

## THE DUNLOP COMMISSION: MISSED OPPORTUNITY OR FAILED HEGEMONIC PROJECT

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### Abstract

*The Clinton Administration has initiated reforms in industrial relations to assure current and future economic competitiveness. Toward this goal, the Commission on the Future of Worker Management Relations (the Dunlop Commission) was called to order. This paper draws from these transcripts on workplace cooperation and explores the claims and policy assertions elaborated by each side. I concluded that insurmountable differences exist between capital and labor in their interpretation of cooperation. Further, I contend that capital utilized the hearings to develop a hegemonic project whose final goal was the exclusion of labor from future policy discussions.*

### Introduction

It is assumed by a number of scholars of industrial relations policy that the proliferation of cooperative workplaces will contribute to the present and future economic competitiveness of the American economy. Further, it is argued by proponents of increased worker-management cooperation that when workers are allowed additional influence in organizational decision-making processes, this contributes to the productivity of the employer. Eventually, a good portion of this windfall reaches the workers, which will contribute to the alleviation of economic inequality in America.

The Clinton administration has embraced and attempted to apply this philosophy. Much of the administration's interest in tackling the task of reforming labor relations can be traced to Clinton's reading of Bluestone and Bluestone's text, *Negotiating the Future*, where, the authors argue, the nation's present and future economic interest will be secured when cooperative, less adversarial workplaces are encouraged to develop over the traditional hierarchical, Tayloristic, system of work organization. However, in a subsequent and thought-provoking paper, Bluestone has warned that institutional reforms are necessary if we are serious about advancing the cause of workplace cooperation. He suggested the reforms are necessary to purge asymmetries from the cooperative context, thus facilitating and encouraging meaningful dialogue between labor and management. Bluestone envisioned the Dunlop hearings to be an excellent opportunity to pursue the prerequisite reforms.<sup>1</sup>

Clinton's inclusion of Robert Reich as Secretary of Labor, perhaps the lone cabinet member within the administration to possess the credentials of a progressive policy advocate, can also be interpreted to be additional evidence the administration was ready to embark on a path towards progressive labor relations reforms. Reich has devoted a good part of his career to the development and assertion of the position that a key to the economic revitalization of the nation lies in the pursuit and implementation of organizational and labor market reforms, which would contribute to the creation of more "flexible" work systems. In his memoirs, Reich confides that he chose to join the Clinton administration because he believed Clinton to be motivated by a progressive, activist, policy orientation. In this he recognized perhaps his last, best chance to initiate his own brand of progressive policy reform<sup>2</sup>.

To this end, the administration has initiated the Commission on the Future of the Worker Management Relations for the purpose of advancing towards these stated goals. Referring to the work of Bob Jessop, such effort might be visualized as an effort on the part of the State to construct hegemonic projects. To what degree this initiative will be successful depends to some extent upon the administration's ability, through the Dunlop Commission, to bring labor and capital together on some kind of agreement as to what cooperation entails. To pursue this question, we turn to an analysis of the proceedings of the Dunlop hearings.

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## The Managerial Perspective on Workplace Cooperation

Steven Darien of Merck Pharmaceuticals testifies that the current labor relations framework is not conducive to the proliferation of cooperative workplaces. Darien begins by noting his displeasure over a number of recent NLRB rulings, which in his opinion have worked to discourage the proliferation of cooperative workplaces. Darien asserts that the effort to expand cooperative workplaces can be facilitated only “if the effort (to create cooperative workplaces) expands beyond the narrow confines of a single program or process and if human resource practices such as compensation, training, employment systems, and managerial reward systems are modified to support these efforts”.

Darien focused his critique on a number of recent rulings, which he asserted, represent examples of recent overly conservative interpretations of cooperation. These are NLRB opinions concerning the Electromation, DuPont, Webcore, and Vons Grocery rulings. Through these rulings, Darien observes that the NLRB has sent out a message which has resonated through the managerial community, and this message is that “employee involvement is permissible only as it has no impact on improving workplace policies.... when employee involvement does become effective and the NLRB finds out about it, the board is quick to strike it down.”

Speaking on behalf of the National Association of Manufacturers, Rosemary Collyer extends the critique further when she asserts that section 8 (a) (2) has served its purpose and is no longer worthy of defense. Besides, Collyer reminds the Commission, section nine of the NLRA allows individuals or groups of employees the right at any time to present grievances to the employer and pursue an adjustment. She concludes by suggesting the failure to move towards more cooperative workplaces would have a detrimental impact on the nation’s economy. Continued progress toward this model should not be hindered by concerns that this may lead to an infringement on the “employees’ exercise of free choice...freedom to choose is the watchword, not representation per se” Collyer concludes.

