

Labor Movements and Capital Migration:

The United States and Western Europe in World-Historical Perspective

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It is our thesis that the U.S. labor movement in the 1930s and 1940s has “shown the future” to the European labor movement of the late 1960s and 1970s; and that the structural link between the two movements is the transnational expansion of U.S. capital in the post-World War II period.

Our argument is divided into four parts. In the first part, “Divergent Patterns of the Interwar Labor Movement,” after a brief comparative survey of the vitality and effectiveness of the labor movements in the United States and Europe in the interwar years, we conclude that the labor movement in the United States at the time showed both an unprecedented and largely unparalleled strength. In “The Rise of Workplace Bargaining Power” we develop a dual hypothesis to explain the main source of this strength; that is, the relatively more advanced stage of two processes in the United States that strengthened labor's bargaining power vis-à-vis capital. These are, very briefly, first, the development of “labor's workplace bargaining power” arising from capitalist transformations in industrial organization and labor process that increase capital's vulnerability to workers' direct action at the point of production. The second process, partly related to the first, is the relative exhaustion of reserves of partially proletarianized or nonproletarianized labor available for mobilization, either to increase competition in the ranks of labor or to form part of antilabor political coalitions.

In “The Containment of Workplace Bargaining Power,” the third part, we trace how this strength of U.S. labor has been contained (although not rolled back) in the postwar period as the result of the institutionalization of new forms of labor control, on the one hand, and the transnational expansion of U.S. capital, on the other hand. Finally, we show how the experience of the labor movement in postwar Europe has been analogous to the trajectory of the U.S. labor movement from the 1920s through the 1950s in the section on “Convergent Patterns of the Postwar Labor

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Movement.” The structural link between the two periods and movements is the transnational expansion of U.S. capital that has speeded and facilitated the transformations in industrial organization and labor process in postwar Europe that underlay the emergence of labor’s structural strength in the United States in the interwar period. Thus, while on one side of the coin we find the containment of the postwar labor movement in the United States, on the other side is the more than compensatory strengthening of the movement in Europe.

Divergent Patterns of the Interwar Labor Movement

One of the most significant phenomena of the interwar years was the unprecedented vitality and effectiveness revealed by the U.S. labor movement in the mass production industries during the 1936-1937 strike wave. Unlike previous experiences of strike waves during periods of mass unemployment, and unlike what was happening elsewhere at the time, workers’ direct action at the point of production wrested significant and long-lasting concessions from employers and the state.

One of the first of such actions to be successful began at a Firestone tire plant in Akron, Ohio, on January 29, 1936. A small group of workers secretly planned a sit-down strike to protest the imposition of industrywide layoffs and the extension of the workday. Within 10 days, sit-down strikes spread to Goodrich and Goodyear, and the industry was forced to concede to workers’ demands (Green, 1980: 153).

The most dramatic sit-down strike began when workers occupied General Motors’ Fisher Body Plants No. 1 and No. 2 in Flint, Michigan, on December 30, 1936. The outcome of this struggle had an electrifying impact on the labor movement as the newly organized UAW-CIO triumphed over the nation’s largest industrial corporation, whose vast financial resources and “colossal supersystem of spies” had previously succeeded in keeping GM an open-shop sanctuary (Dubofsky and Van Tine, 1977: 256, quoting the LaFollette Report).

When General Motors was forced to capitulate and signed a contract with the UAW on March 12, 1937, the wave of sit-downs turned into a flood. In March 1937, “167,210 people engaged in 170 occupations of their employers’ property. Within a year, 400,000 workers engaged in a total of 477 sitdown strikes” (Green, 1980: 157). And if we include conventional strikes, the total number of strikers increased from 2.1 million in 1936 to 4.7 million in 1937 (Green, 1980: 158).

This flood of strikes resulted in a significant number of victories for labor. According to Fine (1969: 332) “substantial gains” were achieved in over 50 percent of the 1937 sit-downs, and compromises worked out in another 30 percent. In the face of this militancy and apparent labor strength, U.S. Steel gave up without a fight and agreed to bargain with the Steel Workers Organizing Committee (SWOC) rather than risk a long-term strike at a time when the international demand for steel was finally rising (Green, 1980: 159).

In no other major capitalist country at this time did the labor movement show a similar vitality and effectiveness. The 1920s and early 1930s had been a period of retreat and eventual defeat of organized labor everywhere. In summing up a worldwide survey of labor movements (including

those in the United States) in the interwar years, Demarco et al. (1966: 3) observe that “lorsque la grande dépression économique ... commence a se manifester, la période pendant laquelle, après la première guerre mondiale, la puissance des organisations ouvrières a atteint son point culminant, est déjà assez éloignée.”

In France the defeat had been immediate: The disastrous general strike of 1920 led to a CGT membership decline from 2 million to 1 million in a single year and to ideological and organizational divisions that left labor powerless in the face of French employers' intransigence and refusal to recognize the legitimacy of unions. In Italy, the strike wave of 1919-1920 (the so-called *Biennio Rosso*) obtained concessions unprecedented in any capitalist country: the eight-hour day with greatly increased wages; cost of living allowances; unemployment insurance and paid holidays; and factory committees of elected workers with technical and financial control over production. However, these gains were short-lived: Two years later, when Mussolini became Prime Minister, membership in the Confederation of Labor had fallen from 2.2 million to 400,000; and, by 1924, the organization ceased to exist and was replaced by government controlled syndicates that lasted until the overthrow of Fascism twenty years later.

In Germany, union membership and strike activity began to decline rapidly after 1924. The fading of the movement, however, did not lead to an immediate collapse of the political power of the unions and the SPD. Between the end of the hyperinflation of 1923 and the onset of the depression in 1929, they managed to enact into law an advanced social welfare system and to establish a comprehensive framework for collective bargaining. The SPD was actually in government at the time of the world crash of 1929. Unemployment, which had already been high since 1923 (fluctuating around 10 percent), shot up from 9.3 percent in 1929 to 15.3 percent in 1930 and to 30.1 percent in 1932. The SPD proved totally unable to cope with the situation, lacking the power and the determination either to pursue antideflationary policies or to revive the Labor movement to meet the growing National Socialist threat. Strike activity fell to its lowest point since World War I, while the Labor vote increasingly shifted toward the KPD, thereby deepening the divisions within organized labor. When the Nazis came to power in 1933, the dissolution of workers' organizations met with practically no resistance. As Galenson (1976: 152-153) remarks, “What many had believed to be the most solidly built labor movement in the world simply ceased to exist.”

In Britain, the decline of the organized power of labor followed a far less dramatic but in some ways analogous pattern. The intense strike wave of 1919-1920 ended with the liquidation of the triple alliance of business, trade union leaders, and government that, during the war, had attempted to produce consensual policies in order to keep inflation under control and to allow maximum production of armaments. Thereafter, unemployment rose sharply (from approximately 2-3 percent in 1919-1920 to about 15 percent in 1921-1922, and then remaining at 10 percent from 1923-1929), union membership declined (from over 6 million in 1919-1920 to 4.3 million in 1922-1923, and to 3.7 million in 1928-1929), while strike activity fell drastically. The defeat of labor was comprehensive and was confirmed by the result of the General Strike of 1926. Yet, as in Germany, the extent of the labor movement's defeat in Britain was partly obscured by the continuing electoral strength of its parliamentary arm, the Labour Party, which formed short-lived minority governments in 1924 and again in 1929. In Britain too, therefore, a working class party was in government at the time of the world economic crash. The impact was less severe than in Germany, but the inability of the Labour Party to cope with the new situation was as great as that of the German SPD. Antideflationary policies were not pursued, and the movement was not re-

vived. Instead, the Labour Party leadership split, strike activity fell to the lowest postwar levels, and electoral protest turned against the Labour Party in favor of the Conservatives. Unlike the German SPD, however, the Labour Party refused to join in responsibility for the wage cuts and the decrease in unemployment pay, but fought against them both, thereby preserving the unity of organized labor notwithstanding the leadership split (Abendroth, 1972: 96-97).

