

**PROCEEDINGS OF THE
1969 ANNUAL SPRING MEETING**

**INDUSTRIAL RELATIONS
RESEARCH ASSOCIATION**

*May 2-3, 1969
Des Moines, Iowa*

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MEETINGS OF IRRA

Annual Spring Meeting, May 2-3, 1969, Des Moines, Hotel Kirkwood. Frederick Harbison and Edgar Czarnecki, Meeting Chairmen, with Robert Woolf, James Wengert, James Socknat, Jerome Corbett assisting them in local arrangements.

22nd Annual Winter Meeting, December 29-30, 1969, New York, Waldorf-Astoria, held in conjunction with the Allied Social Science Association Meetings. Frederick Harbison, Program; Douglas Soutar, Local Arrangements. Preliminary program: campus rebellions—an industrial relations perspective; impact of government manpower programs on metropolitan areas; private enterprise and employment and development of the hard core; manpower dimensions of economic growth (jointly with AEA); labor relations in hospitals; collective bargaining in the nation's schools; new approaches and goals in employer bargaining; new goals and strategies of American labor unions; decision-making in unions—international comparisons; experiential learning and organizational development; invited papers.

Annual Spring Meeting, May 8-9, 1970, Albany, New York, Thruway Motel. Douglass V. Brown, Program; Irving Sabghir, Local Arrangements.

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1969 ANNUAL SPRING MEETING**

Industrial Relations Research Association

*May 2-3, 1969
Des Moines, Iowa*

Edited by **GERALD G. SOMERS**

**Industrial Relations Research Association
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Industrial Relations Research Association

Spring Meeting

May 2 and 3, 1969

Des Moines, Iowa

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PREFACE
to the
Industrial Relations Research Association
Spring Meeting Proceedings

The IRRA's spring meeting in Des Moines extended the frontiers of industrial relations to encompass new areas of conflict which are now in the forefront of public attention.

Howard R. Bowen, President of the University of Iowa, discussed inter-personal relations and student participation in the governance of universities. On a closely related theme, Warren L. Taylor, of the Center for Dispute Settlement, American Arbitration Association, described the role of the Center in mediating civil rights disputes, including black student demands on the campuses.

In similar vein, one session was devoted to the problems of adjustment, as well as costs and benefits, of the movement of the rural poor to urban employment opportunities. And a companion session presented papers and a discussion on the adjustment of workers in a new industrial environment.

Finally, the meeting included papers on disputes and their resolution in the public sector, a growing area of collective bargaining.

We are indebted to those in charge of program and local arrangements for a successful meeting and to the participants for their prompt submission of manuscripts for these *Proceedings*. We are grateful to the editors of the *LABOR LAW JOURNAL* for their initial publication of the papers and discussions in their August 1969 issue. Mrs. Elizabeth Gulesserian assisted notably in the preparation of the manuscripts for publication.

Gerald G. Somers
Editor, IRRA

SESSION I

Transfer of Population from Rural to Urban Areas

Rural Disadvantaged Mobility

By CHARLES K. FAIRCHILD*

E. F. Shelley and Company, Inc.

THE GEOGRAPHIC and occupational mobility of rural persons has been inadequate in amount, direction and outcome to solve the salient economic paradox of the United States—concentrated pockets of unemployment and poverty amid general prosperity. The President's National Advisory Commission on Rural Poverty documented the deficiencies of the natural mobility process in relation to both the depressed rural areas and congested conurbations, and succinctly summarized the consequences of decades of unguided migration, economic growth and technological progress for the nation. "Rural Poverty is so widespread, and so acute, as to be a national disgrace, and its consequences have swept into our cities, violently."¹

Introduction

The Commission on Rural Poverty recommended a national program of tax incentives, subsidies, grants and loans to induce businesses to locate facilities in depressed regions. However, the natural pattern of mobility has been out of the depressed areas. Both gross and net migration act to reduce the attractiveness of the labor supply resident in depressed areas by removing the highly skilled, the better educated and those in the prime age groups.² In addition, Hansen³ finds that "... there is no convincing evidence that central government programs can attract enough industry to the countryside to

* The research on which the paper is based was supported by grants 87-35-68-07 and 87-34-69-01 from the U. S. Department of Labor Manpower Administration.

¹ *The People Left Behind*, U. S. Government Printing Office, Washington, D. C., 1967, p. ix.

² John B. Lansing and Eva Mueller, *The Geographic Mobility of Labor*, Survey Research Center, University of Michigan, Ann Arbor, 1967, Chapter XI.

³ Niles M. Hansen, "Regional Development and the Rural Poor," *Journal of Human Resources*, Vol. IV, Spring 1969, pp. 205-14.

provide people everywhere with jobs in proximity to their places of residence, even if this were desirable on value rather than efficiency grounds."⁴ He therefore recommends programs to improve the education, skills and health of the rural poor, and a program of improved labor market information and of relocation subsidies to improve the rationality of migration.⁵

Improving the education and training of the rural poor is an essential part of a long-run solution to the problem,⁶ but since these forms of human resource development are normally undertaken only by the young, subsidized relocation may be an effective short-run solution, if it works. There are two key questions in respect of the effectiveness of subsidized relocation of workers. First, can it be used to increase and/or redirect the migration of the disadvantaged rural poor? Second, does it contribute to a solution of the problem?

This paper reports the results of a study of a project designed to test the effectiveness of subsidized relocation for disadvantaged rural workers in North Carolina. The purpose of the study was to answer four basic questions. First, can the migration of the rural poor be increased and channeled in more rational directions? Second, does subsidized migration result in permanent shifts in the population? Third, do the movers experience employment and earnings gains? Finally, is this an efficient technique in the sense of economic benefits exceeding costs?

THE NORTH CAROLINA MOBILITY PROJECT

Background

Under the 1963 amendments to the Manpower Development and Training Act, the Secretary of Labor was authorized to establish a series of small pilot relocation projects ". . . designed to assess or demonstrate the effectiveness in reducing unemployment of programs to increase the mobility of unemployed workers by providing assistance to meet their relocation expenses."⁷ This assistance was to be limited to unemployed workers who could not secure full-time employment in their home areas and who had bona fide job offers in another area.⁸ Since 1965, 37 individual small projects in 28 states have relocated a total of about 13,000 workers.⁹ Most of the projects have sought to relocate workers from areas where unemployment, underemployment and poverty have resulted in declines in employment in agriculture, mining, and forestry and fishing. Projects in North Carolina, Georgia, Mississippi, Alabama and Iowa have concentrated on those displaced from agriculture. Projects in Virginia, West Virginia, Kentucky, Minnesota, Wisconsin, Michigan, Montana and Missouri have dealt primarily with the unemployed in mining, forestry and fishing regions. These projects have been quite diverse in goals, targets and methods. The results of this case study may be generalized at most to other projects dealing with the rural disadvantaged.

⁴ Hansen, cited at footnote 3, at p. 214.

⁵ Similar recommendations may be found in Lansing and Mueller, cited at footnote 2, at p. 322.

⁶ See Varden Fuller, "Farm Manpower Policy," Ch. 6; and Curtis C. Aller, "Manpower Development Programs for Farm People," Ch. 7 in *Farm Labor in the United States*, Columbia University Press, New York, 1967.

⁷ Manpower Development and Training Act, as amended, Sec. 104.

⁸ *Handbook for Labor Mobility Demonstration Projects*, Washington, D. C.: U. S. Department of Labor, Washington, D. C., 1967.

⁹ For discussion of some results of these projects, see Audrey Freedman, "Labor Mobility Projects for the Unemployed," *Monthly Labor Review*, June 1968, pp. 56-62.

The Project

The goal of the North Carolina project¹⁰ was “. . . to demonstrate that unemployed persons in economically depressed rural areas of North Carolina can be satisfactorily employed in the more highly industrialized Piedmont section . . .”¹¹ It began operations in March 1965 under the sponsorship of the North Carolina Fund as one of the first 16 demonstration projects and has operated continually through three contract periods. During the first period, from March 1965 through February 1966, 279 workers were relocated; from March 1966 through September 1967, 489 were moved; and from October 1967 through October 1968 an additional 371 persons moved with assistance. The analysis reported in this paper is based on the activities of the project during its second contract, from March 1966 through September 1967.

Under the law, assistance could be provided in the form of either a loan or a grant, but the North Carolina project used only grants, the amount depending upon the size of the family.¹² Single persons received a flat \$75 grant to cover transportation and settling-in expenses. For families, the grant had three components—a lump sum for settling-in expenses, a component for moving of household goods and members of the family, and a component for separate maintenance of a household in the supply area while the head of the family located housing in the demand area. Family grants were computed under two different

plans. Under Plan A, the lump-sum formula provided \$150 for the head of household and spouse, \$50 for each additional dependent up to five and \$10 each for each additional person. Moving expenses and separate maintenance allowances were based on actual costs. Under Plan B, each dependent up to five was allowed \$60 over and above the \$150, and each additional dependent was allowed \$20. A \$100 flat sum was included for transportation of family and belongings. Both plans made available funds for temporary storage of goods and commuting between the supply and demand areas.

Economic Conditions

More than 90 per cent of those relocated were nonwhites from 30 eastern counties with the remainder from 12 mountain counties. The unemployment rate in these 42 counties in 1967 was 5.9 per cent, an increase from 5.5 per cent in 1960.¹³ Although these rates do not appear to be high, nearly all the supply area counties were classified as redevelopment areas under the Area Redevelopment Act in 1962, and conditions have improved in only a few since that time. In 1967, 27.4 per cent of average annual employment was in agriculture, where the number employed in the third quarter has been nearly double the number employed in the first quarter in each year since 1962. In addition to this extreme seasonal variation, total agricultural employment in the supply area counties has declined by nearly one-

¹⁰ A more complete description of the project is contained in *Mobility*, a three-volume summary of project experience from 1965 through 1968.

¹¹ North Carolina Mobility Project, *Final Report, March 1, 1966-September 30, 1967*, The North Carolina Fund, Durham, N. C., 1968, p. 11.

¹² The basic national formula was an amount equal to the average weekly wage in manu-

facturing, an equal amount for the spouse, and half that amount for dependents up to four. See Audrey Freedman, cited at footnote 9, at p. 59, footnote therein.

¹³ Employment statistics from the Bureau of Employment Security Research, *North Carolina Work Force Estimates*, Employment Security Commission of North Carolina, Raleigh, 1968.

fourth between 1962 and 1967, with a more rapid rate of decline predicted for the future as the harvesting of tobacco in the eastern counties is mechanized. Despite a 40 per cent increase in employment in manufacturing industries in the supply area counties during this period, total employment grew only 7.4 per cent.

In sharp contrast, the 23 counties in the central Piedmont region of the state showed increasing employment opportunities. In these demand area counties, the unemployment rate declined from 3.6 per cent to 2.9 per cent. Manufacturing industries in which most relocated workers were placed, primarily textiles and furniture, employed 39 per cent of the work force in 1967, with trade employing an additional 14.7 per cent. Although the long-run growth rates for the principal employers is not clearly predictable, total employment grew 21 per cent between 1962 and 1967.

Data Collection

The basic data on the characteristics of relocated workers and the results of relocation were collected by the Mobility Project in the course of normal operations and in a special follow-up interview in the summer of 1967. To provide a comparison of the actual experience of relocated workers with the experience expected in the absence of relocation, a control group was selected from a file of persons eligible for relocation assistance who did not relocate. The control group was partially matched by selecting from 24 age, sex, marital status and education groups such that the characteristics of the control group match those of the relocated workers. This procedure was designed to permit accounting of the effects of life cycle changes on motivation toward employment and the effects of changing economic conditions in the supply area.

The control group was interviewed in the summer of 1968.

There are two basic problems with the follow-up data. The first is lack of completeness due to nonresponse and noninterview. Follow-ups were completed for 443 of the 485 relocatees and 159 of the 200 selected into the control group. Nonresponse affected primarily the earnings and employment information, where direct estimates of changes were possible for only 350 of the relocatees and 146 of the control group. Although the characteristics of respondents are not dramatically different from those of nonrespondents, there is some possibility of bias. A second problem is that, while the average follow-up period for relocatees was about half a year, it varied from 2 months to 15 months. Relocatee and control group data (for the comparable period) are converted to annual rates to permit interpretation, but again there may be some bias.

DIMENSIONS OF MOBILITY

The migration subsidized by the North Carolina Mobility Project created mobility in several dimensions for the movers. In this section of the paper, the geographic, labor force, employment and earnings dimensions of the moves are analyzed to assess the net mobility generated by the project.

Geographic Mobility

The moves undertaken by the North Carolina Mobility Project during the period under study were within the state and covered distances of less than 300 miles in most cases. Considering the short distance of these moves, and the proximity of the urban labor market to the rural areas, there are several questions which must be answered to ascertain the net effect of the project on migration patterns. Did the moves represent an increase in the mobility of the rural unemployed,

or was the financial assistance merely provided to persons who would have moved anyway? If they would have moved anyway, was the migration stream redirected away from traditional destinations? Finally, what was the net migration generated as a result of the relocation by the project?

It is difficult to ascertain, on the basis results of interviews with the relocatees, to what extent the relocation assistance merely financed moves which would have been made anyway. Those eligible for relocation assistance had demonstrated little mobility prior to relocation. Tabulation of the lifetime mobility of the relocated workers show that 58.9 per cent were living at the time of screening for eligibility in the same community in which they were born, and that most of these had never lived in another community. Approximately the same per cent of the control group was also living in the same community in which they were born.

The best measure of the increase in geographic mobility is a comparison of the mobility of relocated workers with that of the control group. The residence status of the two groups at the time of their follow-up interviews is shown in Table 1. In interpreting these results, and others in this paper, it is necessary to keep in mind that the control group was initially interviewed at approximately the same time as the relocated workers,

but that the follow-up interviews were taken about one year later.

At the time of the last follow-up interview, 439 of the relocatees, 90.5 per cent, were known to be living in North Carolina, with four persons living outside the state and 42 persons not followed up. More than half those in the state were living in the demand area, and most of those who had left the demand area had returned to the same county in which they were living before relocation. There were 11 persons living in supply area counties other than their "home" county. In all, 47.4 per cent of the relocated workers, or 52 per cent of those reporting, were living in the demand area at the time of follow-up.

By comparison, when the control group was interviewed approximately one year later, only 20 per cent of those responding had migrated away from their home county. Eighty per cent were still in the home county. The direction of these moves is also interesting. Of the 31 known migrants, 16 had moved to other states along the traditional migration path along the eastern seaboard. Fifteen migrated within the state, four to the Mobility Project demand area, six to similar adjacent counties, and five remained in the supply area.

It is obvious from these figures that the relocation project increased gross migration, and it appears to have in-

Table 1
Area of residence at follow-up for relocatees and control group

Follow-up residence	Relocatees		Non-relocatees	
	Number	Per cent	Number	Per cent
In North Carolina	439	90.5	143	90.0
Home county ^a	198	40.8	128	80.5
Demand area county	230	47.4	4	2.5
Other county	11	2.3	11	6.9
Outside North Carolina	4	.8	16	10.1
Not reported	42	8.7	0	0.0
Total	485	100.0	159	100.0

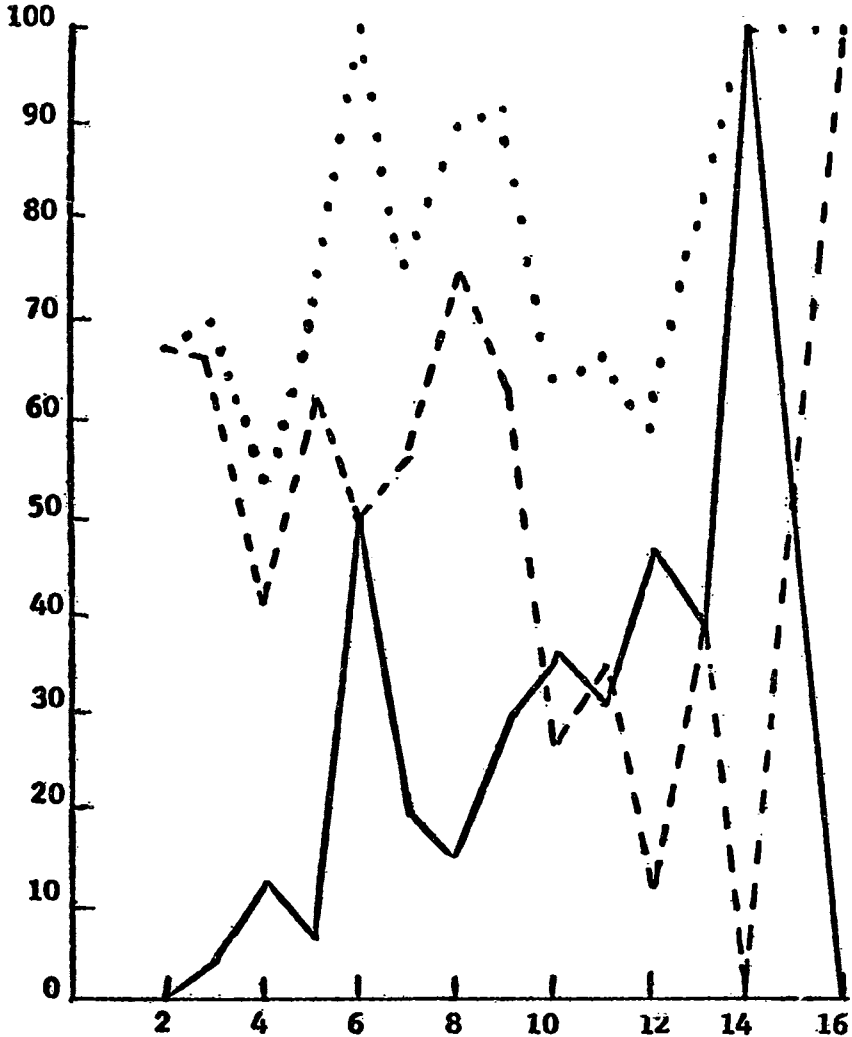
^a Home county is defined as the county of residence at time of screening interview.

creased net migration. But is this appearance a fact? One needs to examine further the time pattern of departures from the demand areas for leavers. In Figure 1, the proportion of each relocation cohort staying in the demand area is plotted against the elapsed time between relocation

and follow-up. The dotted line shows the proportion which stayed at least two months, the dashed line the proportion staying until follow-up, and the solid line the difference between the two. Approximately 67 per cent stayed in the demand area for two months, the administrative definition

Per Cent Stayed

Figure 1



Months elapsed between date of relocation and date of final follow-up interview by per cent staying in demand area.

..... Per cent staying more than two months in demand area.

----- Per cent staying in demand area until follow-up.

———— Per cent staying more than two months minus per cent staying until follow-up.

of a successful relocation, but only 52 per cent of those reporting stayed until the follow-up.

It is clear from this figure that the largest proportion of leavers in each cohort left during the first two months, but on the average, 4 per cent of the group or cohort moved in each month left in each month following the second. Using this as a basis, we projected the proportion of each cohort which would stay in the demand area for at least one year. Combining all cohorts, this resulted in a projected retention of only 33.6 per cent of relocated workers in the demand area for at least one year. This does not

take into account the possibility that some leavers would remigrate to the demand area, and, of course, the projection method is unsophisticated in other respects.

On the basis of observed area of residence at follow-up, relocated workers were classified as "stayers" if in the demand area and as "leavers" otherwise. The control group members were classified as movers if they had left the supply area or as non-movers if they were still in the supply area at follow-up. The characteristics of those interviewed are presented in Table 2. These statistics confirm the description of the population as dis-

Table 2
 Characteristics of related workers and control group
 by area of residence at follow-up
 (per cent)

	Relocateses ^a		Control Group	
	Stayers	Leavers	Nonmovers	Movers
Number	230	213	133	26
<i>Age</i>				
Under 20	12.6	17.4	23.3	11.5
20-24	40.9	46.9	31.6	73.1
25-34	27.8	20.7	22.6	15.4
35-44	9.1	7.5	11.3	—
45 and over	9.6	6.1	10.5	—
Not reported	—	1.4	.8	—
<i>Sex</i>				
Male	82.2	83.1	78.2	73.1
Female	17.8	16.9	21.8	26.9
Not reported	—	—	—	—
<i>Marital Status</i>				
Single	50.9	64.8	52.6	65.4
Married	46.1	33.3	43.6	23.1
Other	3.0	1.9	3.0	7.7
Not reported	—	—	.8	3.8
<i>Education</i>				
0-8	42.2	34.7	48.1	24.6
9-11	34.8	36.2	27.8	15.4
12 or more	22.6	28.2	22.6	50.0
Not reported	.4	.9	1.5	—
<i>Race</i>				
Negro	73.9	64.3	78.2	76.9
White	6.1	7.0	3.8	—
Other	19.6	28.2	17.3	19.2
Not reported	.4	.5	.8	3.8

^a The 42 relocatees who had no follow-up interviews are excluded.

advantaged, especially in terms of education and race. Nearly all relocatees were nonwhite, with 68.7 per cent Negro and 23.5 per cent Indians of the Lumbee and Haliwa tribes, who live in much the same areas and conditions as the poor Negroes. Only 26 per cent of relocatees had completed 12 or more years of school, mostly in segregated schools.

Examining the characteristics of workers in relation to post-relocation mobility, relocatees who stayed in the demand area were somewhat older, more likely to be married, and had fewer reported years of schooling. Nearly two-thirds of the leavers were under age 25, as compared with 53.5 per cent of the stayers. One-third of the leavers were married, while 46.1 per cent of the stayers were married. Leavers were both more likely to have attended high school and to have completed high school than were stayers. There was also a difference by race, with Negroes more likely to stay in the demand area than Indians. These differences between relocatees who stayed in the demand area and those who left are in the same direction as the differences between control group members who stayed in the supply area and those who moved to other areas, although the differences between movers and nonmovers are more pronounced, especially in terms of age and education. All the control group movers had completed 12 years of school or more as compared with less than one-fourth of the nonmovers.

It is clear that the North Carolina Mobility Project increased total migration, but its influence on net migration is less obvious. The project retention rate, or net out-migration

rate, among relocatees at the end of one year is 33.6 per cent, as compared with net out-migration of 16 per cent among the control group. The characteristics of the relocatees are more like those of the control movers than of the nonmovers. The age distribution of both groups is very similar to that of nonwhite out-migrants from North Carolina during the period from 1955-60.¹⁴ Thus, in the long run, there is some question of the influence of the project on net out-migration rates.

However, it appears likely that migration was substantially redirected. All relocations were within the state, while 62 per cent of control group movers migrated to other states. During the period 1955-60, three-fourths of all nonwhites who left the supply area counties migrated out of North Carolina.¹⁵ It was expected when the research for this study began that a significant proportion of relocatees who left the demand area would in fact migrate to other states, and a longer follow-up period might have found evidence to that effect. However, results during the study period do not indicate any such pattern.

Labor Force Status

To be eligible for relocation assistance allowances, applicants were required to be unemployed, working less than 20 hours per week, or members of farm families with an income of less than \$1,200 in the previous year. The data on pre-relocation labor force status of applicants in North Carolina show that, at the time of the first screening interview, 67.2 per cent were unemployed, 12.8 per cent were employed, 17.9 per cent were farm workers, and 2.1 per cent were not in

¹⁴ U. S. Census of Population: 1960, Subject Report 2B, *Mobility for States and State Economic Areas, Final Report PC(2)-2B*,

U. S. Government Printing Office, Washington, D. C., 1963, Table 24.

¹⁵ Cited at footnote 14, at Tables 28, 29, 32, 35 and 36.

the labor force. The control group had only 45.2 per cent unemployed, with 19.4 per cent employed and 10 per cent not in the labor force. About 20 per cent of the control group were farm workers.

On the basis of these statistics alone, it may appear that relocatees did not meet the eligibility standards cited above. However, some of those classified as employed held either temporary jobs or were seasonal farm workers. In addition, some workers who were not in fact eligible at the time of initial screening later became unemployed and eligible, but the screen-

ing form was not revised to reflect this. On the other hand, some of those classified as unemployed had recently left school and were in fact labor force entrants as evidenced by the fact that 14 per cent of the relocatees and 11 per cent of the control group reported no previous occupation. A slightly higher fraction of both groups reported no previous wage and salary employment, although many had performed unpaid labor on family farms.

The labor force status of relocatees and the control group at the time of the follow-up interview is tabulated in Table 3. Overall, about 80 per

Table 3
Labor force status at date of follow-up interview
(per cent)

<i>Labor force status</i>	Relocated workers		Control group	
	Stayers	Leavers	Nonmovers	Movers
Employed	95.2	63.8	69.9	80.8
Unemployed	1.7	21.1	17.3	11.5
Not in Labor Force	2.6	14.1	12.8	7.7
Not reported	.4	.9	—	—
Total	100.0	100.0	100.0	100.0

cent of relocatees were employed, as compared with 72 per cent of the control group. The difference between those in the supply area and those out of the supply area is dramatic. As shown in the table, 95 per cent of relocatees who stayed in the demand area were employed, while only 63.8 per cent of those who left were employed. In the control group, 80.8 per cent of those who migrated to other areas were employed, as compared with 70 per cent of those who stayed in the supply area. Thus, both relocatees and non-relocatees experienced substantial reductions in unemployment, but relocatees who stayed in the demand area experienced the highest employment rates, while leavers had the lowest employment rates. In addition, leavers had the lowest labor

force participation rates. This result was surprising in light of the fact that by design and by reason of non-interview, persons who were involuntarily out of the labor force due to disability, incarceration or induction into the armed forces were excluded from the study.

The reasons given by those who were not looking for work are tabulated in Table 4. As was expected, the majority of the control group and the five stayers who were not in the labor force were females who were keeping house or were pregnant. This was also true during other periods of nonlabor force participation during the follow-up period. However, more than half the leavers who were not in the labor force gave "other" reasons, such as "Just don't feel like

Table 4
Reasons not working and not looking for work

	Relocatees		Control Group	
	Stayers	Leavers	Nonmovers	Movers
Number not in labor force	5	27	16	2
Reasons:				
In school or training	—	3.7	12.6	—
Keeping house	20.0	3.7	43.8	—
Ill or disabled	20.0	22.2	12.5	50.0
Pregnant	40.0	7.4	18.8	—
Retired	—	—	—	—
On layoff	—	3.7	—	—
Other	—	51.9	6.3	50.0
Not reported	20.0	7.4	—	—
Total	100.0	100.0	100.0	100.0

working” or “Waiting for something good to come along.” A few appear to have been collecting unemployment insurance as a result of layoff from the last job.

In some previous analyses of manpower programs, incomes and earnings have been imputed on the argument that housewives and others who voluntarily withdraw from the labor force are in fact productive in their nonmarket activities.¹⁶ However, those who voluntarily withdraw from the labor force, if they are economically rational, must do so because the net money and nonmoney gain from nonmarket activity exceeds the value of that which they could command in the market place. Precisely the same logic applies to unemployed persons who reject one job offer in search of another better offer. Therefore, in the employment and earnings computations which follow, periods of unemployment and periods voluntarily out of the labor force are treated as equivalents. Periods of involuntary unemployment were excluded from the computational base, in effect imputing to them the average employment and earnings for periods of employment.

Employment and Earnings

There appear to have been substantial gains in employment by relocatees who stayed in the demand area over both the leavers and the control group. A more complete assessment of this gain can be made by comparing the gains in stability of employment, and gains in earnings. The employment and earnings of relocatees and the control group were estimated on a before and after basis. For relocatees, the demarcation point was the date of relocation. For the control group, it was the date of screening for eligibility. Estimates presented in this paper are limited to 350 relocatees and 146 control group members for whom both before and after estimates could be made. Estimates for relocatees were derived by combining the information on employment and earnings from the operating questionnaires and from the follow-up.

The two major causes of unusable information were the lack of follow-up information and the inability of those engaged in agriculture, either self-employed or sharecroppers, to estimate earnings. The second factor predominated for the control group

¹⁶ See, for example, Glen G. Cain and Ernst W. Stromsdorfer, “An Economic Evaluation of Government Retraining Pro-

grams in West Virginia,” *Retraining the Unemployed*, The University of Wisconsin Press, Madison, Wisconsin, 1968, p. 305.

members who were interviewed. To cope with the problem of the variable follow-up period, all estimates were computed as annual rates. The average employment and earnings at annual rates of relocated workers and the control group are presented in Table 5, showing levels before and after, and the change. Because there were so few control group members who moved to other areas, estimates for movers are not shown separately.

In terms of weeks employed at annual rates, there was no significant difference between relocated workers and the control group, nor between stayers and leavers, in the "before" period. Each of these groups was employed slightly more than half the time. In the period after relocation, and a comparable period for the control

group, relocated workers were employed 42.2 weeks at annual rates, or more than 81 per cent of the follow-up period, for a gain of about 14 weeks at annual rates, while the control group gained 14.5 weeks. Those who stayed in the demand area were employed during 96 per cent of the follow-up period, while leavers were employed only two-thirds of the follow-up period. The employment gain of leavers was not significantly better than that of the control group during the same period.

The weekly earnings figures in Table 5 are computed on the basis of full-time earnings while employed. Average weekly earnings for relocatees before the move were \$39.13, significantly higher than the \$34.56 of the control group. The pre-move differ-

Table 5

Employment and earnings at annual rates of relocatees and control group before and after relocation, by area of residence at follow-up^a

	Stayers	Relocatees Leavers	Total	Control group
Number	184	166	350	146
<i>Weeks employed</i>				
Before	29.2 (1.3)	26.4 (1.5)	27.9 (1.0)	26.7 (1.6)
After	49.1 (.6)	34.6 (1.2)	42.2 (.7)	34.2 (1.6)
Gain	19.9 (1.4)	8.2 (1.6)	14.3 (1.1)	7.5 (1.5)
<i>Weekly earnings</i>				
Before	\$40.98 (2.05)	\$37.15 (2.26)	\$39.13 (1.51)	\$34.56 (2.17)
After	65.28 (.74)	61.70 (1.22)	63.60 (.70)	43.16 (2.58)
Gain	24.30 (2.15)	24.65 (2.16)	24.47 (1.52)	8.60 (2.33)
<i>Annual earnings</i>				
Before	\$1,449 (92)	\$1,269 (90)	\$1,364 (65)	\$1,130 (97)
After	3,214 (53)	2,162 (91)	2,715 (58)	1,811 (130)
Gain	1,765 (103)	893 (108)	1,351 (78)	681 (111)

^a Numbers are means with standard errors in parentheses. See text for explanation of computations.

ence between those who stayed in the demand area and those who left was not significant. In the post-move period, average weekly full-time earnings of relocatees increased to \$63.60, an increase of \$24.47, as compared with the gain of \$8.60 for the control group. The gain for stayers and leavers was not significantly different, although stayers had slightly higher weekly earnings than leavers. As with employment, the earnings of leavers are heavily weighted by experience in the demand area.