### An Assessment of Capital’s Position

This is truly a dilemma. If Darien’s point is correct, the likelihood of cooperative workplace efforts to proliferate across the industrial landscape is doomed. However, upon reviewing the 8 (a) (2) cases referred to by Darien, such as the recent Electromation, and Du Pont rulings, concludes that this is not true. For example, in Electromation, management unilaterally set up what they termed “action committees”. These action committees were in response to increasing worker disgust regarding a number of recent policy changes that impacted worker compensation rates. Once the “action committees” were formed, management decided the nature and scope of the topics to be discussed, which solutions or options were feasible, and how many employees could participate on the committee. Soon after the action committees were up and running, a worker organization effort ensued. The Teamsters union filed a suit against Electromation, alleging that the action committees were operating in violation of sections 8 (a) (2) and 2 (5) of the Wagner Act. The NLRB sided with the Teamsters. Who can blame the Teamsters? With little difficulty, one can begin to see how the action committee can work to obstruct worker progress towards meaningful and independent representation before the employer.

Under the DuPont ruling, which concerns a union plant, management purposely set up a cooperative program independent of the union. From this, what occurred is that concessions the union could not gain through negotiation with management were suddenly gained through the cooperative program with ease. After a series of victories were secured through the cooperative program, management chided the workers for staying with their union after it seemed obvious that the cooperative effort was more effective in winning concessions from management. One example occurred when employees convinced management to place picnic tables in the external break area. This victory came after years of workers attempting to achieve the same results through their labor union and the collective bargaining process<sup>3</sup>.

Clearly, in the example of the DuPont case, the cooperative program was being utilized primarily to undermine worker support for the union. This case demonstrates that the protection of 8 (a) (2) is necessary to prevent employers from attempting to undermine already established unions.

Referring to the Webcore ruling in particular, Darien contends the cooperative program had to be dismantled not because it was anti-union, but because “it committed the sin of establishing a plant council in which hourly employees dealt employment-related issues.” The cooperative programs at Webcore, according to Darien, were operating beyond the scope of what is allowed by current labor law. And in a

sense, Darien is correct. In their ruling on the case, the Board found that Mr. Sibilsky, the owner of Webcore manufacturing, had unilaterally created and disbanded the participative structure. Sibilsky determined the structure and function of the program, as well as the topics deemed eligible for discussion. Employees were allowed to elect representatives to meet with management in part as an effort to create and perpetuate the illusion that the participatory program was bilateral. The Board concluded that plant management had ultimate authority over the program, and, further, no provisions were provided for its existence independent of managerial fiat<sup>4</sup>. Once again, an analysis of recent 8 (a) (2) cases leaves us with a better understanding of management's conception of workplace "cooperation".

After reviewing the cases referred to by Darien, it seems the management contingent is protesting the ability of the Board to strike down unilaterally directed cooperative programs. What is revealing is the fact that in these cases the Board was alerted of what was occurring by the workers themselves, further indicating that the workers were not pleased with the form and the function of these unilateral cooperative efforts.

Further evidence indicates that the Board is not indiscriminately disbanding cooperative programs, as Darien would have us believe. In his review of NLRB rulings against cooperative programs, research conducted by James R. Rundle<sup>5</sup> discovered that of the 58 participative programs disbanded by the NLRB over a twenty-three year period extending from 1972 to 1993, only five were disbanded on the basis of an 8 (a) (2) violation alone. All other cases involved at least one if not numerous unfair labor practices as a precipitating factor leading to the disbanding of the cooperative programs. This is further evidence that the NLRB is not on a vendetta against cooperative programs. On a more disturbing note, this indicates that the employer for the purpose of undermining previously established worker rights occasionally utilizes cooperative programs.

From Darien's perspective, the perceived folly of Webcore can be corrected only through the NLRB's adoption of a more liberal interpretation and application of section 8 (a) (2) of the Wagner Act. Darien suggests that 8(a) (2) should be revised in such a way to allow employers to "deal with" employees in a non-union setting. Returning to the Webcore ruling, the Board defines "dealing with" as entailing a "bilateral mechanism involving proposals from the employee committee concerning subjects listed in 2 (5)". So, applying this to Darien and assuming he understands the concept of "dealing with" in the same way the board does, the question is, what provisions would be present in Darien's plan to assure the creation of the necessary bilateral system? None are offered. Further, at no time throughout the hearings did management appear receptive to the proposition that workers elect those workers who would represent them via the cooperative program. In fact, the managerial panelist seem to be hostile to the concept.