The trajectory of the U.S. labor movement in the 1920s was not too dissimilar from that of the European labor movement. The defeat of the 1919 strike wave had been accompanied by the definitive disappearance of what little had been so far generated in terms of working class political organization: the Socialist Party and the IWW, a small but powerful syndicalist organization. As in Britain, the defeat ended with the final liquidation of the tripartite arrangements between business, union leaders, and government set up during the war to regulate labor-capital relations. Thereafter, corporations succeeded in rolling back trade unionism through a combination of repressive and cooptive measures called welfare capitalism. While ruthlessly repressing strikes and labor organizations (with the assistance of federal, state, and local governments and the courts), the large corporations offered their workers rising real wages (albeit at a rate much lower than productivity increases), company unions and limited schemes of union-management cooperation, consumer credit, fringe benefits, pension funds, profit-sharing schemes, and various other enticements designed to buy labor loyalty and industrial peace.

While the material benefits of welfare capitalism were limited to workers in the oligopolized sectors of the economy, the spread of welfare capitalism's ideology was more pervasive: The existence of a harmony of interests between labor and capital was proclaimed. Independent labor organizations were deemed unnecessary as each business would take paternalistic responsibility for the welfare of its own workers.

The success of this strategy in rolling back labor militancy and organization was evidenced by the rapid decline of strike activity and union membership in the 1920s. However, the ability of welfare capitalists to buy labor peace depended on the prosperity of their industry. Thus, within a couple of years after the crash, welfare capitalism was completely abandoned. In October 1931 Ford abandoned the seven-dollar day, and by November 1932 the minimum was driven down to four dollars. By 1932 business had ceased to talk about caring for its own and had begun to call for federal relief. As the material benefits of welfare capitalism withered then disappeared, the system of labor control in corporate industry broke down.

Initially, the response of U.S. labor to widespread unemployment was similar to that of European labor: a further decline in strike activity and union membership, on the one hand, and an electoral shift, on the other. Soon after, however, the response began to differ sharply. The electoral shift toward the Democratic Party in 1932 was followed by the strike wave of 1933-1934, which led to virtual civil wars in Toledo, Minneapolis, and San Francisco. Capital won this first round of struggles, which by and large did not involve the most advanced mass production industries. However, by 1936-1937 labor was once again on the offensive, leading to the victories outlined at the beginning of this chapter.

The vitality and effectiveness of the U.S. labor movement of the 1930s had virtually no parallel in Europe with the only significant exception of Sweden. As we have seen, the Italian and German movements succumbed to Fascist repression and did not reemerge until the end of World War II. The British movement preserved its unity and organizational strength but remained pas-

sive and largely powerless throughout the 1930s. At first sight, the French labor movement provides a close parallel to the U.S. experience. The experiences of labor in the two countries during the 1920s seem similar: early defeat of the postwar strike wave, rollback of unionization, and industrial peace in a context of relative full employment and improving living conditions for industrial wage workers. The responses to the world economic crisis of the 1930s, whose effects were felt in France with some delay, also seem similar. The electoral successes of FDR in 1932 and 1936 were matched by the electoral successes of the SFIO in 1932 and the victory of the Popular Front in 1936. In addition, although no French strike wave matched the American wave of 1933-1934, the victory of the Popular Front in May 1936 brought in its wake a major upsurge of workers' militancy.

Five days after the election a strike wave began, and within a month or so as many as one million workers were on strike demanding union recognition, wage increases, and improved working conditions. Three quarters of the strikes involved sit-ins where workers refused to work or leave the plant until their demands were met. Incredibly rapid negotiations summoned by Prime Minister Blum led to the Matignon agreement, which granted an average increase in wages of 12 percent, promised the right to organize and protection of union members against victimization, and set the principle of "immediate conclusion" of collective bargaining agreements. In line with these undertakings, the Blum government rushed through the Chamber a new labor legislation that established the 40-hour week, guaranteed paid holidays for the first time in French history, specified in detail matters to be covered by collective agreements and defined arrangements for employee representation at the workplace (Kendall, 1975: 43-44).

"All in all," Kendall (1975: 44) concludes, "the social legislation of the Popular Front represented a major milestone in French history, only to be compared with that of the British Labour Government in 1945-51 or the Roosevelt New Deal in the USA." The analogies with the New Deal are undoubtedly considerable. In both instances, a government elected with the decisive contribution of the labor vote was induced by an outbreak of labor militancy in the midst of a depression to enact social and industrial legislation highly favorable to labor. Even the effect on unionization was similar, as the tremendous upsurge in American labor unionization after Roosevelt's 1936 reelection was matched by an increase in French union membership from 700,000 in 1934 to over 5 million in 1937, most of the increase having occurred between May and December 1936.

Yet, the differences between the two movements and their outcomes is even more striking. In the first place, the French explosion of conflict was more directly linked to political events and tendencies than was the American upsurge. Important elements of the rank and file saw factory occupation as a springboard of socialist revolution in France, and the PCF (which had played no role in bringing about the explosion) played a key role in bringing it to an end in order not to compromise the possibility of Franco-Soviet rapprochement (Kendall, 1975: 44). In the second place, and partly related to this first characteristic, the French wave of social and industrial conflict as well as its effects were very short-lived. The American upsurge of the 1930s started off a sequence of moves and countermoves: The first FDR victory and the 1933-1934 strike wave, then the Wagner Act, a second FDR electoral victory and the 1936-1937 strike wave, consolidation of union power and union cooperation with government and business, renewed workers' militancy during the war, and so on. These constituted stages in a long drawn out process, which as we shall see was to transform completely labor-capital relations in the United States. By contrast, within six months of its beginning, the French movement had collapsed and the hardening of attitudes on the part of employers met with no resistance whatsoever: Inside the plants, union or-

ganization was quickly undermined and management prerogatives reestablished; outside the plants, a reinvigorated employers' organization effectively sabotaged union-endeavors to set up a national network of collective bargaining agreements. Within a year, the Popular Front government had gone out of office; within two years, the wage boost that followed Matignon had been completely wiped out by rising prices; within three years, CGT membership had fallen to around a quarter of the 5 million claimed for 1936, and by 1940 the CGT claimed only 800,000 members (Kendall, 1975: 45-8). By then France was at war and, as Kendall (1975: 48) remarks

[the] draconian measures taken by the government against its political opponents ... the serf-like regulations with which it surrounded workers in the war production industries, did much to undermine the will to resist. Long before the Vichy regime assumed power, fascism was being prepared in the guise of resistance to Hitler.

Once we recognize these other aspects of the Popular Front episode, we soon realize that the strongest analogies are not with the American New Deal experience but rather with the Italian experience of the Biennio Rosso. In both instances we have an intense movement of strikes and factory occupations, spontaneous in its form of organization but highly politicized in its objectives, which obtained remarkable successes in a very short time but collapsed immediately afterwards, losing all that it had won in an equally short time. French workers' militancy under the Popular Front has therefore to be considered an "Indian summer" of the political confrontation between labor and capital that characterized the immediate post-World War I years, rather than an unprecedented show of strength *in a period of economic depression* which, in our view, is what the U.S. labor movement of the 1930s was.

From this point of view the labor movement in Sweden is the only one in Europe to show long-term strength in the interwar period. This experience was exceptional in two related ways. In the first place, it was the only movement of those examined here not to be defeated in the 1920s. During the decade, unionization continued to increase, the electoral strength of the SPD fluctuated but remained considerable, and strike activity declined after 1923 but remained relatively high (Korpi, 1980: chap. 3; Sjoberg, 1966). In the second place, it was the only labor movement that in the 1930s (besides responding to unemployment with a combination of electoral protest and increased strike activity as the U.S. and French labor movements did) produced a working class party with enough power and determination to pursue a viable policy of full employment and national recovery.

