandate to assess employer needs, WIBs can provide a concrete picture of the skills and proficiencies demanded by employers in their area. These employment requirements can influence education and training programs at all levels.

The WIA establishes the principle of systemwide performance measures, requiring that workforce development programs provide more information to customers about the labor market and the quality of education and training programs nationwide, including information on customer satisfaction and program quality. The WIA also establishes youth councils so that for the first time, a local governing body will oversee and distribute federal grants and support for programs that develop the skills, capabilities, and success of at-risk and low-income young people. Programs will be accountable, performance-based, and evaluated by results against benchmarks.

These changes have implications for policymakers who have historically approached workforce development issues from a narrow perspective. Education interests promoted education reform strategies, labor advocates focused on determining the needs of low-income job seekers, and others concentrated on determining the needs of businesses. These three areas should be seen as elements of a dynamic relationship. Leaders in these three disciplines—education, public service, and business—can collaborate through the role of workforce investment boards to create new approaches that recognize the cross-cutting reality of education and training in the new world workforce.

Since the passage of WIA in 1998, it is clear that many states and communities have taken advantage of the opportunities the law provides. The system is responding, and the law's emphasis on giving employers a decisive role has been strikingly effective. (For descriptions and examples of workforce development strategies and system management at the state level and best practices at the local workforce agency levels, see Ganzglass et al 2001; Heldrich Center 2001)

However, it is also clear that the workforce system faces substantial obstacles to change. Although WIA encourages and calls for a more unified system, it did not consolidate areas of federal funding for job training and placement activities or provide sufficient resources for states to take such far-reaching unification measures on their own. Therefore, the system remains fragmented. WIBs and staff must coordinate among different, inconsistent policies and rules for various federal programs. Accountability measures vary from program to program and have complex definitions and methodology. And WIBs must negotiate with—but cannot dictate to—other federally funded programs. WIA authorizes integrated one-stop career centers but does not provide WIBs with the leverage to accomplish this goal. However, most analysts and observers agree that the law provides an opportunity to build a workforce system that the public will believe is open to all and accountable to taxpayers and lawmakers for results.

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See also Comprehensive Employment and Training Act (CETA); Job Training Partnership Act (JTPA)

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Working Class

"Working class" is an often contested and historically shifting term, used to refer to a class of workers in the United States whose routine labor is organized around the generation of capital through the production, distribution, and consumption of products. The term *blue-collar worker* is often thought to be synonymous with the term *working class.* The working class is composed of a group of individuals united in their common relationship to a specific set of occupations; income; social prestige; relationships to power and authority; and cultural tastes, values, and beliefs.

Historically Karl Marx (1818–1883), Friedrich Engels (1820–1895), Max Weber (1864–1920), and Talcott Parsons (1902–1979) developed theories that attempted to locate the working class. Marx's analysis described and analyzed the processes by which owners exploit workers by not returning "full value" to the workers for the products and services that they create. In focusing on social relationships that are rooted in work relationships, Marx described the working class as a part of a productive system that allows one group, the capitalists, to exploit the labor potential of workers for the capitalists' own economic gain. Engels offered theories of gender stratification within systems of capitalism, linking gender subordination to industrial systems of production. Weber's theories of class emphasized location in the labor market, postulating a complex theory of inequality and stratification. Weber allowed us to understand the matrixes of oppression and the multiple forms of resistance that mark the lives of the working class in the United States. Finally, Parsons and his theories of structural functionalism posit that prestige is allocated on the basis of the need and rarity of work that individuals perform. Proposing that jobs that involve more investment offer more reimbursement and prestige, Parsons's theories attempt to offer a rationalization for the low pay, greater risks, and lower prestige of the more "common" and less trained working class.

Contemporary Theories of the Working Class

Many class scholars have argued that occupation is the most accurate measure of social class position. For these theorists, the term *working class* refers to those who engage in labor in exchange for income within a specific set of working-class occupations, ranging from highly skilled to less skilled manual labor. In this analysis, the working class engages in routine physical and mental labor, often in unpleasant and dangerous conditions, under rigid supervision, and with the constant threat of job insecurity. Occupational rankings position working-class jobs—manual and physical labor, operations, transportation, and clerical and technical support—near the bottom of the wage and prestige scales. The kind of work people do sets limits on their wages and social status; affects their prospects for both stability and class mobility; regulates power; and determines their cultural values, habits, and tastes.

Many traditional class scholars identify income as the factor most relevant to membership in the working class. Theories of class and income stratification demarcate the working class as those 30 percent of U.S. workers earning incomes that position them in the lower middle percentiles of income on national annual income distribution charts (Mishel 2000, 3; U.S. Census Bureau 2000a, 3; U.S. Census Bureau 2000b; Weinberg 2000). In 1999, the median working-class income ranged from $15,000 to $40,000 per year. Working-class women and people of color have significantly lower median incomes than do male and white members of the working class (Rothman 1999, 16; Women Work 2001, 3; Zweig 2001, 13). Workers in this income category are also more likely than others to experience underemployment, unemployment, and part-time employment, with concomitant reductions in hourly wages and benefits. Further, income restricts the working classes' ability to accrue assets and shoulder debt and affects their lives in terms of material and cultural values that extend far beyond the workplace.

Income and occupation locate individual workers in systems of authority and prestige, contributing to the ways people think about and value or devalue themselves and others. Many class theorists believe that the value system is the basis for inequality because rewards are distributed according to the importance of people's roles in society. Individuals can earn status because of individual qualities (athletic ability, intelligence, attractiveness) or because of social positioning based on class, race, and gender hierarchies. In this theory, it is the degree of social prestige accorded laborers that delineates their membership in the working class.

Other class theorists argue that the most salient quality of the working class is its shared experience of exercising little control over jobs and no supervisory power over other workers. For these theorists, it is a lack of access to power and authority that determines membership in the working class. Scholars interested in the distribution of power connect both the working middle class and the poor to the working class by virtue of their similar lack of access to power. In doing so, they are able to calculate that the majority of Americans inhabit the working class, the bottom 60 percent of the income distribution layer of workers (Zweig 2001, 30).

Finally, other theorists argue that class is most obvious and most revealing in its material and cultural manifestations. Membership in the working class determines who and what we value, as well as by whom and how we are valued. In this theory, being a member of the working class determines, for example, what we eat, who and how we marry, how we dress, our choice of education, who and what we read, and our occupations. Together, these theories of the working class form a dynamic analysis that represents the complexity of the working-class experience in the United States.

History of the Working Class

The working class emerged as a recognized entity during the industrial transformation that began in the United States in the eighteenth century, succeeding systems based on agriculture and landownership. This industrial transformation involved technological and organizational changes and was accompanied by ideologies and cultural values that aided in that transformation. Prior to this transformation, in 1829, almost 75 percent of all Americans lived and worked on farms (Rothman 1999, 12; Hapke 2001, 19–23). The Industrial Revolution reduced the number of autonomous workers while increasing the number of those who worked for others in exchange for wages.

For these new urban working classes, the workday was long and dangerous. During the late 1860s and early 1870s, working-class union members organized and demonstrated against oppressive labor conditions. Although these actions were relatively ineffective and went unnoticed by many Americans, they did lay the groundwork for later union activities on behalf of the working class.

For the most part, unions during this period of time advocated for fair wages for white men and for some white, native-born women, while ignoring the even more oppressive conditions faced by workers of color and immigrants. Nevertheless, these early unions established the working class as a movement; at its peak in the 1880s, the Knights of Labor had 10 million members among the urban labor force (Hapke 2001, 43). Employers actively resisted labor union movements, and at times the government was enlisted to end strikes with the assistance of armed troops.

By 1900, the working class in the United States included large numbers of immigrant and ethnic workers, who were experiencing increased "deskilling" because of new industrial practices of mass production combined with "scientific management." At the turn of the century, three-quarters of the jobs in basic industries—such as meatpacking, the auto industry, steel, and the construction trades—were manned by unskilled or semiskilled laborers and low-level factory workers (Hapke 2001, 117).

