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Radical Labor Economics, Labor History, and Employment Relations: The State of the Conversation

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For the kind of radical labor economics I am interested in, the guiding questions are these: How are labor markets and the labor process being continually transformed? What are the effects on the possibilities for collective action and human development? This research agenda is both informed by and differs from the fields of working-class history and employment relations. The relationships among the three fields and how they might be advanced are pressing issues for labor-based academics. In my view, radical labor economists could benefit from closer reading of the new working-class history, and a more historically informed radical labor economics has something to offer employment relations scholars whose project of creating a balanced relationship among the social partners seemingly lies in ruins. Employment relations scholarship in turn provides a model for careful, institutionally rich, and politically engaged research.

An effective radical labor economics will also be feminist, in that it will deal both with the gendered division of labor and the politics of the family, and self-conscious about what we as labor intellectuals do. Indeed, although the radical labor economics of the 1970s and 1980s has more or less lost its way, related feminist and Marxist economics research programs have produced critical new insights about work and work-based identities and organizations.

Radical economics emerged out of several strands of leftist thought stimulated by the civil rights and antiwar movements of the 1960s. From the founding of the Union for Radical Political Economics (URPE) in 1968 through the early 1980s, radical economics was a troubling and stimulating presence for the economics mainstream. Some major orthodox figures dismissed it, but they could not ignore it. In

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labor economics especially, radical work seemed to be making significant inroads through widely cited articles by Herbert Gintis, Samuel Bowles, Katherine Stone, and Stephen Marglin.¹ Over the same period, URPE wrestled with its self-identity, declaring itself a Marxist organization in 1974, quickly backtracking to a position where Marxism was the prime mover of the organization but other approaches were accepted, to the new editorial statement of 1983 officially recognizing Marxism as one among many (institutionalism, feminism, anarchism, etc.) parts of the radical tradition.

The New Labor History that followed from the work of Edward Thompson in England and David Montgomery and Herbert Gutmann in the United States had been important for the New Left generation in that it provided a hidden history of workplace resistance that was absent from official economics. This historically informed project in radical labor economics culminated with the publication of *Segmented Work, Divided Workers*, by David Gordon, Richard Edwards, and Michael Reich in 1982. Since that time their “social structures of accumulation” approach has been developed extensively in macroeconomics but less so in labor.²

Michael Hillard and I entered the radical graduate program in economics at the University of Massachusetts in 1980, just as some of the major radical labor economists were beginning to publically distance themselves from Marxian ideas. However, as they abandoned Marx they tended to abandon history also, adopting the formal apparatus and individualist and rationalist method of neoclassical economics to try to demonstrate the inefficiencies of capitalism.³

We too thought that there was a problem with Marxism: the economic determinism that had led some to believe that changing property relations—that is, nationalization of the means of production—was sufficient to eliminate exploitation. As part of the group that founded the journal *Rethinking Marxism* in 1989, we were interested in extracting those parts of the Marxian tradition we found useful from the more deterministic and damaging formulations of both Marx and some of his followers. We subtitled that publication “a journal of economy, culture and society,” and this nicely captures the kinds of interdisciplinary and radical social science that we have pursued since.

1. Herbert Gintis, “The Nature of the Labor Exchange and the Theory of Capitalist Production,” *Review of Radical Political Economics* 8, no. 2 (1976), 36–54; Katherine Stone, “The Origins of Job Structures in the Steel Industry,” *Review of Radical Political Economics* 6, no. 2 (1974), 113–73; Stephen Marglin, “What Do Bosses Do? The Origins and Functions of Hierarchy in Capitalist Production,” *Review of Radical Political Economics* 6, no. 2 (1974), 60–112; and Samuel Bowles, “The Production Process in a Competitive Economy: Walrasian, Non-Hobbesian, and Marxian Models,” *American Economic Review* 75, no. 1 (1985): 16–36.

2. Terence McDonough, Michael Reich, and David Kotz, eds., *Contemporary Capitalism and Its Crises: Social Structure of Accumulation Theory for the Twenty-First Century* (New York: Cambridge University Press, 2010); and Jonathan Goldstein and Michael Hillard, eds., *Heterodox Macroeconomics: Keynes, Marx, and Globalization* (New York: Routledge, 2011).