The Rise of Workplace Bargaining Power

Summing up this quick survey of labor movements in various national contexts in the interwar years, we may say that if we were to order them in terms of their long-term vitality and effectiveness, the movements in the United States and Sweden would come out on top of the list (albeit for different reasons), the movements in continental Europe at the bottom, and the movement in Britain somewhere in between. This "ranking" is broadly consistent with the relationship of forces between labor and capital in the different national locales as can be gauged from trends in wages and productivity.

Using data provided in Phelps, Brown, and Browne (1968: 436-452) and leaving aside France and Italy for which no comparable data are given, we have calculated that in the period 1913-1938 as a whole labor productivity (as measured by real income per occupied person) grew roughly at the same rate in the United States, the United Kingdom, and Germany—that is, at an average (compounded) annual rate of 0.9 percent, 0.9 percent, and 1.0 percent respectively. In contrast, real wages (as measured by average annual wage earnings in real terms) grew at average (compounded) annual rates of 1.7 percent in the United States, of 1.1 percent in the United Kingdom, and of 0.9 percent in Germany. As for Sweden, its rate of growth of real wages (1.6 percent) was almost as high as that in the United States, but its rate of growth of productivity (1.2 percent) was higher than in the other three countries. If we take the period 1934-1948—the period of establishment and consolidation of a social-democratic regime in Sweden and of sustained industrial strife in the United States—we still find trends more favorable to labor in the United States than in Sweden: While productivity grew faster in the United States (3.0 percent) than in Sweden (2.7 percent), real wages continued to grow faster than productivity in the United States (3.4 percent) but slightly slower than productivity in Sweden (2.4 percent).

We may conclude therefore that the United States and Sweden were the two main exceptions to the general rule of decline and eventual powerlessness of labor movements in the course of the interwar depression; and that, if the movement in Sweden was most successful in attaining and consolidating political (i.e., state) power, the movement in the United States was the most successful in counteracting the tendency toward intensified capitalist exploitation. The question now arises as to how we can account for the strength of the U.S. labor movement—a strength that was without precedent in a period of mass unemployment and largely without parallel at the time.

To begin with, it should be obvious from our survey that this strength cannot be traced to superior organization or ideological mobilization. The more ideologically oriented movements were (such as the movements in continental Europe), the weaker they turned out to be in the end, notwithstanding their successes in the short run. Moreover, of the three movements with strong union organization, one (the German) was totally destroyed, one (the British) was moderately successful in preserving its organizational strength but little else, and only one (the Swedish) was able to further strengthen its position. In any event, from both points of view, the labor movement in the United States had traditionally lagged behind the labor movement in Europe, and trends in the 1920s had further reduced (both absolutely and relatively) its organizational and ideological strength.

Nor can the vitality and effectiveness of the labor movement in the United States and Sweden simply be traced to “favorable” political conjunctures created by the disarray in which ruling elites and dominant classes were thrown by the deepening worldwide depression. The labor movement in all the countries examined in this chapter, except Italy, faced “favorable” political conjunctures at one point or another during the Great Depression: in Germany and the United Kingdom in 1929-1930; in France in 1936-1937; in Sweden throughout the decade. Yet, only in Sweden and the United States did the labor movement show any capacity to sustain and take advantage of such conjunctures. Elsewhere the labor movement was thrown by the deepening depression, or by its own contradictions, into an even greater disarray than the dominant classes.

Furthermore, favorable political conjunctures are often symptoms of the existence of a strong labor movement as much as they are preconditions for the emergence of the latter. In the case of Sweden, the favorable political conjuncture can at least in part be accounted for by the strategies

and values of the movement's institutional leadership. The remarkable ideological cohesion of union and party leaders and their close organic relationship with industrial workers through powerful industrial rather than craft unions, which had characterized the labor movement in Sweden since the beginning of the century, put the Social Democratic party in a particularly strong position in dealing with a weak and divided bourgeois political front in the course of the interwar crisis. Also, the innovative strategies and policies pursued in the crisis itself ("precocious Keynesianism" and political alliance with organized independent farmers) were undoubtedly crucial in the establishment of organized labor's national hegemony and in the further isolation of bourgeois political forces (cf. Buci-Glucksmann and Therborn, 1981).

Even in the case of the United States, where the labor movement was almost completely acephalous, it is more useful to see the New Deal labor policies as a response to the intensity and character of the labor movement itself rather than the other way around. The Wagner Act was in large part a response to the disruption caused by the 1933-1934 strike wave. Given the strength of labor at the point of production and the impotence of capital in the face of the economic crisis (and the consequent decline of business prestige), unionization appeared to be an eventual certainty. The question remaining was not whether it would happen, but rather was how much disruption of the national economy the battle would entail and whether the instability of industrial relations would jeopardize all efforts aimed at economic recovery. Thus when the House Committee considering the Wagner Act came out in strong support of the bill, it emphasized "the intent ... to promote industrial peace" (Millis and Brown, 1950: 28). According to Brody (1980: 144), "[the] new direction of labor legislation actually reflected a massive shift in American opinion. The most that can be said for the New Deal administration was that it followed in the wake of this change."

If Sweden illustrates the importance of innovative and nonsectarian leadership in determining the outcome of labor-capital conflicts in a given national context, the United States illustrates the historical possibility of a strong labor movement developing and effectively impinging upon the political context even in the absence of ideological commitments and centralized political direction. The question still remains as to what the source of the strength of this movement was, if it cannot be traced to ideology and organization or indeed (since we are dealing with a movement unfolding in a period of supernormal unemployment) to market power.

It is our hypothesis that the main source of strength of the industrial workers in the mass production industries that spearheaded the movement in the United States since the middle 1930s was what we shall call labor's workplace bargaining power—the bargaining power of workers when they are expending their labor-power within the course of the capitalist labor process. In general terms, the very transformations in industrial organization and labor process (typically, growing technical division of labor and mechanization) that undermine the market-place bargaining power of labor (as embodied, for example, in the skills of the craft-workers) simultaneously enhance labor's workplace bargaining power (see Arrighi, 1982: 82-91).

Thus, with specific reference to the historical instance under examination, continuous flow production and the assembly line, while increasing labor-market competition through its homogenization/deskilling of industrial work roles and while subjecting the mass of workers to the dictates of the system of machines, also increased the vulnerability of capital to workers' direct action at the point of production. Likewise, while the increasing concentration, centralization, and integration of capital gave the corporations formidable material resources with which to confront and oppose workers' struggles, these processes also increased the damage that could be done to an

entire corporation by a strike in one of its key plants and the disruption that could be caused in the national economy by a strike in a key corporation or industry.

The limits of the assembly lines' technical control of the workforce became apparent during the 1936-1937 sitdown strike wave. It was demonstrated that a relatively small number of activists could bring an entire plant's production to a halt. As Edwards (1979: 128) puts it, "[technical] control linked the entire plant's workforce, and when the line stopped, every worker necessarily joined the strike." This type of direct action was most potent in industries such as meat-packing, electrical products production, and auto manufacturing where assembly line methods had been extensively developed. However, even in the steel industry, as one steelworker quoted by Montgomery (1979: 156) observes, "bringing the workflow to a crunching halt is both easy and commonplace for those who are familiar with the intricacies of their machinery."

The Flint sit-down strike that paralyzed GM's Flint Fischer Body plant was planned and executed by a "militant minority" of autoworkers who by "unexpectedly stopping the assembly line and sitting down inside the plant ... catalyzed pro-union sentiment among the vast majority of apathetic workers" (Dubofsky and Van Tine, 1977: 255). Just as a militant minority could stop production in an entire plant, so if that plant was a key link in an integrated corporate empire, its occupation could paralyze the corporation. Such was the case when a group of union members stopped production and occupied one of the most critical plants in GM's entire empire: the Flint plant, which produced the bulk of Chevrolet engines. With these occupations autoworkers succeeded in crippling General Motors' car production and the corporation's rate of output decreased from 50,000 cars per month in December to only 125 for the first week of February. GM was not only losing money but even possibly a "permanent share of the market to its competitors" (Dubofsky and Van Tine, 1977: 268-269). With the federal and state governments unwilling to smash the strikes with military force, GM was forced to abandon its uncompromisingly antiunion stance and negotiate a contract with the UAW covering workers in 20 plants in order to end the strike and resume production.