The working class more successfully organized and shaped working conditions during the economic depression of the 1930s when over one-quarter of the U.S. workforce was unemployed (Rothman 1999, 14). During this period, it was able to unionize entire industries—although sometimes through violent strikes—and secured significant wage and safety concessions benefiting many workers in the United States. Union activities during the Great Depression were additionally more inclusive than they had ever been before, with workers of different races, genders, and ethnicities joining together—at times even with the help of the government—against employers. The Depression was also a period marked by a vibrant mainstream working-class culture, supported by tax dollars and receiving public acclaim. These cultural endeavors helped to define the lives and shared concerns of the working class.

Depression-era employers attempted to change the terms of work by encouraging a "mass-work postcraft mentality" and by offering some workers group insurance, benefits, vacations, overtime, and a share of the profits. The many large businesses encouraged workers to think of themselves as full consumers, assisting them in their efforts to invest in "the business of business" by securing loans and mortgages with which to purchase automobiles and homes. By positioning themselves as paternalistic providers, employers hoped to convince laborers to turn their loyalties from their unions to their employers.

Gains made for workers during the Great Depression were disrupted with the passage of the 1947 Taft-Hartley Act. This legislation gave the federal government a veto over union politics, weakened the power of collective bargaining, and mandated conformity in union practices. World War II brought vocational boons for many groups of workers. Increased wages, benefits, and access to work also allowed employers to foster a work ethic based on the notion of the "affluent worker," even though occupational segregation was reestablished following the war. This period was quickly followed by a new association of labor with the left and a dismantling of both.

The labor movement redefined itself in the mid-1960s as the Cold War assault on the working class began to wane. The civil rights movement spurred the passage of a series of labor-related rights, but as the 1970s unfolded, the government ceased to be receptive to the economic demands of minority workers. The 1970s saw members of labor's upper tier enjoy middle-class affluence, the emergence of new antileft feelings that aligned labor with the status quo, and what Laura Hapke refers to in *Labor's Text* as a "humbling economic slump" for white working-class people (2001, 247).

During the latter part of the twentieth century, workers experienced a changing occupational structure that some have referred to as "deindustrialization" (Rothman 1999, 49). This period is marked by a loss of manufacturing jobs and an increase in work based on expert knowledge. Workers witnessed a growth of low-paid managerial, clerical, and sales occupations. Deindustrialization also involves a mandate for greater productivity, loss of low-skill work, and the disappearance or destabilization of a stable working-class sector. By 1981, the administration redoubled efforts to undermine labor's political influence and culture that had been in place since the Taft-Hartley Act.

Another critical shift in the evolution of economics and work occurred at the end of the twentieth century, when "global capitalism," opened markets and opportunities for exports, but confronted the working class with a loss of jobs and a more skill-segregated labor force. Mass firings, plant closings—often to prevent jobs from leaving the country—continued throughout the 1980s and 1990s. Aided by the passage of weak and antilabor legislation, employers cut jobs, pensions, and health coverage. Union membership lessened and by the end of the 1990s represented less than 15 percent of the workforce (Rothman 1999, 179; Hapke 2001, 301).

Since 1972 the median income adjusted for inflation has fallen nearly 20 percent. The U.S. Census Bureau's Gini index—employed to identify rates of income inequality—highlights a growing income inequality in the United States since the mid-1970s (U.S. Census Bureau 2000a). Nonwage benefits, such as health insurance and pensions, exacerbated rather than mitigated this gap.

Labor at the beginning of the twenty-first century is more productive than at any other time in U.S. history, even as the working class experiences higher levels of job stress, less real income, greater debt, increased job insecurity, and a devaluation of the union. Despite these conditions, buttressed by ideologies of the American work ethic and myths of upward mobility, the working class continues to do the work of the nation.

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See also African Americans and Work; African American Women and Work; Asian Americans and Work; Blue Collar; Native Americans and Work; Occupations and Occupational Trends in the United States; Productivity; Wage Gap; Women and Work; Work and Hispanic Americans

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Workplace Safety

Throughout U.S. history, workplace safety has been one of the most contentious issues between labor and capital. The contour of occupational safety and health policymaking can be divided into three historical periods; the first period, which lasted from the early to the late nineteenth century, was an era of the unregulated market, in which laissez-faire-oriented court rulings effectively immunized employers from legal liability for workplace accidents. The second period lasted from the 1870s, when the first state workplace safety laws were passed, through the 1960s, when most observers realized the state system was inadequate to handle a problem that was national in scope. These state laws were a response to the rise of industrial mass production techniques that resulted in increased injuries and deaths. However, regulations and their enforcement varied dramatically from state to state. The federal government took its first steps at regulating workplace safety during this era, but its jurisdiction was limited to interstate commerce and federal territory. Finally, the enactment of the landmark Occupational Safety and Health Act of 1970 ushered in the contemporary era of national workplace safety standards set and enforced by the U.S. Occupational Safety and Health Administration (OSHA), with the states free to regulate where national standards do not exist. The post–World War II era of economic affluence and technological development was accompanied by an increasing social awareness that protecting workplace health and safety was both possible and necessary. Problems of corporate opposition to new regulations, weak enforcement of existing regulations, low budgets, and inadequate inspections persist into the contemporary era.

Common Law Barriers to Workplace Safety

The common law, as shaped by laissez-faire notions of contract, played an important role in insulating employers from legal liability for poor working conditions from the 1840s until the late nineteenth century. Three common law doctrines—the fellow servant, assumption of risk, and contributory negligence doctrines—were interpreted by market-oriented judges to set legal precedents that limited workers' or their family's chance of winning a lawsuit against employers. The "fellow servant rule" held that a worker who agreed to work for an employer had, in effect, made a contract in which he or she accepted full responsibility for accidents that might occur because of the negligence of fellow workers. The "assumption of risk doctrine" held that since workers were free to sell their labor to any employer, those who did not quit dangerous jobs assumed the risks involved. That economic necessity might have forced the worker to continue doing a dangerous job was not considered to be a mitigating circumstance by the courts. The doctrine of "contributory negligence" held that if an employee contributed, even in a minor way, to an accident that occurred due to an employer's negligence, he or she was deemed liable and could not collect damages. It was not uncommon, on the railroads for example, for employers to force employees to continue doing dangerous work for long hours under the threat of discharge. The employer might be negligent, the reasoning went, but the worker did not have to be a party to it (Ashford 1976, 48).

First Steps: State-Level Policymaking

During the later part of the nineteenth century, a coalition of organized labor and social reformers successfully lobbied for two political reforms. First, the factory law movement persuaded several state governments to pass workplace safety laws requiring that dangerous machine parts, cogs, and belts be guarded. Massachusetts was the first of many states to pass a factory law in 1877. However, enforcement was usually plagued by small budgets, an insufficient number of inspectors, and employer opposition.

Second, many states repealed or reformed their employer liability laws, and juries began granting injured workers more liberal damage awards. Fearful that juries might continue granting larger awards, a coalition of major corporations lobbied for a system of workers compensation legislation that would make standardized but lower payments in lieu of a worker's right to sue. In 1908, Congress passed the first workers compensation law in the United States, but it only covered federal employees. Eleven states passed worker compensation laws in 1911, but it would be 1948 before all states had passed workers compensation statutes (Ashford 1976, 48–49).

The limitations of dealing with workplace safety problems that were complex and national in scope at the state level were revealed by state workers' compensation plans. Many states weakened or omitted provisions deemed objectionable to the business community and the courts. As a result, the range of hazards covered, the types of workers covered, and the benefits given varied from state to state. Although the existence of many occupational diseases were known at the time, virtually all state laws excluded compensation for them. Office, agricultural, small business, nonprofit, and domestic workers were commonly excluded from most state plans, as were consultants and those engaged in interstate commerce. Although forty states and territories had enacted worker compensation laws by the end of 1917, 40 percent of workers were legally excluded (Ashford 1976, 49; MacLaury 1981, 10; Berman 1978, 15–24).