In terms of total earnings at annual rates, the combined effects of more employment and higher earnings while employed resulted in before earnings of relocatees being \$234 higher than the control group, and the earnings of stayers being \$175 higher than that of leavers. Both of these differences are significant. The after earnings of all relocatees was \$804 higher than the control group, with stayers gaining \$1,032 more than those who returned home. In all, relocatee earnings at annual rates after the move nearly doubled, with those who stayed in the demand area experiencing a gain of 122 per cent, and those who returned home a gain of 71 per cent. The earnings of the control group increased by 60 per cent, but both the absolute and relative gains were less than for the relocatees.

The statistics in Table 5 relate to the whole post-move period and show gains for the returnees in excess of those for the control. However, the statistics in Table 6 are quite revealing as to the composition of these gains. These statistics show that while the returnees were in the demand area, they were employed 96 per cent of the time. Weekly earnings were \$63.01, \$2.27 less than the weekly earnings of those who stayed in the demand area, but earnings at annual rates were not significantly lower. After returning home, however, these relocatees actually had a worse employment and earnings record than did the control group. They were employed only 21.1 weeks at annual rates, had average weekly earnings of only \$36.28, and earnings at annual rates were only \$1,342, \$469 less than the control group.

There are several conclusions to be drawn from this analysis. First, the relocation of disadvantaged workers in North Carolina has enormous potential for increasing employment and earnings. The earnings gains result both from higher earnings per unit of time employed and from increased regularity of employment. Second, retaining workers in the demand area appears to be a necessary condition for a substantial aggregate increase in employment and earnings. Third,

Table 6
Leavers' employment and earnings at annual rates while in demand area, after leaving, and total.^a

	Leavers (N=166)		
	Demand area	Other area	Total
Weeks employed	50.6 (.4)	23.3 (1.7)	34.6 (1.2)
Weekly earnings	\$63.15 (1.01)	\$37.95 (2.69)	\$61.70 (1.22)
Annual earnings	\$3,192 (57)	\$1,429 (117)	\$2,162 (91)

^a Numbers are means, with standard errors in parentheses. See text for explanation of computations.

on conservative assumptions, net earnings gains for the 350 relocatees for whom gains can be estimated amounted to a total of \$132,700 for the first year. Resource costs attributable to this group totaled \$425,700, so the payback period to society would be on the order of 3.2 years, or much longer than the period over which one can make a reliable projection of the gains of the project. Thus, it is not clear whether the project can be justified on grounds of resource allocation efficiency.

SUMMARY

In summary, the economic problems of the rural poor are deeply rooted in the social and economic history of the country. Income and employment opportunities in rural areas have been declining and will continue to decline. In North Carolina, a small project has attempted to alleviate these problems for a segment of the North Carolina population which is disadvantaged by education, race, and location by using migration subsidies

to increase and redirect migration out of those parts of the state where opportunities are declining most rapidly. The results of the effort clearly demonstrate that the employment and earnings of the rural disadvantaged can be increased through migration, even though the long-run effects on incomes and earnings are uncertain from the data used in the study.

The results of the study shed little light on such broader questions as the external social costs of the relocation project, nor can it be assumed that a massive program of relocation would yield the same results. A final caveat is that it appears likely that continued high levels of growth and employment are needed to permit increased employment for the rural, as well as the urban, disadvantaged worker. In light of these considerations, and even on its own grounds, the North Carolina Mobility Project cannot be called an unqualified success. Nonetheless, it does clearly demonstrate that assisted relocation can play an important role in reducing poverty among the rural poor. **[The End]**

Mexican Americans from the Rio Grande to Ling-Temco-Vought

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Texas A. & M.

IN AN ATTEMPT to stabilize manpower imbalances, Mexican Americans from South Texas have been retrained and moved to Grand Prairie, Texas, where they are employed by Ling-Temco-Vought (LTV). There

are certain factors that appear to be associated with more permanent relocation. It is anticipated that there are also certain personal characteristics associated with positive relocation. To discover these characteristics, a comparison of two groups which participated in the LTV project is made.

* The development of this report was supported by the Texas Agricultural Experi-

ment Station and the Cooperative State Research Service Project G-1716.

Factors discussed as being associated with positive relocation include: (1) careful screening of applicants, (2) allowances for relocation, (3) counseling both before and after relocation, and (4) the ability to find satisfactory housing. Anticipated predictive characteristics include: age, marital status, number of dependents, educational level, receipt of welfare, receipt of unemployment compensation and wages on last job.

Slight differences occurred in marital status, average educational level, average wage received on the last job, per cent receiving unemployment compensation in the last year, and per cent claiming unemployment compensation at the time of screening. The relation of these factors to more permanent relocation is discussed, and questions for further study of training relocation projects are presented.

Introduction

Let us picture for a moment a typical scene which occurs frequently in Texas. For the last three years, at least 7,000 persons living in the southern tip of Texas are looking for some kind of work.¹ At the same time, about 400 miles north, an aircraft assembly plant needs more workers than are available but is unable to find them due to very low unemployment rates. Similar situations, common in many other parts of Texas, probably fit some area in nearly every other state.

This problem is not new. It can be traced back as far as the Industrial Revolution. However, people's attitudes now are changing relative to how manpower imbalance may be rectified. Until the 1960s, voluntary migration was the chief procedure for

filling labor demands. Employers recruited from distances within commuting range of their firm. Recently, a number of small-scale attempts have been made to assist in the relocation of workers.

A pilot project involving cooperative efforts between private industry and governmental agencies has been established in Texas to determine the feasibility of moving South Texans to metropolitan areas for work. The objective of this paper is to analyze the characteristics of the workers who have remained for at least six months (denoted employees in this paper) and those who terminated employment (terminals), then returned to South Texas, and to discuss some of the factors associated with more permanent relocation. It is anticipated that differences in characteristics may be used as predictors for other potential relocation projects.

On October 7, 1967, and each week for the next 52 weeks, a class of 15 South Texans began a four-week training program to become aircraft assemblers. Training which was in one of three centers located at Harlingen, McAllen and Rio Grande City was conducted by instructors from Vought Aeronautics Division of Ling-Temco-Vought Corporation (LTV). Upon successful completion of the training, workers and their families were relocated in the Dallas-Fort Worth area. About 90 per cent of these relocatees were Mexican Americans.

Sixty days after beginning as aircraft assemblers, 93 per cent were still on the job. Some factors contributing to the high retention rate appear to be:² (1) careful screening of potential employees, (2) training in the

¹ See *Texas Manpower Trends* for Cameron, Hidalgo, Starr, and Willacy Counties, published monthly.

² David C. Ruesink and T. Brice Batson, "Success Factors in a Retraining-Relocation Program Involving Mexican Ameri-

cans," *Dimensions of Research in Rural Sociology* Texas A. & M. University, Departmental Information Report No. 68-8, College Station, Texas, November 1968, pp. 1-22.

area where surplus labor is located, (3) training for specific needs for a particular firm, (4) providing money to pay relocation expenses, (5) providing counseling during training as well as after being relocated, and (6) assisting relocatees with finding a place to stay after arrival in the metropolitan center.

Problems Associated with Relocation

One of the first important considerations is the rigorous screening preceding the training. The Texas Employment Commission (TEC) estimated that the first 350 trainees were selected from over 1,100 persons who were interviewed. Another unknown quantity of interested applicants did not complete the application forms because they could not meet the requirement of having completed at least five years of school. After the

TEC screening, LTV interviewed those applicants who showed the most potential as aircraft assemblers. This screening process yielded a higher than average calibre individual. For example, more than 40 per cent of the relocatees completed high school. The educational range was from 5 to 15 years with an average of 10.17 years of school completed. About 90 per cent had nonagricultural work as their last regular employment with average earnings of \$1.51 per hour prior to entering training.

About two-thirds of all relocatees indicated they would not have moved without the relocation allowance, (Table 1). The trend showed a higher percentage of terminals than employees who made this statement.

Two types of counselors were provided for the potential workers. Counseling was included in the South Texas

Table 1

Percentage of Responses for the Importance of Relocation Allowance^a

Response	Employed N=113	Terminated N=35
Would not have moved without it	63.7	68.6
Might have moved without it	19.5	20.0
It permitted an earlier move	8.0	2.9
No difference	8.8	8.6
TOTAL	100.0	100.0

^aSource: Texas Employment Commission Questionnaire.

training to provide a means of preparing the relocatees for the shock they were about to face. Generally this helped, but in some cases, due to the rapid changes (especially with regard to availability of housing) in the Dallas area, the counselors tended to paint an unreal picture for the worker.

In the receiving area one of three counselors was assigned by LTV to each class for the first 60 days of On-the-Job Training (OJT). These were Mexican Americans who had been em-

ployed by LTV and had lived in the Dallas area for some time. In many cases they helped the new arrivals; however, many of the workers failed to make use of the counselors provided. Some of the workers expressed the wish that the counselors could help them with housing problems.

Housing problems received the most discussion while interviewing relocatees. Eleven of the 37 interviewed terminals reported unsatisfactory housing was directly related to their decision to return to South Texas.

Before the relocatees arrived in Grand Prairie, they completed a housing questionnaire providing information concerning their residential needs. Upon arrival, trainees reported to the Grand Prairie TEC office to discuss housing. A TEC counselor then accompanied them to view potential housing which was available within their price range and needs. Ideally, TEC hoped to have three choices from which trainees could select their housing. It turned out that often TEC could show only one place within 15 miles of the factory. Many interviewees were unhappy about this. Families with one or two children desiring furnished apartments were the most difficult to satisfy because the supply was so limited. If the trainee accepted housing which he regarded as unsatisfactory, the counselors were expected to work with him until he found desired housing.

Many apartment managers were reluctant at first to rent to Mexican Americans from South Texas. However, they soon learned that these people were excellent tenants and began to hold apartments when vacancies occurred in order to accommodate the next class.

Families with three or more children were eligible for public housing such as Elmer Scott in West Dallas, where most of the larger families have been placed. Some personal clashes between "Valley workers" and the local residents occurred. Many objected to the distance of ten miles from LTV which they felt deprived them of extra leisure time due to the traffic problem associated with commuting to work.

Housing costs constituted another source of dissatisfaction. While in South Texas, 65 per cent of the terminals had been living rent free, compared to 53 per cent of the employees. Thus, the \$80 to \$110 per month for rent

appeared expensive for the majority of relocatees but apparently had a greater impact on terminals than employees concerning the amount they would pay for rent. It took one or two rent payments before they actually realized the meaning of this amount in relation to their "take home" pay.

In addition to the personal clashes, traffic problems and housing costs, participants frequently complained about living in close proximity to Negroes. With less than 2 per cent of the Valley population being non-white, this becomes a concern of the trainee when he is moved to metropolitan areas where he is likely to live next door to a Negro, particularly if he goes into public housing. The term "nigger," often with a four letter word preceding it, was frequently heard when relocatees described their neighbors, especially those in the public housing area.

Some positive aspects of public housing were stated by the relocatees. Homemaking, English and health classes which are conducted in centers at the public housing area were attended by some of the women. In the public housing project, wives who spoke no English had friends with whom they could communicate. Friendships developed, car pools evolved, and small mutual aid subgroups were formed so that "Valley people" did not feel isolated from the rest of society.

Comparison of Personal Characteristics

Based on results from preliminary data, those who terminated in the first year appeared to have some characteristics which were different from those still employed as of March 1, 1969 (five months after the last class arrived and 16 months after the first class started work in Grand Prairie). For the sake of comparison, figures from the labor mobility demonstra-

tion project activities involving 3,141 relocatees during the first eight months of fiscal year, 1968, will also be shown.³ Table 2 shows that LTV relocatees had a higher percentage of agricultural workers than was reported by Mon-

tross, 17 per cent compared to 4 per cent; but Montross indicates that three-quarters of all 1968 relocatees were unskilled or industrial type workers, compared to about one-half of the LTV relocatees.

Table 2

Prior Employment Per Cent Distribution of Occupations
on Last Regular Job

Occupational Category	Employed (116)	Terminated (35)	1968 Projects
(1) Professional and managerial	4.3	8.8	2.7
(2) Clerical and sales	14.8	14.7	6.8
(3) Service ^a	16.5	5.9	10.5
(4) Agricultural, forestry and fishing	17.2	17.6	3.7
(5) Industrial and crafts	20.7	8.8	26.0
(6) Unskilled and entries	26.1	44.1	50.3
TOTAL	99.6	99.9	100.0

^a Includes military service.

The average age of around 25 years, when comparing employees with terminals, as shown in Table 3, differed little

Table 3

Characteristic Information Concerning Workers
Receiving Relocation Allowance

Characteristic	Employed ^a (116)	Terminated ^a (35)	1968 Projects ^b (3,141)
Average age	25.8	24.7	26.4
Per cent married	66.4	77.1	50.1
Median number of dependents, excluding relocatee	2.5	2.5	^c 2.1
Median number of weeks unemployed	8.5	10.5	^c 21.3
Average years of education	10.3	9.7	10.4
Per cent receiving welfare assistance at time of relocation	.09	0	17.3
Per cent claiming unemployment compen- sation at time of relocation	22.4	20.0	^a 19.4
Per cent receiving unemployment compen- sation during the past year	24.1	14.3	Unknown
Average wage earned on last regular job	\$1.57	\$1.44	\$1.80

^a Data from Texas Employment Questionnaires.

^b Data from Montross, cited at footnote 3.

^c Called average in Montross, cited at footnote 3.

^d Called receiving in Montross, cited at footnote 3.

³ Harold K. Montross, *Moving to Work*, United States Employment Service, Bureau of Employment Security, Labor Mobil-

ity Services Unit, Washington, D. C., July 1967, February 1968.

A greater proportion of the terminals than employees were married. This emphasizes the role that the wife plays in adjustment to a new region. Many of the wives were afraid to stay alone while the husband was at work in the metropolitan area. Nine of the 35 terminals interviewed indicated that their wives' dissatisfaction was the major reason for returning to South Texas. Furthermore, many of the single men entered the training program directly from military service (see Table 2, item (3))—thus they may have been better prepared for relocation.

As expected, the average educational level of the terminal is slightly lower than that of those still working. This could be directly associated with the higher average hourly wage on the last job as found for the employed category. The differences in amount of education, however, are too slight to be used for prediction.

While unemployment compensation being claimed at the time of relocation was only slightly different for terminals than employees (about 20 per cent each), there was a noticeable difference in the percentage who had used money from unemployment compensation during the previous year. The lower percentage from terminals who received unemployment payments (14 per cent compared to 24 per cent for employees) is probably reflected by the type of previous employment. More terminals were working where employers would not participate in unemployment compensation.⁴

Table 3 dispels the myth that those receiving welfare would switch from being tax receivers to tax payers. Only 1 out of the 151 individuals was receiving welfare at the time of applying for relocation.

⁴ See Texas law concerning unemployment compensation.

Conclusion

Many writers ascribe strong geographical and kinship bonds to South Texas Mexican Americans. From the results of this pilot project, it appears that for certain types of jobs and under the proper conditions certain South Texans are able and willing to relocate to metropolitan areas. Among considerations which appear to be related to this willingness are: (1) selecting competent men, (2) training them so they are confident in a new work situation, (3) work for an aircraft company which may be more prestigious than many other types of semi-skilled employment, (4) higher than average educational attainment, (5) smaller than average size nuclear families, (6) younger persons who had semi-skilled or skilled type occupations prior to entering the training program, (7) being a single man or a married man with a wife who is able to adjust to the new environment, and finally (8) being able to find satisfactory living quarters.

However, there are still several unanswered questions, such as:

(1) How much assistance is provided for unemployed migrant workers?

On the basis of information available, a longer work history than is now available would be needed in order to determine whether these relocatees have ever been migrants. They certainly were not when the last regular employment prior to training is considered. Would migrants have the desire to work in industrial settings?

(2) On what basis is success to be determined?

It would appear that a certain amount of stable employment is seen for the LTV relocatee. The results show that for the most part, these relocatees

simply shifted from one type of employment to another.

(3) What was the effect on unemployment in the supply area?

While it is difficult to determine what the unemployment would have been without the project, unemployment figures do not indicate that much influence was felt. (See Table 4.)

(4) What would happen if there were a change in the screening program and those who show the greatest need

for employment were selected on a first priority basis?

This might influence the unemployment picture more. It could make a considerable difference on the overall evaluation or definition of "success." It would certainly have a greater impact if it worked.

(5) Which is more feasible—to move people or relocate industry?

When families have roots well established in a geographical area, what

Table 4
Unemployment in Supply Area^a

Date	Brownsville Harlingen San Benito		McAllen Pharr Edinburg	
	Number	Per cent	Number	Per cent
October 1966	3,250	6.8	2,960	5.3
January 1967	2,790	5.9	3,590	5.8
October 1968	2,830	6.0	2,900	5.6
January 1969	2,730	5.6	3,560	5.2

^a *Texas Manpower Trends*, Texas Employment Commission.

are the social, political, economic and psychological costs involved with moving people compared to moving factories? Some basic research is needed in order to determine the consequences associated with the selection of one al-

ternative over the other. Often it is a choice of relocating executives and their families compared to relocating workers and their families. Both have their desires concerning social atmospheres for living. [The End]

Relocation of Farm Workers from Mississippi to Iowa

By EDWARD B. JAKUBAUSKAS and NEIL A. PALOMBA*

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ONE OF THE MOST significant factors contributing to economic growth and welfare is the capacity of

the labor force to adjust to changing occupational, industrial and geographical requirements. Optimum labor force adjustment is dependent upon knowledge of alternative job oppor-

* The authors gratefully acknowledge the comments and assistance given by Eldon Ringle and Clifford Wright of the Iowa State Manpower Development Council, and

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tunities, adequate preparation of workers for employment, and the willingness of employers to utilize new sources of manpower.

The black, Southern rural farm labor force has comprised the largest pool of undeveloped and underemployed manpower in the country. Poorly prepared for a changing industrial society, and lacking knowledge of and access to pre-employment and employment opportunities, rural farm workers in the South have borne the brunt of a "two-edged sword" of racial discrimination which has denied them adequate education and job training opportunities, and technological change which has drastically reduced the number of farm jobs.

The net result of a heritage of racial discrimination and erosion of the employment base through technological change has been a growing dependence of blacks upon the white community, and continued poverty and underemployment. Some of the redundant manpower has relocated to growth centers in the South, but a large portion of the out-migration has been to large urban metropolitan centers in the North. Migrants have made their moves in large part with little knowledge of the nature of alternative employment opportunities, and with inadequate educational and job skill preparation. The result has been evident. Urban ghetto areas have grown while job opportunities have left for the suburbs, and blacks

in large numbers have exchanged rural dependence and underemployment of the South for urban-welfare-dependence and unemployment of the North.

The Mississippi-Iowa Labor Mobility Project

The Mississippi-Iowa Labor Mobility Program¹ was initiated in May 1968 and terminated in April 1969. The purpose of this program was twofold: (1) To suggest an alternative source of underutilized manpower in meeting farm labor shortages in Iowa; and (2) To study the process of relocating underemployed Southern farm workers to year-round farm jobs in Iowa which would hopefully serve as a demonstration of how the South to North, rural to urban migration pattern might be deflected to smaller Northern communities.

The Farm Mobility Project was conducted by two separate manpower agencies: Systematic Training and Redevelopment, Inc. (STAR), Hattiesburg, Mississippi, operating the recruitment and intake of applicants in the Mississippi Delta supply area, and the Iowa State Manpower Development Council, Des Moines, Iowa, handling job development and placement in the Iowa demand area.²

Separate contracts were developed by the Manpower Administration with each agency, and, in addition, an evaluation contract was developed

¹ This project is sponsored by the U. S. Department of Labor under contract with the Star Corporation of Mississippi and the Iowa State Manpower Development Council. Projects of this type have been sponsored since 1965 and have as their goal three major purposes: (1) To find out if relocation of workers is effective in reducing unemployment; (2) To determine whether a broader relocation program is desirable; and (3) To evaluate policies and techniques which might be incorporated in such a broader program.

² STAR's operations encompass more than the Iowa project and include the mobility of labor to industrial areas of Mississippi and the South, as well as other basic education programs, community action, and training. The Iowa State Manpower Development Council is organized to conduct demonstration projects in manpower training and program coordination, operating directly under the Governor of Iowa. Recently the Manpower Development Council was merged with the State Office of Economic Opportunity.

with the Industrial Relations Center at Iowa State University.

Expenses of on-site job visits, as well as actual relocation allowances, were paid to those who were interested in considering employment in Iowa. OJT funds were also available to employers to defray any unusual costs of training manpower. No classroom training was conducted either in Mississippi or Iowa.

Nature of Supply Area— The Mississippi Delta

The topography of Mississippi is characterized by a flat delta area in the northwest part of the state, which extends along the west from north to south. Mississippi's economy has been dominated heavily in the past by lumbering and agriculture. These industries have been significant users of unskilled labor, most of which has been supplied by the black segment of the population.³

In recent years, sources of lumber have been rapidly depleted, and technological changes have drastically reduced labor requirements in agriculture. Manufacturing in the Gulf region of the state has been a significant growth sector, but skilled job opportunities have gone largely to whites.

Technological change and racial discrimination have worsened the economic position of blacks in Mississippi. Traditional employment has evaporated, and new skilled jobs have not been made available in any significant number to blacks. Consequently, migration to urban centers has taken place, particularly to large metropolitan centers such as Chicago.

The population of the 18-county Delta area is about 550,000. Of this

number about 172,000 are classified as employed, although there are 331,000 in the age group 15 and over. Most of the employed are casual workers and receive poverty level wages when jobs are available.⁴

The deteriorating economic base of the area and racial discrimination shapes and molds the social and cultural fabric of the black community. The final report of Star, Inc. portrayed the situation of the Delta resident quite aptly:

“... the unemployed or underemployed poor are reluctant to entertain hope for vague and distant goals. Many cultivate indifference to the future and to the past. They find that they can survive with a minimum of effort and find it difficult, when offered a way out, to grasp the significance of utilizing specific means to gain future ends. Some are afraid to leave the old environment as might be expected after a lifetime of adaptation. Lack of family stability also creates problems. Common-law relationships and illegitimate children are numerous. Informal adoption is frequent and children may be reared by unrelated families. Individualism and self-concern on the part of the children or any member of the family is much less likely to emerge.”⁵

This, then, is the heritage of the black resident of the Mississippi Delta—poorly educated, unskilled, living in poverty and dependence upon the white community, with little hope for economic improvement in the Delta area. Outward migration appears to be the only source of social and economic improvement.

Nature of Demand Area—Iowa

Rural Iowa represents a paradox in manpower utilization. The farm

³ *Final Report, Mississippi Labor Mobility Demonstration Project*, Contract No. 87-26-66-09, Star, Inc. 1968 (mimeographed), pp. 3-6.

⁴ Ellen S. Bryant, “Mississippi County

Population Estimates by Race and Age,” Mississippi State University.

⁵ *Final Report, Mississippi Labor Mobility Demonstration Project*, cited at footnote 3, at p. 5.

labor force has been shrinking over the past few decades, yet manpower shortages and unfilled job orders with State Employment Security Offices have been noted each year. Although technology and farm consolidation have displaced direct labor dramatically, workers who have been "pushed" off farms have found better job opportunities in the Midwest's growing urban industrial centers.

Shortages of manpower at wages above the federal minimum level have emerged on many of Iowa's large commercial-sized farms. These jobs offer year-round employment and often housing and other fringe benefits. Wage levels are far above the level that could be anticipated even under the best conditions in farming in Mississippi or possibly even the South.

Though much of the farm labor needed in Iowa is permanent in nature, hiring practices appear to be seasonal. A farm owner may seek farm labor at critical times of the year; finding none, he is then content to "get by" in the off season period.⁶

The Iowa farmer is most interested in hiring help in the spring and in the fall. February and March are the peak hiring months in farm employment, with a carryover of demand in May. June, July and August tend to show a decrease in employment opportunities of a permanent nature. Employers find high school youth to be an abundant source of labor supply during the summer months. In September, October and early November employment peaks somewhat because of harvest time, but not to the February and March levels.

Most year-round employment opportunities, at relatively desirable wage levels, have strict experience and training requirements. Also complicating

the hiring process is the tendency of Iowa farmers to put off hiring of year-round labor until there is a significant amount of work to be done. Experience and training requirements, and the tendency to put off hiring until there is an accumulation of work to be done, tends to create a serious adjustment problem to the Mississippi migrant. Mississippi farm labor is considered only when all other sources have proved to be unavailable.

Also, other placement problems emerge in that what appear to be the best jobs and areas in Iowa turn out to be only second-best for black relocatees. Dairy farms offer relatively higher wages than grain or cattle feeding operations. Yet, dairy operators are less willing to consider untrained or inexperienced workers, and the confining nature of work on a dairy farm adds considerably to the loneliness of migrants.

Another point is that the highest paid jobs and the most job orders placed with State Employment Offices are in the 27 counties located in north-west Iowa. Yet farmers in this area show little interest in training inexperienced workers. The absence of large communities in this area makes adjustment problems more difficult.

The 49 counties in central Iowa constitute a mixed farm-industrial belt. Isolation from other blacks in cities is lessened, and ever-present competition from urban-industrial employers makes Iowa farmers in this region more willing to consider less experienced workers.

The typical Iowa farmer, reared on the protestant ethic, is hardworking and performs his chores with full realization of the value of his farm as a capital asset for himself and his heirs. Moreover, he also expects that his farm workers will approach their tasks

⁶ *Seventh Progress Report, Labor Mobility Project*, Contract No. 87-17-18-08, Iowa

State Manpower Development Council, December 1968, pp. 6-7.

with at least equal initiative, stamina and dedication.

Hard work, thrift, independence, initiative and an expectation of a "fair day's pay for a fair day's work" are fundamental values of the Iowa farmer. Viewed in context with the slower pace of life in the Mississippi Delta, extreme dependence upon the white community, and encouraged indolence and irresponsibility, the conflict of cultural values presents the ingredients of serious problems of communication between potential employer and employee, even if the effects of racial differences and prejudices are minimized.

Yet, the Mississippi-Iowa Mobility Project has demonstrated that these problems can be overcome, and that Iowa farmers can successfully tap a new source of manpower. The Project has also demonstrated that significant economic improvement can take place for disadvantaged Mississippi blacks after migration to Iowa, and that expenditures of federal funds constitute an investment which is self-liquidating within a few years.

Number Interviewed for Iowa and Characteristics

Between June 1968 and April 1969 fifteen Mississippi families were brought to Iowa to interview for farm jobs. Of this number, five families are currently employed in Iowa, four families started jobs in Iowa but subsequently returned to Mississippi, and six families never accepted a job in Iowa and returned to Mississippi after the job interview. Table 1, on the following page, gives the characteristics of these 15 families.

Although we cannot expect to uncover a large number of definite "mobility patterns" from a small sample,

an examination of Table 1 reveals some interesting facts. The age of the successful migrants ranges from 20 to 51, the number of dependents ranges from 2 to 9, their education level ranges from 5 years to 11 years, they are all low income, most were renting in Mississippi, and all had lived in their last Mississippi community most or all of their lives. While these characteristics are approximately the same for the unsuccessful migrants, they *indicate* that a wide range of possible Mississippi low income families can make the transition to Iowa jobs. The successful migrants can be very young or middle-aged, they can have large or small families, etc. If a family wants to make the transition the data in Table 1 indicate that no *special* characteristics need be present (such as higher education, small family size, very young age, etc.).

At this point it should be mentioned that 12 families came to Iowa from Alabama in September 1968 for farm job interviews. During the course of their stay in Iowa it became apparent that they were not really interested in moving to Iowa for permanent jobs. Only five of the 12 men were given job offers, and not one of the five returned from Alabama to take the job. Since for the remainder of the program only Mississippi supplied families for interviews, we will deal only with data for the Mississippi families in this report.

Benefit/Cost Analysis

What are the benefits of this mobility project which accrue to the successful migrants, the federal government and society? In this section we will deal only with the economic benefits, and then we will examine the economic costs from all three points of view.⁷

⁷ For an excellent discussion of the cost-benefit analysis we will use see Michael E. Borus, "A Benefit-Cost Analysis of the

Economic Effectiveness of Retraining the Unemployed," *Yale Economic Essays*, (Fall 1964), pp. 371-429.

Table I. Mississippi Families' Characteristics

Families	Age	Sex	Race	Marital Status	Number of Dependents	Years of Education	Last 12 mos. Income In Mississippi		Occupational Training		Mississippi Living Arrangements	Length of Time in Last Miss. Community
							Amount	Source	Program	Occ.		
<u>Employed Group</u>							(\$)					
Johnson	42	Male	Black	Married	6	7	Less than 3000	E	Work Ex. Program	Labor	Renting	42 years
Evans	25	"	"	"	9	5	3000	E	None	--	"	25 "
Evans	20	"	"	"	3	6	1200	E	"	--	"	20 "
Griffin	22	"	"	"	2	11	3000	E	"	--	"	22 "
Rogers	51	"	"	"	7	8	1200	E	Yes		Free Rent	51 "
<u>Returned After Working</u>												
Bond	26	Male	White	Married	2	5	5000	E	None	--	Free Rent	26 years
Lee	22	"	Black	"	2	12	1200	E	"	--	" "	4 months
Stevenson	32	"	White	"	4	4	3000	E	"	--	Renting	5 months
Washington	19	"	Black	"	4	6	1200	E	"	--	Free Rent	19 years
<u>Never Employed</u>												
Cole	35	"	Black	Married	9	5	1200	G.T.	Farm Eq. Operator	Farm Labor	Renting	35 years
Gregory	33	"	"	"	6	10	1200	E	Trade School	Prod. Mach. Oper.	Free Rent	11 "
Hablin	38	"	White	"	7	7	1200	Son's E	None	--	Renting	38 "
Pace	44	"	"	"	4	14	3000	E	"	--	"	44 "
Prather	38	"	Black	"	6	1	3000	E	Work Ex. Program	Day Labor	"	38 "
Williams	21	"	"	"	2	12	1200	E and G.T.	Adult Ed	--	"	21 "

(E = Earnings, and G.T. = Government Training program.)

Source: Questionnaires supplied by Mississippi.

