Shifting Perspectives on American Exceptionalism: Recent Literature on American Labor Relations and Labor Politics

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Nearly a decade ago, historian Alan Dawley proclaimed the idea of American exceptionalism to be dead and buried. Dawley’s pronouncement proved premature given the subsequent publication of books by Byron Shafer and Seymour Martin Lipset reaffirming the concept, as well as studies by Ian Tyrell, George Fredrickson, and others addressing the issue. However, the motion of American uniqueness so widely accepted a generation ago has come under serious challenge, and new conceptions of American “distinctiveness” or “variability” have emerged in recent scholarship.¹

Commentators have applied the concept of American uniqueness to various aspects of the American experience ever since the Puritans first envisioned their colony as a “city on a hill.” In the context of twentieth-century scholarship, though, much of the debate over American exceptionalism has its origins in the question posed by Werner Sombart in 1906: “Why is there no socialism in the United States?” Sombart’s answer to this question, and later elaborations by Selig Perlman in the 1920s and Louis Hartz in the 1950s, established an orthodox view of American exceptionalism that emphasized the lack of class-consciousness and class conflict throughout American history, and the failure of socialism ever to gain a significant foothold in American politics.

Differences existed among scholars as to why American workers disdained socialism and self-conscious class struggle. Explanations included the lack of a feudal past resulting in a Lockean liberal consensus, high standards of living, high rates of geographic and social mobility, the early achievement of universal white manhood suffrage that established long-lasting partisan rather than class loyalties, the federal structure of the American system of government, ethnic and racial diversity, and the legacy of slavery. Yet, most scholars agreed that the American pattern of development had, from the outset, differed from the European model in which workers responded to industrialization by becoming class-conscious and supporting the creation of a socialist party.

As Dawley and other historians, such as Neville Kirk, Eric Foner, and Sean Wilentz, have argued, there are serious flaws in the orthodox view of American labor exceptionalism. This essay will review recent scholarship challenging the Sombart-Perlman view of American workers, and explore new conceptions that are emerging of the distinctiveness of

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American labor politics and labor relations. While acknowledging substantial differences between the American experience and the experiences of other industrial societies, revisionist scholars have questioned the existence of a single norm against which American developments (or those of any other nation) can be measured. Revisionists have also emphasized the need to establish a dynamic rather than static analysis that recognizes change over time. They tend to concentrate, in particular, on the period between 1880 and 1920 as critical to the development of a distinctive system of American labor relations. Recent literature comparing the United States to Britain is significant in this regard because of the antistatist and common-law traditions shared by the two nations. Much of the new scholarship highlights similarities between the American and British labor movements before World War I and casts doubt on the stereotype of a class-conscious, politically committed British labor movement that proponents of American exceptionalism often used as a foil when describing the American working class.

Revisionists have brought particular attention to the role of employers and the state in shaping the system of industrial relations that arose in the United States in the twentieth century. Historians of business have reinforced this new emphasis by exploring the way the structure of American industry contributed both to the greater hostility of American employers toward unions than generally found among employers elsewhere, and to the emergence of a more decentralized and highly bureaucratized system of collective bargaining once unions did achieve some degree of legitimacy. What emerges from the recent literature is thus not only a new recognition of the similarities between the late nineteenth-century American and British labor movements, but also a new understanding of the significance of economic and technological factors, employer hostility, and public policy in accounting for the divergence that ultimately occurred in the twentieth century.

The orthodox view of American exceptionalism assumed the existence of a norm of working-class development culminating in a class-conscious labor movement committed to socialist politics that applied to virtually all industrial societies except the United States. Aristide Zolberg and other scholars, however, have convincingly denied the existence of any single model or norm of labor relations and labor politics. Britain, Germany, France, and other European nations, they contend, each experienced a unique pattern of development.\(^5\) Advocates of broadly conceived

\(^5\) Aristide Zolberg, “How Many Exceptionalisms?” in Ira Katznelson and Aristide R. Zolberg, eds., *Working-Class Formation: Nineteenth-Century Patterns in Western Europe*
approaches to comparative history, such as Tyrell and Fredrickson, have argued that comparisons across national boundaries do not support the establishment of norms for any aspect of historical development, even though such comparisons may still be quite useful for understanding the sources of national “variability” or difference.

While the theoretical foundation of the idea of exceptionalism has been seriously undermined, revisionists have also brought into question many of the empirical claims of the Sombart–Perlman view of American workers. The scholarship of the last two decades disputes the notion that American workers in the late nineteenth century were either less class conscious or less committed to political solutions for their problems than workers in Britain or elsewhere. As Kirk and others have maintained, the Sombart–Perlman view of American labor at the turn of the century understates the militancy and class-consciousness of American workers and overstates the radicalism—in terms of both politics and labor-management relations—of other contemporary labor movements. Zolberg, in fact, refers to a late nineteenth-century “Anglo-American pattern of a working class organized as labor via craft unions, concerned mostly with the marketplace and exercising some power in the political arena through ‘catch-all’ rather than class-specific parties [emphasis added].”

Among the most prominent revisionist works painting a different picture of the late nineteenth-century American working class than that offered by the conventional wisdom are David Montgomery’s highly acclaimed *The Fall of the House of Labor*, and Leon Fink and Kim Voss’s studies of the Knights of Labor, the pre-eminent labor organization in the United States in the 1880s. Montgomery emphasizes the combativeness

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of American workers and their self-conscious desire to maintain control over the shop floor, while Fink and Voss both argue quite convincingly that the Knights of Labor represented a form of working-class radicalism that united skilled and unskilled workers, and had much in common with Britain’s “new unionism” and the labor movements then developing on the continent. Kirk presents a similar perspective, and contends that the high level of violence and conflict in American labor relations in the late nineteenth century “makes a mockery of static and absolute notions of American ‘exceptionalism.’” According to Fink, many observers in the mid-1880s believed that “the American working class – in terms of organization, militancy, and collective self-consciousness – appeared more advanced than its European counterparts.”