First Steps: Federal Regulation

The federal government took its first steps toward the regulation of workplace safety when it passed laws during the 1890s covering two of the most dangerous occupations: railroads and mining. In 1891, Congress passed its first coal mine safety law, which mandated ventilation standards and prohibited child labor under the age of twelve in the federal territories. However, it did not apply to the states, which generally had weaker standards.

Despite the fact that coal mining has been consistently ranked as one of the most hazardous jobs, it has usually taken a major mining disaster to get Congress to tighten up safety regulations. In December 1907, 600 miners were killed in two mine accidents that occurred within a two-week span, but lobbying by the Bituminous Coal Operators Association (BCOA) prevented Congress from establishing the U.S. Bureau of Mines until 1910. Even then, pressure from the BCOA precluded giving the bureau the power to regulate state mining conditions or even to enter mines. The coal operators' lobby was so effective that the federal government was not able to establish the authority to set and enforce safety standards and make black lung a compensable disease until the passage of the Coal Mine Health and Safety Act of 1969. It was strengthened in 1977 when Congress passed the Federal Mine Safety and Health Act, which established the Mine Safety and Health Administration (MSHA) and transferred enforcement from the Interior Department, which historically has represented the interests of the coal operators, to the Labor Department, which has a closer affinity with labor. Finally, the Mine Safety and Health Review Commission was established to adjudicate disputes. These reforms were weakened, however, by the Reagan administration's deregulatory policies during the 1980s (Claybrook et al. 1984, 71–113).

In 1910, the U.S. Bureau of Labor reported how the use of poisonous white phosphorus in the match industry caused phosphorus necrosis, or "phossy jaw," a deadly disease in which the jaw bone is eaten away. Known in Europe to be an occupational hazard as early as 1838, the use of white phosphorus was banned throughout most of the industrialized world by 1910. Nevertheless, it was still widely used by the U.S. match industry because it was slightly cheaper than its nontoxic substitute. It took three years of pressure and President William Howard Taft's endorsement to convince Congress to act. In 1912, it placed an onerous tax on the export, import, or interstate shipment of matches containing the deadly substance (MacLaury 1981, 19).

One of the most common causes of railroad accidents during the late nineteenth century was the manually operated, link-and-pin system of coupling cars. According to conservative estimates, this practice accounted for 16 percent of workers killed and 36 percent of injuries in train-related accidents in 1893. Although the automatic coupler had been shown to be safe and effective by 1885, the American Railway Association (ARA) blocked the passage of federal legislation until 1893. Frustrated by congressional inaction, several states passed their own coupler bills. Alarmed at the prospect of having to comply with a variety of state coupler safety standards (some of which exceeded the ARA's proposals), the ARA reversed itself and lobbied Congress to impose uniform but loosely worded federal standards. In 1893, Congress passed the Federal Safety Appliance Act, which required that trains engaged in interstate commerce be equipped with standardized automatic couplers, power brakes, grab irons, ladders, running boards, and hand brakes. Then, the ARA twice persuaded Congress to extend the deadline for compliance with the law's two most important requirements: automatic couplers and power brakes. As a result, the law did not go into effect until 1900, but it was not until 1903 that Congress required at least half the cars of any train engaged in interstate commerce to be equipped with power brakes. Congress gave the Interstate Commerce Commission (ICC) the power to increase the required percentage, but it did not do so until 1910, when the minimum was raised to 85 percent (Kolko 1965; MacLaury 1981, 19)

In 1966, responsibility for federal railroad safety was transferred from the ICC to the newly created Department of Transportation. Congress passed the Federal Railroad Safety Act of 1970, the nation's first comprehensive railroad safety law. It also established the Federal Railroad Administration and gave it the power to set and enforce safety standards for track, signal, and train control; motor power and equipment; operating practices; hazardous materials; and highway rail grade crossings.

In 1936, Congress took its first step toward the establishment of national safety standards by passing the Walsh-Healey Public Contracts Act. It mandated that any company doing more than $10,000 worth of business with the federal government comply with the state safety standards where the work was being done. It also imposed child labor restrictions and mandated the eight-hour day and forty-hour week. However, enforcement of the Walsh-Healey Act was virtually nonexistent. From 1963 to 1968, federal inspectors found safety violations in over 90 percent of the worksites they visited, but only 1 percent were ever formally admonished and only 1 in 1,000 were ever punished (MacLaury 1981, 20; Rugaber 1970, 17).

Despite the weaknesses inherent in the Walsh-Healy Act, many business groups objected to any increased federal presence in workplace safety. But they would soon find that a bigger battle loomed on the federal policymaking horizon.

A ca. 1936 WPA Federal Art Project poster promoting workplace safety (Library of Congress)

The Battle for OSHA

The social ferment of the 1960s that spawned social movements for civil rights and environmental protection also gave birth to a rank-and-file safety and health movement within organized labor that sought to secure a worker's right to a safe workplace. It became increasingly apparent that the century-old system of state workplace safety regulation was not working. The work injury rate had risen from 11.4 per million hours worked in 1958 to 14.0 in 1968. In 1967, 14,500 workers were killed, 2.2 million were injured, and 250 million workdays and $1.5 billion dollars in wages were lost, for a total estimated cost to the economy of $5 billion. Only 20 percent of the nation's workers were thought to be effectively covered by existing state and federal laws and workers' compensation coverage. President Lyndon Johnson responded in early 1968 by asking Congress to pass legislation giving the Labor Department the power to set and enforce national workplace safety standards (LBJ's Manpower Message to Congress 1968, 24).

Business groups made two arguments against the act. First, the federal government was usurping a policy function that was best left to the states. But state regulation alone was unable to control the increasing variety and magnitude of industrial hazards that a technologically advanced economy, based on interstate commerce and giant corporations, produced. Moreover, a century of experience with state workplace safety standards demonstrated that they varied greatly in effectiveness and enforcement from state to state. Second, business interests maintained that workers, not employers, were the cause of most accidents. Business interests have espoused this view since the nineteenth century and have perpetuated it through the National Safety Council's "safety first" campaign that placed the primary burden for safety on the worker, not on management. The phrase "accident proneness" was first used to connote worker error in a 1919 study of industrial accidents and soon entered the popular lexicon as part of a public relations campaign to define the terms of the workplace safety debate. However, research studies that have shown that no more than one-third of work accidents are employee-caused, and the figure is probably less (Ashford 1976, 108–115).

President Johnson's congressional initiative languished in the face of stiff corporate and political opposition. Taking full advantage of his status as a lame-duck president, Republicans delayed action on Johnson's bill in the hope that their candidate, Richard Nixon, would win the presidential election. Indeed, Nixon's victory was the death knell of the Johnson bill, and it eventually forced the Democratic-controlled Congress to agree to a weaker version that would be more palatable to the corporate community.

Although conservative elements of the business community, led by the U.S. Chamber of Commerce and the National Association of Manufacturers, were pleased with the defeat of the Johnson bill, moderate corporate interests realized that there was a real need to bring the workplace accident rate under control and that public support for federal standards was widespread. As if to underscore this point, on November 20, 1968, an explosion killed seventy-eight miners in Farmington, West Virginia. In August 1969 President Nixon proposed his occupational safety and health bill to Congress; it was designed to be weak enough to satisfy his corporate supporters yet strong enough to woo blue-collar voters away from the Democratic Party. Key to organized business's support of the Nixon bill was the provision calling for the establishment of a five-member board that would be given the power to set and enforce "national consensus" standards, a euphemism for voluntary standards developed primarily by industry. Organized labor complained that this deviated from the traditional practice of giving the secretary of labor the primary administrative role. The Nixon bill proposed a cumbersome, two-step standards enforcement procedure whereby the labor secretary would be limited to asking employers to voluntarily—without any punitive powers—correct violations; if that failed, he or she could file a complaint with the board, which would hold a hearing and make the decision.