In order to discover the present value of the expected benefits of the mobility project for the successful migrants we need to know the change in income due to the move, the additional taxes the worker will have to pay, the change in unemployment or welfare benefits, the individual's rate of time preference, and the individual's time horizon. The five successful migrants all experienced substantial income increases due to the mobility project. Their average annual income in Mississippi was \$2,286 (and none of them were receiving welfare or unemployment benefits); however, after making the move to Iowa their average annual income went to \$5,454. A large part of this increase was in the form of nonwage income (food, transportation, housing and utilities) since four of the five migrants currently have farm jobs. (The average annual value of these nonwage benefits amounts to about \$1,398.)

The additional average annual amount of federal income and Social Security taxes that these migrants have to pay is only \$284 due to the high number of dependents.⁸

Putting the above together we can express the present value of the individual's benefits as follows:

$$IB_{pv} = \sum \frac{(\Delta Y - \Delta T) - \Delta GTP}{(1 + r)^t}$$

where: IB_{pv} is the present value of the individual's benefits from the mobility project;

ΔY is the average change in annual income due to the move;

ΔT is the additional federal income and Social Security taxes the individual must pay;

ΔGTP is the change in government transfer payments due to the move;

r is the individual's rate of time preference; and

t is the worker's time horizon.

If we assume t to be 10 years and r to be 5% then IB_{pv} becomes \$22,269. while if we assume an r of 15% and a t of 10 years IB_{pv} becomes \$14,474.

Using the same basic approach, we can find the present value of the benefits of the mobility project for the federal government. Since the successful migrants were either unemployed, or employed at jobs which could easily be filled by unemployed workers when the migrants left Mississippi, the government's benefits consist of any transfer payments saved plus the taxes collected on the *full* income of the successful migrants (multiplied by some multiplier coefficient).

Thus,

$$GB_{pv} = \sum \frac{[(T)(K)(\Delta Y^1) + \Delta GTP]}{(1 + r^1)^t}$$

where: GB_{pv} is the present value of the government's benefits from the mobility project;

ΔY^1 is the average annual increment in total output attributable to each migrant due to the mobility project;

T is the combined tax rate of the federal income and Social Security taxes;

K is the multiplier coefficient;

r^1 is the government's cost of funds; and

ΔGTP , and t are the same as before.

The average annual increment tax receipts (federal income and Social Security) is \$610 due to the mobility project. If we use a K of 2 (this is the

⁸ 1968 federal income tax and Social Security tax rates were used.

conservative value of the consumption multiplier estimated by the Council of Economic Advisers), a t of 10 years, and a r^1 of 5%⁹ then GB_{pv} is \$9,421. Since none of the five successful migrants were on welfare (or receiving unemployment compensation), ΔGTP was zero.

The present value of the economy's benefits due to the mobility project is probably our single most important concern. Again realizing that when the migrants left Mississippi they were either unemployed, or at a job which could easily be filled by an unemployed person, the economy's benefits consist of the total income of the successful migrants multiplied by a multiplier coefficient.

Thus,

$$EB_{pv} = \Sigma \frac{(K) (\Delta Y^1)}{(1 + R)t}$$

where: EB_{pv} is the present value of the economy's benefits from the mobility project;

R is the social rate of time preference; and

K , ΔY^1 , and t are the same as before.

We already know that the average annual income of the five successful migrants is \$5,454. Assuming a K of 2, a t of 10 years, and an R of 5% we find the EB_{pv} to be \$84,229.

Of course, we must look at the total costs of the Mississippi to Iowa Mobility Project before we can place the above benefits in their proper perspective. All the above benefits were calculated on an average per successful

migrant basis, and so now we will calculate the total costs of the program on an average per successful migrant basis also.

The mobility project involved costs on the Mississippi end and the Iowa end. In Mississippi records were kept as to the costs involved in screening the 15 Mississippi families, sending them to Iowa for job interviews, and providing the nine families who took Iowa jobs with moving and rebuilding allowances and relocation assistance allowances. These total Mississippi costs came to about \$8,242. The Iowa records indicate the total sum of money spent on the personnel costs of the project, and the supportive services provided to the families for the period May 1, 1969 through April 30, 1969.¹⁰ These Iowa costs totaled \$33,462. Thus, the mobility project cost a total of \$41,704 to bring 15 families to Iowa for interviews; however, since only five families took jobs and remained in Iowa, the average cost of the mobility project per successful migrant is \$8,341.

Since the project paid the moving expenses, the personal "out-of-pocket" costs of the Mississippi to Iowa move will be extremely small.¹¹ Thus, a benefit/cost ratio measure is not really meaningful from the individual's point of view; however, we should point out that whatever the migrants spend on moving, the successful migrants receive a present value average benefit of between \$14,474 and \$22,269 for making the move. (The exact figure depends on the value used for r .)

From the government's point of view, the average per successful migrant

⁹ See Otto Eckstein, *Water-Resources Development*, Cambridge, Harvard University Press, 1958, pp. 99-104, for a justification of assuming r^1 to be 5%.

¹⁰ At the time of this writing, the April 1969 costs are only estimates.

¹¹ In fact, no good estimates are available at the present time concerning the amount of money the individual families have spent on the move out of their own pockets.

cost was \$8,341, while the government's present value average per successful migrant benefit is \$9,421, which calculates to a benefit/cost ratio of 1.13. Put somewhat differently, the costs of the *total* program to the federal government (\$41,704) will be repaid in additional taxes in *only* 6.8 years. Moreover, as long as the five successful migrants remain at comparable jobs (due to the mobility project) the federal government will collect an average tax increment of \$6,100 a year.

Finally, if we look at the economy's benefit/cost ratio we find a ratio of 10.10, or an average per successful migrant cost of \$8,341 *and* a present value average per successful migrant benefit of \$84,229. If we assume a time horizon of 20 years (instead of 10), the economy's benefit/cost ratio becomes 16.30 (as the costs remain the same but the present value average economy's benefit jumps to \$135,938).

From any viewpoint, the Mississippi-Iowa Mobility Project is a sound economic investment. The individual and the economy receive *high* economic benefits from a fairly small investment, while the government gets its entire investment back in less than seven years and thereafter realizes a modest return due to the increment to tax receipts generated by the mobility project.

Policy Implications of Mobility Project

It is difficult to reach conclusions from a project in which only 15 ap-

plicants have visited Iowa, and where only five have taken jobs and are currently employed in Iowa.

Like the paleontologist who reconstructs the proverbial dinosaur from a few bones discovered in an excavation, our conclusions must be tentative and qualified by the small sample size. Yet, though the sample is small, it is the only sample of its type that we have to work with.¹²

Our first observation is that the Mississippi-Iowa Mobility Project should be continued and broadened to include more workers and employers. From a worker's benefit/cost point of view the project represents an excellent investment. It is also a worthwhile investment for employers, government and society.

A state of permanent underemployment can be transformed into permanent employment for the individual worker, and as a by-product greater educational and social opportunity for the workers' children will take place over time.

One may argue that workers have not achieved "final" mobility. Continued displacement of labor on Iowa farms may eventually affect those who have migrated from Mississippi. If this occurs, the prospect for the Mississippi migrants is even better—they will move to Iowa's towns and cities and work at an even higher wage scale.¹³

Current employment on Iowa farms constitutes "transitional mobility." Farm employment for the relocated fami-

¹² The Iowa Conference of the United Church of Christ operated a selective, private Mississippi mobility project over a three-year period, and has relocated four families on Iowa farms. Three of the four families relocated by the United Church of Christ remained in Iowa for more than six months. One family left after one month in Iowa. One family remains in Iowa after having been with the same employer for two years. This family recently moved

from the farm to a job in a factory at Fort Dodge, Iowa. Two of the families returned to Mississippi, and the other family moved to Detroit and the man is employed in a factory. Source: *Ninth Progress Report, Labor Mobility Project*, Iowa State Office of Economic Opportunity, Des Moines, Iowa, February 1969, p. 2.

¹³ In April 1969 one of the five relocated families moved to Des Moines to a non-farm job which pays \$80-\$100 a week.

lies is an intermediate point in the mobility process from rural Mississippi to eventual employment and residence in Iowa's urban centers.

Although it would appear on the surface that racial discrimination should play a large role, this actually proved to be less important than first anticipated. A self-screening process was at work which eliminated Iowa farmers and communities with strong negative racial feelings before interviews were made. Those interested in hiring blacks had first resolved racial problems within their own consciences, or adverse feedback from the community had removed those who might have been interested, but had withdrawn themselves from the interviewing process after community pressures had been brought to bear.

Three items appear to be most important in overcoming problems of racial discrimination:

(1) An obvious and persistent shortage of farm labor, and the inability to meet this shortage from local supplies of manpower;

(2) A recognition of this shortage and an absence of strong racial feelings on the part of the employer and community;

(3) Strong support from the religious leaders of a community which provides moral leadership on the racial problem.¹⁴

Given the presence of these three factors, a community's response can be favorable with friendly reception and an absence of overt hostility.

It appears that cultural differences constitute serious handicaps in relocating workers to Iowa, possibly greater

than the problem of racial discrimination. None of the whites who migrated from Mississippi to Iowa were successful in their move. All returned to Mississippi, being unable to overcome the culture gap. The pace of work, differences in climate, and the expectations of Iowa farmers in recruiting a highly motivated, hard-working work force were serious factors in discouraging a number of white families from staying on jobs in Iowa.

The importance of family stability and cohesiveness cannot be overestimated. The shock effect of moving to a new culture simply cannot be sustained with a weak marriage which faces serious stress and conflict.

One strong recommendation which emerges from the mobility project is that in all cases the wife (and often the whole family) must accompany the worker on the job interview. The decision to migrate must be a shared one by the whole family.

Also, more emphasis needs to be placed on developing a case history of the family prior to relocation. This information should be made available to those providing supportive services at the time of job placement. In addition, a medical examination of all members of a family should be a routine part of the relocation process, and possibly even education achievement tests for children.

While the project has enjoyed a favorable response from Iowa farm operators, there is a need for a more concentrated emphasis upon the preparation of the potential farm employer to change. In turn, there is a need for considerably more orientation of potential recruits in Mississippi on

¹⁴ The role of church groups and clergymen is significant in relocating Mississippi farm families. As previously indicated, the Iowa Conference of the United Church of Christ, working through an interdenominational task force, has supported a private

Mississippi to Iowa Mobility Project. Also the Manpower Development Council's project director, Eldon Ringle, is an ordained minister. Reverend Cyril Engler, a Catholic priest, has provided considerable assistance to relocated farm families.

life in Iowa communities and on Iowa farms.¹⁵

The success of relocation appears in part to be a direct function of supportive services and assistance given to workers by the Mobility staff. Assistance, in turn, is a function of the geographical proximity of the Mobility staff to placed workers.

It is interesting to note that three of the four returnees had been placed more than 100 miles from Mobility staff offices in Des Moines, while the fourth was 60 miles away. All five relocated families, however, were placed less than 40 miles from Des Moines. Project workers (a total of two in Iowa) found difficulty in giving adequate supportive services to those who were located on farms which were distant from Des Moines.

Two of the returnee families had very unstable marital relationships, with open division and hostility between spouses. In at least five out of nine families "immaturity of attitude" was noted by both the mobility staff and outside project evaluators. "Immaturity of attitude" was defined as an inability to anticipate future rewards by structuring current behavior in a meaningful and rational manner. Also included in this concept was an inability to overcome homesickness and isolation from friends.

To properly administer a mobility project of this nature, staff in both supply and demand areas must be adequate in number and operationally coordinated. Splitting contractual responsibilities between the two areas dilutes responsibility and authority.

Numerous supportive services must be anticipated and provided for—most of which are unanticipated at the time of job interview.

The mobility project must be fairly long-term and results must be evalu-

ated over a long-term period. A three-year horizon is probably optimum, with annual evaluation of the operation. The relocation area should be located in counties close to staff offices.

Interviewers in the labor supply area will have to screen applicants and to reject those who have family, personal, or social handicaps which create a high probability of failure. The decision to move must be a family decision. The hardcore individual or family is most unsuited for relocation to Iowa. In fact, a potentially successful worker must have the following characteristics:

(1) A stable marriage, with a mature wife who is willing to endure isolation from friends in order to improve the family's economic position;

(2) A male family head possessing a strong sense of self-discipline, and a will to succeed in spite of difficulty in the short-run. Hostility of the community is not as significant as isolation from friends and a completely different cultural environment;

(3) The family must have a latent middle-class value structure that somehow must emerge in spite of environmental features in Mississippi which tend to stunt the growth of middle-class values among Delta blacks.

Some Concluding Observations

The relocation of workers from areas of severe labor surplus to areas of labor shortage can yield a high investment to public manpower funds, and will assist in meeting employer manpower needs.

The Mississippi-Iowa Mobility Project has demonstrated that racial discrimination need not be an insurmountable problem if migrants are carefully chosen and adequately prepared for change.

¹⁵ At the present time WOI-TV in Ames, Iowa is developing a documentary film

which will depict the Iowa experiences of one of the relocated farm families.

A mobility program such as the Iowa-Mississippi project must be selective of both potential workers and employers. Relocatees cannot be chosen from the truly disadvantaged, but rather must be selected from those whose value structure is close to that of the middle-class in rural Iowa. In turn, employers who have a reputation in the community for high labor turnover among hired hands ought to be excluded from the program. Potential workers with family problems or those who show immaturity in personal or work attitudes should also be excluded.

Relocation of workers should take place in multiples of two or more families within a relocation area. The receiving area should be no more than 30-40 miles away from an urban center, in order to provide maximum supportive services, and also to offer alternative employment opportunities to relocatees if Iowa farm employment proves to be unworkable.

An optimum number of relocated families that can be moved is about 25 per year. A smaller number produces high administrative costs, while a larger number may tend to develop opposition in the receiving area, and possibly among black leadership.

For the best farm jobs in Iowa, occupational training should be considered. If 25 families can be identified for relocation, a farm residential training center in Iowa could be considered as both a transitional relocation point and as a training center in its own right. Completion of a farm training program could give valuable skills on operation of farm equipment, basic education, and orientation on what to expect as a "way of life" on Iowa farms. A training center could also serve as an interview point for employers, where actual on-site job placement tests could be given to workers.

Iowa farmers have shown receptivity in considering the hiring of Mississippi blacks, and have shown tolerance and understanding in difficult adjustment cases. In turn, some Mississippi black families have been able to overcome difficult differences of culture, climate and race. Successful families have been those who have had stable marital and family relationships, have had a "mature" approach to work, and have been able to incur short-run hardships in working toward long-run improvement in socio-economic status. In short, successful relocatees have been those who have not fit the stereotype of the disadvantaged Mississippi black farmer. Nor should we have anticipated any other outcome in this program. Successful migration to another climate and culture cannot be accomplished by those who are "anchored-down" by family or personal handicaps.

A rural to rural manpower relocation project which involves the movement of blacks from Mississippi to Iowa is not likely to serve the needs of the "bottom-of-the-ladder" disadvantaged worker even with a heavy expenditure of funds for supportive services. A mobility program of the Mississippi-Iowa type is likely to serve only the best of the Mississippi Delta manpower pool.

The Mississippi-Iowa Mobility Project has offered hope of social and economic improvement to a small number of underemployed Delta families. Five families and 32 individuals in these families have exchanged dependency and underemployment for self-sufficiency and permanent employment. These findings suggest that a continuation of the Mobility Project may yield significant economic and noneconomic benefits to workers, employers and society as a whole. [The End]

Urban Alternatives to Rural Poverty

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DESPITE THE HIGH DEGREE of interest that has been shown in recent years in both manpower problems and problems of rural to urban transition, there has not been any real attempt to integrate these concerns into a comprehensive and coherent framework of analysis, grounded on consideration of the opportunity costs of alternative patterns of spatial location. In this paper, an attempt is made to examine the interrelationships among lagging rural areas, large metropolitan areas, and intermediate cities, and to suggest policy measures that might be applied in view of the opportunity costs that face decision makers responsible for the location of both public and private investment.¹

Rapidly declining labor requirements that have accompanied technological advance in agriculture have created considerable pressure for migration and occupational change. Farm people have been highly mobile, but the migration process has drained away the most productive age groups even though the migrants are often ill-prepared for alternative work.² While it is clear that millions of farm people need or will need training and prep-

aration for non-farm work and ways of life, their adaptation is often strained by poverty and all of its unfortunate attributes.

The South and Appalachia

Per capita income in the Southeast increased from \$984 in 1948 to \$2,429 in 1967. However, the region's relatively heavy concentrations of rural poverty are reflected in the fact that the 1967 value was still only 77 per cent of the national average. Moreover, the absolute gap between the Southeast and the nation rose from \$446 in 1948 to \$708 in 1967.³

The South's economic development has been retarded by its specialization in slow-growing sectors, and particularly by the relatively high proportion of its total employment accounted for by agriculture. The industry mix of the region is becoming more like that of the rest of the nation, but its main employment increases continue to be in industries that are labor-intensive and pay relatively low wages. Unless the South can increase its competitive gains in the more capital-intensive industries its per capita income will continue to be significantly below that of the nation as a whole.⁴ Because these industries have relatively high skill requirements it is impera-

¹ For a more technical discussion of the model which underlies the present study, see Niles M. Hansen, "Unbalanced Growth and Regional Development," *Western Economic Journal*, Vol. 4, No. 1 (Fall 1965), pp. 3-14; and *French Regional Planning*, Indiana University Press, Bloomington, Indiana, 1968, Ch. 1.

² Varden Fuller, "Farm Manpower Policy," *Farm Labor in the United States*, Columbia University Press, New York, 1967, pp. 97-98.

³ Robert B. Bretzfelder, "Regional Changes in Personal Income," *Survey of Current Business*, Vol. 48, No. 4, April 1968, pp. 9-15.

⁴ The states in question here are Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Arkansas, Oklahoma, Virginia, Texas and Florida. See James G. Maddox, with E. E. Liebhafsky, Vivian W. Henderson, and Herbert M. Hamlin, *The Advancing South*, The Twentieth Century Fund, New York, 1967, pp. 53-72.

tive that there be greater investment in the South's human resources.⁵

In addition to the development of its human resources the economic progress of the South is dependent on its urbanization. If the South is to capture a greater share of rapidly growing, capital-intensive industries it will have to generate more of the external economies that attract such industries, and these external economies are linked to urban growth. Although the South is still relatively under-urbanized, its cities are growing more rapidly than those of the rest of the country.⁶ Moreover, whereas rural areas of the South continue to lose more well-educated people than they gain, the areas with large, growing metropolitan populations are net gainers of well-educated migrants from the rural South and the North.⁷ It may be expected that the urbanization of the South will be accompanied by a movement away from the traditional values and attitudes that have impeded the region's development⁸ and toward greater integration with the life of the nation as a whole.

Since the future development of the South will be centered on its cities, those parts of the region that do not have vital metropolitan areas will continue to lag behind both regional and national income and employment

growth rates. The lagging parts should squarely face the population migration question. Among the areas of the South where people should receive particular attention with respect to human resource investment and relocation assistance are most of Arkansas and Mississippi, and the Southern Appalachians.

Neglected Minorities: The Indians and the Mexican Americans

While considerable attention has been given to programs designed to further the social and economic advancement of the Negro, relatively little attention has been devoted to the often equally severe problems of these minorities. About half of the Indian families have annual incomes of less than \$2,000 and about three-fourths have less than \$3,000. Approximately half of the Indians in the working-age population is chronically unemployed.⁹ In 1959 the median income of the Mexican American males in the Southwest was \$2,768, or 57 per cent of the comparable Anglo value and only slightly above that for Negroes.¹⁰ In 1960 the urban unemployment rate for Mexican Americans was 8.5 per cent, compared to 4.5 per cent for Anglos and 9.1 per cent for nonwhites.¹¹ The geographic concen-

⁵ William J. Stober, "Employment and Economic Growth: Southeast," *Monthly Labor Review*, Vol. 91, No. 3, March 1968, pp. 22-23.

⁶ E. E. Liebhafsky, "Migration and the Labor Force: Prospects," *Monthly Labor Review*, Vol. 91, No. 3, March 1968, p. 11; Leonard Reissman, "Urbanization in the South," *The South in Continuity and Change*, Duke University Press, Durham, North Carolina, 1965, pp. 86-100.

⁷ Elizabeth M. Suval and Horace C. Hamilton, "Some New Evidence on Educational Selectivity in Migration to and from the South," *Social Forces*, Vol. 43, No. 4 May 1965, pp. 536-547.

⁸ See William H. Nicholls, *Southern Tradition and Regional Progress*, University of

North Carolina Press, Chapel Hill, North Carolina, 1960.

⁹ Herbert E. Striner, "Toward a Fundamental Program for the Training, Employment and Economic Equality of the American Indian," Joint Economic Committee, *Federal Programs for the Development of Human Resources*, Vol. 1, 90th Cong., 2nd Sess., Government Printing Office, Washington, D. C., 1968, p. 298.

¹⁰ Joan W. Moore, *Mexican Americans: Problems and Prospects*, Institute for Research on Poverty, University of Wisconsin, Madison, Wisconsin, 1967, p. 31.

¹¹ Walter Fogel, *Mexican Americans in Southwest Labor Markets*, U. C. L. A. Graduate School of Business Administration, Los

tration of the Mexican Americans in the Southwest, and the geographic isolation of the Indians on reservations have tended to make the nation as a whole unaware of their problems and therefore relatively unresponsive to them. In addition, the conservative leadership of both the Mexican Americans and the Indians has tended to play up the attachment of their people to traditional values and their native soil. Too often, this defensive response to a larger urban-industrial society has only served to deny the people in question their potential share in the fruits of the larger society's economic progress. The appeal to the traditional way of life has tended to downgrade the importance of education and to foster short time-horizons that leave the individual's long-run welfare to forces beyond his control. Programs aimed at improving the human resources of minority groups must include an understanding and appreciation of these groups' traditions and values, but they must also recognize the necessity of preparing individuals for life in the larger society, if this is the life the people wish to choose. At present too many persons simply have no choice.

The widespread assumption that Indians are not suited to life off the reservations was reinforced by the failure of the relocation policy of the 1950s, which moved a large number of Indians directly from reservations to cities, without adequate preparation and training. In consequence, measures to aid Indian populations have

tended to take the form of efforts to attract industry to the reservations. Unfortunately, Indian reservations have even fewer attributes than most lagging regions that would make them attractive to industry.¹² On the other hand, although their responses will vary from tribe to tribe, Indians are not so reluctant to leave the reservations or as unable to adapt to urban life as many believe. However, they do need comprehensive programs to help them prepare for life and work off the reservations. There is a direct relationship between the amount of training and comprehensive assistance given to the Indian and his family and both his income after relocating and his success at adapting to his new environment. Moreover, the cost per job obtained by relocation programs is less than the cost per job created by attempts to attract industry to the reservations.¹³

There is clear evidence that the quality and quantity of education and training received by Mexican Americans needs substantial upgrading, and that increased education pays off for them in terms of concrete economic gains.¹⁴ The greatest difficulties for Mexican Americans are encountered in South Texas, where educational levels are low and where pressures from migration and commuting from Mexico tend to keep wages and employment opportunities depressed. With the exception of cheap labor, South Texas offers so few locational advantages to firms that employment opportunities would not be promising

(Footnote 11 continued.)

Angeles, Calif., Mexican American Study Project Advance Report No. 10, October 1967, pp. 19-20.

¹² Striner, cited at footnote 9, at p. 308.

¹³ "A Follow-up Study of 1963 Recipients of the Services of the Employment Assistance Program, Bureau of Indian Affairs," Washington, D. C., Bureau of Indian Affairs, 1966; U. S. Department of the In-

terior, Indians, Job Training and Placement Studies, Issue Support Paper No. 70-1, October 17, 1968; John A. Price, "The Migration and Adaptation of American Indians to Los Angeles," *Human Organization*, Vol. 27, No. 2, Summer 1968, pp. 169-173. The present writer has been particularly impressed by reports on and direct observation of the Roswell Employment Training Center in New Mexico.

¹⁴ Fogel, cited at footnote 11, at pp. 32-33.

in the area in any event. Moreover, any significant increase in agricultural wages would increase mechanization and increase unemployment. The essential preconditions for any effective manpower program in South Texas are restrictions on the commuting of "green carders" and on migration.¹⁵ Meanwhile, adequate job training is needed for the Mexican Americans who will still be confronted with limited opportunities in South Texas, as well as in other areas of the Southwest. Comprehensive relocation programs, which already have proven to be feasible and efficient in matching workers from South Texas with jobs in industrial centers to the North,¹⁶ should be greatly expanded and made available to those who wish to leave the area.

Industrialization of Rural Areas: Is It Feasible?

In general, regional policy in the United States has been formulated and implemented on the assumption that it is possible to attract sufficient industry to lagging, and for the most part rural, regions of the country to give residents of these regions economic opportunities comparable to those enjoyed by other Americans. Moreover, most proposals concerning future regional policy continue to stress this theme, as is apparent from recommendations of the Department

of Agriculture,¹⁷ the Department of Labor,¹⁸ and the President's National Advisory Commission on Rural Poverty,¹⁹ as well as the writings of some scholars.²⁰ On the other hand, the experience of other countries which have been trying for longer than the United States to stimulate the growth of large lagging regions indicates that such force-feeding has generally been unsuccessful.²¹

Recent American and foreign evidence on greater equality in the geographical distribution of manufacturing does not indicate any corresponding lessening of regional income differences or any relatively greater attractiveness of small towns or rural areas. Recent growth in total national employment has primarily been accounted for by expanding tertiary activities, which have been located for the most part in metropolitan areas. Those industries that have tended to leave metropolitan areas have been characterized by relative stagnation or decline; they frequently seek cheap labor in areas with surplus agricultural populations. Rapidly expanding sectors, in contrast, have favored metropolitan areas because of their numerous external economies.²²

Urban Policy for a Mobile Society

The continuing expansion of large metropolitan areas is not necessarily a desirable phenomenon. Questions

¹⁵ If the employment of Mexican commuters is to be continued for political reasons, then this indirect form of foreign aid should be borne by the whole nation rather than domestic labor in local job markets.

¹⁶ Ling-Temco-Vought's program of comprehensive relocation assistance for Mexican Americans who move from South Texas to the Dallas-Fort Worth area is particularly noteworthy in this regard.

¹⁷ *Communities of Tomorrow—Agriculture 2000*, Gov't Printing Office, Wash., D. C., 1968.

¹⁸ *Manpower Report of the President, 1968*, Gov't Printing Office, Wash., D. C., 1968.

¹⁹ *The People Left Behind*, Government Printing Office, Washington, D. C., 1967.

²⁰ See, for example, Nicholls, cited at footnote 8, at pp. 13-14.

²¹ See Niles M. Hansen, "Regional Development and the Rural Poor," *Journal of Human Resources*, Vol. 4, No. 2, Spring 1969, pp. 205-214.

²² Victor Fuchs, *The Growing Importance of the Service Industries*, National Bureau of Economic Research Occasional Paper No. 96, New York, 1965; *Changes in the Location of Manufacturing in the United States Since 1929*, Yale University Press, New Haven, 1962; and Erling Olsen, "Erhvervs-livets Lokalisering," *Nationalokonomisk Tidsskrift*, Nos. 1-2 (1965), pp. 18-30.

of efficient city sizes are difficult to deal with because of the impossibility of measuring adequately the external economies and diseconomies of metropolitan growth. There are a number of students of this problem who maintain that there is no evidence that even the largest metropolitan areas are too big, in the sense that marginal costs exceed marginal productivity.²³ These arguments generally are based on a consideration of the costs and benefits of firms. However, external diseconomies which result from congestion—for example, traffic congestion, inadequate parks and recreation facilities, slum neighborhoods, and air pollution—are not usually internalized by private firms; or if they are, they are not of a magnitude sufficient to offset the external economies of agglomeration. Thus, firms will continue to locate in areas where, because external diseconomies outweigh external economies, the net social product is less than it would be in an alternative location.²⁴

Taxation and credit policy as well as land use controls could be used to limit private investment in congested metropolitan areas, but a more feasible alternative from a political point of view would be to encourage private capital to locate in other areas. Public overhead investment and subsidies in one form or another could be used toward this end. Such tools have been used by regional development agencies, but they have usually been applied to promote economic growth

in rural areas and small towns, and thus they have been not only economically inefficient, but too frequently ineffective. Of course, there may be some locations in rural areas with promising industrial potential; in general, though, the most efficient use of public funds would be to encourage the growth of medium-sized cities, especially those that have already given some real evidence of possessing growth characteristics. In these centers public funds may be integrated with actual or potential external economies to produce rapid growth with a minimum of external diseconomies of congestion. Although such centers do not “need” any government subsidy, it is easier to accelerate their growth than it would be to accelerate growth in a lagging region. However, the accelerated growth of intermediate growth centers must be made conditional on the granting of newly created employment opportunities to a significant number of workers from lagging regions who could either commute or migrate. In cases where local unemployment rates are relatively high despite high growth rates,²⁵ a policy of growth acceleration would also be made conditional on the employment of the local jobless.

The need for comprehensive relocation assistance for workers and their families has been urged by numerous students of manpower problems. The feasibility of such programs has been amply demonstrated both

²³ See, for example, William Alonso, “Urban and Regional Imbalances in Economic Development,” *Economic Development and Cultural Change*, Vol. 17, No. 1, October 1968, pp. 1-14.

²⁴ Hansen, *French Regional Planning*, cited at footnote 1, at Ch. 1; Edgar M. Hoover, *Some Old and New Issues in Regional Development*, University of Pittsburgh Center for Regional Economic Studies Occasional Paper No. 5, 1967, p. 6; G. M. Neutze, *Economic*

Policy and the Size of Cities, Augustus M. Kelley, New York, New York, 1967, p. 27.

²⁵ High growth rates are by no means associated with low unemployment rates. See George Iden, “Unemployment Classification of Major Labor Areas, 1950-1965,” *Journal of Human Resources*, Vol. 2, No. 3, Summer 1967, p. 391. See also Gene Labe, “Unemployment Classification of Major Labor Areas, 1950-1965: A Comment,” *Journal of Human Resources*, Vol. 3, No. 4, Fall 1968, pp. 515-519.

by European experience²⁶ and by labor mobility pilot projects in the United States.²⁷ Some of the larger labor mobility demonstration projects have shown that it is possible to divert migration away from large cities where an unemployed worker would arrive with little or no funds and no immediate employment prospects, and toward medium-sized cities where the demand for labor is strong and chances for adjustment are better.²⁸ For those persons who have already moved to metropolitan central cities where there is a lack of available jobs, a growth center policy, including a national system of job information, could provide an alternative opportunity for employment. However, for minority group ghetto dwellers in particular, there are job opportunities available in metropolitan areas. The problem is that minority groups have been denied these opportunities as much because of housing discrimination as because of employment discrimination.²⁹ There is clear evidence that Negroes are not concentrated in central cities because they are poor, but because they cannot obtain housing in the suburbs where jobs are available.³⁰ Residents of urban ghettos, as those of lagging rural areas, are badly in need of better education, job training and generally expanded investment in human resources, but they also need better access to suburban employment sites.