3. David A. Spencer, “The Demise of Radical Political Economics? An Essay on the Evolution of a Theory of Capitalist Production,” *Cambridge Journal of Economics* 24 (2000): 543–64.

We thought that Marx, in *Capital* and related works, had provided a still-relevant, indispensable set of ideas for understanding the mostly capitalist societies of Western Europe, North America, and Japan. Concepts such as commodity fetishism, necessary and surplus labor time, reserve armies of the unemployed, concentration and centralization of capital, and cooperation and division of labor in the workplace struck us as the most useful tools at hand for understanding and changing the world. We did not and do not read *Capital* as holy writ, but there is no other book I know of that is so rich in its description of the labor process and capital accumulation. That people see the utility and the price of commodities but not the human labor time embodied in them, that exploitation happens inside the workplace and not generally in the marketplace, that capitalism tends to increase the length of the working day and produce too much work for some and not enough for others, that it develops the forms of workplace cooperation that could be the basis for a more just society while turning these forms to the ends of the wealthy rather than the workers, that occasional periods of mass unemployment (and significant unemployment all the time) are not problems in capitalism but in fact are how it reconstitutes itself: these seemed self-evident to me then and now.

How to apply these ideas in specific situations and to produce the kinds of analysis that our friends and allies in the labor movement were interested in was not so obvious. The emerging consensus among radical economists in the 1980s was that the main problem of that era was the crisis of a particular constellation of institutions that had stabilized capitalism in the post–World War II period, the so-called postwar social structure of accumulation. Supposedly an accord had been reached between capital and labor in the 1940s, and the terms of that accord were unraveling.

In the 1940s, 1950s, and 1960s, a dramatic improvement in the living standards of the vast majority of working people resulted from the increased power of workers at the point of production and the ability of a mostly proworker political alliance to partly decommodify labor power through the state. This illustrates a key lesson we take from chapter 10 of *Capital*, V.I (on the struggle over the length of the working day)—class struggle successfully waged by workers against capital can improve workers' lives *within* capitalism. This is a central concept that we see as defining one of Marx's important contributions to understanding "industrial relations."

This concern over the unraveling of postwar accumulation patterns established a certain degree of commonality between radical economists and industrial relations scholars, as they were called in the United States in the 1980s, who were grappling with what became the crisis of the New Deal industrial relations system. After completing my PhD, I taught in a tripartite graduate program in industrial relations and participated in government-sponsored research on labor shortages, technological change, and economic development. I was attracted to this kind of work because it required detailed analysis of law, psychology, and ethics, producing a rich analysis of labor markets and the labor process. I had some exposure to institutional economics at the University of Massachusetts, but now I began to read Commons and his students as well as Dunlop, Ross, Kerr, and Piore more carefully. I found their

inductive research approach a refreshing alternative to the abstraction and statistical mindset that characterized mainstream and increasingly also radical economics. I learned from my late colleague Yngve Ramstad, who was the premier Commons scholar among the “old” institutionalists, and found common ground between some Marxian and institutionalist ideas, an overlap I detailed in my 2008 book *Are Worker Rights Human Rights?* It was my reading of Commons’s testimony to the US Industrial Commission that stimulated the central idea of that book: that globalization involves a critical shift in moral obligation within employment relations.⁴

However, both the radical story of the capital labor accord and the analysis of the decline of the New Deal model by members of the Industrial Relations Research Association (IRRA) seemed off target to me. The notion that improved labor management cooperation was the key to restoring prosperity struck me as particularly absurd by the early 1990s. How do you improve cooperation with someone who is beating you? A book called *Negotiating the Future*, published in 1992 and written by one of the founders of URPE and his father, the former chief negotiator for workers at General Motors, exemplified this trend.⁵ While there was a sense in IRRA that progress for working people never comes without a strong labor movement, we differed from the industrial relations tradition in thinking that more conflict (*and less compromise*) is better. This was partly grounded in our own research, especially Hillard’s work on the paper industry, but also in our reading of recent labor history.⁶ The accord was a major and uncontroversial concept in radical political economy, but labor historians, including Nelson Lichtenstein, demonstrated that although there may have been a truce while capital was weak in the 1930s and 1940s, there never was anything resembling an accord. While the comparative political economy literature indicates that some progressive legislation is the result of cross-class alliances, labor law reform is an issue—both in the 1930s and today—that leads capitalists to unite as a class against working people.⁷ Radicals and labor progressives sought to return to the time of the accord and thus emphasized labor-management cooperation, but if such an accord never existed this was a wrong-headed attempt to return to an imaginary Eden.