Nixon's strategy attracted enough moderate Republican and conservative Democratic congressional support to force a compromise that resulted in the passage of the Occupational Safety and Health Act in December 1970. Although the act established the federal standard-setting and enforcement roles favored by the Democrats, it also incorporated the Republican proposal for an independent review commission to oversee the labor secretary's enforcement decisions. Finally, the act allowed states to submit their own plans as long as they met OSHA standards, and it established the National Institute for Occupational Safety and Health (NIOSH) to research workplace safety problems and recommend new standards (Ashford 1976, 545–575).

OSHA Since Its Inception

Since its inception in 1971, OSHA has had the daunting task of regulating workplace safety and health conditions with inadequate resources. Overall, chronic underfunding has resulted in low staffing levels and a lack of workplace inspections to ensure compliance with the law. OSHA has been weakened by intense pressure from business interests, which have resisted or refused to comply with OSHA regulations. They have also lobbied Congress and the executive branch to limit OSHA's effectiveness. The general pattern has been that Republican presidents Nixon, Gerald Ford, Ronald Reagan, and both Bushes have responded to corporate complaints by weakening OSHA, whereas Democratic presidents Jimmy Carter and Bill Clinton, at the urging of organized labor, have restored some of the resources necessary for OSHA to fulfill its mandate in response to calls by their labor constituency. However, Carter's failure to support OSHA's cotton dust standard, his adoption of Ford's practice of using cost-benefit analysis, and Clinton's exemption of companies from inspections have also weakened OSHA's power.

OSHA's implementation has been effectively limited by the lack of strong presidential support. OSHA's mission was so compromised by the Nixon administration that it was even used to aid his reelection effort in 1972. On June 14, the same week that Nixon's "plumbers" broke into Democratic National Committee's headquarters in the Watergate Hotel, OSHA's first administrator, George C. Guenther, wrote a confidential memo to Labor Undersecretary Lawrence Silberman stressing "the great potential of OSHA as a sales point for fund raising and general support by employers." He added that "no highly controversial standards (that is, cotton dust, etc.) will be proposed by OSHA or by NIOSH . . . from now through November" (Ashford 1976, 543–544).

In November 1974, President Ford issued an executive order that required all major regulations to be evaluated in terms of their inflationary impact. Despite the myth of an onerous OSHA, only three standards for hazardous substances had been promulgated—for asbestos, lead, and a group of twelve carcinogens—in its first five years. In *American Tex-*

tile Manufacturers Institute v. Donovan (1981), the U.S. Supreme Court upheld Congress's intent that OSHA need not take cost into account before promulgating new standards; nevertheless, cost-benefit analyses have been the de facto practice of every administration since (Noble 1986, 169–170). OSHA has also been weakened by unfavorable judicial decisions. In *Marshall v. Barlow's Inc.* (1978) the Supreme Court ruled that if an employer objected, OSHA must obtain a search warrant to inspect workplaces.

In Congress, Republicans and conservative Democrats have formed a durable coalition against OSHA. In 1978, Congress passed legislation exempting enterprises employing fewer than eleven employees from compliance with the act, although they have some of the highest accident rates. It exempted 2.8 million businesses, or 69 percent of the total workplaces, under OSHA's jurisdiction (Noble 1986, 192–193).

OSHA's low point came during the 1980s when the Reagan administration severely slashed its budget, replaced enforcement with "voluntary compliance," and put the Office of Management and Budget in control of its rulemaking process. During the Reagan and Bush administrations, corporate interests mounted a major effort to "reform" OSHA by weakening its regulatory authority through increased reliance on voluntary compliance programs; this practice was maintained by the Clinton administration and continues today (Claybrook et al. 1984, 71–113; Kazis and Grossman 1982, 90–95).

OSHA's greatest achievement has been the reduction in imminent hazards; the occupational mortality rate has fallen 50 percent, and the workplace injury rate has declined 40 percent since the agency's inception (Bureau of Labor Statistics, 2001). However, it has promulgated few new chemical and environmental standards to prevent occupational illnesses and health problems, despite the fact that over 75,000 toxic chemicals are in industrial use today. The recent demise of OSHA's ergonomics standard, designed to control the proliferation of repetitive strain illnesses (RSIs) in the workplace, illustrates OSHA's weakened status. The ergonomics standard survived ten years of preparation, budget shortfalls, and attacks from corporate and congressional opponents to be promulgated by President Clinton shortly before leaving office. However, in an unprecedented move, the Republican-controlled Congress and President George W. Bush took less than two months to repeal the standard in 2001 on the grounds that it would be too expensive to implement and was not based on sound science. They ignored the fact that the ergonomics standard would save employers money in the long run by protecting employees' health; an estimated 1.8 million workers suffer from RSIs annually at a cost to the economy of $60 million. They also ignored the fact that the ergonomics standard was approved by the National Academy of Sciences, which noted that it was based on 2,000 scientific studies (Mogensen 1996).

The lack of educational programs to inform workers of their rights under the act is also a serious problem. Most Fortune 500 corporations have safety programs for their workers, but most small to midsized firms do not. Unions have safety representatives and education programs for their members, but only 14 percent of the workforce is organized. Committees for occupational safety and health (COSH) are local nonprofit groups of union members, health care officials, and activists that educate workers about safety and health hazards and advocate political reforms. They provide a valuable resource for workers, but there are only twenty-three COSH groups scattered across seventeen states. Finally, worker rights under the act are so poorly enforced that many employees are afraid to call OSHA, although it is illegal to fire workers for reporting safety violations.

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See also Drug Testing and Substance Abuse in the Workplace; Ergonomics; Occupational Health and Safety Act; Stress and Violence in the Workplace

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Works Progress Administration

The Works Progress Administration, established in 1935 by an executive order of President Franklin Delano Roosevelt (FDR), provided employment to about one-third of the masses left jobless during the Great Depression. This unemployment relief effort received its first financing from the 1935 Emergency Relief Appropriations Act. The Works Progress Administration (WPA), renamed the Works Projects Administration in 1939, employed 8.5 million individuals on a vast array of socially beneficial projects (Watkins 1993, 249). The administration was headed by Harry S. Hopkins. The WPA replaced earlier work relief agencies created under FDR's New Deal, such as the Federal Emergency Relief Administration (FERA), the Public Works Administration (PWA), and the Civil Works Administration (CWA). Most employment projects were in the construction field, but other projects were as varied as the extermination of rats, the making of Braille books, and the stuffing of birds (Howard 1943, 126). Unemployed artists also found relief under the WPA, through its Federal One Project, which commissioned music, theater, art, and writing projects. The WPA was an unprecedented affirmation on the part of the U.S. government of the value of work in restoring both the social and individual psyche, as well as a rejection of the more traditional solution to unemployment, the dole. Because the U.S. economy returned to high productivity during World War II, the WPA was cancelled in 1943.

The WPA employed more than 8.5 million people. However, its impact was multiplied by the size of these individuals' families who also felt the benefits of the WPA. Although the monetary return to labor was modest, with workers receiving an average monthly wage of $41.57 (Watkins 1993, 249), the gains in self-esteem and pride to otherwise unemployed individuals were profound. As the cornerstone of the New Deal, the WPA was generally popular among the public. Its broad net introduced a closer relationship between the American people and their government. It also contributed greatly to FDR's reelection victory in 1936.

African Americans, disproportionately hurt by the Great Depression, found greater relief in the WPA than in most other government programs they had experienced. The WPA explicitly prohibited racial discrimination, although certainly such events are difficult to prevent and document. Those who suggest that the WPA promoted a more equitable treatment of African Americans than previous government programs point to African American's swing in party loyalty from Lincoln's party to FDR's.

WPA policy aimed to employ men first since they were generally the primary breadwinners of an American family. This policy resulted in the exclusion of otherwise eligible women from the WPA rolls. In 1938, at the height of the WPA, women comprised 13.5 percent of WPA employees (Watkins 1993, 250). Women's most prominent advocate under the New Deal was Ellen Woodward, director of the Women's Division at FERA and CWA and later at the WPA. Woodward also oversaw "Federal Number One," the WPA's investment in artists and cultural activities. It was here that Woodward was best able to bring women into the fold.