It might well be asked why this strong workplace bargaining power manifested itself so dramatically only in the United States, and even there not earlier than the middle 1930s. There are various reasons. In the first place, European capital had either experienced little centralization, or more centralization than concentration (Sweden, as we shall see, being the main exception). In the second place, technical division of labor and mechanization in their new Taylorist and Fordist forms were lagging far behind trends in the United States. This is particularly true of the auto industry, the emerging "leading sector" of the world-economy:

The adoption of what the Germans liked to call *der Fordismus* entailed a heavy investment in fixed plant and special-purpose machinery, while yielding large economies of scale. It was thus beyond the means of all but the biggest producers. Here the fragmentation of the European industry was a serious handicap. In contrast to the United States ... Europe had no giants on the morrow of the war. There were 96 motor car factories in Britain in 1922, 150 in France in 1921, more than 200 in Germany in 1925 [Landes, 1969: 445].

Concentration did proceed quickly in the 1930s, yet mass production techniques continued, with few exceptions, to fall well short of U.S. standards (see Landes, 1969: 445-451). It follows that, generally speaking, labor in Europe had not experienced a development of its workplace bargaining power comparable to that experienced by labor in the United States.

Last but not least, Europe, with the notable exception of Britain, was endowed with much larger reserves of partially proletarianized or nonproletarianized labor than the United States. These reserves have a double significance from the point of view of the containment and the counteracting of labor's workplace bargaining power: They tend to increase the competitive pressure within the ranks of labor in industry, thereby preventing workers from taking advantage of whatever workplace bargaining power they might possess; and they can be mobilized politically to legitimize repressive labor legislation. We shall deal with the former aspect first.

When capitalist transformations of the labor process have shifted the main basis and locus of labor's bargaining power from the marketplace (i.e., from skills embodied in workers' labor-power and what labor power in general can earn outside of wage employment) to the workplace (i.e., to the damage labor occupying specific work-roles can inflict on capital after entering wage employment), the elimination of alternatives to wage employment tends to strengthen rather than weaken the bargaining power of labor in wage employment. For the competitive pressures within the ranks of labor come to depend mainly on the existence of workers (often part-time and part-lifetime wage workers) who are prepared to accept conditions of pay and work that would be unacceptable to full-lifetime wage workers.

Thus, it is no accident that the "take-off" of scientific management, continuous flow production, and the assembly line in important sectors of American industry at the beginning of the century occurred in conjunction with a massive importation from Europe (particularly Southern and Eastern Europe) of what in the European labor market literature are sometimes referred to as "peasant-workers" (cf. Sabel, 1982). These immigrants were in fact sojourners: They came to the United States with plans to stay temporarily to take advantage of higher wages paid in the United States with the goal of returning as soon as possible with some savings to invest in their home country. Their short-term and instrumental attitude toward work in the United States meant they were not only lacking in the kind of permanent commitment to their job that would justify sacrifice for a union; they were also far more likely to put up with conditions of work and pay with which a long-term labor force would not. As a result, their massive incorporation prior to World War I was exploited by employers as a means to introduce new methods of production that undermined the position of the more stable segments of the labor force.

World War I temporarily cut off new immigration from Europe, and the immigration legislation of 1923 introduced a strict quota system that gave priority to relatives of earlier immigrants. This legislation brought to an end the importation of peasant-workers and led to a process of settlement of ethnic communities. The second generation of earlier European immigrants, unlike their parents, had a strong identity as both permanent wage workers and citizens of the United States. They came to dominate the U.S. labor force in the 1930s, roughly at the time when corporations were induced by the economic crisis to liquidate welfarism. It is not by chance that their coming of age coincided with the strike waves of the middle 1930s and the great political awakening in the ethnic communities that led to Roosevelt's 1936 landslide victory (a self-granted "mandate to organize"). Freidlander (1975: 5), in his history of UAW Local 229, for example, observes that these second-generation workers "provided the early initiative, the first real base, and much of the structure of leadership" in the union struggles. More in general, Piore (1979: 156-157) maintains that

the organization of labor both in the shop and at the polls can be understood in large measure as a part of the process through which ethnic communities coalesced and the second-generation communities ex-

pressed their resentment against the job characteristics that the parental communities, with a different motivation and a different attitude toward the Labor market, had come to accept.

While large reserves of nonwage labor were still present in the U.S. South, their recruitment into northern industry as a means to undermine the established labor force became increasingly problematic in the 1930s and 1940s. Beginning with World War I, Southern blacks were recruited in large numbers by employers as strike-breakers and as cheaper workers to permanently displace more expensive white workers. Paternalism was also used to tie black workers to their employer and impede unionization. The most important example was in Detroit where Ford paternalistically cultivated the loyalty of the black community by hiring blacks for all categories of work at the River Rouge Plant (Bonacich, 1976: 40-42). The resulting loyalty of black workers at Ford was a significant factor in enabling that company to resist unionization four years longer than could its competitors.

However, the success of this type of strategy was short-lived both at Ford and in general. In the first place, black migration from the South fell sharply during the 1930s. For example, while Detroit's black population increased by 79,228 during the 1920s, it increased by only 29,053 during the 1930s (Geschwender, 1977: 59). (This is a significantly different pattern from the ethnic immigrants whose numbers tended to increase in bad times and to decrease in good times [Piore, 1979: 152].) Thus the great sit-down strike wave came at a time when the incorporation of new labor supplies had slowed considerably.

Second, Southern blacks never had the same kind of instrumental and temporary attitude toward life and work in the North that characterized the European peasant-workers. From the start they tended to view the move as more permanent and, while they kept ties with family in the South, they more quickly adopted a settled attitude that made them less amenable to doing the worst work for the least pay without complaint.

Finally, especially as the rapid incorporation of Southern black labor supplies resumed with World War II (Detroit's black population increased by over 150,000 during the 1940s), white workers did not hesitate to use their newly found workplace bargaining power in racist wildcat "hate strikes" protesting the employment/upgrading of black workers. In turn, black workers responded with their own wildcat strikes to protest discrimination (Geschwender, 1977: 34-37). In short, employer efforts to use the threat of displacement by black workers to increase productivity and docility backfired, provoking an upsurge in strike activity and unrest.

On the other side of the Atlantic, the slower pace of capitalist transformations of the labor process noticed above was matched, particularly in continental Europe, by a much greater availability of indigenous or foreign labor of the peasant-worker type. A very rough idea of the larger reserves of such labor still existing in continental Europe in the interwar period as compared with the United States, can be obtained by looking at the different proportions of the total labor force employed in agriculture. Around 1930, this proportion was slightly higher than 20 percent in the United States, approximately 30 percent in Germany, just over 35 percent in France, and over 45 percent in Italy (see U.S. Department of Commerce, 1949: 64; Mitchell, 1976: 657-666). These figures underestimate the difference between the two locales. For, while in continental Europe there were much larger (although impossible to document with comparable data) reserves of nonwage labor outside agriculture than in the United States, the agricultural labor force in the United States included large numbers of blacks whose competitive mobilization, as we have just seen, created more problems than it solved. In addition, the closing of the United States border to

European immigration increased the availability of labor from Eastern and Southern Europe (where the reserves of nonwage labor were largest) for the more advanced continental European countries (Germany and France, in particular). In France, for example, the number of foreigners increased from 1,160,000 in 1911 to 2,700,000 in 1931 (Kindleberger, 1967: 176-177).