From the foregoing analysis it is evident that rural and urban problems, which continue to be dealt with in piecemeal fashion, need to be treated within an integrated framework. One possible approach to this situation would be to divide the entire country into multi-state regions (though they would not have to follow existing state boundaries). Moreover, the regional commissions established under the Public Works and Economic Development Act of 1965, with the exception of that for New England, should be abolished or modified. The new regions should encompass both lagging areas and growth centers, as defined earlier, in contrast to the present policy of defining regions which are made up almost entirely of lagging areas. Only then will it be possible to relate problems of lagging areas and opportunities in genuine growth centers within a common framework. So long as national policy succeeds in maintaining a rate of aggregate growth sufficient to guarantee reasonably full employment, a growth center strategy can be successfully integrated with manpower and relocation programs. Then it will be possible to deal more rationally with problems of both rural-urban transition and the restructuring of our large metropolitan areas so as to create efficiently more equal economic opportunities for all of our citizens.

[The End]

²⁶ *Programs for Relocating Workers Used by Governments of Selected Countries*, Joint Economic Committee, Congress of the United States, Government Printing Office, Washington, D. C., 1966; Sol Swerdloff, "Sweden's Manpower Programs," *Monthly Labor Review*, Vol. 89, No. 1, January 1966, pp. 1-6.

²⁷ Audrey Freedman, "Labor Mobility Projects for the Unemployed," *Monthly Labor Review*, Vol. 91, No. 6, June 1968, pp. 57-62; "Moving to Work," Labor Mobility Services Unit, United States Employment Service, Washington, D. C., 1968; Garth L.

Mangum, "Moving Workers to Jobs," *Poverty and Human Resources Abstracts*, Vol. 3, November-December 1968, pp. 12-18.

²⁸ Freedman, cited at footnote 27, at p. 62.

²⁹ John F. Kain, "Housing Segregation, Negro Employment and Metropolitan Decentralization," *Quarterly Journal of Economics*, Vol. 82, No. 2, May 1968, pp. 175-197.

³⁰ John F. Kain and Joseph J. Persky, "Alternatives to the Gilded Ghetto," Harvard University Program on Regional and Urban Economics Discussion Paper No. 21, February 1968, pp. 4-5.

The Mediation of Civil Rights Disputes

By WARREN L. TAYLOR

Center for Dispute Settlement,
American Arbitration Association

I AM PLEASED to be here for at least two reasons. First, we want you to know something about our new operation, and second, it adds a little native color to this conference. This group reflects a major concern of the Center's staff: how do we get minority people into this business?

You have had an opportunity all morning to be scholarly—I promise not to subject you to anything scholarly for the next few minutes.

Unlike most of the people who have preceded me during your program, I am not an expert—an experimenter yes, but not an expert. I do not have the answers and I am not fully certain that I have even completely defined the problem areas. It is going to take much more time, much more work, but I would like to share with you some ideas I have. They are ideas some of you will resist, some of you may embrace, and some of you may resent. They are ideas, however, which all of you will at least think worth listening to.

Civil rights disputes are not, I hope you agree, only those which involve black-white situations. This being so, I shall not limit myself to the traditional civil rights-type problems.

I am certain you have heard this too much already, but this is a time of crisis. There is the urban crisis, the black-white crisis, the campus crisis, the international crisis, the poverty crisis, the hunger crisis—you name the subject and we can name a crisis. While this may sound some-

what flippant, I assure you that I am quite serious. I am serious because so many of these things or situations affect me personally. I am serious because I truly believe that no man is an island unto himself. I am serious because I know that the good life is no life if it is something I cannot share. But I believe that sharing is not possible until we learn how to share and further learn the importance of sharing.

It is because of my concern that I left the Cleveland office of the American Arbitration Association to assume the responsibilities of my present job, and it is because of my interest that I decided to help design the program of the National Center for Dispute Settlement of the American Arbitration Association.

"Share" Defined

The big word here is "share." What do we mean by the term share? Webster defines share in a number of ways. *To share is to partake of, use, experience, or enjoy with others. A share is a portion belonging to, due to, or contributed by an individual. To share implies that one as the original holder grants to another the partial use, enjoyment, or possession of a thing.*

I appreciate that in some circles the concept of sharing appears to have become passé; all or nothing at all seems to be the goal. But upon full analysis I believe that we will find that even those who talk of taking over or destroying are actually talking about sharing. What they are saying, I believe, is that we do not accept a little bit as sharing; we want much more than what the es-

tablishment has thus far indicated a willingness to give—but it is sharing nonetheless. Accept, if you will, for the time being, the idea that sharing involves that situation wherein the original holder grants to another, the use, enjoyment, or possession of a thing, and let us further apply the concept or definition to rights, obligations and powers.

Crisis Situations

Let us digress a moment to discuss our various crisis situations in terms of sharing rights, obligations and powers. Time will permit us to discuss only a few of the crises in these terms. I would like for us to address our attention to two situations which are in the forefront of the news these days—the campus crisis and the urban crisis. A discussion of the urban crisis will permit us to involve the black-white crisis for obvious reasons.

In each of the crisis situations we have mentioned, there is at least one common thread. In each instance people, the have-nots, the voiceless, the powerless are demanding, and pleading in some instances, to share. Students are insisting, and I think rightfully so, for a greater voice or share in making those decisions which affect their education and resultantly their lives. The extent to which they share is the question. School decentralization is a big issue and will be yet a bigger one before this matter is settled. People in Model Cities areas demand the right to be heard regarding the plans which are supposed to be designed to improve their lives, and they will continue to make these demands in spite of the new Nixon approach. Black men are refusing to permit white men to make the final decisions about their jobs and the places in which they are to live. Welfare people recognize that

all the do-gooders in the world cannot solve their problems, unless they will listen to them as well.

Young people are demanding the right to influence the choice of elected officials, and they have let it be known they will do this either through the ballot or by demonstrations, or unfortunately, by the gun. They are tired of giving their lives in a war they neither like nor have an opportunity to do anything or say anything about. Black folk are learning that black is truly beautiful and demand the right to have black people tell them like it is in their schools and colleges and on the political platforms.

Power Structure Must Be Altered

What are all these voices saying? In my mind they are saying we must, we shall share; someone else said it another way: "We shall overcome." They believe that many of our institutions are no longer relevant. They no longer suit our needs nor respond to the problems of our times. They believe these institutions will not change on their own motion and therefore they must have the right, the power to change them. They believe that the power structure must be altered and they understand that altering the structure requires those who have the power to share it, to give up some of it.

William M. Birenbaum, in his book *Overlive*, makes the point in another way: "The magnitude of the country's problems invites an unprecedented concentration and use of public power. But at the same time, the very nature of the problems calls for a revitalization of grass-roots democracy—the decentralization of public power in order to restore meaningful connections between people and the control of their own destiny."

But the poor and the powerless and voiceless, the have-nots are too sophisticated these days to believe that the establishment will surrender this power voluntarily. They believe that it must be taken from them.

For years powerless black people have been taught, and did believe, that we could alter the balance of power *by prayer*. As we followed our preachers and men of God from ghetto to ghetto, few jobs were created and few people were registered to vote and few white people developed any deeper love, appreciation or understanding for the hewers of wood and drawers of water, men and women who cared for their young, their homes and often much more.

For years black men were taught that the balance of power would be significantly altered through court decisions. Yet 15 years after the *Brown* decision, we continue to see hundreds of thousands of students attending segregated schools; and minority people still find themselves at the bottom of the employment ladder and unable to live where they want to and can afford to live. For many years we have been taught that our only way to progress is through education and we bought this idea also.

Then one day, black people realized that black people had been sold another bill of goods. We looked around and realized that our educated could not obtain jobs commensurate with their education and we were further forced to face the fact that the decision-makers had determined that the education we were being provided was inadequate. Add to this the fact that black students and poor students are systematically deprived of higher education through the practice of entrance examinations which are geared to maintain the status quo and inadequate funding of those institutions which are essentially black, and

we began to understand why people believe they have been had. Prayer, the courts and education have helped, but something more many people believe is power, black power, student power, faculty power—you name it.

With the idea of power, black student, etc., came a feeling of strength, a new reason for being. Black people are learning to like being black. They want to do things and are doing them in a black way. Students are flexing their physical and intellectual muscles and pressing their governments and universities to shape up, to listen to the people who are the future of this country. Birenbaum suggests that in some ways the black power theme in American life just now is a potentially healthy reaffirmation of the so-called American dream. It is, he suggests, a "declaration of the failure of the dominant, non-black power systems, the breakdown of the power distribution performance of basic institutions. But it leaves open for future judgment the value structure to which power systems still claim to adhere."

Open Confrontation

There is a new sense of boldness among the poor, the young, the black. I might suggest that in some instances the sense of boldness has been out of proportion to an actual ability to effect constructive change. This new sense of boldness has led to conflict and confrontation. Perhaps it is more accurate to say that it led to open confrontation. The conflict has existed for a long time.

The confrontations have focused national and international attention upon many of the problems of our society. We have held hearings and commissions have issued reports and still the problems continue to plague us. As regards the black-white crisis, a follow-up report on events subse-

quent to the statement of the Kerner Commission was published by the Urban Coalition and Urban America. Its conclusion reads:

"The nation, in its neglect, may be sowing the seeds of unprecedented future disorders and division. . . . If the Negro population as a whole develops even stronger feelings of being wrongly 'penned in' and discriminated against, many of its members might come to support not only riots, but the rebellion now being preached by only a handful. Large scale violence, followed by white retaliation, could follow. This spiral could quite conceivably lead to a kind of urban apartheid with semi-martial law in many major cities, *enforced* residence of Negroes in segregated areas, and a drastic reduction in personal freedoms for all Americans, particularly Negroes. . . . We are a year closer to being two societies, black and white, and increasingly separate and scarcely less unequal."

This to me is a frightening forecast, but I believe that this need not necessarily be our fate. (I am told that I am naive by some.) I believe that what we are experiencing in race or human relations is not so dissimilar from what we witnessed in developing our present state of labor and industrial relations that an analogy cannot be drawn and similar conclusions reached.

Neil Chamberlain of Yale University, during a conference on Industrial Conflict and Race Conflict, reflecting on the nature of protest stated, and I believe he puts his finger on it and I quote:

"Every age is an age of protest. There are always some groups—not scattered individuals, but people who are leagued together dramatizing publicly their opposition to some main current of their time. . . . But protest

movements, if they ever move past the stage of protest to become effective, must also move past the stage of passion. *Unless they go on somehow to institutionalize their views in the prevailing mores their efforts are likely to be limited largely to sound and fury.*"

Labor/Civil Rights Movement

He continued, speaking on the comparison between the labor movement in this country and the civil rights movement.

"In the thirties, workers were demanding recognition. In the sixties Negroes were doing likewise. The industrial protest concentrated on fair and unbiased treatment of individuals in their place of work, the civil rights protest on fair and unbiased treatment of individuals in all aspects of social intercourse. The uprisings of the economically distressed thirties sought a more equitable distribution of the fruits of industry in terms of higher wages and better working conditions; the organized protests of the economically prosperous sixties sought, too, a more equitable distribution, though not only in terms of wages and what they could do for the individual, but also in terms of the social dividend and what the individual could not buy for himself even if he had the income, such as desegregated schools and housing."

Granted the similarities there are important differences. But they are differences which I believe do not destroy the value of the analogy. When workers seek recognition we know what they mean. They mean recognition of the union as their representative to negotiate with an identifiable management for specific things. When racial minorities or poor people or students seek recognition, we are not so sure what is being demanded, nor are we sure how one goes about

negotiating equal rights as a member of a society with hundreds of groups and institutions, but we believe that we must make an effort to learn. In some instances we are negotiating. In many more instances we could.

Aims of the National Center for Dispute Settlement

The National Center for Dispute Settlement is a division of the American Arbitration Association. The AAA is a private, nonprofit organization which has been devoted to the idea of furthering industrial and commercial peace for 43 years. Businessmen and labor unions learned long ago the bitter lesson that there is little that can be permanently gained and secured through open warfare. They learned the art of conflict, confrontation, negotiation, mediation and arbitration. And they learned that each of the steps towards resolution of conflict is necessary.

The National Center for Dispute Settlement was established by the AAA under a Ford Foundation grant for the purpose of attempting to transfer what has been learned in the labor relations field and the experiences gained and applying them to the resolution of community conflict. Community conflict as we define it may and does encompass many things, from the police community problem, the landlord-tenant problem and the conflict which has expressed itself between welfare rights groups and public assistance agencies. It includes campus disturbances and problems which arise between black contractors seeking a fair share of the contracts in a model cities program. The term embraces the type of problems which occur when predominantly black groups of employees seek to organize to bargain collectively with a public employer or a hospital.

It is our belief, as I mentioned earlier, that the techniques used by labor and management in the industrial relations circles can be successfully utilized by the parties to a community dispute. The Center for Dispute Settlement is committed to the concept of change in the power structure. We believe that such change is both inevitable and desirable. But we are also concerned about the way in which this change is brought about. We have to accept the idea that many people believe that the power structure has excessively abused or mismanaged power. We believe that generally such abuse or mismanagement should be corrected in an orderly way through the replacement of existing decision-makers with new ones. We believe that one way to accomplish orderly change is to provide people with new forums, new machinery whereby change can be accomplished with a minimum of destruction of life and property and a maximum of people participation. By this we do not mean to suggest that we discourage all confrontation.

We need to provide new people trained in the techniques and sensitized to the needs of our communities. In some instances we even believe that open confrontation is the only way by which the holders of power can be convinced of the need for change. We are not optimistic that landlords in our cities' slums will not refuse, in most instances, to talk with their tenants and heed their cries for better living conditions or for a more equitable use of their rent dollars. We have no doubt but that the major building trade unions will refuse to surrender their hold on the building market and share the benefits of federal contracts until forced to do so. We have little hope that school administrators will relinquish

their control of our nation's institutions of higher learning until the need to do so is made evident by concerted student and faculty activity. Likewise, the heretofore unorganized poor will not surrender their newly found power. There will be confrontation, but open confrontation need not result in destruction. I say this, recognizing that there are those who feel that some things are in such poor shape that destruction is the only thing they deserve. Confrontation can, and we believe should, lead to a willingness to negotiate. By negotiations, we do not mean giving in or compromising by accepting a higher level of accommodation. We mean negotiation in good faith which requires the give and take familiar in the labor field. It requires surrender of power on the part of some and settling for less than the whole hog on the part of others.

Regardless of what is said, I do not believe that students, that is, most students, want to destroy their universities. They do want to destroy some of the social aspects of our university community. They do want to eliminate parts of the power system. Where they destroy property, it is because they are frustrated in their attempts and strike at the symbols of their frustration. I do not believe that most black men really want to destroy their homes and the businesses that provide them with some support, if not enough, but the frustration of being voiceless, powerless, and physically and psychologically hungry in the midst of plenty creates the need in those who do riot to strike at the symbols of their oppression, to destroy the walls that contain them.

What Is the Goal?

If the goal is not to destroy, what then is it? I submit it is to change, change drastically in many instances I admit, but change it is and not destruction. The goal is to share power and plenty.

Again, taking our lesson from organized labor, do we bring about the desired changes by strike alone? Can we burn many plants and still have jobs to bargain over? The answer is, obviously, no. Following the examples of the labor movement we must learn to negotiate, we must learn to use effectively proven tools. We must learn how to use the assistance of a mediator and we must put the desire to end the conflict above our selfish desires to determine our own destiny, in some limited instances. We must know the value of arbitration and know when it can best be used and how to use it.

This is what we, the National Center for Dispute Settlement, are all about. We insist that men, black, poor, and others must have available to them new tools, new forums whereby the opportunity to participate in making those decisions which affect the very fabric of their lives is maximized. We believe that fair and impartial tribunals must be established wherein community people can sit and decide the issues that affect their community. We believe that men must know what to do when the force of their concerted efforts has brought their opposition to the point where it is willing to meet, talk and begin to share. We believe that persons such as yourselves must devote more time to this field—more time to doing—less time to talking. **[The End]**

SESSION II

Finding and Motivating New Industrial Workers

Locating New Plants in Rural Communities

By **MICHAEL F. McCORMICK**

Moore Business Forms, Inc.

THIS PAPER will concern itself primarily with the experience our company had in locating a manufacturing plant in a rural community in southern Wisconsin. However, the company does have several plants located in similar type communities throughout the United States, and the plant and community that will be discussed in this paper are quite typical and similar to these other plants and locations.

This paper will not attempt to set out foregone conclusions regarding the type and/or quality of a labor force provided by rural communities; nor will it attempt to conclude that all rural communities will provide labor forces with the same characteristics. It will merely relate our experience and provide observations about the labor force that we found in locating a plant in a rural community.

Corporate Background

Moore Business Forms, Inc. is the largest manufacturer of printed business forms and systems in the world. The products manufactured include every type of business form for any type of business, industry, or institution, ranging from simple sales checks up to specialized continuous multi-copy forms used in computer installations. We are basically a printing operation although we must concern ourselves with several other important operations in the manufacturing of specialized business forms. Some of these activities include collating and constructing the multi-copy forms, manufacturing our own carbon paper, and slitting paper to specific widths.

Corporate headquarters for the holding company, Moore Corporation Limited, are located in Toronto, Canada, and there are four geographic divisions in the United States—Eastern Division, Southern Division, Pacific Division and Central Division. There are 32 manufacturing plants spread throughout these four divisions. The cor-

poration operates on a decentralized concept and each division has a great deal of autonomy. Each division operates branch plants and these also have a certain amount of autonomy. Most of these branch plants, especially the newer ones, are relatively small (200-300 employees) and manufacture a specialized line of product. Also, most of these plants are located in medium-sized or small rural communities.

The sales force is made up of professional salesmen who are not only selling the physical form itself, but are also creating and selling improved methods and better forms-systems. The salesman may design a form for a customer's particular need, submit the order to the plant, and it then becomes the plant's responsibility to manufacture the form as the salesman has specified, so long as it is within the limits of our equipment capabilities. These salesmen work out of district offices located in larger communities and cities. For example, we have 490 salesmen in the 11-state area that comprises the Central Division of Moore.

Our Experience in Monroe

Description of Monroe.—Monroe, Wisconsin is a small farming community located in the southern part of the state. It has a population of just over 8,000, and six very small surrounding communities within a 15-20 mile radius provide a combined population of approximately 3,000. The primary industry in the Monroe area is and always has been farming, especially dairy products and cheese-making. Monroe is probably best known for its cheesemaking industry, even though this has been diminishing in recent years.

Monroe also has a well-known and substantial medical clinic. Other industries in Monroe include a small

brewery, a tire recapping business and a potato chip business. There are two firms in the simple electronics field whose operations consist of light assembly work and their work-force consists mainly of women.

There are cities in a 30-50 mile radius of Monroe that do contain some heavy industry—Madison, Beloit, and Janesville, Wisconsin, and Rockford, Freeport, and Belvidere, Illinois.

The ethnic background of a large portion of the population in the Monroe area is Swiss or German.

Reasons for Locating in Monroe.—There are many factors included in our decision to locate in Monroe, or in any other rural community. Some considerations are: availability and cost of land, and land that will afford future expansion if necessary; tax considerations; transportation facilities and proximity of the plant to the markets it will serve; acceptance by the community; and facilities provided by the community.

However, one of the prime considerations is manpower factors. This stems from a Moore philosophy that the personnel within the company make up one of the most important ingredients for our continued success. Another reason for this concern is the fact that we operate almost exclusively on a promotion-from-within policy. An illustration of a "typical" promotion pattern would be to hire a person into an "entry" position such as material handler or general helper, promote him to machine operator (through the more complicated machines), and finally to our top classification of pressman or maintenance mechanic. In evaluating the manpower and labor force potential we consider:

(1) Availability of labor from the local community, the surrounding areas, and what industries are competing

for this labor. We also try to project the future prospects for labor.

(2) Quality of labor in terms of mental abilities, mechanical abilities, and general "industriousness."

(3) Type of labor in terms of what present skills are possessed and what training facilities are available in the community.

(4) The "balance" between cost-of-living and cost of labor. That is to ask, is this a low pay-high cost-of-living area, is the reverse true, or is some balance present?

After measuring all of these factors, we decided that while Monroe was not ideal in all respects, it did provide most of the ingredients we sought in a plant location.

We began building in the spring of 1966 and the plant began operations in November 1966.

Initial Recruitment and Selection Experience.—In October 1966, through news releases and publicity, we let it be known that we would be opening the plant in the near future and were ready to begin taking applications for employment. As can be expected, we encountered many people with a "come-and-see" attitude. We purposely did not specify the exact types of positions we had available nor what types of backgrounds we were interested in, but did state that we provided on-the-job training. (In addition to personnel with clerical skills for office work, we basically need individuals with good mechanical abilities and/or aptitudes and a tolerance for detail in our production operations.) This caused many people to apply who did not have the qualifications or background that we needed, but it did give us the opportunity to interview a cross-section of people from the community and tell them about the company and what we had to offer. We found that word-of-mouth spreads very rapidly

in this type of community. Through this technique we were able to secure the number of qualified people we needed to begin operations. We did, however, encounter some difficulty in securing qualified people as we needed them over the next two years. This point will be discussed in more detail later.

We observed certain traits in the people with whom we came in contact that affected our recruitment and selection techniques. We found that most of them were unfamiliar with business selection procedures and in some cases selection terminology. For example, many wanted an answer immediately as to whether they were hired or not, many refused to take a test of any kind, and many had quit school to help on the farm.

However, at this stage we were screening rather tightly because we were in effect looking for the "backbone" of our future labor force, knowing that with our promotion-from-within policy many of these people would become our future leadmen and foremen.

Continued Recruitment Experience.—As stated previously, we encountered some difficulty in securing qualified people over the next two years. We experienced a steady growth in our operation rather than sporadic jumps which required that we recruit almost on a continuous basis. In evaluating this difficulty several contributing factors became apparent:

(1) It was an extremely tight labor market and we were, in some cases, competing with large industries in some of the surrounding cities.

(2) We recognized a strong reluctance to change; sort of a "bird in the hand is worth two in the bush" attitude.

(3) We also encountered a general suspicion of industry which we could

only trace back to the fact that there had been very little contact with industry in the past.

(4) Many people were not concerned with fringe benefits and/or insurance programs. It seemed that because of their farming background they had either set these programs up on their own or did not realize the importance of these programs.

(5) Many seemed to be concerned with money in the pocket today and were not concerned about or "sold" on potential earnings.

(6) Most did not like night work, especially on a rotating shift basis which is what we offered.

We tried several means of attracting qualified people. We used newspaper want-ads, radio and TV want-ads, news releases and publicity, and personal contacts—all with mediocre success. We finally decided to hold an open-house to expose as much of the community as we could to our operation. (This had not been our policy in the past due to equipment innovations and "trade secrets" in our industry.) This took place in October 1968 and proved to be a well-received and useful activity which "broke loose" the labor market. It seems that once people were able to come and view the operation and building, much of the suspicion subsided and the "word-of-mouth" spread faster than ever. At present we are experiencing no problems in recruiting and retaining qualified people.

Observations on our Present Labor Force.—The observations listed below, as stated in the introduction, are not intended to be foregone conclusions. However, we have found some characteristics in our labor force that seem to be rather typical of rural areas. We also encountered particular situations and experiences that stemmed from the fact that we were located in a rural community.

First of all, our overall evaluation of our personnel in Monroe is that they are generally hardworking, well-motivated, and take pride in their work—regardless of what type of job they are performing. This is evidenced by the small number of errors in production, the concern registered by someone when he makes a mistake, and the fact that we have experienced very few disciplinary or absenteeism problems.

They are very honest and forthright in their dealings with others and they expect the company to be the same. They will not tolerate paternalism in any way, nor will they tolerate a strict autocratic method of operation.

They seem to learn things a bit slower than what we have seen in more industrialized areas, but they also seem to retain it better. They are very much concerned with the "why" of what they are learning. We find that in many cases we have to prove our methods to them, but once they are convinced they are 100 per cent behind you.

One big advantage that we have found is that most of them are very mechanically inclined and have worked around and repaired machinery on the farm. We find this practical experience more valuable than simply having mechanical aptitude.

They are not concerned with extra holidays and long vacations. Unless the entire community is celebrating a holiday, they would rather work that day. Very few have expressed any interest in more than two weeks' vacation. However, now that some have been on the payroll for a year or more, they are beginning to realize the importance and impact of the entire fringe benefit package, especially the insurance programs.

As one might expect, they do not like to be "cooped up" and enjoy the

outdoors and fresh air. We have had a few people terminate because they could not adjust to working inside and adhering to a set schedule, even though we do not have time clocks. We found that the concept of night work was quite distasteful to most people. This was especially true in the Monroe case since the plant was set up on a rotating shift basis. They have since asked to go on a permanent shift basis which we probably will do. We find that some prefer nights in order to do some farming during the day.

We found a high incidence of color blindness in the community which is a factor in our operation. However, the significant point here is that in this type of community, where so many people are related, any heredi-

tary problem will be spread through the community in a higher percentage than normal.

We have a policy of not employing close relatives which we found to be quite confining, partly due to the number of large families in the community.

Conclusion

As mentioned previously, this paper sets out what our experience was in locating a plant in a rural community and observing some characteristics of the labor force provided by a rural area. I hope some of these observations can provide a basis for discussion on the merits of this kind of a labor force in order to arrive at a true evaluation of the potential provided in these areas. [The End]

Labor Unions and the New Industrial Worker

By **MERLIN TAYLOR**

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THE WORD "NEW" is inaccurate in describing the industrial worker we are discussing in this panel.

The conglomeration of ethnic and geographical origins involved is too complicated to describe simply as "new." If, by the phrase "new" industrial worker, we mean the black worker, he has been around for a long time. He has just never been used—except when no one else was available for the dirty work or in times of crisis when the country had to be temporarily color-blind. Let us go back a little in history.

Background

From 1890 to 1930, a total of 22.3 million Europeans migrated to the United States. Many—the Irish, the Germans, the Poles, the Italians—found job discrimination waiting for them. But the industrial revolution needed men to run the new machines, and gradually the immigrant was absorbed into the economy.

The technological revolution in agriculture resulted in a social upheaval of equal magnitude. It brought about a massive wave of farm-to-city migration that is still not over. In 1940, 30.5 million Americans lived on the farm. By 1960, this number had decreased to 10.7 million. By January

1968, only 7.5 million Americans were left in rural areas. Most of the 20 million men and women who had migrated, relocated in the highly industrialized urban areas of our nation.

Technological advances had already spelled the destruction of jobs in coal mining and railroading and in the shifting textile industry, but in terms of sheer manpower none of these compared with the effect on the farms and on the blacks who did the farming. The geographical areas hardest hit were the Southeastern and Southwestern states where practically all manual labor was performed by blacks and browns. The Southern black, in particular, had no civil rights and was economically chained to the land where his only prospect was idleness, hunger and despair. And so the exodus to the cities accelerated.

The social dislocation of the Negro began after World War I. The new industrial giants of the country had a plantation policy of their own. Down through the corporate structure, each level of supervision built its own insidious barriers to keep out blacks. As a result, only the crude, least skilled and menial tasks in industry were given to the black.

The unions of the time reflected this structure: they had fought long and hard to protect the worker on the job through the seniority system, but if blacks were the last to be hired, seniority alone could not protect them. If blacks were restricted to the dirty jobs, their chance of moving upward was nil.

It is therefore not surprising that blacks often looked upon both industry and organized labor as their enemy. Many companies cynically used this black despair to their own advantage, recruiting black workers as scabs during union organizing drives. In fact, much of the anti-Negro attitude

found among some older trade unionists dates back to this period.

Emergence of "New" Industrial Worker

But with World War II, all of this began to change. Men were being called into the army and industry tooled up to meet the country's defense needs. As the furnaces of the great Northern and Western complexes poured out the hard metals and hardware necessary for the war effort, the black worker's potential was suddenly recognized. He became the "new" industrial worker, although in many areas, blacks had been filling the needs of our industrial giants—in a menial capacity—for two and three generations. Now they were being given a chance to work at the jobs that really made industry go. Along with women, they were called upon to fill the void left by men who had gone into military service. Of course, the women coming into the labor force at this time were not looked at as *new* workers because they were the mothers, wives, sisters and relatives of the *permanent* industrial workers who were temporarily absent from the bench or the mill. In other words, they were white.

Under the maintenance-of-membership contracts signed in basic industries during World War II, Negroes began to make up a significant portion of the membership of industrial unions. The demand for a fair employment practices law became an insistent one. Black men who were risking their lives for their country fought against discriminatory practices in the armed services. In 1954, the Supreme Court declared segregation in the schools to be illegal.

The ferment of the times had its effect everywhere—including the labor movement. In the AFL-CIO, A. Philip

Randolph, president of the all-black Brotherhood of Sleeping Car Porters spoke out and stirred the nation's conscience. One by one, unions began to act to end discrimination in their membership. In 1940, 26 international unions had formal color bars; by 1960, none did. By 1960, the Federation had established an image and a posture which was aggressively in favor of fair employment practices for all workers and civil rights for all persons. The labor movement was reasserting its historic role of helping new workers become a part of the economic mainstream. What they had done for the German, the Irish, the Jew, the Italian, they were now pushing to do for the black man and woman.

AFL-CIO Civil Rights Department

But no one institution in our society can compensate for the injustice of hundreds of years. To simply eliminate overt discrimination was obviously not enough; it was necessary to reach out across the barriers that were everywhere and it was necessary to do this without sacrificing the protections and safeguards that union members had fought and died for on battlefields as bloodied as those of the civil rights movement. In 1958, the AFL-CIO established a civil rights department. Its job was not only to write speeches, issue pamphlets and lobby on Capitol Hill. It also was given the less glamorous, but equally meaningful, jobs to do—such as convincing some 3,000 segregated locals, black leaders as well as white, to merge—such as opening up apprenticeship programs in the crafts to minority youth. It was slow, arduous work. But segregated locals have all but disappeared. And in two years of effort, nearly 3,000 black and brown young men were placed in apprenticeship programs.