Federal Number One was an unprecedented national effort to advance cultural activities, one that introduced the masses to the arts for the very first time. It comprised four primary projects: the Federal Art Project (FAP), the Federal Music Project (FMP), the Federal Writers Project (FWP), and the Federal Theatre Project (FTP). Federal Number One employed about 40,000 artists and intellectuals (Kyvig 2002, 207), among them Orson Welles, Arthur Miller, John Steinbeck, and Burt Lancaster (Venn 1998, 77). The Federal Art Project produced 2,566 murals, 17,744 pieces of sculpture, and other artwork that adorned community spaces such as schools and post offices across the nation (Watkins

1993, 251). The Federal Writers Project produced numerous pamphlets, books, and other materials—among them a set of comprehensive travel guides for each state (Kyvig 2002, 213). The Federal Music Project gave musicians employment as teachers of 18 million students. Concert performances reached 150 million people (Kyvig 2002, 214). Finally, the Federal Theatre Project produced hundreds of plays across the nation. The FTP contributed greatly to American drama, both on and off the stage. Controversy led to its demise in 1939, when Congress abolished the program following a series of criticisms. Some argued these theaters fostered Communist or subversive political content, and others argued the operational costs were simply too high. Private theaters complained that they were placed at a competitive disadvantage by these publicly financed theatres. The appearance of African American and white actors in the same plays also received criticism.

An offshoot of the WPA, the National Youth Administration (NYA), provided relief to struggling students and youth in the United States. Students at both the high school and college levels received part-time employment, and 2.7 million out-of-school youth received training, citizenship education, and/or full time employment on various projects (Kyvig 2002, 209).

The WPA was not without its limitations. Wages were meager, and enrollment was limited to just a fraction of the unemployed masses. The program was often inadequate in its matching of employee skills and the demands of a project. Training programs were nearly absent from the WPA (Watkins 1993, 255). Most significantly, the short-term nature of the emergency relief funding of the WPA (generally appropriations were for one year or less) prevented the undertaking and appropriate planning of more long-term projects. Other accusations against the WPA suggested subversion, political corruption, and favoritism.

Accusations abounded that Democrats were exploiting the WPA labor force for their own political gains. One such allegation, that WPA workers contributed to the reelection victory of Senator Alban Barkley of Kentucky, led to a Senate investigation. Although the allegations were never substantiated, the inquiry led to the Hatch Act of 1939, which prohibits federal employees from participating in any political activity (Leuchtenburg 1963, 270).

Over the course of its eight-year run, the WPA spent more than $11 billion (Watkins 1993, 249). In return, this investment produced a legacy of public works and art, many of which can still be seen or used across the nation. In addition to the murals and sculptures already mentioned, WPA employees "built 651,087 miles of highways, roads and streets; constructed, repaired, or improved 124,031 bridges; erected 125,110 public buildings; created 8,192 public parks; and built or improved 853 airports" (Edward Robb Ellis, quoted in Watkins 1993, 249).

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See also Civilian Conservation Corps; Great Depression; New Deal; Roosevelt, Franklin Delano

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World Trade Organization (WTO)

The World Trade Organization (WTO) is an international organization that monitors national trading politics, mediates trade disputes, and enforces General Agreement on Tariffs and Trade (GATT) agreements with the goals of eliminating trade barriers and discrimination in international commerce. According to the WTO, "its main function is to ensure that trade flows as smoothly, predictably, and freely as possible" (World Trade Organization 2002, 1).

History

The WTO was founded in 1995 during the Uruguay Round of the GATT. The acronym GATT is used to describe both the informal organization created in 1947 to negotiate international trade agreements and the actual agreements this body has reached during its approximately fifty years of existence. Leaders from over forty countries, including the United States, Russia, and Great Britain, established GATT after World War II to rebuild world trade.

Protestors make an anti–World Trade Organization (WTO) statement at the 1999 Seattle meeting of the WTO. (AFP/Corbis)

Eight rounds of multilateral trading negotiations were held under GATT, culminating in the Uruguay Round from 1986 to 1994 that established the WTO. This relatively new organization is GATT's successor and relies heavily on previous GATT agreements in its governance of trade negotiations. The WTO is more powerful than GATT because it is a permanent organization with great authority in mediating disputes and levying penalties to enforce its decisions. It is the first trade organization in history to be so heavily involved with international trade and have the authority to both regulate and enforce member actions.

WTO Operations

The WTO is headquartered in Geneva, Switzerland, and is overseen by a ministerial conference that meets at least once every two years to discuss trade issues. The conference is governed by a one-country–one-vote rule. Over 140 countries are members of the WTO, accounting for over 97 percent of the world's trade (World Trade Organization 2002, 2). To date, all decisions made by this organization have been reached through consensus. A majority vote is also acceptable for passing an agreement, but this option has yet to be used.

Technical support is provided to the many committees, councils, and member countries by the WTO Secretariat. This office is headed by a director-general and has a staff of over 500 people. The WTO Secretariat does not have the power to make trade decisions, but it does offer technical support to developing countries, conduct research on world trade, assist in the membership process, supply legal resources for dispute settlements, and represent the WTO to the media and public (World Trade Organization 2002, 2).

Since its recent inception, the WTO has gone beyond GATT in some important ways. The WTO is seeking to reduce quotas and subsidies on automobiles, textiles, and imported farm products. It is also dealing with issues of intellectual property and freeing up trade restrictions in the banking industry. One of the most marked differences between GATT and the WTO is the dispute resolution process of the WTO. When a member country believes that it has a legitimate complaint against another country concerning trade, it can request the establishment of a dispute resolution panel (DRP). If a DRP is established, it is staffed by three appointed member countries that are not directly involved in the dispute. If one member of the dispute is a developing country, it can request that at least one member of the panel also be a developing country. The dispute resolution process has been actively used by member countries to resolve trade disagreements since the establishment of the WTO.

Citizen Protests

The WTO is currently operating in a contentious environment of vocal citizen backlash against its existence and practices. Since the late 1990s, the WTO has been the target of organized citizen protests. In 1999, approximately 50,000 people descended on the city of Seattle to disrupt meetings of the WTO and bring public attention to their concerns. Citizen protests against the WTO and other international economic bodies (the World Bank, International Monetary Fund, Summit of the Americas, G8 Meetings, Earth Summit) have been organized in Washington, D.C.; New York City; Quebec City, Canada; Genoa, Italy; and Johannesburg, South Africa, to name a few. The primary concerns articulated by these protesters is that the WTO serves corporate interests at the expense of the environment, human rights, consumers, local people, and workers (Global Exchange 2002; Wallach, Sforza, and Nader 1999; Danaher and Burbach 2000). Critics contend that developing nations are disproportionately affected by the WTO. They argue that WTO trade practices have threatened the viability of trade in developing nations as local products are forced to compete with cheaper imported foods that have been heavily subsidized by other countries (Khor 2001).

Other critiques of the WTO focus on the internal workings of the organization and the process of its creation. Some argue that the WTO's decision-making process is closed to many groups affected by its decisions but formally includes corporate input through industry sector advisory committees and informally through other avenues (Wallach, Sforza, and Nader 1999; Global Exchange 2002). According to the WTO, meetings are held in closed sessions in an effort to promote agreement among member countries (World Trade Organization 2002, 4). Others are concerned about the way the WTO was established (Global Exchange 2002, 1). The organization was adopted in the United States during a lame duck session of Congress under fast track, a process in which members of Congress are not allowed to make amendments to bills. WTO leaders declared that they would be reevaluating the structure of the organization in 1999.

The WTO has responded to its critics, arguing that "criticisms of the WTO are often based on fundamental misunderstandings of the way the WTO works" (World Trade Organization 2002, 1). The organization disputes claims that they put commercial interests above local development and the environment, maintaining that freer commerce is beneficial for economic growth, which, in turn, is good for development. The WTO also notes that it extends special concessions to developing nations in that they are exempt from many WTO provisions. WTO leadership insists that its decisions are driven by the principles of sustainable development, protection of the environment, and prudent use of the world's resources (World Trade Organization 2002, 6).

