



THE LABOR MOVEMENT

Changing Employee-Employer Relationships

⊙ Domestic system

- Workers and employers knew each other personally
- Workers could aspire to become employers

⊙ Factory system

- Workers no longer owned the means of production (machinery)
- Employers no longer knew workers personally
 - Factories often run by managers paid by the corporation
- Relationships between employers and employees grew strained

Problems of the Factory System

- ⦿ Factories were crowded, dark, and dirty
- ⦿ Workers toiled from dawn to dusk
- ⦿ Young children worked with dangerous machinery
- ⦿ Employment of women and children put men out of work
 - Women and children were paid less for the same work
- ⦿ Technological unemployment – workers lost their jobs as their labor was replaced by machines

Poor Living Conditions

- ◎ Factories driven solely by profit
 - Businesses largely immune to problems of workers
- ◎ Factory (also company or mill) towns
 - Towns built by employers around factories to house workers
 - Workers charged higher prices than normal for rent, groceries, etc.
 - Workers often became indebted to their employers
 - Created a type of forced servitude as workers had to stay on at their jobs to pay their debts
 - Considered paternalistic by workers
 - Some employers had workers' interests at heart
 - But workers wanted to control their own lives

Slum Living Conditions

- ◎ Factory towns – often built and owned by factories
 - Not a strange concept to rural-to-urban migrants who were used to living on a lord's estate or property
 - Full of crowded tenements
 - Few amenities
- ◎ Tenements – buildings with rented multiple dwellings
 - Apartment buildings with a more negative connotation
 - Overcrowded and unsanitary
- ◎ Workers were unsatisfied both inside and outside the factories

Rise of Labor Unions

- ◎ Before labor unions, workers bargained individually – “individual bargaining”
 - Before factories, a worker could bargain for better wages and working conditions by arguing his or her particular skills
 - But in factories, work is routine and one worker can easily replace another
- ◎ With labor unions, workers bargained together as a group, or collective – “collective bargaining”
 - Organized groups of workers elected leaders to bargain on their behalf
 - Used tools (such as strikes) to gain rights

Weapons Used by Unions and Employers

Weapons Used by Employers

- At-will employment
- Blacklists
- Company unions
- Individual bargaining
- Injunctions
- Laws that limit union activities
- Lockouts
- Open shops
- Outsourcing
- Relocation
- Right-to-work laws
- Threat of foreign competition
- Welfare capitalism
- Yellow-dog contracts

Weapons Used by Unions

- Boycotts
- Check-offs
- Closed shops
- Collective bargaining
- Direct political action
- Favorable labor legislation
- Feather-bedding
- Lobbying
- Picketing
- Sabotage
- Strikes
- Union label
- Union shops

British Labor Achievements

Year(s)	Event(s)
1799-1800	Combination Laws: Outlawed unions and strikes.
1867	Disraeli Reform Act: Suffrage for workers.
1875	Repeal of the Combination laws; unions and strikes legalized. Union membership grew as a result.
1900	Labour Party: Founded by bringing together different groups representing trade unions, etc.
1901	Taft Vale Decision: House of Lords ruled that unions would have to pay financial damages caused by strikes (such as loss of income to employers), which threatened to end Britain's unions.
After 1901	Labour Party: Worked for workers' rights. (Other major British political parties were Liberals [Whigs] and Conservatives [Tories].)
1906	Trade Disputes Act: Protected union funds from the <i>Taft Vale</i> court decision. Achieved by Liberal and Labour parties working together.
1909	Osborne Judgment: Banned trade unions from donating funds to political parties. Hurt the Labour party because poorer, working class party members could not provide salaries to party's elected representatives.
1911	Parliament Act: Stopped the House of Lords from vetoing laws passed by the House of Commons. Paid members of parliament an annual salary.
1920s	Labour Party: Surpassed the Liberal party in power.
1940s-1950s	Social security: Labour party government brought increased social programs, including socialized medicine, along with government control of several industries (electricity, steel, television).

Legal Protections for Workers

- ⦿ Limited hours for women
 - Later – equal pay for equal work
- ⦿ Eventual end to child labor
 - Schools and requirements for school attendance grew as children were removed from the workforce
- ⦿ Health and safety codes
- ⦿ Minimum wage
- ⦿ Legalization of unions

Rights of Female and Child Workers

- ⊙ Women and children could legally be paid less than men for the same work
 - Factory owners were more willing to hire them
 - Male workers grew resentful
- ⊙ English child laborers
 - England had a history (going back to the 17th century) of training pauper children (even those younger than five years old) in a trade
 - Poor children followed their mothers into factories
- ⊙ Early male-dominated unions fought to banish women and children from the workplace
 - Eventually this strategy was abandoned
 - Women eventually won right to equal pay for equal work
 - Though women today, in reality, still earn less than men at the same types of work

Social Insurance/Security

Type of Security	France	Germany	Great Britain	Italy	United States
Accident	1928	1884	1906	1898	By various state laws
Sickness	1928	1883	1912	1898	By various laws in some states
Old Age	1910	1889	1908	1898	1935
Unemployment	1928	1911	1912	1947	1935
Socialized Medicine (Universal Health Care)	1948	1884	1948	1948	Medicaid for the poorest citizens in the 1960s; under Pres. Obama, conservative reforms set for all in 2014

Review Questions

1. How and why did employer-employee relationships change during the Industrial Revolution?
2. Describe living conditions in factory towns.
3. Describe the weapons used by employers and unions.
4. Why was the establishment of yearly wages for members of parliament important to the British Labour party?
5. What are the advantages and disadvantages of unions for workers and consumers?