From our perspective, the energy that went into labor-management cooperation might better have been spent on building new kinds of worker organizations

4. Richard McIntyre, *Are Worker Rights Human Rights?* (Ann Arbor: University of Michigan, 2008), 33–52.

5. Barry Bluestone and Irving Bluestone, *Negotiating the Future: A Labor Perspective on American Business* (New York: Basic Books, 1993).

6. Michael Hillard, “Labor at ‘Mother Warren’: Paternalism, Welfarism, and Dissent at S. D. Warren, 1854–1967,” *Labor History* 45, no. 1 (2004): 37–60.

7. There is a lively debate among political scientists about the salience of society-based versus state-based explanations and class-based organizing versus cross-class coalitions that I sidestep here. For a recent review, see Brian Waddell, “That Time Again: Revisiting the Debates over the Wagner Act” (paper presented at the American Political Science Association Annual Meeting, Washington, DC, September 2010), <http://ssrn.com/abstract=1643407>.

that deal directly with the feminization of labor and the shift from the production of goods to the production of services and emotions. We have tried to combine our academic work with activity outside the academy and hope that we have few illusions about the nature of working class organizations in the United States or the success of business propagandists in creating a capitalist cultural hegemony. Building such organizations in a forward-looking manner is, to us, the primary task of labor intellectuals today. In doing so, we look to present and future militancy in immigrant communities and among low-wage workers more generally rather than to the institutions of the past.

As part of this project, we are continuing to investigate the process of bourgeois class formation in the United States and its exceptional nature. How capitalists organize as a class to pursue their interests; how splits among industrial, financial, and merchant capitalists and between those forms of capital and landed property affect that pursuit; and how organized labor can exploit those splits was of keen interest to Marx and classical Marxism. Good historical work has been done on capitalist class formation at the turn of the past century,⁸ and LAWCHA readers are familiar with the excellent recent studies by Kim Philips Fein, Bethany Moreton, and Nelson Lichtenstein on these issues in the second half of the twentieth century. Less work has been done in theorizing this process relative to the more deeply studied processes of working-class formation, or on a comparative basis. We have undertaken this project. We hope to document and refine our argument that the American capitalist class is exceptional in the degree of its self-organization, its ability and willingness to use violence to achieve its class ends, and its influence over popular culture and the state.⁹

Such an argument provides an effective counter to politically robust stories of American exceptionalism. This does not excuse organized labor in the United States for its failures or shortcomings but it does, we believe, make the nature of the opposition it faces clearer. Comparative work is critical on this because while there is a sense in the United States that the “labor question” is now less important, labor militancy has not so much been expunged as it has moved as the geography of capital accumulation changes.¹⁰

A second major theme of my joint work with Hillard has been a class analysis of the employment relations profession itself. In a series of papers we have argued

8. For instance, Jeffrey Haydu, *Citizen Employers: Business Communities and Labor in Cincinnati and San Francisco, 1870–1916* (Ithaca, NY: Cornell University Press, 2008); and Sven Beckert, *The Monied Metropolis: New York City and the Consolidation of the American Bourgeoisie, 1850–1896* (New York: Cambridge University Press, 2003). See also Nelson Lichtenstein, *State of the Union: A Century of American Labor* (Princeton, NJ: Princeton University Press, 2002), 105–10.

9. Richard McIntyre and Michael Hillard, “Capitalist Class Agency and the New Deal Order: Against the Notion of a Limited Capital Labor Accord,” *Review of Radical Political Economics* (forthcoming).