Caroline Heldman

See also General Agreement on Tariffs and Trade; Globalization and Workers

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Y

Yuppie

A term that entered the English lexicon in the late 1970s as an acronym for "young urban professionals," *yuppie* was derived from the 1960s acronym "yippie," which stood for a member of the radical Youth International Party, headed by famous activist Jerry Rubin. Over the years, the word *yuppie* has received heavy usage to describe a variety of demographic groups. By accepted definitions, the percentage of "real" yuppies in the general population is relatively small, but they are targeted by many corporations and marketers because of their purchasing power. However, many Americans commonly use the word to describe virtually any professional or affluent individual.

Some journalists cite the first coining of yuppie in the 1970s, when it was used to describe young professionals gentrifying old Chicago neighborhoods. Others believe the term and symbol first entered the nation's media consciousness in the early 1980s, as Jerry Rubin's high-profile New York City networking parties heralded a self-image shift for baby boomers and others who had established themselves in the financial and media industries, embracing high-paying jobs and cutting-edge consumer goods. As Marissa Piesman, coauthor of the *1984 Yuppie Handbook,* told Jim Myers in *USA Today,* "[The baby boomers] are a trend-a-minute generation. In 1969, we were sitting on a rock smoking dope. By 1977, it was novel to carry a briefcase and eat ethnic cuisine." (Myers 1987, 1). During the 1980s, demographers generally defined yuppies as professional, managerial, or administrative people aged twenty-five to thirty-nine, who live in a metropolitan area and earn at least $30,000 (if single) or have a family income of more than $40,000 (Lipman 1987).

During the bull market of the 1980s, these young, upwardly mobile professionals made long work hours and heavy spending a national phenomenon. Marketers and advertisers courted the consumerist yuppies, and columnists, religious leaders, and many Americans pointed to "yuppie greed" as an all-too-familiar human weakness sure to receive its comeuppance. For many, the yuppie era ended in October 1987 with the stock market plunge and concomitant public anxiety about a recession and large-scale corporate downsizing. Advertisers dropped overt appeals to consumption, and yuppies became the scapegoats of comedians and columnists. Styles changed with the political mood, and President George H. W. Bush sprinkled his speeches with calls for a kinder, gentler America and volunteerism.

As yuppie became a cultural negative, other symbolic terms for the nation's changing workforce trends attracted notice. Political theorist Ralph Whitehead at the University of Massachusetts popularized the term *new collar voters* in 1985 to describe the children of blue-collar families who worked in midlevel technical or service jobs, had less discretionary income, but were influenced by the liberalizing trends of the baby boom era. Journalist Bill O'Reilly popularized the term *tweeners* in the late 1980s to describe even well-to-do offspring of blue-collar families who spent their money with restraint and rejected what was often seen as the consumerist, trend-conscious, self-centered ethic of the yuppie baby boomers. "These people haven't made a conscious decision to be this way," O'Reilly told a journalist at the time. "Nobody said, 'Here are the rules to be a tweener. Let's follow them.' There's not a polo pony logo to bind us all together"

In a twist of linguistic irony, as the high-tech boom and rise of the Internet in the 1990s brought a new generation of computer-savvy young college graduates to national prominence, yuppie was often used to describe older, more traditional professionals in Northeast and Midwestern cities. The media crafted baskets of monikers to describe the entrepreneurs, programmers, and Internet mavens who made money and headlines in Silicon Valley, the Pacific Northwest, Austin, and New York City during the dot-com rush. But yuppie no longer seemed to fit. A 2002 Nexis search of Silicon Valley stories using the word *dot-commer* garnered twice as many articles as one using *yuppie.*

Herbert A. Schaffner

See also Dilbert; Dot-com Revolution; Silicon Valley; Wall Street

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A TIMELINE OF THE AMERICAN WORKFORCE, THE LAW, AND THE ECONOMY: THE STRUGGLE FOR SECURITY AND DIGNITY

1806	Courts use the "doctrine of criminal conspiracy to restrain trade" to make it an illegal action to form or belong to a union; unions such as the Philadelphia Cordwainers and the Union Society of Journeymen Tailors are ruled illegal.
1835–1860	High unemployment, abusive labor laws, and soaring prices lead to protests and riots among workers in major northeastern cities, such as the Flour Riot of 1837 in New York City, and a general strike of Philadelphia trade workers in 1835. An economic crash in 1857 creates mass unemployment and unrest.
1836	Women mill workers in Lowell, Massachusetts, organize an association and go on strike. Other New England women mill, garment, and shoe workers organize and strike.
1842	*Commonwealth of Massachusetts* v. *Hunt* declares the Doctrine of Means and Ends in labor conflicts: raising wages is not an unreasonable end, but legality depends upon means—often interpreted as the absence of violence, strikes, and pickets.
1864	Contract Labor Law makes it possible for companies to sign contracts with foreign workers if the workers sign contracts to pay back the cost of emigration through their wages.
1869	The Knights of Labor union is formed by nine tailors from Philadelphia.
1872	The National Labor Union leads a three-month strike of 100,000 workers for an eight-hour workday.
1873	The worst of midcentury economic swings culminates in the Great Depression, with mass closings, layoffs, homelessness, and emigration.
1877	The Great Upheaval, a rebellion of the railroad workers in rolling strikes across the Northeast and Midwest, generates public protests and confrontations with National Guard and in many cities general strikes and shutdowns. Authorities crack down on the restless public, raid union offices, and make widespread arrests.
1878	The Knights of Labor becomes public and open, heralding a new kind of unionism.

1881	The American Federation of Labor is founded and renews the movement for an eight-hour workday.
1883–1885	Severe recession and wage cuts affect entire workforce.
1886	The Knights of Labor membership reaches 70,000.
1886	Railroad and packinghouse workers in Chicago strike, calling for an eight-hour workday. The packinghouses give in to the strikers' demands after four days. On May 1, 170,000 workers go out on strike nationwide.
1886	Workers at Chicago's Haymarket Square gather on May 1 to protest. Over 180 police surround the square and order the marchers to disperse. Suddenly a bomb explodes, killing seven and wounding 200. The city rounds up anarchist leaders for inciting a riot and several are hung. Although this event leads to a huge police backlash against the labor movement, strikes and job actions continue to spread throughout the country.
1890	Membership in the Knights of Labor reaches 100,000.
1890	The Sherman Antitrust Act is passed. The law breaks up larger monopolies, but it is also used to subdue unions.
1892	Workers strike at Homestead Steel in Pittsburgh: 10,000 strikers and sympathizers take over the mills; the four-month strike is eventually defeated and only 800 of 3,800 workers are rehired.
1893–1897	The U.S. economy enters another long recession; 16,000 businesses close and 3 million out of 15 million workers lose jobs.
	The Pullman company cuts wages by 22 percent, but maintains worker rents for company housing and prices for goods in company stores at the same level. When workers strike, troops and police crush the protests, wounding and killing dozens of workers. Eugene Debs is arrested.
1905	Bill Haywood forms the Industrial Workers of the World (IWW), known as the Wobblies, a "continental congress of the working class" dedicated to "direct action." IWW organizes successful strikes in Lowell, Massachusetts, and other locales.
1911	Deplorable working conditions continue in garment and other industries. The Triangle Shirtwaist Company fire.
	Raids, arrests, trials, and imprisonment of members for draft evasion and other charges break IWW.
1920s	Unions spread the open-shop movement, opening union shops to nonunion employees.
1920	Women gain the right to vote.
	The Railway Labor Act is passed, protecting the rights of industry employees to form labor unions. The act provides for government mediation of bargaining disputes and

establishes adjustment boards to resolve grievances. The central importance of railroads in the economy means that this law will have huge influence on other employers and the economy.

The crash of the stock markets accelerates the nation's economic troubles and leads to another Great Depression. Five thousand banks close; as many as 15 million workers are unemployed by the early 1930s.

1930s For the first time, 50 percent of the working population is employed outside of agriculture.