It follows that in continental Europe, not only was labor's workplace bargaining power far less developed than in the United States on account of the overall less advanced technical division of labor and mechanization. In addition, there were larger reserves of peasant-workers that could be mobilized economically to enhance competition within the ranks of labor in industry. As mentioned earlier, they could also be mobilized politically to legitimize antilabor repressive measures. A common scenario of the interwar years was indeed one of antilabor mobilization of non-proletarianized and semiproletarianized strata by nationalist and antisocialist political forces.

True, the same strata could also be, and were, mobilized by working class parties in revolutionary or reformist anticapitalist alliances. But such alliances were always extremely unstable because of the political "volatility" of nonwaged groups and strata-groups and strata that showed a marked propensity to side with labor or capital according to whichever happened to be imminently stronger. The sudden shifts in the political fortunes of working class parties in continental Europe (in Italy in the early 1920s, in Germany in the early 1920s and in the early 1930s, in France in the second half of the 1930s) and their eventual defeat and repression owed much to this political volatility of nonwaged strata in a situation of underlying structural weakness of labor.

The British and Swedish exceptions simply confirm the rule. In Britain, capitalist transformations of the labor process had not advanced further, and in many sectors had advanced less, than in the more developed continental European countries (Germany and France). In Britain too, therefore, labor's workplace bargaining power can be assumed to have been less developed than in the United States; and this, in turn, would account for the weakness of the labor movement in the United Kingdom relative to the movement in the United States. At the same time, however, reserves of nonwage labor had been even more completely exhausted in the United Kingdom than in the United States. The proportion of the total labor force employed in agriculture, which we have adopted as a rough indicator of reserves of nonwage labor, was in 1931 as low as 6 percent. Moreover, far from importing large quantities of foreign labor, in the decade 1920-1931 over 2 million people emigrated from the British Isles, mainly to the colonies. This relative absence of reserves of nonwage labor, and their further depletion by emigration, was probably the main structural factor limiting competitive pressures within the ranks of British labor in the interwar years, notwithstanding the high levels of unemployment that affected it throughout the period. Politically, it meant both the absence of a problem of alliances for the labor movement (a highly divisive issue for the movement on the continent) and the impossibility for antilabor political forces of legitimizing the kind of repressive policies that broke the back of the movement on the continent.

In Sweden a similar outcome was brought about by an altogether different combination of factors. Here reserves of nonwage labor were fairly substantial: According to our rough index, more or less at the same level as France. In contrast, technical division of labor and mechanization in industry were probably more advanced in Sweden than anywhere else in Europe. Large-scale production, innovation, and continuous rationalization of the labor process have been the main characteristics of Swedish capitalist development since the turn of the century—characteristics that are reflected in the extremely high rate of growth of labor productivity in the period 1913-

1938 quoted earlier. As Buci-Glucksmann and Therborn remark (1981: 193), "On comprend dès lors qu'une classe ouvrière très concentrée, assez unifiée dans la métallurgie, s'organise très vite en syndicat industriel, sautant pratiquement l'étape préliminaire des syndicats de métiers et l'éparpillement ouvrier à la française."

If these presuppositions (relatively large internal reserves of nonwage labor combined with advanced technical division of labor and mechanization) are correct, then Swedish "exceptionalism" finds a further explanation at the structural level. For they imply that the labor movement in Sweden, as the movement in continental Europe, faced a problem of alliances (i.e., of neutralizing the threat of the antilabor economic and political mobilization of non- and semiproletarianized strata), but faced the problem from a position of structural strength (due to labor's high workplace bargaining power) unparalleled in continental Europe. This argument is not meant to belittle the role of the political intelligence of Swedish labor leadership in devising appropriate strategies for the attainment of state power emphasized earlier on. It is simply meant to put such intelligence in its structural and world-historical context, thereby showing what was common to the two strongest labor movements of the interwar period.

The Containment of Workplace Bargaining Power

The tight wartime labor market magnified the structural strength of U.S. labor and gave a new sense of urgency to efforts to contain and control labor militancy. Over 4,000 work stoppages took place in 1941, involving more workers (2.4 million) than in any previous year except 1919 (Green, 1980: 176). Strikes in 1941 at Ford, Allis Chalmers, Vultee Aircraft, and Bethlehem Steel "brought these bitterly anti-union companies to the bargaining table" (Lichtenstein, 1977: 215). Despite the no-strike pledge made by the nation's major union leaders after Pearl Harbor, wildcat strikes spread. By 1944 as large a proportion of the workforce was taking part in work stoppages as at the height of the sit-down strikes seven years before. Almost all these strikes were unauthorized by the national union (Lichtenstein, 1977: 234; Montgomery, 1979: 166). After V-J Day the no-strike pledge lost all patriotic appeal, and by the end of January 1946 "the industrial core of the economy was virtually at a standstill as auto, steel and electrical workers were simultaneously on strike" (Davis, 1980: 72). The year of 1946 became a banner year for strikes, surpassing even the 1919 strike wave in all key indicators: the number of strikes, the number of strikers, and the number of man-days lost.

As U.S. entry into the war approached, the federal government's labor policy took a repressive turn signalled by the use of the Army to break a UAW strike at the North American Aviation Plant in Englewood, California, in June 1941. However, there were limits to what a purely repressive labor policy could accomplish given the combination of workers' strong workplace and strong marketplace bargaining power in most defense-related industries. In response, the federal government and employers elaborated new forms of labor control that cast further light on the, at best, ambiguous relationship between trade union organization and labor strength. For the war and postwar years saw the federal government and employers pursue a policy of strengthening trade union organization with the goal of weakening the power of the rank and file to disrupt production.

The tripartite War Labor Board (WLB), established after Pearl Harbor, implemented a combination of repressive and cooptive measures aimed at maintaining industrial peace while simultaneously restraining wages and increasing productivity. In exchange for full cooperation with the war effort (e.g., the no-strike pledge, acceptance of speed-ups and of WLB arbitration including the “Little Steel” wage-freeze formula), union leaders were offered dues check-off and “membership maintenance” clauses (the latter requiring workers who were union members at the signing of the contract to remain members for the duration of the contract).

The WLB used award of these clauses as a means to strengthen “responsible” union leaders and to punish “irresponsible” ones, and thereby pressured the union leadership to act as disciplinarians vis-à-vis the rank and file and to restrain all spontaneous or “unauthorized” strikes or other direct action. “Even a stoppage of a few hours, when engaged in deliberately by a union, was enough evidence of irresponsibility for the board to deny it the protection of the membership maintenance clause.” On the other hand, where “the rank-and-file membership struck despite the opposition of the local and international union ... the board ordered membership maintenance on the grounds that the leaders had shown responsibility and that they need[ed] the power to discipline irresponsible elements” (Seidman, 1953: 105).

At the same time, the War Labor Board’s policy of awarding membership maintenance and dues check-off clauses was a key factor behind the wartime expansion of unions, and led to a decisive turning point in membership growth and financial stabilization as well as in the routinization of collective bargaining. During the period of U.S. involvement in World War II labor union membership increased from 10.5 million to 14.7 million (Green, 1980: 174-75), while the proportion of workers under collective bargaining agreements rose from 30 percent of those eligible in 1941 to 40 percent in the following year and to 48 percent by 1945 (Seidman, 1953: 107). By the end of the war, unions and collective bargaining were far too entrenched for employers to contemplate the kind of rollback of unionism that took place after World War I.

The “social contract” between unions and management in the oligopolized sectors of the economy that emerged from the long and bitter reconversion period strikes involved a trade-off that deepened the role of trade unions in labor control. Management agreed to accept the permanent existence of trade unions and their ensured stability through union shop and dues check-off clauses. Furthermore, employers agreed to raise real wages in step with increased productivity. In exchange unions agreed to a reassertion of managerial prerogatives: Topics such as pricing policy, the organization of production, investment decisions (including foreign investment and plant location), and the introduction of new technology were all placed outside the scope of collective bargaining. In addition unions accepted a role in the containment of shop-floor activity, in the disciplining of the rank and file, and in increasing productivity. As the “contractual net” progressively outlawed informal shop-floor activity, the grievance procedures expanded, bringing “responsible” union leadership into the plant. By the 1950s grievance arbitration, which had been a rarity in the 1930s, appeared in well over 90 percent of all union contracts (Brody, 1980: 202-203).