#### Is A Compromise Possible?

As a brief digression, the exchange between Douglas Fraser and the management panel elucidates the point. At the conclusion of the presentation of the management panelists, Fraser posits an open question to any member of the panel willing to respond. He asks whether the panel would be willing to agree to a stipulation that employees be allowed to vote for representatives in the participative program if the Commission was willing to endorse the liberalization of 8 (a) (2). In response to his question, Fraser encounters double talk. Mary Harrington, Director of Human Relations at Eastman Kodak, argues that since workers are put into their positions within the labor process on the basis of merit, rather than by selection, it is difficult to understand why this same system should not be used to appoint employee participants. Harrington adds further that the logistics and topography of the manufacturing plant itself make it difficult to embark on such a process: "...if you can picture a factory like ours where we have 20 square miles, several buildings and thousands of processes going on, to expect a few people elected to a committee to try to understand that and try to make any meaningful contribution to safety doesn't work."

Besides, Darien adds, workers have the right to quit or to not participate in a cooperative program if they are not satisfied with what is occurring. The exit vs. voice dichotomy emerges from Darien's response. And, this seems to be an underlying theme in the management presentation; they would rather workers exercise the exit option than to create provisions which would encourage a working out of differences. Is this a good basis for labor policy? This, I propose, is a distinguishing characteristic of the unilateral system of "cooperation".

Witnessing this exchange, Tom Kochan remarked that he agreed with a statement made by Charles Nelson of Texas Instruments that a "window of opportunity" was quickly closing. Kochan openly wonders "how are we going to expand this process in a sensible way?" Rosemary Collyer responds by

asserting that there are a number of provisions in the NLRA that allow employees avenues to recourse should they sense management has violated their rights. Kochan seems to feel this is little consultation when considering the broader anti-worker animus which may play a role in motivating employers toward the acceptance of a cooperation model: “What do you do about the reality of the situation? We all get... fliers from law firms and business consultants saying we’re putting on a seminar on how to stay union free, and, by the way, the best way to remain union free is to establish an employee participation program...Now, how do you separate out the motivation in that kind of situation where there may be a multiple of motives going on, one of which is to avoid unionization?”

Darien suggests that the more liberal interpretation of 8 (a) (2) must be reinforced by the creation of stipulations which allow employees access to pertinent information and participation in selecting who will represent them in the cooperative programs. Additionally, steps must be taken to prevent employer reprisals against employees. Darien does not offer suggestions as to how these goals should be pursued or enforced. I would assume Darien would advocate some method of self-monitoring as a means to enforce this goal. Perhaps this is a strategy the panelists should have developed and pursued. This strategy might have a chance, especially since the administration’s “reinventing government” initiative does place a great emphasis on corporate self monitoring while allowing workers the tools, not necessarily through unions, to monitor the monitors.

### Capital Endorses the Passage of the TEAM Act

Darien concludes that if the NLRB continues to interpret section 8 (a) (2) in its current stringent manner then “we do not see this as a viable alternative.” As part of the effort to reform 8 (a) (2), Darien and his sponsor, the Labor Policy Association, have strenuously endorsed the passage of the TEAM Act. Essentially, the TEAM Act would abolish section 8 (a) (5) of the Wagner Act, thus allowing management the freedom to create, direct, and support the cooperative effort. Management would be allowed to determine the array and scope of topics to be discussed within the context of the cooperative context. Management could freely select or reject solutions to issues brought up to the forum for consideration. Rundle and Greenfield point out that the TEAM Act would go so far as to allow management to choose the workers who would in turn represent their fellow workers<sup>6</sup>. It should then come as no surprise that Darien’s testimony would lead to this. Both the Democratic Party and Chairman of the NLRB, William J. Gould IV, have not totally dismissed the possibility of the enactment of a modified TEAM Act bill. Gould, in particular, has suggested that if provisions are included in the bill that would allow the workers a free and autonomous choice of participants representing them in the cooperative program, the bill would then be purged of its disagreeable aspects, thus making it easier for critics to support. However, the business community has proven unwilling to compromise. The Republican Party, as well as the Labor Policy Association, has responded to this proposition by labeling it to be blatantly “pro-labor” and therefore unacceptable<sup>7</sup>. This reveals, once again, an ulterior motive behind management’s apparent willingness to cooperate with labor.