AFL-CIO Urban Affairs Department

In 1968, the AFL-CIO established a Department of Urban Affairs. Again, its job was not simply to supply names for mastheads of the many new organizations which proliferated as the urban crisis deepened nor to prepare learned papers on how to solve that crisis; its first priority was to encourage the investment of union pension funds to help build adequate low-income housing to meet the desperate need that exists in all our cities.

The HRDI

Traditionally, the labor movement in America has first attended to the needs of its members, and black and brown workers are now a significant part of that membership. But it has also stepped into significant areas of concern that affect *all* Americans—and the struggle to end racial tensions is the most recent of its efforts. Just seven months ago, the AFL-CIO made a major commitment to do something about a significant aspect of this racial crisis—the problem of hard-core unemployment. It established a new, nonprofit corporation, the Human Resources Development Institute, headed by AFL-CIO President George Meany and housed in the AFL-CIO headquarters building in Washington. With the help of a \$2.5 million contract with the Labor Department, HRDI has hired and trained AFL-CIO manpower representatives in 50 key cities with severe hard-core unemployment problems. Our goal is simple but basic—to increase union involvement in meaningful manpower programs at the local level.

For example, we are currently engaged in a cooperative venture with the National Alliance of Businessmen, which we call the “Buddy” program. This program was devised when it became clear that, with the best will

in the world, companies that were hiring the hard-core unemployed were unable to keep them on the job. There were many reasons—all related to the years of frustration and lack of a positive work history that characterize the disadvantaged. The philosophy behind the “Buddy” program is a simple one. In the best tradition of the labor movement, we are recruiting volunteers in the plant who agree to become “buddies” to new employees and stick with them at least until their probationary period has passed. The value of this kind of personal “one-to-one” support to the new hiree has been proved by the increase in the retention rate that it has made possible. And, judging by the response from our “buddies,” the rewards may be just as great for them.

Incidentally, this venture is a truly cooperative one. The companies reimburse the “buddies” for lost time during the two-day training sessions, the unions usually pick up the incidental expenses, and the employees contribute the off-the-job time that is involved in being a successful buddy. So far, we have had “Buddy” training programs in six cities and have trained 78 men and women from 18 international unions.

This is just one example of our cooperation with NAB. The NAB, as you know, was established to involve the private sector more deeply in providing employment for the disadvantaged. As an added inducement, the federal government has made federal training funds available to those companies who wish to use them. These funds may be used to defray extraordinary costs involved in adequately training the hard-core unemployed. Under the new NAB/-JOBS program (MA-5), funds will be available for upgrading training

in those plans which participate in hiring the disadvantaged. The new MA-5 also provides that union concurrence is required for any contract with a company that is operating under a collective bargaining contract.

It is expected that HRDI representatives will be involved in this MA-5 operation in several ways—helping to promote the program with those unions whose participation is needed, providing technical expertise to all involved in preparing a contract proposal, working out any problems that arise in the collective bargaining area, and setting up the “Buddy” program where it would be feasible.

Our representatives are already involved in working with the many outreach programs that have been set up to increase minority youth participation in apprenticeship programs. Under these programs, minority participation has tripled in the last eight years. Depending upon the city involved, our HRDI representatives will be working with local building trades councils, the National Urban League’s LEAP program and the joint apprenticeship program of The Workers Defense League/A. Philip Randolph Institute.

In conjunction with the extension of our outreach efforts, HRDI will be involved in the development of training for the manpower component of the model cities program. We expect that our HRDI representatives will provide some of the dialogue between the minority community and the building trades that is needed to fulfill that section of the model cities law that requires maximum utilization of model city target area residents to be trained for rehabilitation and construction jobs. In some cities, our representatives are already serving on model cities planning boards.

HRDI representatives are also serving on the boards of CAMPS (Comprehensive Area Manpower Planning Systems) in many areas, despite the newness of this operation. One representative serves on the Statewide CAMPS Board (West Virginia), and representatives are serving on area CAMPS Boards in Atlanta, Cincinnati, New Orleans, New York, Oakland, Omaha, Pittsburgh, Portland, San Diego, Seattle and the District of Columbia. Once the CWTP (Comprehensive Work and Training Program) is functioning, we will be involved there too. All local manpower programs must be approved by CWTP before being submitted to CAMPS. HRDI representatives are also providing working support for CEP (Concentrated Employment Program), the

overall umbrella under which all services in target unemployment areas are expected to operate.

HRDI, in short, will provide a special kind of union-oriented manpower expertise and will make this expertise available to federal agencies, NAB, unions and the community at large. It is expected that this will eventually lead to actual union sponsorship of innovative manpower training programs in areas where needed. Certainly it will increase the awareness of the union member of the special problems of the "hard-to-employ" in our nation's cities. Hopefully, it will make the labor movement more "relevant" to those unemployed men and women whose lives have not given them reason to trust anyone in the system. **[The End]**

AVCO's Experiment in Roxbury

By RONALD NEAL

The AVCO-Roxbury Project

THE SEED for the AVCO-Roxbury experiment was unceremoniously planted in October 1967. At this time, Vice President Humphrey invited James R. Kerr, President of AVCO and eight other industrialists to Washington to discuss industry's involvement in the inner city crisis. Since Mr. Kerr liked the idea of locating industry in the ghetto, he named a committee and told it to find ideas for a ghetto plant that would *not* be dependent on the government; that would do commercial rather than defense work, since defense work was subject to a peak and decline syndrome; and last but certainly not least, that the idea should be profitable within three years.

The committee decided the "ghetto" plant should be a printing plant, which would handle primarily all of AVCO's in-house printing work (which is in excess of \$3 million annually), and eventually branch out into contract work for other firms.

The AVCO seed was nourished by one government contract of \$1.1 million from the Labor Department which would be matched by AVCO for recruiting and training of workers. However, before recruitment and training could begin, the nine-man AVCO administrative team, headed by Robert Earle, began an intensive dialogue with members of the Roxbury community. This dialogue with members allowed the community to share in the initial planning and implementation of the

program's goals and objectives. The dialogue also helped to dispel fears of the community regarding exploitation and temporary employment. Since Mr. Earle included in these initial sessions all segments of the Roxbury community, there was almost no opposition to the program, even from so-called black militants.

Recruitment

Recruitment and training was a year-long process. Recruitment of trainees was facilitated by utilizing existing agencies (Urban League, OIC) and also by dispensing with conventional

criteria for hiring such as past prison records, job irregularities and poor work records. The primary criteria was motivation, as it could be ascertained through personal interviews. Most of the trainees have come from ex-convicts, mothers on welfare, hard-core unemployed, and part-time or those employed at marginal jobs. In addition to the applicants who applied in person, ex-drug addicts and ex-convicts were actively recruited from Deer Island and other institutional settings. Recruitment began in January 1968. At this point, one year later, the turnover is less than 35 per cent.

Program Beginning Date—January 15, 1968

Employee Breakdown

Number of employees	170
Number of tradesmen	32
Number of black tradesmen	25
Number of trainees	91
Number of trainees in production	74
Per cent of turnover	36%

Current Mix Percentages

Blacks	84%
Puerto Ricans	9%
Whites	7%

Before training for the trainees began, a "lock-up sensitivity" training session for the administrative staff was held to sensitize the middle-class orientated administrators to attitudinal and behavioral characteristics of the trainees. This sensitivity training also involved self-introspection of individual prejudices and recognition of the defensive facade used to cover such prejudices.

Training

Training was divided into four areas: orientation; on-the-job training; remedial education; and counseling.

Orientation originally consisted of two weeks. During this phase the

trainee received instruction in the following classes: world of work; communicative skills; family living; shop math; and political and social history of minority groups—with emphasis on black history and Spanish American history. Group counseling sessions were held daily to encourage verbal interaction and to supply reinforcement and support where needed. Later the orientation period was shortened to five days and the courses were delivered in a more compact fashion. (It appeared the trainees became somewhat bored around the seventh or eighth day when the two-week program was used.) Approximately one hour per day during orientation was allotted to the familiarizing of trainees

to all areas of the printing operation. Assignments to specific areas were made on the last day of orientation and attempts were made to assign the trainee to the area he desired whenever this was possible. Also, shift allowances were made for working mothers who had to secure baby-sitters during certain hours.

After orientation, on-the-job training commenced on an eight-hour basis. (Trainees needing remedial education were allowed one hour per working day for this purpose.) During the next 20 or 21 weeks the trainees' progress is watched closely by his supervisor, a job coach (an indigenous counselor-type not necessarily possessing a degree) and his remedial education instructor. The evaluations of the preceding members of the training department would be analyzed and discussed with the trainee by a professional counselor.

After the first 21 weeks each trainee is provided with a progress chart designed to indicate to both the trainee and instructor the completion of each step in the trainee's development. The progress charts were developed from specialized curricula prepared with regard for the specific characteristics of each occupation and the corresponding equipment to be used.

The idea of individual progress charts has eliminated some of the problems we originally encountered in our attempts at the collective programming approach to training. The present concept allows the trainee to progress at a rate he can produce quality work at each stage of his curriculum.

Remedial Education

The nature of the printing industry requires at least basic ability in the areas of reading and shop mathematics. The educational concept at AVCO-Roxbury is centered around the idea of education designed to meet the needs

of trainees as it pertains to their specific occupation. In short, the curriculum is occupation oriented.

A teacher-pupil ratio of 7-1 allows for an informal approach and minimizes the development of self-conscious, threatening situations. The small teacher-pupil ratio also promotes verbal interaction in trainees who have previously felt insecure in verbalizing when not in familiar company.

Though basic instruction in phonetics, vocabulary and grammar is given, the trainee is never asked to suppress the language he brings to the learning situation. To ask one to suppress "his language" (in this case mostly slang) is equivalent to demanding that he suppress his identity, and all the defenses that go with it. Since it is part of our program to establish black identity, imposing restrictions even in language, except in the case of vulgarities, would be an immediate contradiction to part of the initial philosophy.

Many educational aides and devices are used in our Remedial Program. However, the following have proven to be the most effective: The Science Research Associates (SRA) Reading Laboratory, *The Pilot Library* and the Controlled Reader. Daily newspapers and periodicals were also used. Audio-visual aides such as movies, tape recorders and earphones for allowing the trainee to hear himself perform, were also employed.

As a result, reading levels for some trainees have been raised at least three years during the last year.

Counseling

Counseling at AVCO-Roxbury is divided among two professional counselors and one indigenous coach. The ethnic make-up of the counselors is one Euro-American, one Afro-American

and one Spanish-American. Since initially all three counselors worked from 8:30 to 5, it made contact with trainees on the second and third shifts difficult. Counselors began working on a 24-hour basis (one counselor per shift) after the total loss of man hours began to increase. Two months later the total loss of man hours had dropped from 17.9 per cent per month to 5.2 per cent per month. The counselors were able to handle problems immediately in most cases, whereas before absenteeism and lateness were not noticed unless referrals were forthcoming from the second and third shift supervisors.

The role of the indigenous job coach has been modified. Initially, the job coach acted as a "middle man" or "go between" for the trainee and supervisor. However, it became apparent that this arrangement did not allow the supervisors to interact with the trainee enough. The job coach was removed from the working situation and placed in the role of field worker. Here the job coach was utilized as a "case worker" type. He was given the task of going to the homes of trainees who had not reported to work and once there, would try to ascertain if the trainee would be returning to the work force.

The present site at 716 Columbus Avenue, Boston, Massachusetts will be utilized until approximately May 15, 1969. At this time we will relocate to a new facility at 188 Geneva Avenue, Dorchester, Massachusetts. The present site consists of 35,000 square feet divided equally between two floors. The new \$1.2 million plant will have floor area of 60,000 square feet. It will include a day care center, cafeteria, training facilities and an out-

door playground. A full web and sheet press operation will also be activated in the new plant. At present, on-the-job training in the occupations of pressman, platemaking, stripping, bindery, and camera is offered in addition to clerical positions in accounting and production control. The new facility will allow for expansion and more technically oriented training in the above categories and will also include an advanced composition function, the foundation of which is the 713 Photon photo-composition system. Training on the 713 Photon will be the first of its kind in an *inner-city training program*.

The result of the foregoing is that the AVCO-Roxbury plant is now functioning with a black general manager, in addition to black managers, in the following areas: marketing, accounting, graphic arts, production and administration. There are more black journeymen located at AVCO-Roxbury than at any other single printing plant in Massachusetts. There are more black varitype operators at AVCO-Roxbury than in the whole State of Massachusetts. The white administrators who were to work themselves out of a job in three years have for the most part succeeded in a year.

The new plant will house new equipment valued at over \$1.2 million.

The final test of a business is, of course, financial profit. Financial profit should become a reality at AVCO-Roxbury, if the present trend continues, by late this year. However, the profit in human dignity and growth far exceeds the financial profit. And it is this profit in human dignity which makes the experiment in Roxbury one of consequence. **[The End]**

Finding and Motivating New Industrial Workers

A Discussion

By JOHN C. SHEARER

Manpower Research and Training
Center, Oklahoma State University

THE MOST INTRIGUING ASPECT of Mr. McCormick's paper for me is that related to the company's difficulties in securing people, after initial staffing, for a gradually increasing growth over a two-year period. Usually the most significant lure which many rural areas have for attracting industry is precisely an ample supply of potentially good quality labor. Indeed, the "availability of labor" is the first of the manpower criteria listed in the paper.

I would like to know more about why the supply of labor tightened. From the information given us, I suspect that the company's own actions may have contributed substantially to its difficulties. In its initial recruiting the company purposely did not specify the exact types of positions it had available nor the types of backgrounds it sought. The company thus made "the opportunity to interview a good number of people from the community and tell them about the company and what we had to offer. We found that word-of-mouth spreads very rapidly in this type of community."

I suggest that this strategy of non-selective blanket coverage of employment interviewing, largely for public relations purposes, involves a perversion of the main function of recruiting activities, which may have con-

tributed substantially to the company's subsequent recruiting difficulties. The word-of-mouth communication system probably did work very efficiently, but what it told about the company probably emphasized that there was very little likelihood of being hired—thus discouraging applicants. Even the most appropriate applicants may have been discouraged for they had no specific information about types of positions or desired backgrounds. It is not therefore surprising, nor is there any adverse reflection on later applicants, that "they wanted an answer immediately as to whether they were hired or not." The company's recruitment strategy seems to have contributed to the drying up of the supply of labor available to it. Once the company literally "opened up" to the community, through an open house program, the difficulty disappeared.

Unfortunately, the paper tells us nothing about the wage situation. How did the company's wages compare with those offered by other employers in the area? Did the company increase wages in an effort to improve its recruiting results?

One factor which encourages many firms to locate in rural areas is, quite understandably, not mentioned in the paper, but it is one of particular interest to this group. This is the attractiveness of areas where union influences are scarce or weak. It would be interesting to know how important such a consideration is in the decisions of firms concerning rural locations,

to what extent new rural plants have remained nonunion, and what differences, if any, avoidance of unionism may have made with respect to labor costs per unit of output compared with similar unionized operations.

I believe that the experiences of firms such as Moore Business Forms which have extensive operations in rural areas should be analyzed carefully by outsiders. What they have learned should be invaluable to many firms and to the nation which, I believe, will continue to suffer increasing economic and especially social costs of the continual concentration of new job opportunities, population and crises in our already overburdened metropolitan areas. Rural industrial development may provide the most feasible antidote to the problems of rural poverty and its transmission to the cities through the movement of rural people to urban ghettos. Unfortunately, as yet we know far too little about the economic and operational advantages and disadvantages offered firms by rural areas.

Mr. Neal's paper enumerates several very special efforts toward the success of the Avco-Roxbury project including:

- (1) considerable help by the company to assist Negro contractors in constructing the new plant,
- (2) forbearance by the building trade unions in staffing the construction with Negroes,
- (3) ignoring of prison records and poor work records in hiring,
- (4) major investments in orientation, remedial education and counseling as exemplified by the ratio of one teacher to every seven employees, and
- (5) intensive efforts to reduce absenteeism, including home visits by the personnel manager after one day of absence.

This recitation makes one wonder whether these costly efforts, all very important to success, will survive any significant profit squeeze on the company or any significant loosening of the labor market. Do they represent a fundamental reevaluation of company policies or are they merely symbols of tokenism? I sense here a possible parallel to Fred Harbison's immutable law of economic development which holds that every underdeveloped country, in order to demonstrate that it is part of the modern world, must have a steel mill and an international airline—no matter how much money they lose. Perhaps every major corporation now feels that it must establish a *small* ghetto operation in order to demonstrate that it is meeting its social responsibility.

Two features of the AVCO-Roxbury project are especially praiseworthy and are often absent in other job programs for the hard core. The first is the careful establishment of career ladders made meaningful by continuing OJT to upgrade skills. This contrasts with the dead-end problem which confronts many other projects. The second is the sensitivity training of the incoming professional staff personnel to the problems of Negroes in the area, which seems to have contributed substantially to getting the project off to a good start.

With respect to Mr. Taylor's paper it is certainly encouraging to learn that the unions are at last getting on the bandwagon. With some notable exceptions, such as the UAW, the unions' record with respect to equality of opportunities has been at least as terrible as that of universities, businesses, governmental bodies, especially at state and local levels, and of religious groups. Among the promising signs is a statement recently made to me by an international representa-

tive in Louisiana that 75 per cent of his time was spent on civil rights and race relations matters.

Progress in opening up job opportunities for the disadvantaged will be very limited without the full cooperation of organized labor. The "buddy system" which the paper describes is fine, but a far more important test for the unions will be how they manage, under government pressure, to integrate separate black and white seniority lists.

With respect to both the Neal and the Taylor papers, the programs they describe do recognize that even sincere commitment by top management officials may, in and of itself, have very little effect on what takes place where the action really is, that is, on the shop floor. This is precisely the domain of first-line supervision (an area of concentrated effort in the AVCO-Roxbury project) and of the unions.

[The End]

University Governance: Workable Participation, Administrative Authority and the Public Interest

By HOWARD R. BOWEN

President of the University of Iowa

HUMAN RELATIONS IN THE UNIVERSITIES are, I suppose, at about the same stage as were industrial relations in the 1930s. Then there was a bitter and passionate struggle for power marked by sit-down strikes, sabotage, intimidation, violence, invective, charges of communist influence, court injunctions, and most of all, hurt feelings and wounded pride. Out of that struggle came the organization of great industrial unions, a vast body of law and custom to regulate industrial relations, a numerous corps of labor negotiators and industrial relations experts and eventually an ability to operate a large portion of the economy under collective bargaining with substantial power vested in labor unions. Possibly, in the universities today, we are in the early stages of a comparable process.

Relationships in the universities are, I think, vastly more complex than those in industry. Charles Frankel made the distinction clear when he said:

"There is a fundamental respect in which the administrators of a university are in a different position from the managers of a company. The university administrators cannot create a total plan of work, define jobs within it, and then assign individual workers to them. Of course, now that labor unions have the power they have, managers cannot do this as easily as they once could either. But the difference between their position and that of university administrators is still very great. The product of a factory is a corporate product to which individuals contribute. The product of a university is many separate, individual products, for which the corporate arrangements provide protection and support, but for which

the individuals have basic responsibility."¹

The system by which universities are governed or controlled is rapidly changing. The question being asked everywhere is: How should influence and power be distributed among the many agencies and groups who are only too eager to take part in directing the affairs of universities. Some of these groups are external to the institution and some internal and the university is caught in a kind of crunch between these two sets of forces. Among the external groups are federal and state legislative bodies, federal grant-awarding agencies, state administrative officials, state coordinating boards, accrediting bodies, and foundations and other private donors. The influence of the external groups affects the autonomy or independence of the university; that of the internal groups affects the decision-making process for matters remaining within the discretion of the institution.

I shall be concerned primarily with internal decision-making. It is possible, of course, that the several internal groups within the university may be contending for shares in a diminishing amount of institutional authority. The self-governing power of institutions is probably being whittled away by the outsiders.

The five internal contenders for influence and power are: the governing board, the administration, the faculty, the students and the nonacademic staff. Some of these groups tend, however, to splinter into sub-groups. For example, there are clear differences in outlook between senior and junior faculty. The graduate assistants do not identify fully with either faculty or students. The graduate

and advanced professional students do not wholly share the interests of undergraduates. Black students and other ethnic minorities are showing signs of separatism. The nonacademic staff tends to divide into fairly distinct white-collar and blue-collar groups. The white-collar group is of special interest because of its increasing number and importance. It includes hundreds of well-educated persons, keenly interested in university affairs, yet neither "faculty" nor "administration," namely: scientists, nurses, technicians, doctors, librarians, secretaries, administrative assistants, engineers, supervisors, etc. Each of the several sub-groups organizes into councils, senates, or unions, each seeks to participate in decision-making, each seeks elaborate due process in personnel actions, and each asserts rights, privileges and immunities for its members. Each sub-group has its activist leaders and its passive majorities. The number of separate internal groups contending for a place in university governance ranges from eight to twelve or more.

Traditional Governance

Formal authority in most universities has resided in the governing board (subject to state and federal law and the provisions of charters). The governing board, however, has delegated management to the president subject only to broad policies and periodic review. The board has been kept informed, has been regularly consulted on broad policy questions and in emergencies, but has typically relied upon the president for most decisions. The president (in close association with his administrative colleagues) has conducted public relations, fund-raising, business management, finance, extracurricular student life, budget-

¹ "Student Power," *AGB Reports*, Association of Governing Boards of Universities and Colleges, April 1969, p. 3.

ing, building programs, long-range planning, and general leadership and coordination. Most academic decisions—on curricula, teaching methods, research programs, degree requirements, and academic appointments—have been made by the faculties subject to very general review by the president. The faculties have also been consulted increasingly on many matters outside the strictly academic realm. The formal role of students, graduate assistants and nonacademic staff has been minimal though their informal influence has been considerable.

The underlying theory has been that the president in consultation with the board is the responsible decision-maker. Strictly educational and research questions are delegated to the faculty subject to general review. On nonacademic matters, the faculty and others participate only as consultants and advisers.²

This pattern of university governance is being widely criticized and the faculty, students, nonacademic staff and their sub-groups are all clamoring for increasing influence or authority, and all are forming councils, senates or unions to exercise the power they hope to get. The theory is widely advocated that a university is a self-contained democracy in which the "people" are the members of the community or some sub-set of these members.

² This description of the role of faculties by no means corresponds to conditions in all institutions. Many faculties are only emerging as influential forces in university affairs. Few are satisfied with the degree of their power and almost all are seeking to extend it—first in the academic realm and then in other areas of university policy. Some interesting and insightful statements about academic governance are: W. Donald Bowles, "Student Participation in Academic Governance," *Educational Record*, Summer 1968, pp. 257-62; Mark Beach, "Professional Versus Professorial Control of Higher Education," *Educational Record*, Summer

Universities the world over are confronted with the issue of broadening formal participation in governance. Probably no institution anywhere has achieved a satisfactory solution which permits all parties to participate equitably and usefully, and yet enables the institution to act decisively and to have coherent policies in the public interest.

In the endless talk about governance, emphasis seems usually to be placed on the *rights* of individuals and groups rather than on the soundness and timeliness of decisions. That broadened participation would result in better decisions, in the social interest, is seldom claimed. Rather, it is implied that if only a particular group had a larger role in the decision-making process the interests of *that group* would be more fully achieved.³

It would seem that rights, though important, are only one consideration. The question of governance should be considered also in relation to other goals. For example, a good system of governance would enable the university to be a progressive institution responsive to the changing needs of its members and of the society it serves. A good system would be compatible with improvements in education, research and intellectual vigor. It would encourage rising efficiency of operation. It would foster reasonable order and discipline without in-

1968, pp. 263-73; Julian F. S. Foster, "A Political Model for the University," *Educational Record*, Fall 1968, pp. 435-43. Professor Foster's article is particularly instructive in that it contrasts actual with formal distribution of power within the university and contends that the governance of a university is more like that of a body politic than of a corporation.

³ An example of a detailed statement which emphasizes rights and interest with little mention of the soundness of decisions is: American Association of Higher Education, *Faculty Participation in Academic Governance*, Washington, 1967.

fringing upon free thought and expression. It would not get in the way of prompt and decisive action.

An objective observer of present trends in the governance of higher education can hardly escape the suspicion, if not the conclusion, that the system of governance of the recent past gets low marks for progressiveness, educational advancement, efficiency, order and decisiveness. And it is not evident that current developments in governance are leading to better results. What is needed is progress toward a system of governance that harmonizes the rights of constituent individuals and groups with the social responsibilities of the organization. It is possible, I think likely, that concern for rights can be compatible with, even contributory toward, the other important needs and goals. But the formula for this happy result has not yet been found.

In some ways the current discussion of power in the university proceeds from a false assumption, namely, that the several groups have not had power, or least great influence, in the past. Obviously, all have had substantial power whether or not formal structures for its exercise have existed. A university that has not responded to the needs and wishes of faculty has not been able to retain competent teachers and researchers; a university that has not met the needs and wishes of students has not been able to attract students or to interest them in its program; a university that has not paid attention to its administrative and nonacademic staffs has fallen into deep trouble. And, of course, the power of these groups has grown with the rising mobility of the American people, with the increasing scarcity of qualified faculty and staff, and with the intense competition for gifted students. The idea that the members of an academic community have not had

power is utterly false regardless of formal organization—though institutions have, of course, differed in responsiveness.

The idea of "informal power" may be illustrated with reference to students whose power has long been considerable. Their influence has been exerted by their unwillingness to attend colleges which fail to meet their needs, by their unwillingness to choose courses and programs which fail to capture their interest, by their persistent but informal pressure upon unpopular rules (for example, rules on compulsory chapel, card-playing, dancing, smoking, women's hours, dress codes, liquor, etc.), by their sometimes vociferous objections to poor food and facilities, and by expressing their views directly to faculty and administrators or through student newspapers, committees, formal petitions and the like.

Faculties and administrators have long been deeply concerned about student reactions to their programs. Each professor and each department or college is in competition with others for students, and each institution is equally in competition with other institutions. For a faculty member or an administrator to ignore student opinion and reactions would be to court disaster both educationally and economically.

The net of all this influence has been actual and substantial power (primarily of the kind consumers exercise over producers) but not direct power represented by a secure and recognized place in the formal decision-making process of the institution. Formal student government has on the whole been an empty formality. It has been concerned chiefly with inconsequential matters such as parties, enforcing quiet hours, arranging the spring frolic and deciding on a class gift. It has been endlessly preoccupied with constitution-making and with trivia—but not with gov-

ernment in any significant sense. Nevertheless, students in their role as "consumers" have always exercised enormous power, but have seldom been aware of it. But students are now implying that influence as "consumers" is not enough, and that they should become an organized voice in decision-making on important issues, academic and nonacademic.

Possible Alternatives

One can visualize several possible modes of participation. First, the several groups (students, faculty, nonacademic staff, administrative officers) might divide up the areas of decision-making among them, each being responsible for certain areas; for example, the faculty for the curriculum, the students for extracurricular programs, the nonacademic staff for working conditions and parking, and the administrative group for whatever is left over.⁴ I see little prospect that this kind of tidy division of labor will survive. The concerns of each group are much too broad for that, and properly so. Second, each element might serve as a pressure group advancing its own interests within the university. It takes little imagination to visualize, for example, the students opposing tuition increases needed to finance faculty salaries, or nonacademic staff seeking salary increases at the expense of new buildings, or teaching assistants seeking lighter loads at the expense of regular faculty, or all three groups quarreling over the allocation of parking space. The several groups surely are

interest groups, though they are more than that. Third, each of the groups might be concerned with the full range of policy issues, but each would express the particular point of view of its constituency. Each would be a combined policy and pressure group. In my opinion, this is what we are heading toward—each group believing itself competent to deal with any subject, each eager to deal with a wide range of subjects, and each approaching each issue from the point of view of its particular interests.

Since the several groups will not always agree, the question remains: Who is to resolve the differences?⁵ The umpire, whoever he or they may be, must see the institution as a whole, not only in its internal dimension but also in its relation to the public interest. The role of umpire, coordinator and link with the public inevitably falls to the president and his administrative colleagues. They, however, are also an interest group. Not only do they have their personal interests, but their interests include the advancement of the entire university. They are therefore not fully qualified to serve the public interest. It does not necessarily follow that whatever is good for Princeton or the University of Iowa as seen by the president is good for the country. The function of the governing board is to be a guardian of the public interest while insulating the university from undue pressures of outside groups. The governing board must so clearly represent the public interest that it

⁴ This kind of division of labor is the approach of the *Statement on Government of Colleges and Universities* adopted by the AAUP, American Council on Education, and Association of Governing Boards (see *AAUP Bulletin*, Winter 1966) and also of the study of the American Association of Higher Education, *Faculty Participation in Academic Governance*, Washington, 1967, pp. 14-26. An agreement between the vice-

chancellors of British universities and the National Union of Students was based on an overlapping division of labor.

⁵ The conflicts of interest may have been somewhat submerged during the recent period of growth and rapid financial progress for higher education. With the tighter budgets ahead, divergent interests will become more evident.

can protect the autonomy of the university from improper encroachments of legislative bodies, government agencies, donors and other outsiders. In many instances, governing boards have identified fully with the universities and have seen their role solely as the advancement of the institution rather than the protection of the social interest. In my opinion, this posture has left a vacuum which outsiders are eager to try to fill—with great danger to academic freedom.

A Joint Council

I have described the university as though it were a legislature with five or more houses: governing board, the president and administrative officials, faculty, students, and nonacademic staff and their sub-divisions. Is it practically possible in terms of sheer time to debate every issue five or more times? Will the result of many separate debates produce better answers than one or two? One could argue, I suppose, that numerous deliberations and competing pressure and persuasion would result in a beneficent outcome. Perhaps something akin to Adam Smith's "invisible hand" or Galbraith's "countervailing power" is at work within organizations.

In my opinion, such multiple consultation would not necessarily produce

good results: it would be a frightful waste of time; it would result in paralysis of action; and it threatens to undermine the sense of community which is essential to a university. A more *workable participation* of the many groups (I see no sound basis for excluding any of them), might be achieved if all (except the governing board) were represented in a single *joint council*.⁶ Through the deliberations of such a body, various points of view could be communicated, differences resolved and decisions reached which were in the interests of the entire institution. These joint decisions could then be put to the test of the public interest by independent review before the governing board.⁷

The joint council would deal with the entire gamut of policy—academic and nonacademic. However, for obvious reasons, its role in the academic area would be limited to broad, general review. The council would not necessarily replace the senates and councils of the various constituent groups, colleges and departments. It would not necessarily supplant the various specialized university committees such as those dealing with athletics, cultural affairs, student housing, library, parking, etc. It would receive recommendations from these groups, and it would be free to refer

⁶ The proposal of a joint student-faculty-administrative council has been made by Porter Butts, "A Case for Joint Power vs. Student Power," *The Bulletin of the Association of College Unions*, December 1968, pp. 8-11. The University of Kansas, the University of New Hampshire, and the State University of New York at Binghamton, Princeton University, and other institutions are in the process of forming joint councils of students, faculty, administration and other groups.