Promotion of responsible trade unionism was not an ideal solution to capital’s problem of labor control. For one thing, it was a very expensive solution. Trade union leaders could only influence the rank and file away from wildcat militancy to the degree that they retained legitimacy in the eyes of the rank and file. However, in order to retain legitimacy (and justify restraint) the established leaders had to deliver tangible gains to the membership. These gains have come mostly in

the form of rising real wages and fringe benefits. This inherent contradiction in the form of labor control has made the U.S. work force expensive, especially once the world market was reconstituted under U.S. hegemony and the world as a whole increasingly became the unit upon which capital based labor-cost comparisons.

This contradiction became a major underlying cause of the massive transnational expansion of U.S. capital in the postwar period. In turn, the latter also became an important ingredient in the system of labor control. With the establishment of a global free enterprise system under U.S. hegemony, capital was able to use its superior mobility as both a threat and reality to brake labor demands effectively. By contrast we can see that the breakup of the world market from the crash in 1929 to the return of currency convertibility in Europe in 1958 was an important factor behind the advance of labor and the vulnerability of capital during that period: Corporations had no international escape route.

Management has used the investment freedom it was granted in the social contract to expand the use of labor saving technology intranationally and direct investment internationally, while disinvesting in the geographical areas and economic sectors that had been the CIO strongholds in the 1940s. The rapid growth of U.S. multinationals has resulted in a fundamental restructuring of domestic employment opportunities as the former send production and assembly line jobs abroad while concentrating the corporate brain—managerial, technical, and financial work—in the United States (Portes and Walton, 1981: chap. 5).

The expansion of the new sectors of the economy was in large measure based on the incorporation of a new supply of relatively cheap labor (i.e., the massive entry of women into the postwar labor market). These new entries were by and large ignored by the AFL-CIO (Milkman, 1980). As a result—and in combination with the twin processes of capital mobility out of the unionized, basic industries and into these predominantly female and minority nonunionized sectors—the post-World War II social contract has come to cover a progressively shrinking proportion of the total labor force in the United States.

Since the 1970s we have witnessed a redoubling of U.S. capital's efforts to reduce costs and increase profits (e.g., intensified plant relocation and automation, a new anti-union offensive, rapid incorporation of illegal aliens into the labor force) in response to the intensification of global economic competition resulting from the very success of the Pax Americana in restoring the unity of the world market and reviving the economies of Western Europe and Japan. Competition, heightened by world recession, has "eroded the traditional ability of oligopolistic employers in the basic industries to pay higher labor costs and still maintain their anticipated profit margins" (Craypo 1981: 154). The social contract has become a "fetter on profit making": The real rate of return for all nonfinancial corporations in the United States fell from 15.5 percent in the period 1963-1966 to 12.7 percent during 1967-1970 to 10.1 percent in 1971-1974 and finally to 9.7 percent for the period through 1978 (Bluestone, 1982: 147).

Capital's efforts to restore profits has been hindered by a number of processes. For one thing, while there exists a large and vulnerable supply of illegal immigrant labor, the cheap labor status of both women and blacks has been relatively undermined since the late 1960s. Women's status as cheap labor was in large measure based on the ideology defining women as primarily wives and mothers; their presence in the paid labor force was viewed as only temporary and their role as only secondary breadwinners within the family. However, the massive and permanent incorpora-

tion of women into the paid labor force during the postwar period led to a growing contradiction between ideology and reality that exploded into the women's movement and demands for equal employment opportunities and equal pay for equal work (Kessler-Harris, 1980: 300-319), in turn signalling the fact that a renewed capitalist expansion based on women's cheaper labor status is, at best, problematic.

At the same time, according to Piore (1979: 160-161), the coming of age of the second-generation of Southern black migrants and their numerical dominance in the labor force in the 1960s has had an impact on the cheap labor status of blacks outside the unionized oligopolized sectors of the economy that is in many ways parallel to the political and labor market impact of the settling of the ethnic communities in the 1930s. "This parallel implies that one can interpret the racial conflicts that developed in the North in the 1960s as parallel to the Roosevelt electoral coalition and the industrial union movement in the 1930s" (Piore, 1979: 161). Black youth, excluded from the CIO stronghold jobs that some of the earlier black migrants were able to corner, increasingly rebelled against the other job opportunities that were left to them.

What the changes of the 1960s do seem to have done, and in a fairly forceful way, was to signal to employers that the black labor force is no longer a reliable source of labor for secondary jobs, and since the late 1960s, employers in the secondary labor market appear to have turned increasingly toward undocumented workers from the Caribbean and Latin America instead [Piore, 1979: 163].

In addition to these problems of labor supply, capital's efforts to resolve the squeeze on profits through the relocation of production to low-wage areas has been inhibited by the world monetary and political instability that has accompanied the crisis of U.S. world hegemony. The result has been to place a higher premium on efforts to reduce costs of production within the United States. The Reagan administration's attack on the welfare state and the dismantling of the social safety net—which put a floor under wages and unemployment—as well as the duration and severity of the economic downturn that has been provoked are other manifestations of the efforts to reduce costs and restore U.S. competitiveness.

Some success for these strategies might be claimed in the wake of the wave of contractual "givebacks" that spread throughout traditional union strongholds during 1982: auto, rubber, meatpacking, steel, farm implements, trucking, and airline industries (Davis, 1982: 19). However, management may be premature in celebrating a victory; as soon as the industry in question begins to recover, workers who consented to "givebacks" demand that contracts be reopened and wages raised (e.g., Chrysler). Clearly worker docility imposed only by permanent economic depression can not be a satisfactory long-term solution for capital.

Finally, it still remains to be seen to what extent the reorientation of investment away from the sectors of production in which workers demonstrated strong workplace bargaining power (WBP) in the 1930s and 1940s will reduce the level of WBP in the labor force as a whole. To a large part the answer to this question depends on the nature and extent of WBP contained in the new job categories in the new sectors of the economy. While computerization may be once again weakening the marketplace bargaining power of labor (as mechanization did in the 1920s) it may be endowing workers with even more vast powers to disrupt production and society.

In sum, once we take into account war and postwar developments, we can for analytical purposes subdivide the trajectory of the labor movement in the United States since the 1920s into four, partly overlapping, stages. The first stage, encompassing most of the interwar years up to the con-

frontation of the middle 1930s, is that of the *latent* development of the strength of labor—that is, a strength rooted in a high workplace bargaining power that is due to an advanced degree of technical division of labor and mechanization combined with a relative exhaustion of exploitable reserves of nonwage labor. The effect of this structural strength is to reduce the effectiveness of market mechanisms (viz. unemployment) and of openly repressive extraeconomic mechanisms in reproducing the subordination of labor in the capitalist labor process.

The second stage is that of the *overt* manifestation of such strength in a confrontation with capital precipitated by corporate and state policies inconsistent with the new structural strength of labor. It unfolds from the middle 1930s through the war years and the immediate postwar years, largely overlapping with the third stage. The latter—most clearly observable during the war up through the 1950s—is the stage of the strengthening and transformation of union organizational structures and of political reorientation of their leadership toward liberal-corporatist stances. These two stages, taken jointly, show that the strength of the movement did not depend on its commitment to a specifically working class ideology or on any preexisting organizational strength of labor unions.