Darien asserts his belief that the government cannot force workers and managers to cooperate. In addition, an overarching definition of cooperation would not be productive because each work situation must be allowed the freedom to tailor the cooperative system to its particular needs. Instead, the role of government should be relegated “to provide(ing) the soil in which the seeds of cooperative relationships can sprout and to provide nutrients and the conditions in which the plant can flourish”. From Darien’s perspective, a role for organized labor does not exist in the cooperative workplace. Unions only disrupt the potential for harmony that exists between employers and workers: “...tensions between employees and employers are often exacerbated by the presence of the union.” Darien summarizes. The review of the recent 8 (a) (2) cases indicates these tensions may actually be exacerbated with the imposition of unilateral cooperative programs. Perhaps to Darien, industrial peace occurs when managerial control of the workplace is in no way questioned or challenged. Is this the basis of good labor policy?

### Capital Elaborates the Nuances of a Functioning Cooperative Program

From the perspective of business, what would the cooperative programs look like? What would the role of the employee look like? Dan Rainville offers testimony that sheds light on this. Rainville states that the cooperative program at his firm, Universal Dynamics, has received numerous awards and

accolades. He states that, currently, the program is not in operation, but “the structure is still there if something comes up”. Rainville does not indicate why the program was discontinued or what event would trigger its resurrection. Rainville notes that when he initially arrived at Universal Dynamics, worker-management strife was rampant. Perhaps this gives clue as to why the program was initiated to begin with. Rainville points out that perhaps the largest impediment to be overcome was the workforce’s aversion to change. He does not specify as to whether any specific group within the organization resisted the transition. Rainville also points out that employees need to be properly “educated” to assure their optimal contribution to the program. Some idea of what this education might entail is to be found in Rainville’s discussion of the process. “In the past, we had a philosophy that people couldn’t understand things like profits, especially since they (profits) were more than maybe their annual salary in maybe a month, and we found that once we disclosed all the information instead of selecting the information that we disclosed or didn’t disclose we built trust”.

Part of this education also includes an introduction to trickle-down economics, where employees are informed that firm survivability and profitability are prerequisite to the workers receiving a paycheck; “we have to pay our shareholders” Rainville reminds his workers, as well as the Commission. “You may be surprised at that but our people understand that our shareholders are investors in our company and that they are entitled a return on their investment and that we are here because they are investing in us...every decision I make is based on improving the quality of their lives.” Confusion remains as to whether he is referring to the lives of the shareholders or of the workers. “When I go to the company picnic and look at the families I realize I have a tremendous responsibility towards them.”

Rainville appears to be elaborating upon a problem identified by Edward Lawler and Susan Mohrman<sup>8</sup>. Lawler and Mohrman argue that cooperative programs quickly encounter and surpass a “honeymoon” stage of development, primarily, because employees, and sometimes management, possess unrealistic expectations of what the cooperative program will do for them. As a result, the program tends to fade prematurely. Lawler and Mohrman observe that to avoid this situation, and preferably before the cooperative system is fully implemented, workers need to be informed by management of the limitations of the program. Boundaries need to be established that indicate clearly to the employees what can and cannot be expected from the cooperative effort. Although Lawler and Mohrman offer some important observations, this, like Rainville’s information delivery system, seems to operate in a top down fashion. Neither of these scenarios offers indication that the expectations and the limitation of the system should be decided in a collaborative manner.

From this point Rainville focuses on Universal Dynamic’s “empowerment” program, which is apparently the backbone of the cooperative effort. First, the empowerment program consisted of a steering committee, which was composed of representative from both the employer as well as the employees. Rainville does not go into any detail of what this employee “empowerment” process entails. However, this is potentially problematic because “power”- if it can still be called that - is something granted to the employee by the employer. Is this a good foundation on which to build labor policy?

#### Labor’s Interpretation of Workplace Cooperation

Charles Silberman, legal counsel of the AFL-CIO, begins by distinguishing between two forms of cooperative programs that can be pursued and developed. The first is unilateral in nature. Under unilaterally directed cooperation, or participative management, some authority is granted to the workers by management for the purpose of participating in the cooperative system. Under participative management, management decides which workers will be selected to participate and what topics will be discussed within the parameters of the cooperative system, and management determines the rules, regulations, and procedures of the cooperative system.