1933–1935 The passage of the National Industrial Recovery Act in 1933 gives workers the right to organize and bargain collectively. During the 1930s massive industrial sit-down strikes take place in an unprecedented national worker uprising. The Supreme Court rules the National Industrial Recovery Act illegal in 1935, so Congress and Franklin Delano Roosevelt pass the Wagner Act, officially known as the National Labor Relations Act (NLRA) of 1935. Section 7a of the Wagner Act spells out union organizing rights and provides leverage for workers to pursue these rights. These provisions were largely ignored by industry, and the law was immediately challenged in the courts. At the same time the Social Security Act is enacted. The SSA includes programs of unemployment insurance, old age insurance, and aid to families with dependent children.

1937 The U.S. Supreme Court declares the Wagner Act constitutional.

1938 The Fair Labor Standards Act regulates the labor market through provisions addressing minimum wage, overtime, and child labor.

1939 World War II begins.

1941 The United States enters World War II.

1942 Franklin Delano Roosevelt forms the War Labor Board, which provides government regulation of the labor market and industrial planning. Through the board, unions and management agree to freeze wages, increase fringe benefits, and avert strikes. Health insurance and pensions become available to the average worker through the advent of employer-provided health insurance.

1945–1946 Waves of strikes unleash as the war ends; workers force employers to address pent-up wage demands.

1946 Political backlash against militant labor groups begins.

1947 Congress passes the Taft-Hartley Act and eventually overrides President Truman's veto of the act, amending the NLRA to make it more difficult for unions to organize. The Taft-Hartley Act allows for the decertification of unions, prevents secondary boycotts, and excludes first-level supervisors from NLRA protection.

1959 Congress passes the Landrum-Griffin Act amending the NLRA. The law increases union democracy but also increases government regulation of unions. Congress and the media increasingly focus on union graft and corruption, including organized crime infiltration of the Teamsters and other unions. Some unions are tainted by anticommunism hysteria.

1960s The pendulum swings toward more government intervention to prevent racism, with the passage of the Equal Pay Act of 1962, the Civil Rights Act of 1964, Title VII, and the creation of Job Corps in 1964, a program that would provide more than 1.7 million disadvantaged young people with integrated academic, vocational, and social skills training. The Age Discrimination Act of 1967 prohibits discrimination in the workplace against older Americans.

1970s New laws attack technological unemployment, address poverty, improve worker safety and health, and protect the financial security and pensions of older workers. They include the 1970 Occupational Safety and Health Act, the 1974 Trade Adjustment Assistance Act, and the Employee Retirement Insurance and Security Act of 1974.

1980s Ronald Reagan is elected president during an era of high inflation and high interest rates. Reagan capitalizes on widespread public sentiment that growing government intervention has exacerbated the nation's social and economic problems. The deepest recession since the 1930s occurs in 1982. Unemployment jumps to over 12 percent as steel and other heavy industries suffer. Reagan breaks the federal air traffic controller union after workers strike for better working conditions. Labor's anti–worker replacement legislation dies in Congress, and the National Labor Relations Board becomes pro-management. Reagan opposes minimum wage increases, and implements general government budget cuts that bite deeply into social and nutrition programs.

1982 The Job Training and Partnership Act (JTPA) is signed into law, establishing job-training services for economically disadvantaged adults and youth, dislocated workers, and others who face significant employment barriers. The Economic Dislocation and Worker Adjustment Assistance Act amends JTPA to include workers who lost their jobs and are unlikely to return to their previous industry or occupation.

1988 The Worker Adjustment and Retraining and Notification Act (WARNA) requires employers to provide a sixty-day notice in advance of covered plant closings and covered mass layoffs to affected employees (hourly, salary, and managerial).

Union membership is in deep decline.

1990s Manufacturing jobs continue to shrink as multinational employers shift production to low-cost overseas locations. Controversy grows over globalization and race to the bottom for labor standards.

Mid- to late 1990s The new economy boom takes off as unemployment drops to historic lows, capital markets climb, new wealth soars, and the percentage of women in workforce continues to grow. Historically poor groups see first real income gains in years.

1990 The United Mine Workers stage and win a high-profile strike against Pittston Coal, attracting wide support. Steelworkers undertake a similar high-profile strike against Ravenswood Aluminum, employing corporate campaign techniques to turn public and investor opinion against the employer.

The Americans with Disabilities Act (ADA) is signed into law. The goal of ADA is to make the workplace, transportation and telecommunications systems, and the public arena fully accessible to people with disabilities and to ensure that workers with disabilities have the same job and career opportunities as workers without disabilities. The employment provisions of the law prohibit discrimination in hiring or firing people with disabilities qualified for a job, inquiring about a disability, limiting advancement opportunities or job classifications, using tests that tend to screen out people with disabilities, or denying opportunities to anyone in a relationship with a person with disabilities.

1992 Bill Clinton is elected president. Clinton succeeds in passing Family and Medical Leave Act, supports an increased minimum wage, and supports expansion of OSHA. The NLRB becomes more pro-labor.

1993 NAFTA TAA (Transitional Adjustment Assistance), a combination of TAA and JTPA for workers affected by the North American Free Trade Agreement, is formed.

1994 The School-to-Work Opportunities Act is signed into law, establishing a system to help young people make the transition from high school to work or additional education and training. The act urges states and their partners to bring together efforts for education reform, worker preparation, and economic development.

1996 The Personal Responsibility and Work Opportunity Act is signed into law, eliminating welfare entitlement and limiting cash payments to five years. Most welfare participants must work in community service jobs in order to receive payments.

1998 The Workforce Investment Act is signed into law, providing for local training and employment programs, one-stop services for employment, education, training and information services, and customer choice.

In October, the unemployment rate falls to 3.9 percent, the lowest since December 1969. The 1990s new economy boom provides the greatest job growth in more than a generation.

In protests of size and impact that surprised the world, a massive coalition of trade unionists, antiglobalization grass roots activists, anarchists, and environmentalists virtually shut down meetings of the World Trade Organization in Seattle. Actions include parades, sit-down protests, marches, lectures, and music. A small group of protesters smash store windows and commit other acts of vandalism, although the vast majority of protesters engage in peaceful activities. The Seattle protests seize the media agenda, prevent the delegates from moving forward on issues, and set a precedent the antiglobalization movement would follow in other meetings around the world.

Sources: Whittaker, Lecture notes, Bloustein School of Planning and Public Policy, Rutgers University; *A People's History of the United States.* Perennial Books.

TRENDS AT WORK: STATISTICAL PORTRAITS OF AMERICA ON THE JOB

The U.S. Workforce Reflects America's More Diverse Population
Employed Civilians,* Percent of Total Civilian Population, 1983 and 2000

	1983	*2000*
Female	43.7	46.5
Black	5.6	8.2
Hispanic	5.3	10.7

*16 years old and over.

Source: Based on Census Bureau Current Population Survey data, *Statistical Abstract of the United States, 2001.*

The Rise of Working Women
Participation Rates of Men and Women in the Workforce:
(civilan employment as a percent of civilian noninstitutional population)

Year	*Women*	*Men*
1970	43	80
1980	51	77
1990	57	76
1995	59	75
1999	60	75
2000	60	75
2008*	62	74

*Projected figures

Source: Based on *Statistical Abstract of the United States,* U.S. Census Bureau; Bureau of Labor Statistics, Bulletin 2307, *Employment and Earnings,* monthly, January issue.

Increases in the Percentage of Working Mothers with Young Children
Percentage of Married, Working Mothers with Children under Labor Force Participation Rate

Year	*Percentage*
1975	37
1985	53
2000	63

Source: Based on *Statistical Abstract of the United States;* Bureau of Labor Statistics, Bulletin 2340.