⁷ The question of representation of the several groups would inevitably arise. I would advocate something like the following in a complex university with large graduate and professional schools:

Tenured faculty	5
Junior faculty	2
Graduate assistants	1
Undergraduate students	4
Graduate and advanced professional students	2
Nonacademic staff	
White-collar	2
Blue-collar	2
Administrative staff	3
President (chairman)	1
Total	22

This distribution would give about one-half the representation to the faculty and administrative staff, about one-third to the students, and about one-fifth to nonacademic staff.

issues to these groups. However, it would assume broad responsibilities and perhaps take over the duties of many existing bodies. The net influence of the council would be in the direction of centralizing policy making rather than providing merely another layer in the endless process of buck-passing, delay and inaction represented by the present ramified and diffuse organization. It would ordinarily be the principal body to be consulted directly by the president. In that position it would have substantial influence. The joint council would be expected to consider matters from the point of view of the welfare of the institution as a whole, not from the viewpoint of any particular interest group. Its agenda would be broader than that of the governing board; it would meet more often (perhaps weekly) and consider matters in greater depth.

The advantages of a council such as I have described are that it would avoid much duplication of effort when matters must be reviewed with representatives of several different bodies; it would be a vehicle by which differences among groups could be talked out and by which an all-university point of view could be expressed; and it would provide the president with support for decisions jointly reached.

Should the joint council be advisory to the president or should it make final decisions on some or all matters (subject to the approval of the governing board)? By only a small step, such a joint council could assume authority over the university. It is often suggested today that the president might become a figurehead serving as chairman of an authoritative council, as master of university ceremonies, and as public relations officer—while full authority and responsibility would be assumed by the

council. Some would even merge the council with the governing board. In my judgment, the council should be advisory to the president, but of course the president should take council recommendations seriously. If the decisions of the council were final, accountability would then necessarily be transferred from the president to the council. I question whether a council with many members having rotating membership is in a position to assume responsibility for the progress of an institution, or can be held as strictly accountable as can a president. There are few organizations that do not place executive responsibility squarely on one man. Those organizations that do not (certain churches and some public agencies) are seldom among the more progressive and successful organizations. A strong executive is needed to get things done. One of the most serious problems of the university is that executive authority is weak, and is becoming weaker under present tendencies. The need is for a strong executive combined with workable participation by the several groups within the university, with due process in all personnel actions, and with other safeguards for academic freedom.

A strong executive, working with a lay board of distinguished citizens, is needed also to assure that decisions of the university will be related to the needs of the institution as a whole and reasonably conformable to the public interest. Each of the internal groups—faculty, students, nonacademic staff, etc.—is an interest group and seeks its own advantage which may not be consistent with the welfare of the institution as a whole or of society. Each sees the institution from a particular and partial point of view. The several groups are likely often to disagree, and even if they were to come into agreement through nego-

tiation, coalitions, etc., the result would not necessarily be in the interest of the university or the public. The invisible hand as applied to organizations is a doubtful theory.

I believe there is need in an institution for a leadership—namely, the president and his associates working with a lay governing board—which specializes in seeing the institution as a whole, coordinating its parts, and relating it to the public which it serves and from which it derives its support. I do not mean to say that the president, his administrative colleagues, and the members of the governing board are more perceptive, more honest, more wise or more capable than other groups in the university. I am only saying that their interests are more closely identified with the university as a whole and with the broad social interest. The weakness of faculty, students and non-academic staff, as holders of institutional power, is that they are, and often behave as, special interest groups and that they are often insensitive to public responsibility as well as to public relations. This allegation will undoubtedly be challenged and undoubtedly there are exceptions. However, I submit that the claim is essentially correct. It is in no sense a criticism of faculty or students or non-academic staff as people, but only a comment on the implications of their roles in the university.

Having said that authority should reside in the president working in close association with a lay governing board, I hasten to add that any worthy president will arrange for all individuals and groups in the university to express their views, and he will listen to these views. Moreover, he will welcome both formal and informal channels of communication throughout the organization, and will heed the advice received. And he

will give special heed to the advice of the faculty who are senior partners and long-term members of the community, who have vital interests, who are professionally involved, and who (regardless of the formal details of organization) hold great power. However, final decisions should be the president's subject to approval of the governing board, and it should not become a constitutional crisis when the advice of some group is not followed.

The proposal to eliminate the governing board by merging it with the joint council, thus creating a single governing group consisting of insiders and lay citizens is also unsound in my opinion. A lay governing board composed of distinguished citizens is needed to insulate the university from improper pressures of the public, politicians and donors, and to represent the public interest in a way that no combination of administrators, faculty, students or employees could do. It is the broad public interest that a university should serve, not privileges for any group or combination of groups and not even glorification of the institution.

The joint council would not be attractive to those who look upon the faculty as having primacy in the governance of the university—especially to those who subscribe to the ancient aphorism that “the faculty *is* the university.” But once students have been admitted to the decision-making process, and once nonacademic employees, teaching assistants, and others have successfully asserted their role, it is hard to make the case that the faculty is more than one of several interest groups. Because of the long tenure of faculty members, their professional competence, their mobility, and their experience, the faculty is inevitably the most influential of the groups. Moreover, as I have indi-

cated, the professionals (that is, the faculty) must be relied upon primarily for educational and research decisions. To determine the proper content of programs in Greek literature, or surgery, or nuclear engineering, or music, or to set degree requirements, or to decide what research tasks are important in these fields, or to recommend what equipment is needed or what books ought to be in the library is primarily a matter for faculty decision. No lay board, no administrators, no nonacademic staff, no students, or any combination of these would be fully qualified to make these decisions. They must be delegated in large part to the professionals with only broad review and evaluation by others. It does not follow from this that the faculty, as individuals, departments, or colleges should be immune from regular evaluation by outsiders, or should be impervious to suggestions from the outside, particularly in matters of educational philosophy, methods and costs of instruction, interdisciplinary relationships, and relevance or importance of research and public service. The mystique of professional specialization does not render outsiders totally incapable of useful evaluation and suggestion. Moreover, in carrying out their responsibilities faculties would do well to ensure broad participation among their own numbers in policy matters, to consult their peers outside the university, to listen regularly to the opinions of their students, and to call upon outside help in problems of educational philosophy and teaching methods. But in practice the decisions must largely be theirs subject only to broad review by the joint council, the president and the board.

Outside the strictly academic area, the decisions and operations of the university are not very specialized and technical. These decisions relate

to business management, fund-raising, salary scales and fringe benefits, internal allocation of operating funds, building priorities, parking, student rules, extracurricular life, student housing and the like. In these areas, everyone is an expert—or believes he is. Faculty, students, and nonacademic staff—as well as some outside groups such as parents and alumni—all have something to say on these matters. Moreover, in the interests of good education, students should be involved because of the many opportunities for learning in connection with university affairs. Even if students could contribute nothing, we would be obliged as educators to encourage their participation.

Coercion

What I have said so far presupposes that the various groups in the university will function through discussion and persuasion, not coercion. The really new feature of university governance is *coercion* in the form of demonstrations, sit-ins, collective bargaining, strikes, publicity campaigns, direct appeals to governing boards and legislative bodies, and the like. Faculty, students and nonacademic employees have all been involved to varying degrees. The universities have been shocked, and also moved, by these tactics. Coercion is, of course, diametrically opposed to the basic values of university life which include rational discussion, conclusions based on logic or evidence, the obligation to listen as well as to speak, calm detachment in the pursuit of truth, etc. Yet coercion is present, actually or potentially, and it cannot be ignored.

The existence of coercion reinforces my conclusions about governance. If the parties are to assert their demands by coercion in its various forms, it becomes essential that final authority rest with the president and a lay

board having responsibility for the whole institution and having special concern for the public interest as distinct from the partial interests of faculty, students and nonacademic staff. The greater the tendency to coercive tactics, the greater must be the authority of the president and board. In the absence of coercion, the institution can afford delegation, wide consultation and participation in decision-making. But when the game is a ruthless struggle for power, the authority must be firmly in the hands of the president and the board. Otherwise, the institution will fly apart or fall into the hands of a group which may not be responsive to the public interest. The tactics of coercion can, by the way, be employed against any of the various groups—students, faculty and nonacademic staff—as well as against the administration. In fact, many believe, and I tend to agree, that the next victim of coercion will be the faculty, and that when this happens the faculty will need the protection of a strong administration and governing board.

Governance and Educational Progress

As I stated earlier, a good system of governance will harmonize the rights of the constituent individuals and groups with a capacity for progressiveness, educational advancement, efficiency and order. I have proposed a system of governance which lodges final authority and accountability in the president subject to supervision by a board consisting of distinguished laymen and which creates a joint council of faculty, students, nonacademic staff and administrators to advise the president on a wide range of issues. I have suggested that academic decisions must largely be delegated to the faculty but that the joint council, the president, and the governing

board might properly be concerned with matters of educational philosophy, educational methods, costs of instruction, interdisciplinary relationships, and relevance and importance of research and public service.

This proposed system departs from present practice in that it clearly establishes the position of the president and governing board, and gives a strong position in the joint council to students, nonacademic staff and administrators. Would this system help to change the built-in resistance of the academic community to change in educational methods?

The university may be a fertile source of new ideas in chemistry or economics or literary criticism, but it is not a dynamic and venturesome place in its educational content and methods, in its relationships to its students, or in its efforts to discover economies of operation. Higher education (along with health care) must be one of the most backward or least progressive parts of our whole economy. In a world of scientific and technological change and of increasing productivity, the university is clearly a laggard.

In all candor, it is hard to identify any significant change in educational technique since World War I. It is true that new subjects like nuclear engineering and linguistics and area studies have been introduced, that many specialized courses have been added (but few dropped), that facilities have improved, that faculties are better trained, that the research effort has been intensified, and that standards have become more rigorous. It is also true that there has been constant tinkering with curricular requirements, and there has been some desultory experimentation with films, TV, computer-aided instruction, programmed learning and independent study. But when the record is reviewed in its entirety, one can only conclude

that the basic mode of instruction—courses, textbooks, lecture-discussion, close supervision, frequent class meetings, frequent tests, laboratory instruction based on “cook-book” manuals, credits and grades—has been essentially unchanged. And in efficiency or economy of instruction, few if any gains have been made. Teaching loads have, of course, declined markedly; but this decline has had the effect of diverting faculty time to research and has not necessarily changed the mode of instruction or affected its cost. Indeed, the principal change in the university since World War I has been increasing research activity and reduced teaching loads of professors.

The record suggests either that optimal methods of instruction (as to effectiveness and cost) were discovered long ago, and no significant improvement is possible, or that the university under its present system of governance is incorrigibly conservative. Take your choice.

I am not one who believes that there are panaceas. Not all the answers lie in the use of audiovisual gadgets and not all present practices should be scrapped. I believe that part of the answer lies in helping our students become *independent learners* rather than in nurturing their dependency through the close supervision common to present teaching methods. I believe we can improve education, in the deepest sense, *while reducing cost*. Whether or not I am right in this particular opinion, it is clear that the academic world needs a more venturesome and experimental approach to education. One's conclusion about governance should, in my opinion, be based primarily on this need for a new progressiveness in educational policy. The only acceptable system of governance is one that will, among other things, enable the university to become educationally forward-looking.

It is often alleged that the university's educational conservatism exists precisely because academic policy is the area most completely under faculty domination, and least influenced by governing boards, administrators or students. The primacy of the faculty in the academic area has been generally accepted for the reason that faculty members are professionals and others have been hesitant to challenge the dominance of the experts. While it is unquestionably true that faculty members are experts in the substance of their fields, it is on the whole not true that they are experts in pedagogy—either in the philosophy or techniques of education. There is no reason whatever for concluding that only faculty members can have useful opinions or recommendations on the objectives and methods of teaching. There is a legitimate role for administrators, students, and various specialists to assist, advise, lead and stimulate faculties to improve the learning of students.

Though faculty members may have been primarily responsible for inaction in educational reform, I do not wholly absolve administrators of the blame. They have not used all their powers in promoting reform. Their position has been weak because excellent faculty have been scarce and highly mobile. It has also been weak because they have been preoccupied with public relations and fund-raising and have not been able to give close attention to the problem. Moreover, intent on institutional prestige, they have aided and abetted the faculty by supporting a reward system that strongly encourages research and scholarship but provides little incentive to educational reform.

The impetus to educational reform may come from students. They have already made an impact by instituting such changes as the pass-fail grade,

Afro-American studies, the free university movement, independent study programs, and evaluation of courses and teachers. If the principal advisory council were composed jointly of administration, faculty, students and nonacademic staff, it is possible that the agenda would begin to include educational issues, and that a coalition of administration and students would push the faculty into action. This push might be strengthened by the coming financial pinch which will dictate greater attention to economy.

If orderly changes in the internal balance of power will not produce results, then I would expect either contention, disorder, and coercion from within, or pressure from outside (including restriction of financial support), or both. We have reached the end of the era when it is possible to ignore or postpone educational reform. There is obvious need for research and experimentation in methods

of higher education, looking toward both improved effectiveness and lower cost. There is also need for simple and obvious changes that would produce better results and reduce costs, long before the results of any research program were known.

One of the ironies of our plight is that we have been through our greatest era of growth and development but have not captured the enthusiasm of our students. We have employed thousands of faculty, raised salaries and fringe benefits, built buildings, purchased books and equipment, entered new academic fields, and organized new institutions, but we have not devised a form of education that fits the late 20th century. I am not sure we are capable of it. The tragedy of it all is that we have not really tried. In our preoccupation with institutional prestige we have not even been aware of our mediocre performance in education. It is past time to get on with this job. **[The End]**

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SESSION III

Resolving of Unrest in the Public Sector

The Use of Neutrals in the Public Sector

By HAROLD W. DAVEY

Iowa State University of Science and Technology

THE 1970s will be looked back upon in the year 2000 as the "decade of the public sector," taking its place along with the 1880s and the 1930s as one of the three most significant periods in the labor relations history of this comparatively young nation. The flame lit by President Kennedy's Executive Order 10988 in January 1962 has extended through this decade at all levels of government with sufficient vigor and enthusiasm to insure still further advancement and (hopefully) more maturity in the 1970s.

Scope of Analysis

One index to the vitality and significance of the wave of unionization and collective bargaining in the public sector is the outpouring of academic literature, already so voluminous that it is difficult to cope with effectively.¹ This paper is concerned with only one essential component of stable and constructive labor relations at any level of government—the effective use of qualified neutrals in dispute resolution. The original title of the paper carried the word "arbitrator" rather than "neutral." I have amended the title because it is clear that the principal need in the public sector is for qualified mediators, fact finders and advisory arbitrators rather than for conventional arbitrators accustomed to the "judicial" approach in private sector grievance arbitration. Please note that I have subtly structured the demand schedule and severely reduced the supply by inserting the word

¹ A responsive bibliographical footnote could match the length of this paper. No such effort will be made here. I shall limit the citations to three sources of comparatively recent vintage as follows: (a) Howard J. Anderson, ed., *Public Employee Organization and Bargaining*, BNA, Washington, D. C., 1968; (b) Gerald G. Somers, ed., *Proceedings of 21st Annual Meeting*, Industrial Relations Research Association, Madison, Wisconsin, IRRA, 1969, pp. 31-69; and (c) the March, 1969 issue of *LABOR LAW JOURNAL* (Vol. 20, No. 3), which contains several timely and challenging articles on public sector labor relations.

"qualified" before "neutral." To be realistic, we are already confronted by a critical shortage of *qualified* neutrals for conventional tasks in the private sector. At the same time, this burgeoning demand for mediators, fact finders and arbitrators is hitting the market from the government side.

My analysis assumes that qualified neutrals are in short supply. This opinion is not substantiated by the usual labor market data employed in the study of shortage occupations. In recent years it is scarcely open to doubt that there is a shortage from a *qualitative* standpoint. This can easily develop into a quantitative shortage as well.

In the absence of the usual data tables I cite the recent action by President James C. Hill of the National Academy of Arbitrators in appointing a Special Committee on Disputes Settlement in Public Employment. The Committee is chaired by Eli Rock, long-time labor relations expert for the city of Philadelphia.²

Hill's charge to the Rock Committee underlines the nature of the problem better than any words of mine. It is therefore set forth in full below:³

"As you all know, there is a rapidly growing demand for the services of experienced neutrals in the resolution of public employee disputes. These services include mediation, fact-finding and arbitration, both 'advisory' and binding. They may also involve representation questions and possibly unfair labor practices. And in any or

all of these areas the public employment field seems to present special problems, differing from those usually encountered in the private sector.

"Members of the Academy are being called upon to serve in all of these roles and it seems certain that the demand will increase. Many persons outside the Academy, some with little or no experience in labor relations, are also being called upon, and this may become a significant factor in the future development of new arbitrators.

"With these considerations in mind, it seems to me appropriate for the Academy to give special attention to the role of neutrals in the public employment field. The immediate purpose of this Committee would be to consider and to recommend ways in which the Academy as an organization, and Academy members individually, may be of greater usefulness in the resolution of public employee disputes. Specifically, I would ask this Committee to consider:

- "(1) The needs for the services of qualified neutrals in the public employment field and the role of the Academy in improving the quality and availability of these services.
- "(2) The training of arbitrators in the skills and techniques of mediation.
- "(3) The training of persons outside the Academy in procedural and substantive aspects of arbitration.
- "(4) The special problems encountered in public employee dispute settlement generally.

² The Rock Committee was appointed by Hill in March 1969. Its membership includes Howard S. Block, Milton Friedman, Howard G. Gamser, Ronald W. Haughton, Charles C. Killingsworth, Jean T. McKelvey, Eva Robins, Ralph T. Seward, William E. Simkin, Russell A. Smith, Robert L. Stutz and Martin Wagner. The knowledgeable reader will appreciate that this is in every sense a "blue ribbon" committee. Each member has had extensive and varied experience in public sector labor relations

as well as in the now "conventional" areas of private sector grievance arbitration.

³ Text taken from letter from James C. Hill to all members of the National Academy of Arbitrators, April 29, 1969. Subsequent statements in the text of this article as to the views of NAA President-elect McKelvey, AAA Vice President Joseph S. Murphy, and FMCS General Counsel Richard C. McLaughlin are based on personal interviews and recent correspondence with the writer.

"(5) The development of liaison with public agencies directly concerned with collective bargaining and dispute settlement in public employment."

Academy President-elect Jean T. McKelvey has indicated her intention of carrying forward the Hill theme during her presidency in 1970-71. The forthright approach of Hill and Mrs. McKelvey is eloquent testimony to the seriousness of the problem of obtaining qualified neutrals for service in public sector disputes. The same views are entertained by Joseph S. Murphy, Vice President of the American Arbitration Association, and Richard C. McLaughlin, General Counsel of the Federal Mediation and Conciliation Service.

AAA has made special efforts to expand its roster of arbitrators qualified to handle labor disputes between boards of education and teacher organizations. FMCS has recently moved to develop a special inventory of arbitrators with experience or potential competence in public sector labor relations. AAA has established a Center for Dispute Settlement, headquartered in Washington, D. C., to facilitate resolution of such "community" disputes as landlord-tenant relations and neighborhood conflicts (racial) where timely and expert use of "third-party impartial" can prove of value.

The combined efforts of the Academy, FMCS, AAA and the various state and municipal labor relations agencies are needed to meet the anticipated increase in demand for qualified neutrals with any degree of satisfaction. Increasing the supply of qualified neutrals can be accomplished only through an intensive talent search, followed by intensive training of a highly specialized type. The nature of the training depends on whether

we are seeking to make effective neutrals from promising raw material or are attempting to convert grievance arbitrators into mediators or fact finders. Mediation, fact finding, and "judicial" arbitration of grievances call for differing kinds of expertise and differing personal chemistries. *All* neutral roles, however, have the common requisities of personal integrity, courage and competence derived from actual experience. Unfortunately, just being neutral combined with a genuine desire to serve is not enough.

The shape of the demand for neutrals will be conditioned by the form and substance of public sector labor relations. The body of this paper is concerned with optimal usage of neutrals. Such a discussion should be preceded by a brief statement of the writer's conception of a functional system of labor relations in the public sector. The following summary statement is concerned mainly with state and municipal labor relations rather than federal.

Some Value Judgments as to Public Sector Labor Relations

The values in collective bargaining as a process cannot be maximized when it is known in advance that one party to the negotiations is always in a position to have the last word. To put it another way, meaningful collective bargaining in either the public or the private sector should provide the opportunity to bargain to finality. Otherwise we have something less than bona fide joint decision-making. Absent this opportunity, Allan Weisenfeld has suggested recently that employees in the public sector necessarily remain second class citizens when compared with their counterparts in the private sector.⁴

⁴ Allan Weisenfeld, "Public Employees Are Still Second Class Citizens," 20 LABOR

LABOR JOURNAL 138-150 (March, 1969).

I agree in the sense that I do not believe the shield of sovereignty should be available for protection of the intransigent government agency, department or board. At the same time the right to strike (and use of the strike) is not a *sine qua non* for effective bargaining. One of the main barriers to constructive thinking on dispute resolution in the public sector has been the nearly universal tendency to think in polarized terms. Much of the critical discussion, even among the experts who should know better, has been couched in terms of the uninhibited right to strike on the one hand or compulsory arbitration on the other. I find myself in full accord with Richard C. McLaughlin when he urges the necessity for thinking about these two "ultimate alternatives" in less than absolute terms.⁵ McLaughlin goes along with the conventional view that mediation and fact-finding are essential tools in dispute resolution and are thus an important adjunct to the collective bargaining process. However, he has persuasively shown that they are *not substitutes* for either of the ultimate alternatives (that is, the right to strike or compulsory arbitration). McLaughlin then offers some imaginative suggestions as to how to build more flexibility and pressure into impasse procedures and how to accommodate the concept of limited strikes and voluntary arbitration of future terms into the more conventional public sector models for dispute settlement.

In my judgment we should be thinking in these terms and resisting the temptation to continue with our either-or approach. The concentration should be on how to promote constructive joint decision-making. This generalization is far from being cliche proof. However, the suggested emphasis is

crucial for setting the proper tone, especially when practitioners on both sides of the negotiating table are relatively new and inexperienced, which is generally the case in the public sector.

Can the Public Sector Avoid Some Perennial Private Sector Problems?

One of the plus factors in the public sector is the nonprofit character of the enterprise. This in itself should furnish a greater potential for cooperative effort between government agencies and employee organizations than is generally characteristic of private sector labor relations. Generally speaking, the sense of shared responsibility to the ultimate employer (taxpayer) should provide strong impetus for determined joint efforts to maintain and improve service.

Assuming that these views are not totally naive, the management prerogative issue need not be as troublesome as it has been in many private bargaining relationships. In many government negotiations the scope of collective bargaining is pre-structured by the need to conform with existing civil service system policies and other legislative restrictions. Aside from this, however, bargaining can proceed from a joint understanding that fences do not need to be built in terms of conventional views of sovereignty or customary management attitudes as to preservation of certain areas as nonbargainable, whatever the cost. In my view, subject to the legislative strictures noted above, the scope of bargaining should itself remain bargainable in public sector labor relations. I recognize that this is a controversial judgment. The exclusive management rights proponents are already articulately in the field.⁶

⁵ Richard P. McLaughlin, "Collective Bargaining Suggestions for the Public Sector," 20 LABOR LAW JOURNAL 131-137 (March, 1969), especially at p. 134.

⁶ See, for example, R. Theodore Clark, Jr., *Negotiating the Public Sector Labor Agreement*, Public Personnel Association, Chicago, Illinois, 1969.

Finally, I must express a strong preference for a single comprehensive public labor relations statute (ordinance) rather than a multiplicity of legislative enactments for particular governmental agency and employee groupings (teachers, policemen and fire fighters, nurses, etc.). Eminent scholars such as Ben Aaron have long urged the wisdom of an integrated national labor relations law (fusing of the Railway Labor Act with a revised and updated National Labor Relations Act, embracing also important categories not now covered, for example, agricultural employees).⁷ The same logic could favor extending federal law to embrace state and local government labor relations as well (assuming any constitutional barriers could be successfully overcome). However, a major practical restraint makes it unlikely that federal occupancy of the state and local government field will occur in the near future. This is the fact that the National Labor Relations Board continues to "enjoy" a much heavier case load than it can cope with expeditiously under current jurisdictional limits.

My suggestions on effective usage of neutrals for dispute resolution are formulated in terms of a public policy framework that has certain basic characteristics. Where the existing policy framework does not conform to the writer's model, difficulties are likely to be enhanced considerably. My perhaps idealized framework contemplates, *inter alia*, the following:

(1) Acceptance of the exclusive representation rights concept.

(2) Scope of collective bargaining left to the discretion of the parties (except as restricted by existing legislation such as civil service regulations).

(3) "Eloquent" silence on either of the ultimate alternatives mentioned

above (that is, right to strike and compulsory arbitration), with dispute resolution machinery instead providing a wide range of alternatives with no pre-determined channel prescribed for all impasse situations.

(4) Reliance on court action where either use of economic force or stubborn refusal to bargain is deemed contrary to the public interest (injunctive relief in the former and mandamus relief in the latter).

(5) Primary reliance on qualified mediators rather than on fact finders or arbitrators.

Within these parameters of public policy, I submit some observations on effective (if not optimal) use of qualified neutrals.

Ways of Avoiding the Need for Neutrals

We begin with the salutary proposition that nonusage is generally superior to usage, even when qualified neutrals are ready, willing and available. A sanctified truism of the private sector holds that bilaterally negotiated settlements are in some mystical fashion better for all concerned than a settlement that had to be achieved through the skilled midwifery of mediation or other neutral-utilizing procedure. Public sector disputes currently exhibit a high propensity toward the use of neutrals. However, we should not assume pessimistically that bilateral negotiation cannot result in a mutually satisfactory joint product. Under current conditions everything possible should be done to avoid the need for using neutrals, if only because of the labor market reality that the qualified neutrals are in such short supply that they may not be available *in timely fashion* to perform their primary function.

⁷ Benjamin Aaron, "Labor Relations Law," in Lloyd Ulman, ed., *Challenges to Collec-*

tive Bargaining, Prentice-Hall, Englewood Cliffs, New Jersey, 1967, pp. 113-134.

Another sobering consideration for public sector negotiators is that many seemingly competent, experienced neutrals are in fact lacking in the type of expertise required for effective solution of the dispute in question. The neutral is often one who has acquired labor relations expertise mainly through "judicial" grievance arbitration involving issues of contract interpretation or application. He may not be fitted to the role of mediator or fact finder. If such is the case, his efforts may aggravate rather than alleviate a tense labor relations situation. It should be candidly admitted that nearly all neutrals who have been primarily or exclusively concerned with grievance arbitration need *some* training and orientation before they can perform effectively in the unfamiliar role of mediator, fact finder or advisory arbitrator. Those who have engaged for some time in hearing and deciding cases where their decisions are final and binding upon the parties cannot adjust overnight to a task calling for a different complex of talents, abilities and sensitivities.

To compound the difficulty, many public sector disputes involve inexperienced government agency and employee organization representatives seeking for a viable solution through the use of a presumably qualified neutral who himself does not know the "industry" of government. Finally, many neutrals who need training in the techniques of mediation and fact-finding do not realize their need and/or will not take the time to obtain such essential orientation, even assuming mini-

mal crash programs for this purpose are available.⁸

These considerations should give pause to any government agency and employee organization contemplating the use of neutrals to ease their own negotiating burdens. Negotiating a contract is a painful, demanding task at best. It is easy to sympathize with those who are practicing the art by necessity rather than choice. Nevertheless, it should be stated again that bilateral negotiation for a complete agreement is on balance preferable to invoking the assistance of neutrals. Having thus underlined the superior virtues of nonusage of neutrals, I shall assume from here on that good-faith bargaining has occurred but conflict persists. No jointly satisfactory conclusion is in sight. Under such conditions, how can neutrals be utilized most beneficially?

The Primary Role of Effective Mediation

Properly timed, professional mediation should be rated as the most desirable (least undesirable) form of third-party intervention. A survey of states with the most extensive experience in public sector labor relations supports the view that both mediation and fact-finding have proved to be reasonably effective in dispute resolution.⁹ We shall consider the potential of fact-finding shortly. In most cases requiring third-party participation, however, mediation should be the only procedure needed for final resolution of the dispute.

⁸ Eva Robins, an experienced and highly respected mediator, has run two intensive night session seminars in mediation for New York City arbitrators in Winter and Spring, 1969. The New York Public Employment Relations Board is planning training session programs with Cornell University for Summer, 1969. In my judgment, mediation training sessions, even if deemed only partial successes by the "instructors" and

the "students," are urgently needed and well worth the time and effort expended.

⁹ For recent illustrative and analytical comment, see Howard J. Anderson, cited at footnote 1. See also Jean T. McKelvey, "Fact Finding in Public Employment Disputes: Promise or Illusion?" in 21st IRRA Proceedings, cited at footnote 1, at pp. 41-47, and, in more complete form, *Industrial and Labor Relations Review*, Vol. 22, No. 4 (July, 1969).

A conclusive preference for mediation as the most salutary form of neutral assistance may not be realizable in all cases—particularly if the conflict has already escalated beyond the stage where the specialized techniques of even the most capable mediators will necessarily prove unavailing. My own conventional ordering of stages of intervention would run something like the following:

(1) intensive bilateral efforts to reach joint agreement;

(2) “informal” use of qualified neutrals as mediators *before* negotiation actually breaks down when it appears that *unless* a detached perspective is introduced negotiation *will* break down;

(3) formal mediation if and when negotiations do break down, whether or not “informal” mediation has been utilized;

(4) full utilization of formal mediation before moving to the stage of public fact-finding, with or without recommendations;

(5) utilization of the fact-finding report to reopen or resume intensive bilateral negotiation to produce a settlement;

(6) assuming fact-finding with recommendations fails to produce agreement, institution of some type of formal show-cause procedure aimed at the party who remains unwilling to accept the substantive recommendation(s).