The second model is bilateral in application. A truly democratic process emerges because both sides, labor and management, are encouraged to participate as equals in creating and perpetuating the cooperative system. Issues are resolved on a consensual basis. Workers are free to choose their own representatives. These refinements are likely to establish and institutionalize themselves only in a work environment where the collective bargaining apparatus and the obligations associated with it is present.

## A Distinction between Unilateral and Bilateral Cooperation is Made

Citing Freedman and Medoff's text, What Do Unions Do?, Silberman argues that worker organization is essential to successful cooperative efforts because, once the cooperative effort becomes institutionalized, the relationship between workers and managers changes from "that of a casual dating game in which people look elsewhere at the first serious problem permanent marriage in which they resolve disputes through discussion and negotiation." Citing the work of William C. Cooke, Silberman argues that union-based participation programs are more productive than non-union participative programs. "A union which is favorable to employee involvement and works effectively to produce the conditions which supports employee involvement can indeed contribute to a successful effort ...the key determinants are conditions which unions help to create." Sixty years ago, Silberman reminds the panel, congress recognized the value of encouraging workers to organize and collectively bargain with the employer. Today, litigation increases as the percentage of workers organized in union's declines. Silberman suggests the fact that these events are correlated is not coincidental. If the employers are truly interested in keeping the government out of the workplace, then why are they not more supportive of collective bargaining, which actually discourages government involvement? This is an interesting observation.

## The Labor Panelists Defend the Wagner Act

Like the managerial panelists before, Silberman grapples with the 8 (a) (2) issue. The future of 8 (a) (2) seems to be a matter of crucial importance to the issue at hand from the perspective of both labor and management. Silberman contends that 8 (a) (2) is of really of little significance in the context of the present discussion. Silberman argues this is so because the Wagner Act permits the creation and proliferation of cooperative programs so long as they are concerned with issues of workplace productivity and efficiency rather than with the terms and conditions of employment. Recalling the earlier testimony of Edward Miller, a former NLRB board member appointed under the Bush administration, Silberman asserts that the cooperative/participative programs are well within the parameters of 8 (a) (2), and, most certainly, if 8(a) (2) were rolled back, employers would take advantage of this by introducing company unions into the workplace. Silberman's observations coincide with conclusions derived at the end result of 8 (a) (2) cases that occurred earlier in this paper. Silberman points out that the Wagner Act is not detrimental to genuine cooperative efforts so long as the cooperative effort does not extend into negotiations covering the conditions of employment. Further, Silberman is concerned that the abolition of 8 (a) (2) would deter the proliferation of autonomous worker organization efforts.

## Power Asymmetries Must Be Removed to Assure an Optimal Cooperative Effort

Next, labor develops the position that cooperative efforts, which are established in workplaces where acute power asymmetries exist, are actually self-defeating. They are self-defeating because management is allowed to freely dominate workplace culture. This smothers and eventually undermines the capacity for the autonomous development of worker culture and, the argument continues, a kind of cultural perversion results where workers are turned against each other in the name of "self monitoring". A culture of animosity and paranoia then sets in, making it difficult for the workers to make meaningful and substantial contributions to the betterment of the work situation.

Richard Bensinger, who was at the time the AFL-CIO's chief organizer, develops this argument. He notes that this situation is exacerbated by the employers' penchant to resist worker organization efforts, even to such an extent that illegal methods are utilized towards this end. The manipulation of employee culture is also a means toward this end. Bensinger argues that trendy terms like "total quality management" and "quality of work life" and similar programs are no more than exercises in "psycho-babble" that are intended to obfuscate management's true desire to establish non-union and anti-union workplaces.

To support his assertion, Bensinger recalls his own personal experiences as a supervisor trainee in the southwest. Bensinger and his colleagues were encouraged by the HR staff to take steps to make the employees feel they are empowered to give them the impression that management was listening to them

and that management was ready to act on their concerns. To supplement this effort, teams were created. Bensinger reports that the leaders were chosen not only on the basis of their ability to lead the workers in the way that management desired but also on the basis of their anti-union sentiment.

Later, in a facility where Bensinger was attempting to organize the workforce in the early eighties, it became clear to Bensinger that cooperative programs were being utilized to undermine a worker organization drive: "With Orwellian deliberance, managers became facilitators, discipline became enforced by a team of peers and an atmosphere of peer pressure was being used to maintain total control of the workforce." Bensinger's description of what occurs within a cooperative system varies considerably from that depicted by the managerial contingent. Bensinger seems to be questioning managerial motives behind the implementation of cooperative workplaces. Evoking Guillermo J. Graneir's text, *Inhuman Relations*, Bensinger asserts that his experiences and those of the author coincide, therefore suggesting these are in all likelihood not isolated and disconnected events. Bensinger concludes the discussion of these events by noting that labor law, as it is currently interpreted, allows employers to embark on these and similar programs with impunity, and often times, these efforts are directed towards the discouragement of worker organization activity: "Under current law, any employer who expends maximum and not even so maximum efforts to defeat a union campaign can win any time, anywhere, without breaking the law, with maximum force and aggressiveness."

