

Labor notes

Chapter 9

- I. The Civilian Labor Force: the total number of people 16 years and older who are either employed or actively seeking work. It is nearly 156 million people.

- A. Classification 1

- 1. Blue collar: craft workers, workers in manufacturing, non-farm workers
- 2. White collar: professionally trained individuals who work in offices such as accountants, doctors, teachers, etc
- 3. Service workers: provide services to customers such as cooks, barbers, etc

- B. Classification 2: education and training play a major role into which job goes with which category
 - 1. unskilled workers: dishwashers, janitors
 - 2. semi-skilled workers: lifeguards, cooks
 - 3. skilled workers: firefighters, plumbers
 - 4. professionals: bankers, computer programmer

- C. Value of education:
 - 1. learning effect: people with more education make more money
 - 2. screening effect: completion of college indicates that a job applicant is intelligent and hard-working. Skills necessary to complete college are useful to employers. It doesn't indicate productivity, but identifies people who may be good workers

- II. Factors that affect wages
 - A. Skills: the ability that one brings to a job. It comes in many forms: talent, initiative, education, experience. Usually the more skills you have, the more you will be in demand and will be paid.
 - B. Type of job: jobs that are unpleasant may pay more than jobs that are more enjoyable.

- C. Location: Workers are paid more in areas where the number of workers is scarce. The more unemployed, the lower the wages in the community.
- D. Other factors: minimum wage, seniority, lack of perfect information

- III. Organized labor:
 - A. A labor union is an association of workers organized to improve wages and working conditions for its members. The idea that workers as a group will have more influence on management than will individuals working alone.
 - B. History: labor unions developed during the late 1800s due to the horrific working conditions in the early factories

- C. Early unions met with strong resistance, many laws were passed against union activity. Many businesses would refuse to hire union workers. Strikes often resulted in violence.
- D. American Federation of Labor (AFL) was an early craft union, a union made up of skilled workers in a specific trade of industry

- E. Congress of Industrial Organization (CIO): was a union made up of unskilled and semi-skilled workers. The first industries to organize were the automobile industry (The Great Flint sit-down strike of 1938)
- F. In 1955, the AFL and CIO merged. It is made up of hundreds of local and national unions covering many, many different job titles and industries

- IV. Labor organization

- A. National unions are divided into local districts, each with its own leaders and organizers

- B. There are 3 different types of policies

- 1. closed shop: a policy by which companies hire only union workers. Generally outlawed by right-to-work laws
 - 2. union shop: new employees must join the union after working for a short period of time
 - 3. agency shop: employees don't have to join the union, but they still must pay their fair share (union dues)

- V. Collective bargaining: the process by which unions and employers negotiate the conditions of employment. This process does not always go smoothly, and occasionally, mediators are brought in to help both sides make compromises

- A. Strike: union workers refuse to work until their demands are met
- B. Arbitration: both sides submit proposals to an independent third party. The arbitrator then makes the decision as to the particulars of the contract
- C. Lockout: management prevents workers from returning to work until they agree to a new contract.
- D. Injunctions: Court orders to stop strikes/lockouts

- VI. Current issues:
 - A. Union membership is declining due to loss of manufacturing jobs (technology), a growing number of professional (white collar) jobs, globalization and outsourcing, manufacturing jobs moving south, Republican party politics
 - B. Union membership has declined in the US from 26.7% of workers in 1973, to just 13% today.