(7) alternatively, some use of the limited strike, as discussed by Richard McLaughlin,¹⁰ should be contemplated when no joint disposition to utilize arbitration on a final and binding basis.

The danger in a sequential listing of procedures is that it carries an implication that the gamut must be run in all cases going beyond successful bilateral completion. Personally I am optimistic enough to predict that public

sector practitioners will begin to realize that neutrals may be more trouble than they are worth. Bilateralism, no matter how tough it is, will come to be regarded as preferable to trilateralism in any shape or form.

Such a realization may come more quickly when the parties experience a genuine need for qualified mediation and find to their dismay that the requisite third-party expertise is simply not available. Desire and need for a neutral’s services are not sufficient to produce one who can satisfy the following requirements: (a) prompt availability for an indefinite period of time; (b) demonstrated competence and experience in public sector dispute resolution; and (c) personal acceptability.

FMCS has developed a deserved reputation in recent years for the increasingly professional character of its full-time mediation staff. Some excellent personnel can also be found in the states with long experience in providing dispute settlement service. Generally speaking, however, the quality of mediation talent currently available at state and municipal levels is not equal to the challenge. The talent that could meet the challenge is either unavailable or too expensive. The answer here is simple to state but hard to implement. The need is urgent for a substantial increase in the supply of mediators trained specifically for public sector labor relations.

Assuming that a concerted effort can be mounted, we can profitably review World War II experience for guide lines adaptable to contemporary needs. The National War Labor Board succeeded, in a remarkably short span of time, in producing a highly capable (with some exceptions) staff of “mediators” operating under such deceptive sobriquets as “NWL B special rep-

¹⁰ Richard P. McLaughlin, cited at footnote 5.

representative," "hearing officer," "panel assistant," "panel chairman" and the like. The fundamental aim of all concerned was to bring about agreement on future contract terms (consistent with wage stabilization policy) while avoiding economic force on the one hand and directive orders enforced by sanctions on the other. Most NWLB disputes section personnel had to develop their talents in mediation through on-the-job training. There was little time for academic preparation. Few had had extensive prior labor relations experience.

Assuming the mediator to be qualified and acceptable, the most critical factor relates to the timing of his participating. I suggest that in many public sector situations the mediator can come in effectively at an earlier stage than would be deemed desirable generally in the private sector. Primarily because of the comparative inexperience of the public sector negotiators, the genuine need for third-party assistance may manifest itself earlier. Such a need should be met when it occurs.

If public employee organization continues to grow at the present rate of an estimated 1,000 new members per day¹¹ realism compels recognizing that in many first-contract situations we must expect an absence of professional negotiating know-how on both sides that can result in a negotiation crisis over matters that might not cause a ripple in similar circumstances in the private sector.

Some slight familiarity with the problems of collective bargaining for nurses and teachers prompts me to generalize that in most first-contract cases the negotiators for the government agency in question have had little if any prior labor relations experience. The employees may be better off if professional negotiating per-

sonnel happens to be available to them, but they are not always in such a position. If neither side is blessed with qualified representatives and the imported neutral is not familiar with the special nuances related to the public sector, we have an unfortunate case of the nearly blind leading the blind.

These considerations lead me to favor extensive experimentation in public sector labor relations with the continuing joint-study committee technique. It should prove more acceptable in government service because of the heightened sense of share responsibility that I believe is characteristic of management and employees in most government agencies, no matter how serious their differences may be on labor relations matters. The joint-study mechanism has no inherent magic. However, it can serve to anticipate troublesome problems and can provide for their joint analysis in a non-crisis atmosphere between negotiations. One might add that joint-study committees can often make effective use of neutrals in "informal" fashion.

Usage of Fact-Finding and Advisory Arbitration Procedures in Public Sector Dispute Settlement

Use of fact-finding boards (or single fact finders) with power to recommend is a common procedural tool in state and local government dispute settlement procedures. Advisory arbitration has been a procedure associated particularly with the federal level since Executive Order 10988. This device has also found favor at the state and local level. The two procedures are similar and their goals are roughly the same. Both call for different talents from those required for effective mediation. There are concededly some versatile neutrals who are effective in whatever role they may be required

¹¹ Howard J. Anderson, cited at footnote 1, at p. 2.

to perform. Mediators *should* be capable of operating effectively as independent finders of fact, but not all capable arbitrators are effective when attempting to function as mediators or as fact-finders.

Usually fact-finding or advisory arbitration is utilized after negotiation and mediation have failed to produce an agreement. The logic may then suggest greater formality in presentation to the neutrals via transcripts, exhibits, sworn testimony and briefs. At this point a *caveat* should be issued to government agency representatives and employee organization leaders to beware of "creeping formalism" in such procedures. In a crisis situation, where quick resolution of the dispute is jointly desired (or perhaps demanded by the public-at-large), formalism in presentation of testimony and evidence cannot be made compatible with expeditious handling. In a recent *Iowa Law Review* article I have argued against the over-institutionalization of grievance arbitration procedures that has resulted in many cases in an uneconomical use of a limited supply of competent, experienced and acceptable arbitrators.¹² The case against undue formalism is even stronger when applied to public sector future terms disputes. Procedures should be kept as flexible and informal as possible.

A recent assignment as a future terms advisory arbitrator for the City of Des Moines and the Des Moines Association of Professional Fire Fighters proved to be a challenging and novel experience. Some procedural observations prompted by this case may be of interest and value. By way of background, it should be noted that Iowa has no legislation at all covering public sector labor relations. Yet

considerable unionization of government employees has occurred in the major cities. There is an approximation of collective bargaining in a number of cases, notwithstanding Attorneys-General opinions holding that it is not legal for Iowa governmental units to enter into collective bargaining or contractual relations with employee groups. Some Iowa governmental units and employee groups are following the line of a 1968 District Court ruling that governmental agencies may properly engage in collective bargaining under their general powers to enter into contracts, although they are under no legal obligation to bargain.¹³

The City of Des Moines consults with several employee groups on wages and working conditions, but has not engaged in formal collective bargaining. Nevertheless, in the Fall of 1968, the city joined with the Fire Fighters in an agreement to submit the 1969 salary issue for Fire Fighters (and two other issues) to advisory arbitration under rules of the American Arbitration Association.

The writer, selected from a panel furnished by AAA, conducted a formal hearing in December 1968. The transcript ran close to 300 pages. Post-hearing briefs and reply briefs were filed in due course, totaling some 130 legal-sized pages. The total of City and Association exhibits offered in evidence was close to 90 in number. The presentation was full dress and formal in every respect. Mediation was not sought by either party or suggested by the advisory arbitrator. Nor had mediation been used prior to advisory arbitration.

In the "decision" I recommended that the pay for Fire Fighters should be increased for 1969 by one range,

¹² Harold W. Davey, "Restructuring Grievance Arbitration Procedures: Some Modest Proposals," *Iowa Law Review*, Vol. 54, No. 4 (February, 1969) pp. 560-578.

¹³ See Richard F. Dole, Jr., "State and Local Public Employee Collective Bargaining in the Absence of Explicit Legislative Authorization," *Iowa Law Review*, Vol. 54, No. 4 (February, 1969) pp. 539-559.

that is, approximately five per cent, beyond the five per cent already authorized by the City Council. The Fire Fighters had sought an increase of 20 per cent above their 1968 level to bring them back to parity with the policemen. The latter had been ten per cent ahead in 1968 and had been given a ten per cent increase for 1969 by the City Council which would have increased their differential over the Fire Fighters to 15 per cent. The advisory decision maintained the differential at ten per cent during 1969. On April 28, 1969, the City Council voted seven to nought to accept the advisory determination. At 11 p.m. that same night the Fire Fighters struck. The strike ended at 7:45 a.m. on May 3, 1969 after a hectic five days, featuring injunctions, fines for contempt, marathon negotiation sessions, and an ultimatum by Mayor Tom Urban to the effect that any fire fighter not reporting to work on May 3, 1969 would be considered as discharged.

In this instance advisory arbitration was something less than an unqualified success, although the arbitrator's wage decision is in effect for 1969. The substantive merits of the advisory determination are not our main concern here. The question of more general interest is whether the procedure was appropriate to the circumstances. In retrospect it seems reasonably clear that a quicker solution and avoidance of economic force might have been achieved had the parties resorted to intensive mediation in the first instance. The full dress procedure used in the Des Moines case would have been more appropriate to final and binding arbitration than to advisory arbitration.

If the Des Moines experience proved nothing else it has shown conclusively that there is no special magic in any procedural device. There is no true substitute for good-faith negotiation to finality as the best way to resolve labor relations disputes.

Concluding Comments

The main thrust of this paper warrants the following conclusions:

(1) Even if the advice favoring non-usage is taken seriously, we must somehow cope with a sharp increase in the demand for qualified neutrals and a critical supply problem.

(2) The shortage of neutrals underlines the wisdom of unceasing effort at more effective bilateral negotiation between the agency and the employee organization. The "multilateral" problem posed by the legislative branch complicates life in the public sector.¹⁴ It does not, however, detract from the superior values of living together without assistance from neutrals whenever possible.

(3) When neutrals are needed and available, the mediatory function should be utilized first and foremost. Delays and over-formalism must be avoided in subsequent procedural channels used when mediation has not brought the parties into agreement.

(4) The heterogeneity of public sector situations suggests the wisdom of a wide range of choices and options between the "ultimate alternatives." We must avoid trying to cast all cases into any particular mold.

(5) Finally, intensive training is needed for nearly all concerned, neutrals as well as practitioners.

[The End]

¹⁴ The multilateral aspect of public sector bargaining is treated perceptively by Kenneth McLennan and Michael H. Moskow

in their paper, "Multilateral Bargaining in the Public Sector," 21st *IRRA Proceedings*, cited at footnote 1, at pp. 31-40.

Sources of Management Unrest over Collective Bargaining in Schools

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THE CONCERNS causing management unrest over educational collective bargaining are not limited to the issues involved in reaching a negotiated agreement.¹ There are still many concerns regarding process, but even more unrest is the result of the "spin off" of bargaining, such as tax system inadequacies, intervention of other governmental agencies, and redefinition of administrative role. Still others are problems of our social climate, which affect efforts to adjust to a new employee-employer relationship, such as rapid social change, ambiguity as to schools' role in society, and the position of teachers in the social structure. It is the wide scope of concern held by public school management that needs to be examined if solutions are to be found to assist the bargaining table relationship.

Introduction

All of the many concerns outlined are not to be interpreted as being universally held by all persons in educational management. Quite the opposite is true. Social and political climate within the community and the representatives of the public on the board of education may have more to do with conditions of unrest than a lack of administrative experience in

the techniques of employee relations in a union climate.

It must be further pointed out that some concerns are real and proper while others are more imagined and unworthy of the time they consume, such as the adversary versus advisory approach, the loss of administrator status leadership position, the acceptance of employee versus professional teacher designation, and the use of noneducational systems for impasse settlement. However, as unworthy as some management concerns may be in light of the total situation, they are important if one is to understand why there is unrest.

School management is finding it increasingly difficult to ascertain consensus and direction from the public as to how the schools should serve society. The forces of special interest groups, be they parents, teachers, taxpayer associations, industry, or social reformers, demand that their beliefs and causes be recognized not only in the curriculum and organization of the district but also at the bargaining table. As a result, bargaining becomes the open forum to attempt the resolution of society's turmoil and problems. When dramatic changes, to meet society's problems, do not result from bargaining, it is with great alarm that the process is condemned. Rather than solidifying relationships, the seeds of malcontention are further nurtured.

¹ Unless otherwise indicated, management is defined as Lay Board of Education members, administrators and supervisors.

"Taxpayer's Revolt"

Whether attributable to collective bargaining or simply a local manifestation of society's concern over big government, increased taxation, and inflation, the public is increasingly unwilling to tax itself further in the support of education. In Michigan there is an increased refusal on the part of the citizenry to maintain the same level of support by increasing taxation to meet the needs of higher per pupil costs.²

In the face of this "taxpayer's revolt," districts have been forced to deplete reserve funds, cut services, decrease expansion and deficit spending. So severe is the problem that a number of Michigan districts know before entering negotiations this year that any wage increases will mean a cut in educational services as well as accumulation of debt.³ Either of these results will only increase the tensions between the public and teachers. This places upon school management the burden of conciliation, an almost impossible assignment.

The tax revolt is only the outward manifestation of a deeper lack of understanding of collective bargaining in the public service. Unlike most occupations, everyone has had an extended exposure to the educational enterprise. As a result, each person feels qualified to judge education and educators in ways they would never think of doing in another industry.

They continue to visualize the educator as the teacher they knew in school. The public fails to realize, that as schools become larger and the educational process more complex, a change has occurred in the

educator and his relationship to the system. Many of these changes are not unlike those faced in our total society since a school in many aspects is simply a microcosm.

Educational management is concerned with the changes government created when it supported collective bargaining by school employees. Many of the laws passed allowing for collective bargaining are inconsistent with the interpretation of intent of previous legislation governing the operation of public schools. Unlike the private employer who has all the rights of management, except those which have been limited by bargaining or legislation, the public employer as government, particularly in local districts, has only that authority which is given through law.

In this regard, management is concerned with the results of inconsistent demands and rulings of other governmental agencies. One agency, charged with the responsibility to administer this new legislation, decides certain subjects are bargainable, and yet another agency indicates the subject is restricted from public management through earlier legislation. For example, the Attorney General of Michigan,⁴ in an opinion last Fall stated that school districts lacked the authority to grant certain fringe benefits, such as termination pay and tuition reimbursement for advanced college credit courses, as these were not specifically granted powers from the legislature and could not be construed from the district's power to pay wages. The lack of definition as to the powers to bargain causes as much unrest as what must be bargained.

² Reported by the Michigan State Department of Education, April 14, 1969, that since January 1, 1968, 226 operation millage issues have been defeated and 386 approved. Of those approved most were simply renewals of expired levies.

³ Report of the Michigan State Department of Education in March, 1969 indicates that 74 of 544 school districts are operating on a deficit.

⁴ Michigan, *Attorney General Opinions*, No. 4583 (1968).

Since certain fringe benefits commonly granted in the private sector are not available to the public employer to negotiate, even greater stress has been placed on salary increases. Over the period of the last three years these increases have ranged in Michigan from nine to eleven per cent⁵ per year. As a result, great pressure is being placed on state government to develop new tax systems allowing school districts to meet their collective bargaining obligations without cutting programs or spending more than their income. Legislative proposals are being made in Michigan to permit local school government to raise the necessary funds, by way of an income tax, to pay the "market" price for teachers. This could be compared to raising the price of goods and services to meet rising costs in a government regulated industry.

The introduction of new regulatory agencies and public pressure devices to the public sector has also created unrest. Although in actual experience mediation and other machinery of the Michigan Labor Mediation Board has been quite effective, much criticism is leveled by educational management that their employee relations problems should be handled by persons very familiar with the educational system.

Fact Finding

The development of fact finding as a substitute for the strike in the public sector is not totally accepted by either party to the bargaining table. Often fact finding is a second attempt at mediation because the time of year is generally Labor Day and there is no time to find facts in the face of the hue and cry to open the schools. It must be said, however, that often where the fact-finding process failed,

the task asked of the fact finder was a job for "Solomon." This is not to say that mistakes are not made, but on the other hand many very difficult situations have been resolved. As fact finders gain more experience with educational matters, school management will use it as another tool. Then the great unrest over the process will decrease.

Hopefully as the new contractual relationship matures and arbitration procedures are more commonly used, the problems and mistakes found in fact finding will serve as aids to make the arbitrator more acceptable. Measures like that taken by the Federal Mediation and Conciliation Service of developing a list of persons particularly qualified to work with the public sector will enhance the receptiveness of third parties by public management.

The Title "Professional"

In the past the public employee, and specifically the teacher, was at the almost complete control of management. The teacher was given the title of a professional, but in many ways, particularly economic, he was in no measure the same as the more recognized professionals of law and medicine.

School management, and indeed many of the teachers, were taken by great surprise when teacher leaders so readily accepted a previously unacceptable label of "employee" in an "occupation" and placed less emphasis upon being called a "professional." Two reasons for this change are given by Professor Oberer of Cornell University:

"(1) . . . [T]he two teacher organizations tend to equate talk of professionalism with teacher peonage. Their constituents have been 'paid off,' . . .

⁵ Charles M. Rehms, *The Economic Results of Teacher Bargaining: Michigan's First Two Years*, Institute of Labor and

Industrial Relations Research Paper No. 6, University of Michigan, Ann Arbor, Michigan, 1968, p. 30.

which is to say, held down, . . . with cheap coin of bombast about 'professionalisms' for years.

"(2) they (teacher leaders) cannot accept it because they are political prisoners. They are bound by the necessity to 'deliver the votes.'"⁶

This change of attitude or outlook has created in school management, many of whom were teacher leaders at one time, a great anxiety. Further, it caught many persons in school management unwilling to accept its delegated role of manager and not just another member of the "profession."

School management personnel are now looked upon by the militant teacher in a much different way. Administrators are faced with a decrease in voluntary compliance to rules, regulations and procedures set by management. They need to enforce contract provisions and more closely examine former methods of operation, such as performance evaluation systems. It is no longer satisfactory to assume "professional" responsibility to assure the public that they are getting their money's worth. Neither is it acceptable for management to expect peer discipline for improper conduct or teaching practices. For these reasons, the school administrator finds the role he is expected to assume by the union and top management uncomfortable, and much less desirable to many who entered administration under different conditions.

Economic Benefits

Not only a cause of management unrest, but of increasing concern to the public, is the subjugation of improvements in educational procedures to the gains in personal economic con-

ditions. Although much has been predicted by the teacher organizations of the improvements education would receive by greater teacher involvement through collective bargaining, to date a review of the fruits of bargaining shows primarily gains in economic benefits.

Since the pressure is placed upon management to maintain the operation of schools for the public it serves, the use of strikes in which the child becomes a weapon has probably caused more unrest than any other single occurrence. It is not that teachers are maliciously using children to gain their own ends; it is rather the nature of service they provide to society. The teacher, faced with the necessity to bring pressure upon the public and its representatives in order to extract concessions, has as his most effective tool psychological rather than economic force. In place of the strike, sanctions have been leveled encouraging teachers not to work in certain districts and states. This method has a less direct effect on children and parents, and consequently has been less effective than the strike. The strike with its direct effect on children and parents has created the desired psychological pressure teachers have sought. Management has great difficulty in the face of parental pressure, to take a strike even if settlement means fiscal and operational irresponsibility. How pressure can be placed upon management and the teachers, similar to the strike effects, without the use of children by either party is a problem of monumental proportions.

Changes and Unrest

Now let us consider a class of changes or lack of changes over which school

⁶ Speech for the National Conference on Public Employment Relations, New York City, October, 1968 (Text in print by Edu-

cators Negotiating Service, Washington, D. C.)

management has some degree of control but is not exercising sufficient direction to minimize the unrest it produces. These changes fall into four categories which shall be labeled institutional, lay management, professional management and bargaining process.

It is not particularly new information that the rapid changes in our society have placed increased pressures upon the educational establishment to change and adapt accordingly. At a time in our history when individuals are seeking greater involvement and service from their governmental agencies, the employees of these agencies are demanding a greater voice in the running of the services themselves. Public management is caught in a position between these two forces, trying to reconcile the differences between them and at the same time exerting direction of its own. It is too idealistic to hope that the demands for change upon the institution by teachers and citizens would be in harmony. As a consequence, no matter what direction management takes, someone is alienated.

Add to this problem the inability of large institutions of government to change as rapidly as society. Then there is the dilemma of who has priority over whom when such subjects as teacher rights under a contract conflict with the public's demands for decentralization of management power. Professor Oberer has pointed out that to decentralize school control while continuing centralized collective bargaining is "having one's cake and eating it too."⁷ Something has to give. Either the centralized union allows local bargaining, and subsequent decrease in control, or the new local boards will not be given powers to determine with their teach-

ers, wages, hours and working conditions. In areas where decentralization is a public concern, it is exactly this power to determine who teaches and what is taught that precipitated demands for change.

Another element of the unrest, both within and without the educational establishment, is the growing bureaucracy that grows to meet the very demands of teachers and the public against it. As society identifies areas of concern such as highway safety, sex education, drug abuse, job upgrading, leisure time activities, pre-school education, and others, the educational bureaucracy enlarges to meet them. School management is very concerned with this apparent uncontrolled growing bureaucratic establishment. They, along with the public, are beginning to realize that as this structure increases it becomes rigid and self-insulating.

Collective bargaining, while identifying insensitivity and bureaucratic rigidity to the public needs, still tends to preserve these shortcomings. To change is to challenge established work structure and job security. Faced with built-in inadequacies to meet change, and the need to bargain many modifications, management is less able, in some respects, to adapt than ever before.

Changes also have occurred among the lay management of our schools. Some of these are recognizable to the other lay members, but are most acutely evident to the administrator.

Experienced administrators indicate that there are more politically motivated board of education members using their positions as "stepping stones" to other elective offices. They also point out that it is more common to find persons elected to boards of education

⁷ Oberer, cited at footnote 6.

not because of an interest in the educational process nor because of the attendance of their children, but to represent political interest groups. More and more citizens are elected because they are against something, that is, taxes, some area of curriculum, high salaries, collective bargaining, etc.

The educational lay manager often tends toward managerial systems run on philosophy and political-emotional feelings. We are just beginning to find an increase in the adaptation of accepted private industrial management systems. Many of the problems in Michigan connected with reaching agreements on certain contract items, such as agency shop and grievance arbitration, result from a resistance to meet these as managerial problems, rather than political "footballs."

Surely the area of greatest felt unrest lies with the educational administrator. He is faced with the necessity of developing a new working relationship with the teachers who now, openly in some instances, reject his status leadership position. The school administrator having attained his appointment in a climate much different from the present one, finds it difficult to adjust—some preferring to return to teaching. The school administrator has long been viewed as the leader and spokesman for the professional staff, a super-teacher or educational Big Daddy. No longer is he viewed as one of them. He is now the management representative in the school.

Such a role to many is unacceptable and in conflict with the previously attained values of their past. The management role is one for which they find themselves inadequately equipped, both philosophically and technically. As a result, the collective bargaining

function is assumed by labor lawyers, board members, and administrative specialists drawn from the ranks or the private sector. The problems created by this multiplicity of representation are diverse and complex.

Probably the greatest cause of unrest for first line administrators (such as elementary or secondary school principals) is the encroachment on their decision-making authority. Many forms of authority traditionally reserved to the line administrator are now decided at a central level by bargaining or the establishment of committees. These concessions sometimes disable the administrator from doing his management job. Other concessions simply remove psychological-status authority, to which he is accustomed and without his involvement. Such concessions result not from a lack of expertise necessarily, but because economic concessions are more difficult.

There continues to be much management unrest because of the type of collective bargaining process generally found in Michigan and other states. Public management considers the traditional confrontation bargaining method of the private industrial sector as inappropriate to the public sector.

Original concepts advanced by the Education Association visualized the new relationship as a professional endeavor where parties meet, confer and reach decisions without conflict.⁸ However, when the traditional confrontation bargaining was adopted, few in school management were ready. Although experience has changed the attitudes and skills of most school administrators, there continues to be unacceptance and unrest created by the process. So deep is this concern

⁸ Martha L. Ware, "The Basics of Professional Negotiations," *Michigan Education*

Journal, Vol. 41, No. 6 (November, 1963), pp. 6-8.

that it is likely we will witness numerous attempts at creative approaches.

Conclusion

In conclusion, management unrest over collective bargaining in education will continue. The assistance and answers required are as complex as the problems which cause it. Persons who would attempt to bring aid and

experience to the difficulties must not be deterred by the complexities. At least a minimum degree of stability is attainable if individuals from the private sector can lend their experience. The key to the future of collective bargaining relationships in the educational sector lies in the assistance and information that educators receive today. [The End]

The Scope of Bargaining in Local Government Labor Negotiations

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THE "SCOPE OF BARGAINING" usually refers to the range of issues included in negotiations between the parties to a labor agreement. Significant variations in scope occur among labor agreements in both the private and public sectors. The principal aim of this paper is to examine the impact several selected factors may have on the scope of bargaining. The study is limited to the public sector at the local level.

The paper is divided into two parts. The first part is an effort to clarify some conceptual aspects and problems encountered in the analysis; the second part is an analysis of the impact the selected factors have on the scope.

DEFINITIONS

"Real" v. "Formal" Scope of Bargaining

Those familiar with collective bargaining in either the public or private

sector are aware that the set of issues covered by a formal contract or agreement need not coincide completely with the set of issues upon which there has been joint decision-making by representatives of the parties. Any analysis of the scope of bargaining must take account of this distinction between the "formal" scope, the issues covered by agreement, and the "real" scope, those issues upon which there is joint decision-making.

The following four quadrant table represents the four possible categories into which all issues of a particular collective bargaining relationship may be placed. Each issue may be placed in one, and only one, of the categories. Quadrants (1) and (2) represent those issues in the real scope; quadrants (1) and (3) represent the issues in the formal scope; quadrant (4) represents the issues which are outside both the real and formal scopes, for example, management prerogatives.

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ciates, particularly John Burton and Charles Krider, of The University of Chicago, for their comments. The two sources of information are cited in the following page.)

TABLE 1
Real Versus Formal Scope

		Formal Scope	
		<i>Issue in Contract</i>	
		Yes	No
Real Scope: <i>Issue Jointly Determined</i>	Yes	In Contract and Jointly Determined (1)	Not in Contract but Jointly Determined (2)
	No	In Contract but Not Jointly Determined (3)	Not in Contract and Not Jointly Determined (4)

Examples of issues which fall into quadrants (2) and (3).—The case in which jointly determined issues do not appear in a formal agreement (quadrant (2)) is common. As an example from the public sector, civil service regulations in Philadelphia permit variations in the eligibility requirements for individuals desiring to take examinations for vacant positions. These variations are made at the discretion of the personnel department in accordance with guidelines established by the Civil Service Commission. While negotiations regarding civil service regulations are not reflected in the formal contract, the union has been able, in some cases, to gain significant influence over eligibility requirements for particular exams. Union officials reported that many exams which were formerly "open competitive" exams (current employment status is not a factor in determining eligibility) are now limited to employees of the city or to employees of the particular department in which the vacancy occurs. This assures promotion from within, which is currently acceptable to the union in lieu of promotion on

the basis of seniority. The union officials reported that this shift in eligibility is the result of their increased influence. Yet, nothing in the contract suggests joint decision-making on the eligibility issue.

On the other hand, the formal scope of many public (as well as private) agreements actually exceeds the real scope (quadrant (3)). That is, some issues mentioned in the agreement are not actually jointly determined by the parties. For example, local, state or federal laws and ordinances regarding such topics as vacations, holidays, pensions or exclusive recognition are frequently repeated in local agreements even though the union may actually possess no joint decision-making role in the issue. An example of a frequently found clause appears in the agreement between the City of Milwaukee and District Council 48, AFSCME. Federal law requires that an employee returning from compulsory military service must, under certain circumstances, be re-employed by his former employer. The Milwaukee agreement simply restates the statute:

(*Footnote continued.)

tion were intensive field interviewing and extensive contract analysis, both conducted in connection with the Brookings Labor Project. To date, some 30 cities have been

visited and over 265 collective bargaining agreements between local governmental units and employee organizations have been examined.

"Upon completion and release from active duty under honorable conditions, such employees shall be reinstated into the positions they held at the time of taking such leave of absence or to a position of like seniority, status, pay, and salary advancement. . . ."¹

The Two Dimensions of Scope

In considering the scope of bargaining, the question is not merely one of discovering the areas in which the union has achieved some influence but also of measuring the amount of influence actually wielded by the union within each of these areas.² In any collective bargaining situation there appears to be a trade-off by the parties between breadth (number of issues covered) and depth (degree of influence on particular issues held by the union).

At the present state of development in public sector labor relations, management's concern has not been with breadth, but depth. That is, management appears willing to place no limit on the number of "negotiable issues" so long as the actual power of the union over the issues is severely limited. Management negotiators indicate a willingness to "discuss" any issue with union representatives. Except in the few instances where bargaining is well developed, however, management officials are unwilling to admit that any issues are "jointly determined" on an equal basis with the union representatives. In their

opinion joint determination would be equivalent to a delegation of their authority which they feel is not permitted by law.

It is predictable that management in the public sector will begin to shift its focus toward limiting breadth. This process has already begun in some jurisdictions. The prediction is based upon three factors. (1) Unions are becoming stronger vis-à-vis management, thereby achieving greater depth of penetration. (2) More formal (written) agreements are appearing. (A written agreement increases management's commitment to the terms of the agreement and thereby reduces management's flexibility.) (3) Public policy in some jurisdictions mandates joint decision-making on some issues.

FACTORS RELATED TO THE SCOPE OF BARGAINING

The first section, below, considers some factors expected to have some impact on the *formal* scope of bargaining; the second section considers the impact that public policy may have on the *real* scope of bargaining; and finally, the third section considers the interrelationships among several factors and their impact on both the real and formal scopes of bargaining.³

Impact of Alternate (Informal) Channels of Influence

This section explores the proposition that the availability of informal

¹ *Agreement between City of Milwaukee and Milwaukee District Council 48, AFSCME, AFL-CIO and its Appropriate Affiliated Locals, January 1, 1966*, p. 33 (now expired).

² Professor Chamberlain has indicated that "union penetration of managerial areas" may be measured ". . . by seeking to establish the number of areas where unions now share . . . decision-making power and by attempting to estimate the importance of their share . . ." *The Union Challenge to*

Management Control, Harper, New York, New York, 1948, pp. 74 *et seq.*

³ It is tempting to postulate causal relationships flowing from the factors to the scope of bargaining. In some instances it is safe to attribute a causal impact to the factors, but in most there is likely to be a feed-back effect. For a discussion of the relationships among union power, membership support and the scope of bargaining see Chamberlain, cited at footnote 3, at pp. 100-104.

channels of communication and influence between union and public officials is associated with a smaller formal scope of bargaining.

Size of bargaining unit.—Informal channels are more likely to be available when the unit is small. Grievances, promotions, and similar matters may be adequately controlled through the informal channels. As the size of the bargaining unit increases so should the formal scope of bargaining, other things being equal.

The following tables present data on the relationship between the size of the unit and the formal scope of bargaining. Since public policy appears to create important differences among bargaining units, the following procedure was used to standardize for it. First, in order to assure rough comparability among the states as regards industrialization and general attitude toward unionism, only non-Southern states were used in the analysis. Then the remaining states were divided into three categories: (1) six states with well-developed (favorable) public policy regarding unionization among public employees, (2) 19 states with no explicit legislation with regard to the right of public employees to unionize, (3) 11 states with intermediate development such as those with "meet and confer" statutes.⁴ The third group was omitted from the analysis because it lacked both intragroup uniformity on the public policy variable and sufficient agreements for meaningful analysis. The two remaining groups were analyzed independently.