Bensinger concludes by asking, with these asymmetries in place, how can productive cooperative efforts be attempted? Cooperative efforts will not work, he continues, until considerable effort is devoted to restoring the dignity of the worker. From his own experience, Bensinger concludes that employers are not willing to accept the prerogative of the workers to organize. Labor law reforms are needed to create the balance deemed necessary to encourage healthy, bilateral, cooperative efforts.

## Discussion

Clearly, management's interpretation of cooperation is one sided. It seems that Management would like to use the cooperation issue to gain greater control over the workplace. First, it has been adequately demonstrated that management's claim that labor laws, as they have been recently interpreted, prevent the creation of cooperative ventures is a red herring. This is further reinforced by an analysis of the transcripts of the TEAM Act hearings conducted by Rundle and Greenfield. Basically, the purpose of the TEAM Act was to liberalize section 8 (a) (2) to allow employers the ability to "deal" with employees even when a union is not present. Rundle and Greenfield found that, in the course of the Senate hearings regarding the bill, many of the managerial personnel offering testimony had actually contradicted themselves when they stated they already had cooperative programs in place, and were reportedly quite satisfied with them.<sup>9</sup> If this is the case then, why the sudden desire to liberalize 8 (a)(2)?

This leads one to believe that management doesn't really want cooperation with labor per se. It seems that what is really desired is the unbridled ability to unilaterally define the definition of cooperation, and the circumstances under which cooperation takes place. In addition, a clear anti-worker animus emerges in the panelists condemnation of 8 (a) (2) and all that it stands for.

This represents an affront to the spirit of the Wagner Act. The Wagner Act was created, in part, as an effort to level asymmetries that exist between employee and employer and to facilitate meaningful cooperation between the two parties. More importantly, the Wagner Act was the first bona fide attempt since the time of Wilson's ill-fated industrial relations board to create a system of national labor policy<sup>10</sup>. Although these were worthy goals, it is understood that the stabilization of the capitalist economic system was clearly its primary goal<sup>11</sup>.

Dan Rainville's description of the cooperative program further indicates management's desire to control or manipulate the cooperative process. This much is indicated when Rainville indicates that Universal Dynamics unilaterally set up and disassembled the cooperative program. As noted earlier we are given no clue as to what motivates these actions. Further, the discussion of the "education" process is troubling because this presents an opportunity for management to manipulate worker culture to the employer's advantage. For example, according to Rainville's testimony, the education program is clearly utilized for the purpose of introducing workers to a corporate perspective of economics and business obligations. According to Fones-Wolfe's study of corporate welfare practices, the education of the worker has from an early stage been identified as an essential ingredient to the creation of a docile and compliant workforce<sup>12</sup>. Many of these practices were pioneered and refined by the National Association of

Manufacturers, of which Rainville is a member. Do opportunities exist for the workers to be exposed to alternative viewpoints?

What results is anti-policy. Participative programs, according to management's interpretation, should not be commonly defined. Instead, from management's perspective, they are to be interpreted and applied on an arbitrary, case-by-case basis and not guided by an overarching goal, logic or direction. In a sense, this coincides with the current social context's rejection of institution building as a solution to issues of national concern. This coincides with the conclusion forwarded by James A. Gross. Gross has observed that throughout the post-war era, we have witnessed a continuing disintegration of labor policy<sup>13</sup>. What has occurred here represents a continuation of the trend. Some have argued further that the lack of a coherent and productive labor policy has contributed to our increasing inability to economically compete with other advanced industrialized nations while detracting from the standard of living of the nation's workers<sup>14</sup>. From this perspective, it seems that prerogatives offered by management would only contribute to the exacerbation of the current situation.