10. See Beverly Silver, *Forces of Labor: Workers Movements and Globalization since 1870* (New York: Cambridge University Press, 2003); and Jefferson Cowie, *Capital Moves: RCA's Seventy-Year Quest for Cheap Labor* (New York: New Press, 2001).

that industrial or employment relations experts constituted a subsumed class, a group that receives a cut of the social surplus from capitalists for producing a particular condition of capitalist reproduction: labor peace. That condition was in high demand in the strike-ridden period from the 1930s through the 1970s, but with the capitalist victory in the class struggle, employment relations scholars were left with not much to sell. We have used this to counter less materialist stories of the field's rise and fall, stories that we feel locate the crisis of employment relations scholarship too much in the field's own development and concepts rather than in the balance of class forces and positions in the broader society.¹¹

Feminist historians and economists have posed a major challenge to labor history and radical economics since the 1980s.¹² A third theme in our work is to examine the connection between the household and the employment relationship. The change in the nature of the family is arguably the most revolutionary development in US society since the end of legal segregation, at least as important as the ways in which globalization and technological change have undermined the labor aristocracy. We argue that although this crisis has myriad causes, an important one is the way that capitalists' profitability crisis in the 1970s was solved at the expense of households. Organized capital engineered a successful lowering of both the market and social wage that created in turn a crisis in the reproduction of the workforce.¹³

One way capitalists have dealt with this latter problem is to shift the costs of workforce reproduction onto other households in other social formations through immigration and outsourcing and to deal with the growing stagnant part of the domestic reserve army of labor through a dramatic expansion of the prison-industrial complex. This has been conditioned by a whole series of difficult-to-maintain political alliances between big capital and small, and with culturally reactionary and truly conservative groupings. It has been supported by the creation of a hegemonic story about the recent past in which social dysfunction is blamed on immigrants, particular ethnic groups, homosexuals, and so on, rather than as fallout of the success capitalists have achieved in lowering living standards. We have found historically informed Marxian political economy to be most useful in understanding and responding to this capitalist class project.

Volume I of *Capital* was published twenty years prior to Ely's founding of US institutional economics. Marx's analysis in *Capital* anticipates Ely's three distinc-

11. See, for instance, Michael Hillard and Richard McIntyre, "IR Experts' and the New Deal State: The Diary of a Defeated Subsumed Class," *Critical Sociology* 34, no. 3 (2009): 417–30.

12. Among economists, we have especially benefitted from Randy Albelda and Chris Tilly, *Glass Ceilings and Bottomless Pits* (Boston: South End Press, 1997); Nancy Folbre, *The Invisible Heart: Economics and Family Values* (New York: New Press, 2001); and essays by Stephen Resnick and Richard Wolff collected in *Class Struggle on the Homefront: Work, Conflict, and Exploitation in the Household*, ed. Graham Cassano (New York: Palgrave Macmillan, 2010).

13. Richard McIntyre and Michael Hillard, "The Class-Gender Nexus in the American Economy and in Attempts to Rebuild the Labor Movement," in Cassano, *Class Struggle on the Homefront*, 218–38.

1 tive characteristics of the labor market (inequality of bargaining power, management
 2 authoritarianism, and workers' economic insecurity) while going beyond Ely to high-
 3 light the separate processes by which surplus labor is performed, appropriated, and
 4 distributed. Industrial relations scholars in the United States too often ignore this
 5 history. Among some there seems to be a desire to believe that Marx's approach has
 6 nothing to say to the present,¹⁴ but in Marx and some of the work he inspired we con-
 7 tinue to find a framework for analyzing the employment relationship and nonwaged
 8 work in contemporary capitalism. We also draw on the institutional tradition famil-
 9 iar to employment relation scholars, feminist theory, and labor history. In creating
 10 a political economy of labor that is up to the tasks of our time, we find the work of
 11 employment relations scholars critical, though we tend to differ in our class approach
 12 to these issues, and we have found the recent flowering of working-class history essen-
 13 tial, especially the increasing turn to political economy by some historians.

14 Many labor historians use Marxist categories, but implicitly. Radical econo-
 15 mists see labor and the working class as central to their project but have largely lost
 16 touch with historical research since the 1980s. Employment relations scholars often
 17 have close ties to organized labor and the research and training that support it but
 18 are wedded to a tripartite approach that makes less sense given the outcome of recent
 19 class struggles in the United States. Moreover, they tend to neglect work outside the
 20 employment relationship, particularly the connection between home work and paid
 21 labor. We believe that a historically informed Marxist and feminist approach to labor
 22 politics has much to offer in the current moment and look forward to deepening these
 23 connections among the three fields. ■

14. This was expressed by some employment relation scholars at the Labor across the Boundaries con-
 15 ference, but was also immediately challenged by others.