In Table 2 the columns represent the number of *key* issues covered by the agreement. "Key" issues are a selected list of 11 issues usually covered in private sector agreements: (1)

exclusive recognition, (2) union security (membership maintenance), (3) checkoff, (4) wages, (5) hours, (6) overtime, (7) paid time off (holidays, vacations or sick leave), (8) welfare benefits (pensions, medical or life insurance), (9) grievance procedure, (10) arbitration, and (11) promotion procedures.

Following the proposition stated above with regard to alternate informal channels of communication and influence, we should expect that smaller units would show a relatively larger proportion of agreements with "6 or less issues" covered while larger units would show a larger proportion of agreements with "9 to 11 issues" covered.

Table 2, section a, based on contracts in states with well-developed public policy, does not conform to the proposition at all. There is only the slightest tendency for smaller units in Table 2, section a, to cover fewer issues. On the other hand, Table 2, section b, covering agreements in states without explicit public policy, does yield the expected results.

It is not readily apparent why the hypothesis with regard to size of unit tends to be relevant in states without explicit public policy while it is clearly not relevant in states with well-developed policy. One possible consideration is the difference between these groups in the "area of coercive comparison." The geographic density of contracts in the well-developed states is much greater than in the states without explicit public policy. This might lead to a greater uniformity of contracts within the former group regardless of unit size.

Political Power.—Informal methods of resolving issues are more likely to be available if the union has access

⁴ See Richard S. Rubin, *A Summary of State Collective Bargaining Law in Public Employment*, NYSSILR (Ithaca, New York,

1968), Mr. Rubin's survey coincided temporally with the Brookings Project contract analysis.

TABLE 2
Formal Scope of Bargaining by Size of Unit and Public Policy

Per Cent of Contracts Covering:

Size of Unit (employees)	6 or less Issues	7 or 8 Issues	9 to 11 Issues	Total Number of Contracts
<i>(a) States with well-developed public policy:</i>				
Under 25	15	30	55	20
25-50	0	29	70	17
51-100	5	24	71	21
Over 100	12	24	64	25
<i>(b) Non-Southern states with no explicit public policy:</i>				
Under 25	38	31	31	13
25-50	15	38	46	13
51-100	33	17	50	12
Over 100	9	9	82	11

to political channels. Collective bargaining agreements negotiated at the local level are frequently subject to ratification or approval by the local legislative body. This is particularly true with regard to wage rates or other economic issues requiring financing. When union officials seek to alter the terms of employment, then, an alternative to the formal collective bargaining agreement is simply direct political action to revise the relevant ordinances or resolutions.

Unions frequently prefer this "political" approach, particularly in states lacking explicit public policy with regard to collective bargaining in the public sector. The political approach is also popular in "machine" style cities regardless of public policy. In some cities, such as Chicago, the political approach completely replaces formal collective bargaining.

In addition to direct action at the local level, political action is possible at the state level. This process is known as "leap-frogging," or "double decking." The process is likely to be used where some or all locals lack the power to negotiate the desired terms locally, so they seek to estab-

lish state policy on the issue. The issue is thereby removed from both the formal and real scope of bargaining at the local level.

An example of the use of informal influence at higher levels occurred recently in Illinois. The state fire and police organizations lobbied successfully for a state minimum wage for uniformed personnel. The minimums had their greatest impact in smaller communities where the employee organizations had the least strength. Employee organizations in larger cities supported the measure, though, because the wage rates of smaller communities are always used for comparative purposes in their wage negotiations.

Impact of Public Policy on the "Real" Scope of Bargaining

Variations in public policy (specifically, the legislation pertaining to unionization in the public sector) have their primary impact on the *real* scope of bargaining.⁵ Policy variation may affect the real scope of bargaining in two ways. Frequently, legislation pertaining to unionization has a *direct* impact through coverage of specific issues, thereby removing them

⁵ It is likely that the impact on the real scope will also be reflected in the formal scope.

from the real scope of bargaining. The automatic granting of exclusive recognition to unions which enjoy majority status, legalization of check-off and the prohibition of any union membership requirements are cases in point.

The second way in which public policy may influence the real scope of bargaining is through its *indirect* impact on union strength. Any change in public policy which is favorable to union aims with regard to specific issues, particularly union security, will "free" the unions' resources to be employed in seeking other goals. Automatic exclusive recognition provides a measure of union security for unions with majority status in Hartford, Connecticut, which unions in St. Louis do not enjoy. While the latter strive to maintain their membership in the face of management pressure and particularly rival unions, the AFSCME local in Hartford is free to confront management with wage or fringe demands.⁶

The following table shows the relationship between the scope of bargaining and public policy. In the table the formal scope has been used as a proxy for real scope. The issues considered and the two groups of

states used for the analysis are the same as those developed in Table 2 above.

It appears that a well-developed (favorable) public policy is related to a larger scope of bargaining. Conclusions from the above table must be tempered, however, for two reasons. First, the data reflect the formal scope of bargaining, not the real scope. Second, the table merely counts the issues and does not take into account the depth of penetration achieved by the unions. Assuming the trade-off hypothesis set forth in the first section of the paper has some validity, it is possible that unions in states without explicit policy have a greater tendency to trade depth for breadth. Such a propensity would bias the results of the table. In my opinion, neither of these problems is sufficient to cause us to disregard Table 3 because of the substantial differences reflected in that table.

Organized Labor, Union Strength and the Scope of Bargaining

It is obvious that union strength relative to the employer is an important factor in determining the real scope of bargaining. Several problems are associated with the use of

TABLE 3
Formal Scope of Bargaining and Public Policy

	Per Cent of Agreements Covering:			Total Number of Contracts
	6 or less Issues	7 or 8 Issues	9 to 11 Issues	
Non-Southern states with no explicit public policy (19 states)	32	24	44	71
Non-Southern states with well-developed public policy (6 states)	8	25	67	122

⁶ This case is analogous to the argument with regard to Section 14(b) of Taft-Hartley in the private sector. There, the argument is that "right-to-work" laws cause a

drain on union resources as the union strives to maintain its membership in right-to-work states, thereby weakening itself vis-a-vis the employer.

strength as a variable in the analysis, however.⁷

Instead of measuring union strength directly, we shall consider factors which might (1) contribute to union strength or (2) inhibit the development of union strength.

General strength of organized labor.

—General union strength in a community should provide a clue to the “acceptance” of unionism by the general public. In addition, it may be hypothesized that public sector unions which are affiliated with local central labor bodies or with international unions which have organized substantial portions of the private sector could derive some strength from those sources. In fact, however, the field work of the Brookings Labor Project did not reveal the simple relationship hypothesized above. The fact that private sector unionism is strong in an area does not reveal anything about the strength of the public sector unions nor, consequently, anything about the scope of bargaining, formal or real. What the field research suggested was that any impact of private sector labor on the public sector was modified by a complicated set of relationships involving public officials, private sector union officials, public sector union officials, and the “style” of politics in the city.

Style of city politics.—In machine-type cities it is likely that successful union organizations will be part of the party machine. If such an organization does gain any strength independent of the machine, either through the private sector unions or through its own efforts, “alternate informal channels of influence,” discussed above, are likely to be available. Therefore, regardless of the real scope of bargaining achieved, the

formal scope of bargaining will be limited.

In “reform” style cities, the employer-employee relationship resembles the private sector. City business tends to be conducted on a formal basis. Under these conditions an increase in the formal scope of bargaining is likely as a public sector union gains strength through the assistance of organized labor or through its own efforts.

Private-public sector relations.—

Those familiar with public sector unionism are aware that private sector union officials do not always look upon the developing public sector unions with the kindest regard. In New York City, for instance, the central labor council, for years, enjoyed the favored role as the spokesman for all of organized labor including the city employees. The AFSCME District Council, in the past five years, has achieved a strong position vis-à-vis the city administration, independent of the central labor body. The latter views this as a challenge since some of its power has been eroded. There are examples of other cities in which the reason for the poor relationship would differ. The point is that when the relationship between public and private sector unions is strained, one might expect no assistance at all from the private sector for public employees. In fact, if the relationship is very poor, there may even be an inverse correlation between private sector strength and public sector strength.

Synthesis.—A pattern of the impact of organized labor on union strength and the scope of bargaining emerges in a comparison of Chicago and Cleveland, on the one hand, with Dayton and Milwaukee, on the other. In Chi-

⁷ It is difficult to measure empirically, and the direction of causality between union

strength and scope is less clear than with the other factors considered above.

ago, the employees represented by the various craft unions do have considerable depth of real scope in bargaining with Mayor Daley. The Teamsters, for instance, have been able to maintain a prevailing rate for garbage truck drivers in the city. In Cleveland, the building trades have significant strength and have played a major role in "maintaining standards" for their members. By contrast, this influence over the terms of employment is not shared by unions which represent noncraft employees of the cities. AFSCME, which enjoys very little stature in the Cleveland central labor council, has had virtually no impact on wages and working conditions in recent years. Finally, the formal scope of bargaining in these patronage style cities is limited or nonexistent. Until last year neither Chicago nor Cleveland had any written agreements with its employees. The conclusion is that in patronage style cities where private sector unions enjoy a measure of influence, and where such unions take an interest, at least in particular groups of employees, the real scope of bargaining will be significant for those unions while the formal scope will be limited. Any increase in private sector union strength would be reflected in the real scope but not the formal.

Milwaukee and Dayton are reform style cities. Although organized labor is strong, its role in city politics has been limited. In Milwaukee the relationship between private sector union leaders and the AFSCME District Council has been strained. Historically, Dayton experienced similar difficulties although presently relations are neutral or friendly. Alternate informal channels have not been available

both because of the style of politics and the public-private sector union relationships. Therefore, the real scope of bargaining is reflected by the formal scope. As union strength increased in both cities, overtime, and real scope increased with it, the formal scope also increased.

Conclusion

Most of the factors influencing the scope of bargaining, both formal and real, are familiar in the private sector. Public policy, informal channels of influence, and the strength of the union vis-à-vis management all have an impact in the private sector as well as the public. The application and relative importance of these concepts in the public sector are at variance from the private sector, however. The most interesting difference is the important role the informal channels play in cities without public policy guidelines. The development of public policy in the public sector at either the state or local levels probably leads to greater similarity between the sectors in that the formal scope more accurately reflects the real scope.

It is part of the nature of the public sector, however, that unions will always have access to politicians sympathetic to their views. These may be at either the local or higher levels. These conditions will lead to the tendency for unions to rely more on informal "politics" or higher level legislation when formal negotiation at the lower level appears less fruitful. This dependence on legislation will prevent the scope of bargaining at the local level from achieving the breadth or depth of the private sector.

[The End]

Resolving of Unrest in the Public Sector

A Discussion

By DONALD S. WASSERMAN

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Comments on Paul Gerhart's Paper

DISTINGUISHING between the "real" and the "formal" scope of collective bargaining in public employment is a useful device in wending one's way through the labyrinth of public sector labor relations procedures. I do think, however, that in illustrating the real scope exceeding the formal scope, he need not rely on a situation in which the union or employer desires that there be no public knowledge of negotiations on a specific issue. This, of course, smacks of a fix. More importantly, it does not predominate—although in most situations the real scope does exceed the formal scope.

Relationships in which the formal scope exceeds the real scope are less common and may be explained in a couple of ways. Legal obligations or civil service regulations may be reproduced in the contract, despite their really not being bargained, as a means by which the union demonstrates its broad range of interests and aspirations. Or, it may be done simply to add "fat" to the agreement. Management may insist upon such provisions as an acknowledgement of the supremacy of a statute: for example, a no-strike law. There are situations where civil service regulations, providing specific benefits, are written into an agreement. This may be done

to guarantee that the benefits will not be changed unilaterally by management during the life of the agreement. This lends a sense, if not the substance, of bilateralism. Union negotiators are well aware that these items will eventually be determined through contract negotiations rather than statute or regulation. Toward this end, they are now being placed in the contract.

Another useful distinction made by Mr. Gerhart is that between the "breadth" and "depth" of bargaining. Public management's primary concern over depth rather than breadth is consistent with a general willingness to discuss most subjects with taxpayers. It is an extension of the concept that public business should be conducted in a fish bowl. As unions become more entrenched and written agreements more commonplace, management will attempt to limit the breadth or scope of collective bargaining. I observe that while public management is generally willing to "meet and confer" or "discuss and consult" about almost any subject, it is, and will continue to be, reluctant to engage in meaningful collective bargaining about a wide variety of subjects. Certainly, we are witnesses to management's concern with respect to the scope or breadth of bargaining with professionals, such as teachers and social workers.

I question the results of Mr. Gerhart's survey indicating that management rights clauses are more common in private industry than in public sector agreements. My impression is otherwise—at least for those public sector agreements which consist of more than a recognition clause and grievance procedure. In any case, however, I think a few observations are in order. As formal collective bargaining becomes more prevalent, and as unions broaden the scope, management will attempt to preempt certain subjects from bargaining. In part, this will be done by insisting on management prerogative clauses.

Additionally, management rights clauses in public employment are generally far more restrictive in public employment agreements than those found in private industry. Typically, in private industry the management rights provisions are fairly well limited to that section of the agreement so titled. In public employment management rights are likely to be spread throughout the agreement. Public management has one additional advantage. It frequently relies on so-called legal considerations, prohibitions or civil service rules to limit the scope of collective bargaining. Management may then feel it unnecessary to explicitly detail further such limitations in a management rights clause.

The more skeletal an agreement is (a measure of restrictive formal bargaining), the more likely the parties are to have informal arrangements determining specific work practices. As formal bargaining broadens, and as contracts become more detailed, these practices must give way. There will be less opportunity for the "private deal" between lower level management and union officials.

Perhaps too many variables were omitted in Mr. Gerhart's attempts at determining a significant relationship between the size of the bargaining unit and (1) the scope of bargaining and (2) grievance and promotion procedures. I feel uneasy that the entire South was omitted, even acknowledging that public sector bargaining is generally just beginning to surface there. I also question the omission of 11 states with so-called "intermediate development"—that is, the "meet and confer" states. It is especially important to understand developments in these states, especially since several are attempting to thwart or control the spread of collective bargaining by enacting meet-and-confer legislation.

I do not observe a correlation between the size of jurisdiction and the scope of bargaining and/or the coverage of grievance and promotion procedures. Mr. Gerhart tentatively suggested that in "highly developed states" the "orbit of coercive comparison" may be more important than size. Examples in Michigan, Wisconsin and Connecticut bear this out. Relatively strong, effective and mature AFSCME District Councils in these states do encourage uniformity of contract coverage. The very fact that the same handful of union representatives negotiate contracts with many jurisdictions, large and small, lends itself to more uniformity. In states where collective bargaining is on a less developed level, and where unionism and collective agreements are less prevalent, it is more difficult for a union to broaden the scope of collective bargaining, particularly in smaller units. This is primarily a matter of the relative strength of the parties.

Mr. Gerhart next turned his attention to political power, discussing

both local influence and higher level influence. I would suggest that there is a relationship between the amount of political influence applied in collective bargaining and the extent of collective bargaining legislation. Reliance on political influence decreases where collective bargaining legislation provides procedures acceptable to employees. Political influence is, of course, used in heavy doses in a "machine style" city. Thus, in Chicago, which is both a machine style city and a jurisdiction lacking collective bargaining legislation, political influence is the name of the game—for both the workers and the boss. Double-decking or performing an end run to the legislature to better a deal that has already been made with the executive generally decreases with the introduction of collective bargaining. At any rate, it is within the power of the legislature to quickly put an end to this practice.

Certainly, public policy directly affects union strength, which in turn affects the nature of collective bargaining. The same set of factors applies in private industry. Although I appreciate Mr. Gerhart's reasons for emphasizing the formal scope of collective bargaining when attempting to demonstrate that a positive public policy results in a larger scope of bargaining, I feel strongly that one cannot ignore either the real scope or the depth of bargaining. These are measures of an effective union. Undoubtedly, on occasion, unions must trade depth for breadth. The union, by nature, must constantly test and probe for an inroad to secure a voice—no matter how small at first—in determining conditions of employment. Mr. Gerhart correctly suggested that initially the public employer is frequently willing to trade breadth in order not to give up depth. The union will take this breadth, hop-

ing to convert it to depth at a later date.

Union strength, while reflected in the scope of bargaining, is difficult to measure because of the many variables in the concept—only some of which were mentioned by Mr. Gerhart. I agree that significant private industry union strength in an area does not necessarily suggest public sector union strength. Our union is very strong in some areas in which there is little or no private industry union organization. On the other hand, there are many cities in which private industry unions are relatively highly organized but in which public sector unionism is still underdeveloped. Generally, AFSCME is more successful in "reform" than in "machine" cities. Private industry craft unions are generally more successful in machine cities for obvious reasons.

Finally, it should be added that we are more likely to get decent public sector collective bargaining legislation in a state with a high degree of private industry unionization.

I agree that there is a more limited scope of collective bargaining in cities in which private industry unions play an important role in representing public employees. The city pays the "prevailing rate" in exchange for noninterference in most other aspects of the employer-employee relationship.

Conclusion.—The scope of collective bargaining in the private sector has been an evolving process for almost 35 years. This same process is emerging in public employment. Prior to the passage of the Wagner Act, strong unions won recognition rights in private industry. Similarly, public employee unions are winning recognition and collective bargaining rights prior to the passage of legislation in many areas. We now have

relatively full scope collective bargaining in New York, Detroit, Hartford and Milwaukee—all areas in which collective bargaining legislation has been enacted. We also have relatively full scope bargaining in areas where no legislation has been passed—for example, Philadelphia, Dayton and Toledo.

The scope of our collective bargaining is directly related to our strength, and strength is a combination of a variety of factors. Decent collective bargaining legislation will provide for an increase in union effectiveness. In these situations bargaining does more closely resemble private sector experience.

Mr. Gerhart indicates that AFSCME relies on the state legislative approach when formal negotiations at a political subdivision level are unsatisfactory; further, that we rely on an informal approach in these areas. It should be added, however, that AFSCME attempts to secure the passage of state legislation even in those areas where we have a relatively good collective bargaining relationship on the local level. I submit the specific examples of Ohio, Pennsylvania and Minnesota, to name but a few. Finally, Mr. Gerhart suggests that such dependence on legislation prevents scope from expanding on the local level. I disagree. Effective state legislation will enable us to significantly broaden the scope of negotiations on the local level. Examples are municipalities throughout Connecticut, Michigan and Wisconsin.

Comments on Keith Grotz's Paper

If Mr. Grotz's paper accurately describes the feelings of education management, it is not difficult to understand why our nation's schools are in such deep trouble.

The picture is one of a paranoid education management, being buffeted about by diverse groups that simply do not understand their problems. Those of us who fail to understand their problems, complains education management, include government, the public, teachers, parents, students and social reformers. These groups all want to impose solutions to the school crisis. Shall we break up the pluralistic society to salvage education management?

It seems to me that the taxpayers' revolt, which is directed only in part against the educational establishment, has very little to do with collective bargaining. Evidence of this revolt is abundant on the federal level where there is no meaningful bargaining over wages. Signs of this revolt are likewise seen on the state level where there is relatively little collective bargaining. On the local level taxpayer hostility exists both in the presence and absence of collective bargaining. Wages and fringe benefits are important issues, regardless of the presence of collective bargaining. Bond issues are defeated, school boards are thrown out and public officials are hard pressed to explain tax levels without respect to the existence of collective bargaining.

Where collective bargaining has been introduced it has largely resulted from teachers and other public employees deciding that they will no longer subsidize the general public through their own low wages. They built militant trade unions to achieve a voice in determining their conditions. The public employer did not embrace collective bargaining; rather, he accepted the inevitability of it.

An understanding of collective bargaining by the citizens is not necessarily the answer. Youngstown, Ohio, for example, is a relatively well-unionized city in which people might

be expected to understand collective bargaining. Nevertheless, several school bond issues were defeated, creating a financial crisis that temporarily closed the schools.

Education management's laments on the impact of collective bargaining are warmed-over clichés of the 1930s and 1940s. If we substitute the word "stockholder" for "taxpayer," and the words "board of directors" for "board of education," the worn record of industrial managers' dire forecasts of 30 years ago is virtually unchanged. There is only one additional folk tune which is sung somewhat as follows: "The public employer has only that authority which is specifically authorized by law." This is in contradiction to the history, development and growth of AFSCME. For many years the only collective bargaining we engaged in was *de facto* bargaining, that is, bargaining without benefit of law. Even today, some of our most mature bargaining relationships continue in the absence of legislation. The recent development of NEA as a bargaining agent and the history of AFT suggest that bargaining does take place in the absence of law.

It has been suggested by many that fact-finding be used as a substitute for the strike throughout public sector bargaining. We have difficulty with this approach because it leaves the union with no viable option. Either accept the fact finder's report or engage in an illegal strike. Public management, on the other hand, may accept the fact-finder's report or may reject it with impunity if it knows the union cannot strike illegally. We do believe, however, that fact-finding is an important tool in attempting to resolve impasses. We have no objection to making it mandatory prior to a legal right to strike.

I suspect that education management's reluctance to engage in fact-finding is not really based on the inexperience or lack of expertise of fact finders. Instead, it may be based on the knowledge that education employees generally are paid low wages and work under inferior conditions. Management fears that fact finders may be sympathetic with union arguments to this effect. In a few years, when unions have had an opportunity to improve wages and working conditions, there will be less reluctance by management to use fact finders.

Unions, too, desire more expertise on the part of fact finders and mediators. We have repeatedly prevailed upon the Federal Mediation and Conciliation Service to assert jurisdiction in the public sector. They continue to refuse to do so unless requested by both parties to enter a dispute.

School administrators claim that teachers are interested primarily in economic matters and show almost no interest in improving the educational system. Poorly paid teachers should insist upon a decent level of wages. We have seen the terrible effects that substandard wages have had upon the profession. But, let us assume that teachers are paid decently and in accord with their professional standing. What happens when teachers present contract proposals bearing directly upon curriculum, teaching methods, equipment, text books, classroom size, nonteaching and non-professional duties? School management recoils in horror at this invasion of management prerogatives. School management, I suspect, then begins the trade off. They propose some economic sweeteners in return for withdrawal of proposals relating to educational concepts.

Another familiar cry asks why innocent children should be used as

pawns in this collective bargaining game. Teacher strikes mean disrupted education. Typically, teacher strikes are in September, before school actually begins. The education process is postponed, rather than disrupted. Our educational year consists of a five-day week for approximately nine months. A one- or two-week delay at the start of school may conceivably inconvenience parents. It can hardly be described, however, as a public emergency.

The sometimes maddening slow pace at which governments adjust to changes already accepted by society is a special concern in collective bargaining. Collective bargaining legislation, when finally enacted by legislatures, rarely disturbs the citizenry. But all too often the executive fails to recommend, and legislatures fail to initiate such legislation in the absence of a crisis. Must each governmental jurisdiction experience its own special crisis before acknowledging collective bargaining rights of public employees? School boards cannot excuse their own inaction by maintaining that government is slow to react; they are government.

I fail to understand the argument that decentralized school control along with centralized collective bargaining is "having one's cake and eating it too." Decentralized schools simply mean that there shall be both centralized and decentralized bargaining. Wages, retirement systems and insurance may continue to be negotiated centrally, while other issues directly affecting teaching conditions can be bargained on a decentralized basis. Isn't that in effect what goes on in many of our basic industries, such as auto and steel? Local supplements covering issues such as seniority and working rules are bargained on a local basis and are designed as supplementary to, not in

conflict with, the master agreement covering industry-wide or company-wide provisions. Where is the conflict?

Rigidity that permeates the education establishment is not an advent of collective bargaining. Any casual observer would note that collective bargaining was, at least in large measure, a response to management's failure to act.

The school administrator is management regardless of self-image. Simply because he reacts like a bewildered shop foreman when first accosted by a shop steward is no reason to shed tears. Hostility toward the school administrator is one reason teachers organized. It makes him no less the boss because his roots were in teaching. If he wants to be one of the boys, let him return to teaching. What the school administrator needs is not our sympathy, but a training program to explain his role as part of management in the collective bargaining process.

Education management may consider the traditional confrontation approach of collective bargaining as inappropriate in the public sector. Obviously, teachers do not share this view. Current unrest should surprise no one.

Comments on Harold W. Davey's Paper

Professor Davey has called attention to some significant considerations that frequently get pushed aside in the emotional harangues over the impasse issue in public employment. He clearly set forth the need for experienced and qualified neutrals in the resolution of public sector disputes. He distinguished the typical grievance procedure arbitration so common in private industry from the need for mediation and fact-finding skills in public employment.

I generally concur in Professor Davey's framework of collective bar-

gaining. He correctly focuses attention on the need to develop mechanisms designed to facilitate bilateral determination of terms of the agreement. He disagrees with what he refers to as a false set of alternatives—the uninhibited right to strike or compulsory arbitration. In a very real sense these are not the “ultimate” alternatives.

Overwhelmingly, public employers do not want compulsory arbitration, all threats to the contrary notwithstanding. Pittsburgh Mayor Barr’s recent experience in police and fire disputes may give the Pennsylvania legislature second thoughts and may also raise some questions for any other chief executive who is contemplating a loving embrace of compulsory arbitration. Who among you, if you were a mayor or county commissioner, would want Professor Davey or one of his colleagues to set your tax rates? Isn’t this really where the compulsory arbitration road leads?

What union representing public employees seriously suggests that its members have the uninhibited right to strike? Our plea is simply that all strikes should not be prohibited before they take place. But that is another argument for another day.

Professor Davey raised an interesting question in asking if the public sector could avoid some perennial private sector problems. His fond hope that this could be done, at least on some important issues, has died aborning in my view. The management prerogative issue is, and will continue to be, more troublesome in public employment than in private industry. A wide “breadth” of discussions does not necessarily indicate real bargaining on these issues. Public management guards furiously those items which it believes to be its prerogatives.

One additional problem is worth noting. Many public employers attempt to contain the scope of bargaining through legislating management prerogatives as part of a collective bargaining law.

Acceptance of the concept of exclusive representation rights is essential in developing a harmonious collective bargaining process. AFSCME has favored a single comprehensive public sector labor relations statute, rather than a multiplicity of laws. Lately we have become disillusioned with this approach. The current rash of repressive state statutes being proposed and enacted in some states and complete inaction in other states have caused us to seek federal legislation regulating state and local government labor relations. It is our intention that this legislation will provide minimum standards. States would be permitted to adopt legislation at least substantially equivalent to the federal law, in which case the state law would apply.

I question Professor Davey’s use of “eloquent” silence on the right to strike. Silence on this subject is universally equated with a prohibition to strike. I fear that legislation is required to make any public employee strike legal.

I agree that mediation is the most desirable form of third party intervention, but that there is a shortage of qualified mediators. Relatively few states have built up an experienced core of mediators. There is one additional consideration in using state mediators. We cannot accept the neutrality of a state mediation service called upon to mediate a dispute with that state. There must be absolutely no question of neutrality if the process is to work. As indicated earlier, we have requested that the FMCS change its policy and indicate a willingness to enter public

employment disputes at the request of either party. Presently, it will do so only if both parties request it.

Professor Davey's suggested procedures and alternatives are reasonable and deserve thoughtful consideration. His warnings against over-formalizing the procedural channels is well advised.

There is, however, one aspect of fact-finding with recommendations and public disclosure that leads me to believe that it may be more useful in public employment than in private industry. The importance of exposure

to the public of the parties in public sector bargaining should not be dismissed. A fact finder's published recommendations, including pointing the finger of blame, may succeed in bringing enough pressure to bear upon one or both parties to facilitate the graceful withdrawal from hardened or extreme positions. I do not, however, suggest fact-finding as a substitute for a strike. I suggest it, rather, as one alternative procedure to be used with discretion in an attempt to resolve impasses.

[The End]

IRRA PUBLICATIONS 1969-1972

Proceedings of 21st Annual Winter Meeting, December, 1968, Chicago, Gerald G. Somers, ed., 401 pp. \$5.00

George P. Shultz, meeting chairman. Priorities in policy and research for industrial relations; issues in the government of higher education; impasse resolution, the community, and bargaining in the public sector; union-management cooperation revisited; new directions in labor statistics; preventive mediation and continuing dialogue; perspectives on the problems of union leadership; public policy and the strategy and tactics of collective bargaining; retaining and upgrading of disadvantaged workers; research on big city labor markets; federal regulation and the unions; the tradeoffs—work versus play and pay versus fringes; invited papers.

Proceedings of 1969 Annual Spring Meeting, Des Moines, Gerald G. Somers, ed. N. C.

Frederick H. Harbison, meeting chairman. University governance: workable participation, administrative authority and the public interest; mediation of civil rights disputes; transfer of population from rural to urban areas; finding and motivating new industrial workers; resolving of unrest in the public sector.

Public-Private Manpower Policies (To be publ. Fall, 1969), Arnold Weber, Frank Cassell, and Woodrow Ginsburg, eds.

Eli Ginzberg, public policies and womanpower; Michael J. Piore, on-the-job training in the dual labor market: public and private responsibilities in on-the-job training of disadvantaged workers; Arthur W. Saltzman, manpower planning and programs; Arnold L. Nemore and Garth L. Mangum, private involvement in federal manpower programs; Glen G. Cain and Robinson G. Hollister, methods for evaluating manpower programs; Leonard J. Hausman, the welfare system as a rehabilitation and manpower system; Joseph C. Ullman, manpower policies and job market information.

Proceedings of 22nd Annual Winter Meeting, December 29-30, 1969, New York City (To be publ. May, 1970) Gerald G. Somers, ed.

Frederick H. Harbison, meeting chairman. (See inside front cover for preliminary program of session topics.)

Proceedings of 1970 Annual Spring Meeting, May 8-9, Albany. (To be publ. Summer, 1970).

Douglass V. Brown, meeting chairman.

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Herbert S. Parnes, labor force and labor markets; E. Robert Livernash, wages, salaries and benefits; George Strauss, personnel relations and organizational behavior; Woodrow L. Ginsburg, union growth, structure and government.

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John H. G. Crispo and Paul Malles, labor and industrial relations abroad; Benjamin Aaron, public policy and labor-management relations; Garth L. Mangum, public policy in the manpower field; James L. Stern, collective bargaining trends and patterns.

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Membership Directory, 1972 (Issued every six years).

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