Essentially, labor has taken this opportunity to develop the position that the New Deal labor relations institutions are worthy of defense and extension. The labor panelists extended and reinforced this position by arguing that the weakening of this edifice would likely lead to the proliferation of unilaterally imposed cooperative programs which, in the end, would prove counterproductive to the stated purpose of the cooperative effort. Within the last couple of decades, an increasing volume of literature from the flexibility perspective has effectively challenged the new Deal edifice<sup>15</sup>. The flexibility theorists contend that rigidities within the New Deal system are detrimental to the industrial competitiveness of the nation. Unfortunately, as the hearings have revealed, it is apparent that, for all its work, proponents of the flexibility perspective have yet to offer a coherent vision of what the post New Deal system of labor relations would entail. In fact, after analyzing the corpus of the flexibility literature one is left with the conclusion that the true purpose of this literature is to advance the cause of "organizational learning" rather than workplace cooperation. This conclusion is only reinforced as a result of the analysis of the testimony of the managerial contingent, which are, and always have been, the audience to which the flexibility message is most directed.<sup>16</sup>

#### Implications to Labor Policy: The Building of Hegemonic Projects

The proceedings of the Future of Worker-Management Relations can be envisaged as an attempt by the state to develop what Jessop refers to as a "hegemonic project."<sup>17</sup> The purpose of the hegemonic project is to nullify class conflict either between factions within capital or between capital and labor. This is done in such a way that capitalist domination of the economic system is maintained and preferably, from the perspective of capital, reinforced. The need to revise or rebuild hegemonic projects is linked to the contradictory nature of the capitalist economic system. Thus, over time, systems of accumulation lose their ability to maintain labor peace and capitalist profitability simultaneously.

Towards this end, programs or policy options are introduced into the political sphere for the purpose of re-imposing stability. The programs are portrayed as beneficial to the national interest. Thus, the goals of the hegemonic project must be articulated in such a fashion that they encompass the goals and interests of all potential, significant participants. Incentives and rewards are offered as part of the effort to enlist these interests into the project.

However, this does not mean that participating factions cannot attempt to co-opt the process and turn it to their advantage. For example, capitalists attempted to sell its version of increased cooperation to the state by promising future increased economic productivity and viability. Nothing was offered to labor in return for their cooperation. This, in part, explains the inability to reach a compromise. Further, this indicates that capital has not yet abandoned the post-World War II project, which commenced with the creation and the eventual initiation of Taft-Hartley, of pushing organized labor completely out of the labor relations arena, thus successfully defending, and expanding, its so-called "right to manage"<sup>18</sup>. Perhaps if the republican "revolution" had not lost its momentum or if the advocate had taken advantage of William J. Gould and the "New Democrats" offer to revise the TEAM Act in such a way that workers would be allowed the freedom to elect team participants, the outcome might have been much different indeed<sup>19</sup>.

So, at least for the time being, labor has by default preserved the National Labor Relations Act. The question remaining for labor is, is the Wagner Act worthy of defense and possible expansion, or has it become an iron cage which has, either inadvertently or by design, detracted from the full potential of the promise of worker organization? If the latter is concluded, should defense of Wagner be jettisoned for a

new strategy? What should this new strategy be? The Dunlop hearings indicate that labor is faced with an uphill battle regardless of how this question is answered.

Under the conditions created by a positive class compromise, all parties benefit.<sup>20</sup> Workers play a (larger) role in influencing the nature of the production process. In addition, labor gains a position to better negotiate a larger return for its productive efforts. In exchange, capital is promised a more compliant workforce. Wage increases assure future increased consumer activity. However, one consequence of the positive class compromise is the increased strength of labor to levels that are defined to be intolerable to capital. Capitalists are likely to shun cooperation with labor for fear that this will threaten its ability to exercise the prerogative of private property ownership. To compensate for this risk, capital will likely avoid a positive class compromise unless the cooperation of labor is deemed necessary to assist in solving a production problem it cannot otherwise solve alone.

This implies that a delicate balance exists between the balance of institutional power and the propensity to cooperate. And, this is with little doubt historically conditioned. For example, in the present situation, the elaboration of the global economy detracts from the likelihood that labor will be seen as a potential partner for solving production problems. Ironically, the Clinton administration's belief in "free markets" and subsequent activities to nurse this vision to fruition, such as the passage of the NAFTA trade bill, have likely done little to advance the goal of workplace cooperation. Unfortunately, Reich (1991), among others, consistently fails to visualize a connection between these events and workplace cooperation. In a sense, capital has attempted to exploit this advantage through its advocacy of the TEAM Act.

Theoretically, if passed, the TEAM Act would certainly have narrowed the institutional parameters of worker power, thus making future, meaningful discussions of workplace cooperation nearly impossible. Institutional frameworks must be developed to encourage the development of a situation leading to the positive class compromise. The current context, with its emphasis on ending the so-called era of "big government" and "empowering" people as "individuals", will certainly carry us further from this stated goal.