The Wage Gap
Median Salaries for Men and Women, 1947–1997*

Year	*Men*	*Women*
1947	14,790	6,745
1957	19,349	6,315
1967	24,553	7,963
1977	25,708	10,008
1987	25,129	11,720
1997	25,212	13,703

*In 1997 dollars

Source: Based on Census Bureau, March Population Survey series

Soaring Productivity but Slow Wage Gains

Annual Percent Changes in Earnings, Nationwide*

Year	*Percentage Change in Earnings*
1980	–4.8
1985	–0.4
1990	–1.6
1995	–0.1
1996	0.5
1997	1.6
1998	2.6
1999	1.4
2000	0.4

*Measured from immediate prior year; minus sign indicates decrease

Productivity per Hour, Business Sector Index, 1992=100

Year	*Output per Hour of All Persons*
1980	80.4
1985	88.7
1990	95.2
1995	102.6
1996	105.4
1997	107.8
1998	113.8
1999	113.8
2000	118.6

Source: Based on *Statistical Abstract of the United States*, Census Bureau; U.S. Bureau of Labor Statistics, News USDL 01-132, *Productivity and Costs.* http://www.bls.gov/lpc/home.htm

No Real Growth in the Minimum Wage after 50 Years
Value of the Minimum Wage, 1950–2000

Year	*Value in Given Year*	*Value in 2000 Dollars*
1950	$.75	$5.36
1960	$1.00	$5.82
1970	$1.60	$7.10
1980	$3.10	$6.48
1990	$3.80	$5.01
1995	$4.25	$4.80
2000	$5.15	$5.15

Source: Based on U.S. Employment Standards Administration. http://www.dol.gov/esa/public/minwage/main.htm (cited August 29, 2001).

The Rise of Service and Technology Work
Projections for Fastest Growing Industries, 1998–2008

Job Growth	*Annual*	*Growth Rate*
Computer and data processing services	1.8 million	8.1
Health services	809,000	5.3
Residential care	424,000	4.6
Management and public relations	466,000	3.8
Personnel supply services	1.4 million	3.7
Rental and leasing	111,000	3.6
Museums, zoos	39,000	3.6
Research and testing services	247,000	3.4
Transportation services	94,000	3.4
Security and commodity brokers	255,000	3.4

Source: Based on *U.S. Bureau of Labor Statistics*. 1999. *Monthly Labor Review* (November). *Statistical Abstract of the U.S. Census Bureau.*

The Role of Education and Advanced Skills
Enrollment in Associate, Bachelor, Master, Professional, and Advance Degree Programs, 1960–1999

Year	*Total Enrollment*
1960	485,611
1970	1,392,503
1980	1,752,170
1990	2,024,668
1999	2,265,600

Source: Based on NCES, Digest of Education Statistics, 2000.

Declining Union Membership
Percentage of Workforce Belonging to Unions

Year	*All Wage and Salary Workers*	*Public Sector Workers*	*Private Sector Workers*
1983	20.1	36.7	16.5
1985	18.0	35.7	14.3
1990	16.1	36.5	11.9
1995	14.9	37.7	10.3
1996	14.5	37.6	10.0
1997	14.1	37.2	9.7
1998	13.9	37.5	9.5
1999	13.9	37.3	9.4
2000	13.5	37.5	9.0

Source: Based on Bureau of National Affairs, Inc., Washington, DC, *Union Membership and Earnings Data Book: Compilations from the Current Population Survey (2001)*, Barry Hirsch, Trinity University, San Antonio, TX, David MacPherson, Florida State University. www.bna.com/bnaplus/databook.html.

INTERNET RESOURCE GUIDE

Federal and State Organizations

Websites of federal and state organizations are by far the most useful source for researchers and students seeking information and statistics on economics, the workforce and society, workers, and labor history. These Websites enable one to search, track, save, print, analyze, and screen articles, data, and other information. If the following links do not work for any reason, type the agency name into a search engine.

America's Career InfoNet This federal online resource for job seekers is a comprehensive site that helps users make career decisions. America's Career InfoNet allows users to check requirements for education, knowledge, skills and abilities, and licensing for most occupations. http://www.acinet.org.

America's Job Bank a comprehensive occupational information site for employers and job seekers. http://www.ajb.org.

America's Learning Exchange a site for workforce development professionals. It provides Tools of the Trade: Resources for Workforce Professionals. http://www.alx.org.

Federal Reserve Board and Banks of the United States offers a publications and education resources page. Although not as well known as other government information resources, the Federal Reserve Board's articles, briefs, surveys, and reports on economics, personal finance, and industrial trends are of extremely high quality and usability. http://www.federalreserve.gov/publications.htm.

National Governors' Association publishes a wealth of reports and online analyses of legislative and policy issues regarding work in America available through links to the NGA homepage. http://www.nga.org. See NGA's welfare-to-work page, Youth Development page, and its workforce development page.

O*NET, the Occupational Information Network is an easy-to-use database that contains comprehensive information on job requirements and worker competencies. http://www.doleta.gov/programs/onet.

United Nations' The World's Women, Trends and Statistics is the first source to visit for accurate global statistics on economic, work, social and health indicators, and indexes regarding women. http://unstats.un.org/unsd/demographic/ww2000/tables.htm

U.S. Department of Commerce the gateway to an extraordinary wealth of data, analyses, reports, and research tools regarding the U.S. population and its characteristics. Research areas include population estimates and projections, poverty and income trends, business census data, foreign trade, geographical topics, and housing, among an array of data resources. Includes sortable data trends and analyses from the 2000 census. http://www.census.gov

U.S. Department of Labor offers a comprehensive site on U.S. workforce policy surrounding the Workforce Investment Act and other key programs of the Labor Department. http://www.usworkforce.org.

U.S. Department of Labor and Bureau of Labor Statistics the key government resource for official statistics relating to jobs, workers, and the workforce. http://www.bls.gov.

Private and Nonprofit Sector Resources: Perspectives on the Workforce

American Association of Community Colleges This is the home page for the national organization representing community colleges in the United States. http://www.aacc.nche.edu.

American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) The home page of the national federation of organized labor.

Business Coalition for Education Reform (BCER) provides comprehensive information on school-to-work initiatives. BCER works with 450 state and local business-education coalitions. http://www.bcer.org.

National Association of Manufacturers' works to enhance the competitiveness of manufacturers and to improve U.S. living standards by shaping a legislative and regulatory environment conducive to economic growth, and to increase understanding among policymakers, the media, and the general public about the importance of manufacturing to America's economic strength. The site contains a wealth of reports, lobbying information, statistics and news briefs. http://www.nam.org.

National Association of State Workforce Agencies The national organization representing state workforce and labor agencies. http://www.icesa.org

NewWork News This Website presents a daily updated compendium of news coverage and analysis of life and work in the new economy for people in business, education, and government. This well-managed Website is closely watched by many knowledgeable leaders and analysts. http://www.newwork.com.

Research Organizations

Center for Retirement Research conducts research on retirement issues to provide new findings to the policy community and the public, to help train new scholars, and to broaden access to valuable data sources. http://www.bc.edu/crr.

John J. Heldrich Center for Workforce Development at Rutgers, The State University of New Jersey. http://www.heldrich.rutgers.edu.

Joint Center for Policy Research Researchers from Northwestern University and the University of Chicago work through JCPR to support academic research that examines the causes and consequences of poverty and the effectiveness of policies aimed at reducing poverty. http://www.jcpr.org.

Manpower Demonstration Research Corporation a nonprofit, nonpartisan social policy research organization dedicated to learning how to improve the lives of low-income individuals. MDRC also performs comprehensive evaluations of important government programs and initiatives, as well as independent research. http://www.mdrc.org.

Mathematica Policy Research, Inc. Founded in 1968, Mathematica is a leader in policy research and analysis. They have conducted some of the most important evaluations of welfare, education, employment, and other policies. http://www.mathematica-mpr.com.

Urban Institute a nonprofit policy research organization established in 1968 to sharpen thinking about society's problems and efforts to solve them. http://www.urban.org.

W. E. Upjohn Institute for Employment Research an independent, nonprofit research organization devoted to finding, evaluating, and promoting solutions to employment-related problems. http://www.upjohninst.org.

Working for America The AFL-CIO created the Working for America Institute (formerly the Human Resources Development Institute) to support labor-led strategies for building skills and raising living standards in the nation's communities. http://www.workingforamerica.org.

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