The strengthening and transformation of union structures and the political reorientation of union leadership was closely connected with the new forms of labor control that emerged in response to the structural strength of the movement. The ineffectiveness of purely repressive policies, however pursued (administratively, economically, or technically), induced the state and corporate management to involve unions in a system of representative/bureaucratic control. Unions were recognized as legitimate representatives of workers (a recognition that greatly enhanced their power, not only in society at large, but also vis-à-vis the represented) in exchange for unions' recognition of managerial prerogatives as well as a union role in guaranteeing the performance and predictability of work. This exchange presupposed a relative strengthening of industrial unions vis-à-vis general and craft unions and, above all, a much greater presence of unions at the plant level where, together with management, they came to constitute a kind of "private government" or "internal state" (cf. Pizzorno, 1978; Burawoy, 1979).

The fourth stage—most clearly observable in the late 1950s and, above all, in the subsequent two decades—is that of the relative, but only relative, weakening of both unions' and workers' bargaining power connected with the "emigration" of capital. This emigration was greatly facilitated by the union recognition of managerial prerogatives (capital's freedom of movement, in particular) and their unqualified initial support for the transnational expansion of U.S. capital. This transnational expansion, in turn, greatly facilitated the enforcement of bureaucratic/representative control for two related reasons. On the one hand, it allowed the transplantation of the deskilled segments of the labor process endowed with high workplace bargaining power to regions still endowed with reserves of competitive labor. On the other hand, it allowed, in the United States, a faster expansion than would otherwise have been possible of relatively skilled work roles. As a result of these two joint tendencies, the structure of wage employment in the United States has acquired a "service" and "middle class" bias that has strengthened the structural basis of representative/bureaucratic control, and even somewhat reduced the importance of the mediational role of labor unions.

This apparent relative decline of the strength of the labor movement in the United States since the late 1950s is only one side of the coin. The other side is the transformation and eventual strengthening of the labor movement elsewhere in the world, particularly in Western Europe, prompted

by the establishment of the Pax Americana and the consequent transnational expansion of capital. To conclude this chapter, we shall now turn to a brief analysis of this transformation.

Convergent Patterns of the Postwar Labor Movement

The growing importance of nominally working class parties in Western Europe and their continuing absence in the United States has obscured the fact that the labor movement in Western Europe since World War II has followed a pattern in many ways analogous to that first established by the labor movement in the United States in the interwar, war, and immediate postwar years. The analogies have also been blurred by two other sets of factors. On the one hand, the world political-economic context has changed dramatically since World War II and, moreover, structural tendencies have developed unevenly in the different Western European national locales. On the other hand, preexisting labor organizations have responded differently to similar (national and worldwide) contextual tendencies. As Lange and Ross (1982) have shown with reference to France and Italy, contextual tendencies constrain but do not determine unions' policies; and these, in turn, can lead to divergent trajectories of the labor movement even in national locales initially characterized by very similar features.

However, if we focus on what we singled out at the end of the previous section as the most distinctive features of the labor movement in the United States, the analogies become strong enough to be clearly observable in spite of all the differences in national and world contexts and in the responses of labor organizations to those contexts. Except for Sweden, which in its own way anticipated many of the tendencies in question before World War II (see the part on "The Rise of Workplace Bargaining Power"), a succession of stages similar to that identified for the United States is observable in Western Europe. The first stage (latent development of the structural strength of labor) is entered by some countries during World War II or even earlier, while in other countries it becomes relevant only in the 1950s and 1960s. In all cases, however, the transition to the second stage (overt manifestation of the structural strength) is completed between 1968 and 1972 and is immediately followed by a rapid succession of the other two stages (strengthening/transformation of union structures and emigration of capital). Let us look at the broad outlines of this development.

In Italy and France, the transition to the postwar pattern has passed through the revival and final defeat of the highly politicized labor movement that had characterized the interwar years. The revival was based on the considerable political strength with which working class organizations (the Communist Parties in the first place) had emerged from the wars of national liberation from German occupation. Its demise followed the traditional pattern of a political mobilization of predominantly nonwage groups and strata in an antilabor social bloc that isolated the working class and weakened its organizations. The demise was then made permanent by widespread transformations in the labor process and in the industrial structure discussed below.

In Germany, the structure of work and occupations had been, to a large extent, already revolutionized during the war. Partly because of this previous restructuring and partly because of the political and economic circumstances faced by Germany at the end of the war (widespread de-

struction of industrial plants, high rates of unemployment, military occupation and partition, massive influx of refugees from Eastern Europe, etc.) there was no revival of the movement either in the old or in a new form. There was, however, a reconstruction “from above” by veterans of the Weimar era of union and party organizations along the lines of the Scandinavian tradition (industrial unions, political and ideological neutrality of unions, a reformist Social Democratic Party). The success of these new organizational structures was immediate:

By 1949 the trade unions in the Western zone alone already equalled the strength achieved in the whole land area of Germany under the Weimar Republic. Union membership soon came to exceed that of the Weimar Republic by a wide margin. This success is the more remarkable when one takes account of the freeze on wages and hours maintained by the Allied Control Council from the inception of the Occupation, which placed close limits on the scope for trade union action [Kendall, 1975: 112].

In the United Kingdom, there was no break with the past, only an increase in the political power of the labor movement with the victory of the Labour Party in the 1945 elections. As the Labour Party began to socialize the consumption and final distribution of national income, strike activity remained at relatively low levels while union membership continued to climb. The United Kingdom seemed to be approaching the Swedish model of political exchange—industrial peace in exchange for full employment and welfare benefits. However, unlike the Swedish model and the recently established German labor organizations, the control of the party and union bureaucracies over the rank and file remained slender. Craft unionism remained powerful and the authority exercised by the Trade Union Congress was minimal. In addition, “many national unions had little control at the enterprise level. Because of overlapping jurisdictions ... a great deal of power devolved upon shop stewards, a disproportionate number of whom belonged to the Communist Party” (Galenson, 1976: 157-158).

Whatever the situation in the different countries, starting in the early 1950s a noticeable calm came to characterize labor-capital relations all over Western Europe. “By the early 1960s the Ross-Hartman thesis of the withering away of the strike came to be widely accepted” (Clarke, 1980: 15-16). No one expected that before the decade was over the longest (and most impervious to political and economic control) strike wave in European history would sweep the region. With the French explosion of 1968, the Italian *autunno caldo* of 1969 and the Belgian and German wildcat strike waves of the same year, the sharp rise of strike activity in Britain between 1968 and 1970, and the Kiruna strike of 1970 and the public service strikes of 1971 in Sweden, “it came to look as if, far from withering away, the strike was taking on a new and unexpected dimension” (Clarke, 1980: 15-16).

What was new in this strike wave, in quantitative terms, was not its intensity and spread: The number of days lost in strikes or the number of countries involved in the upsurge fell short of numbers attained in the 1919-1920 wave. It was rather its length and persistence throughout the 1970s notwithstanding steadily rising levels of unemployment, particularly after 1973. From this point of view, the only historical precedent was the long wave of industrial unrest that swept the United States with only short interruptions from the middle 1930s to the early 1950s.

The length and relative imperviousness to labor market conditions is not the only analogy between the two waves. Although influenced by political conjunctures, the European wave was certainly not determined by them: It developed under the most different political regimes (conservative in France, centrist in Italy, reformist in Britain and Germany); it has not been greatly affected by the repressive measures (relatively mild by historical standards) attempted by various

governments; and, generally speaking, it has forced governments and employers to make important economic and normative concessions. (Interestingly enough, real earnings have tended to increase faster in high strike countries, which have also been high inflation and high unemployment countries. See Clarke, 1980: 21-22.) In a word, as in the United States in the 1930s and 1940s and unlike in most European experiences in the interwar years, the strength of the movement has determined political conjunctures more than it has itself been determined by them.

The strength of the movement depended even less on its commitment to a specifically working class ideology. The 1960s had uniformly been a period of ideological disengagement on the part of the labor movement in Western Europe. At the Bad Godesberg Congress held in 1959, the German SPD wrote Marxism out of the party's constitution and began to cultivate a new "People's Party" image designed to attract middle class and confessional groups hitherto outside its clientele. The communist parties of France and Italy (particularly the former) did not of course write Marxism out of their constitutions, but did make equal, if not greater, efforts to cultivate a "People's Party" image. At the same time, the confessional, ideological, and political divisions among unions that characterized Italy and France began to break down through processes of deconfessionalization, greater autonomy from political parties, and unity of action.