In conclusion, the Dunlop hearings resulted in little more than a "negative class compromise." By this it is maintained that within the context of the hearings both sides have attempt to either maintain their turf, as labor had through its defense of the New Deal edifice, or to attempt to extend their institutional domination over the opponent, as capital had attempted to do through its continued pushing of a free market ideology. At this point in time, neither side possesses sufficient social power or momentum to overwhelm the opponent. Little if anything positive emerges from a negative compromise situation and, subsequently, much remains to be accomplished.

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## Endnotes

<sup>1</sup> Irving Bluestone, 1995. Public policy and the Evolution of Change in Workplace Policy, pp.353-362 in Steve Babson, ed. *Lean Work: Empowerment and Exploitation in the Global Auto Industry*. Wayne State University Press, Detroit.

<sup>2</sup> Robert Reich, 1997. *Out of the Cabinet*. Simon and Schuster.

<sup>3</sup> A discussion of the implications of both of these cases can be found in, Robert B. Moberly, 1994. Worker Participation After Electromation and DuPont in Friedman, Hurd, Oswald, Seeber, Eds. *Restoring the Promise of American Labor Law*. ILR Press

<sup>4</sup> *Webcore Packaging, Inc. v. Local 332 International Brotherhood of Teamsters* 319 NLRB No. 142.

<sup>5</sup> James R. Rundle, 1994. The Debate over the Ban on Employer Dominated Labor Organizations: What is the Evidence? Chapter 11 in Friedman, Hurd, Oswald, Seeber, Eds. *Restoring the Promise of American Labor Law*. ILR Press.

<sup>6</sup> James R. Rundle and Patricia A. Greenfield, 1997. Worker Representation Without Worker Consent. *Working USA*. July/August.

<sup>7</sup> Steve Jordan, 1996. Labor Board Chief Urges Change in Law on Teams. *The Omaha World Herald*. June 8<sup>th</sup>, Business, p. 43.

<sup>8</sup> Edward Lawler III and Susan Mohrman, 1987. *After the Honeymoon.....*

<sup>9</sup> James R. Rundle and Patricia A. Greenfield, 1997. Worker Participation Without Representation. *Working USA*. July/August, p.62.

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<sup>10</sup> See G. William Domhoff, 1990. The Power Elite and the State. Aldine De Gruyter for a discussion of the halting, on and off again attempts to create labor policy. Like Domhoff, I do not believe this was the result of a pluralistic process.

<sup>11</sup> James B. Atleson, 1983. Values and Assumptions of American Labor Law. Ch 2, The Wagner Act and the New Deal. University of Massachusetts Press.

<sup>12</sup> Elizabeth Fones-Wolfe, 1994. Selling Free Enterprise. University of Illinois Press.

<sup>13</sup> James A. Gross, 1995. Broken Promises: The Subversion of U.S. Labor Policy, 1945-1994. ILR Press

<sup>14</sup> Barry Bluestone and Irving Bluestone, 1992. Negotiating the Future. Basic Books. Also, Harry Katz, 2000. Converging Divergences. ILR Press.

<sup>15</sup> For example, see Piore and Sabel, 1984. The Second Industrial Divide. MIT Press. Womack Jones and Roos, 1992. The Machine that Changed the World. Kochan Katz, McKersie, 1994. The Transformation of American Industrial Relations. ILR Press.

<sup>16</sup> James Rinehart, 1999. The International Motor Vehicle's Lean Production Benchmark: A Critique. Monthly Review, January.

<sup>17</sup> Bob Jessop, 1991. The Value Form, the Capitalist State, and Hegemonic Projects: From State Forms and Functions to the State as Strategy in Jessop, State Theory: Putting the Capitalist State in its Place. Pennsylvania.

<sup>18</sup> See Howell John Harris, 1983. The Right to Manage. Wisconsin.

<sup>19</sup> For example, Gould gave a speech to the Nebraska Bar indicating he would be supportive of the TEAM Act had a stipulation encouraging workers to vote for team participants be included. A similar effort was initiated by Representative James Traficant (D. OH.) through the introduction of House Amendment 824 to the TEAM ACT. No action to date has been taken on this bill.

<sup>20</sup> The following discussion draws heavily from Eric Olin Wright, 2000. Working Class Power, Capitalist Class Interest, and Class Compromise. *American Journal of Sociology*. (January)105:1.