The workers' militancy of the late 1960s and early 1970s confirmed these tendencies:

[U]nions and parties as organizational units should not be regarded as the actors in the political process of the 'new militancy'. The real actor has been the working-class rank-and-file in the different countries. Their politics has determined, however diffusely, the changes and differences of the organizations [Deppe et al., 1978: 195].

Whatever these changes—and we shall shortly refer to them—the workers emphasis was generally on unity of action in the workplace, irrespective of ideological and political allegiances:

The militant rank-and-file attempt to preserve such freedom of action as they possess on the plant level by 'playing down' the political dimension of plant and union struggles. This leads to the seemingly paradoxical circumstance that the strikers become progressively more politically conscious but simultaneously refuse to conduct the strike down an overtly political line ... a similar tactic is the attempt to fashion the union into a substitute or proto-party [Deppe et al., 1978: 185].

In the light of what we have been maintaining, there is no contradiction in the circumstance that workers became progressively more politically conscious but simultaneously refused to conduct strikes on overtly political lines. For workers were bound to realize purely on the basis of their daily experience that while their actions had important implications and feedbacks, their strength did not derive from organizations and ideologies external to their work situation and allegiance to such organizations and ideologies could become, as it had been in the past, a force divisive of their unity.

Their strength derived rather from the very organization of production in which they were embedded:

The evolution in industrial organization makes firms more vulnerable to strike action. Products become increasingly complex, job-tasks are broken down to a much greater extent, stock levels are reduced, fixed capital resources play a greater part in overall costs, and if the work force downs tools, white-collar employees and management staff (whose number has increased) have still to be paid, while the firm's working capital and liquid assets are cut fine. This means that if one part of the plant is shut down, not only is actual production disrupted, but financial problems also ensue as the plant must still

assume a whole series of costs. The combination of loss of production and continuing fixed costs effectively means that even small groups of workers wield considerable power [Dubois, 1978: 17].

Like the American workers in the mass production industries thirty years earlier, the European workers of the late 1960s and early 1970s were quick to learn the forms of action that would substantially disturb production activities without themselves incurring total loss of earnings: Shop-floor strikes spaced at regular intervals, coordinated sector-by-sector strikes, acts of industrial sabotage, sit-ins, obstruction of entry and exit of supplies to the plants, slowdowns, and the like.

This reduplication, in totally different world and national contexts, of the forms of struggle and of workers' strength that had characterized the labor movement in the United States in the late 1930s and early 1940s was no accident. For the Pax Americana had long-term effects on labor-capital relations in Europe that in many ways were diametrically opposed to its effects on labor-capital relations in the United States. As we have seen, in the United States the main effect has been one of containment of workers' bargaining power. In Western Europe, in contrast, it provided the means, the context, and the stimulus for the structural transformations that had engendered that power.

The means were provided by the Marshall Plan and subsequent aid that eased—and in some countries (Italy and France, in particular) directly affected—the transfer of U.S. mass production technology to European industries. It provided the context by reconstructing the world market and sponsoring a unified European market that made feasible the adoption of such technology in Europe. It also provided the stimulus for their adoption in the form of what later came to be known as the “American challenge”: the expansion within the European borders of American transnational corporations producing with the most advanced techniques. As a result of these circumstances and of a highly competitive reaction on the part of Western European capital, *der Fordismus* was transplanted in Europe on an unprecedented scale that thoroughly revolutionized the technical and commodity structure of European capital.

Up through the middle 1960s, the tendency implicit in these transformations toward an increasing workplace bargaining power of labor was easily counteracted by the competitive mobilization of the large reserves of peasant-workers that still existed within Western Europe and were being supplemented by massive immigration of workers from Southern Europe as well as from French and British excolonies. But by the middle 1960s, the progressive exhaustion of internal supplies of peasant-workers and the decreasing competitiveness of external supplies, shifted relationships of forces in production in favor of labor. When employers, now under the full impact of the reestablishment of world market competition, responded to declining profitability by intensifying work, the great confrontation of the late 1960s was precipitated (cf. Soskice, 1978: 233).

To complete the analogy between the long American strike wave of the late 1930s and 1940s and the long European wave of the late 1960s and 1970s, we shall briefly mention that not only their forms of manifestation and their underlying causes but also their effects were similar. As hinted earlier on, the strikes of 1968-1970 consisted of a wave of plant-level disputes over which the trade unions had little or no control. For the lack of formal authority of unions inside plants had remained the weak link in the institutionalization of industrial conflict that had occurred throughout Western Europe in the 1960s. The effect of the strike wave was to lead to a reinforcement of this process:

The unions, for their part, were to aim at taking over rank-and-file militancy so as to integrate it within their own strategy, and use the force behind it to increase their influence at the level where they were the least strong, i.e. at plant level. The phase of increased militancy was also to provide a lesson to the authorities and the employers; as they too were to hasten the institutionalization process, either taking a tough line by further restricting the right to strike ... , by taking measures to reinforce the unions' role, or by launching a vast ideological offensive [Dubois, 1978: 29].

Generally speaking, repressive measures on the part of government or management were not effective. They were resorted to "as a kind of crash-barrier to be erected as a last resort if other institutionalized means failed to work" (Dubois, 1978: 29). Repression was therefore a palliative, the "mid-wife" of the constitution of unions and management into internal-state/private-government formations similar to those engendered by the U.S. strike wave of the late 1930s and 1940s:

Institutional developments at plant level manifest themselves through various different changes, in that the individual firm becomes a scene of bargaining in its own right, the union is more and more often acknowledged its place in the plant, and the 'traditional' structures of management/work force co-operation ... find themselves invested with a greater number of functions. The desired aim is therefore to institutionalize conflict by setting up machinery to allow for the exchange of views with a priori no discussion points excluded, and each side recognizing the other as a valid opposite number [Dubois, 1978: 30].

In this and in other ways (that we cannot discuss for lack of space) Western European unions—as American unions thirty years earlier—have been greatly strengthened by a movement that had initially developed outside or even against their influence. They have used this greater power simultaneously to strengthen the weak points and to curb the strong points of the labor movement.

As in the U.S. case, the containment of the structural strength of the labor movement and the institutionalization of new forms of labor control in Europe in the 1970s has been greatly facilitated by capital emigration. The early to middle 1970s have been characterized by a simultaneous fall in the net immigration of foreign labor into Western Europe and a tremendous increase in the transnational expansion of capital out of Western Europe, in particular toward more peripheral sites of production.

This increase was mainly due to a sustained take-off of the transnational expansion of capital from Germany, which throughout the 1960s had shown no tendency of this sort, and to an increase and reorientation of French direct investment abroad, hitherto sustained mainly by the colonial heritage. From this point of view, it is interesting to notice that the two European countries in which (as indicated in the second part of this chapter) labor's structural strength had developed earlier (Sweden and England), were also the countries in which labor immigration had been supplemented throughout the 1960s by relatively high levels of direct investment abroad. Equally significant is the fact that the country that in the 1970s has most lagged behind in the transnational expansion of capital (Italy) is also the country that has had the greatest problems in bringing labor unrest under control.

We may conclude that if, as we think, previous and present U.S. experience can be of any guide to an understanding of present and future Western European tendencies, we may expect the world labor movement to move in two partly contradictory directions. We may expect a partial containment (not a roll back) of the labor movement in Western Europe through the joint development of representative-bureaucratic forms of control and of the emigration of capital. But we

should also expect that this relative weakening will be more than compensated for by the strengthening of the labor movement in the national locales where capital is emigrating. Is not that, after all, what we can already observe in countries like Spain, Greece, and to some extent even Brazil and South Africa—four of the most preferred destinations of the emigration of core capital in the 1960s and 1970s?

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