Statistics relating to union membership lend credence to Fink’s claim. Proponents of American exceptionalism frequently point out that union density in the United States throughout much of the twentieth century lagged well behind the level of organization in Britain and other industrial nations. However, when the Knights of Labor was at its peak in 1886, union membership in the United States as a proportion of the non-agricultural labor force may well have exceeded union density in Britain. Even as late as 1904, well after the Knights of Labor had collapsed and

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9 Fink, Workingmen’s Democracy, 5. For a similar view, see Gary Marks, Unions in Politics: Britain, Germany, and the United States in the Nineteenth and Early Twentieth Centuries (Princeton, NJ, 1989), 41, 199–200.
10 Union membership and density figures for the period before 1890 are by no means definitive, but the best estimates indicate that union membership in the United States in 1886 was approximately 900,000 (710,000 belonging to the Knights of Labor and 150,000 belonging to the craft unions that created the American Federation of Labor), Foster Rhea Dulles and Melvyn Dubofsky, Labor in America: A History, 4th edn (Arlington Heights, Illinois, 1984), 154, 171; Voss, Making of American Exceptionalism, 78. In Britain, total union membership at the end of 1888 was 710,000. H. A. Clegg, Alan Fox, and A. F. Thompson, A History of British Trade Unions Since 1889, Vol. I (Oxford, 1964), 466. Although the total labor force in the United States was close to 40 percent larger than that of Britain, the number of persons employed outside of agriculture was actually quite similar in the two countries. At the turn of the century, 38 percent of Americans were still engaged in agriculture; in Britain the figure was only 9 percent. Philip S. Bagwell and G. E. Mingay, Britain and America, 1850–1939: A Study of Economic Change (London, 1966), 5; U.S. Department of Commerce, Bureau of the Census, Historical Statistics of the United States, Colonial Times to 1977 (Washington, 1960), 74; B. R. Mitchell, European Historical Statistics 1750–1970 (New York, 1978), 61.
Britain had experienced a major burst of “new unionism,” the density of union organization in America was still only marginally less than in Britain.  

Recent scholarship has also shown that the contrast between the approaches of American and British labor to politics in the period before 1914 is much less clear cut than assumed by Sombart and Perlman and their followers. Fink, Kirk, and Paul Edwards, for example, stress widespread worker support in both America and Britain for a flexible philosophy of voluntarism that called for autonomous trade unions in a system of “collective laissez-faire” while still accepting the need for some forms of state action and labor involvement in politics. Suspicion of state authority and a commitment to individualism have long been identified with American society. However, a good deal of recent literature focusing specifically on the development of British labor relations has emphasized the early origins and continuing importance of these traditions in Britain. On the eve of World War I, the American labor movement was by no means monolithically antipolitical and non-ideological; nor were British workers generally eager to embrace socialism and an independent labor party.

Gerald Grob, an historian writing from an exceptionalist perspective over thirty years ago, recognized the willingness of the Knights of Labor to seek political solutions to the problems faced by workers, but cited that willingness as a factor for the organization’s ultimate collapse. Although the American Federation of Labor (AFL), which succeeded the Knights

11 In Britain, 12 percent of potential union members actually belonged to unions; in the United States the figure was 11 percent. George Sayers Bain and Robert Price, Profiles of Union Growth: A Comparative Statistical Portrait of Eight Countries (Oxford, 1980), 59, 88.


as the nation’s leading labor organization, resisted calls for creating an independent labor party and opposed most statist initiatives, studies by Gary Fink, Michael Kazin, and Julia Greene have effectively demolished the notion that the prewar American labor movement shunned any involvement in politics or support for state action.15

Like their British counterparts in the prewar years, American unions – at the local, state, and federal levels – were vigorously involved in election campaigning and in seeking government action that would benefit organized labor. As was the case with British unions, the main impetus for political action was the desire to counter adverse court rulings. The British Trade Union Congress (TUC) moved into politics largely because of the Taff Vale decision in 1901, in which the House of Lords ruled that a union, though lacking a corporate existence, could still be held liable for civil damages; whereas the AFL turned to politics in response to the increasingly common use of injunctions in labor disputes following the adoption of the Sherman Antitrust Act in 1890.16 Although the TUC, unlike the AFL, did take the crucial step of backing the establishment of an independent labor party, as Henry Pelling long ago observed, the Labour Party grew not because of “any widespread enthusiasm for state intervention,” but because of “the desire of the union officials to escape that encroachment of state authority which they detected in the Taff Vale judgment.”17

Ross McKibbin argues that Sombart’s much discussed question about the failure of American labor to adopt a Marxist perspective could just as appropriately be applied to British labor before 1914.18 Before the First World War, the British Labour Party, which was not formally organized


until 1906, neither won the support of anything close to a majority of workers, nor was committed to the cause of socialism. Most British workers continued to vote Liberal, and as late as 1910 the Labour Party, whose explicit purpose was to elect workers to parliament rather than to socialize the British economy, was able to capture only seven percent of the total vote in national elections. In comparison, as Zolberg and others have pointed out, the more explicitly ideological American Socialist Party of Eugene Debs won six percent of the vote in the presidential election of 1912. Although the majority of AFL unions opposed the formation of an independent labor party, in 1912 approximately one-third of the delegates at the AFL convention supported a socialist rival to Samuel Gompers for the presidency of the federation. As in Britain, the labor movement was generally united in its efforts to elect trade unionists to office, and by 1912 seventeen union members won seats in Congress.

While it is a misreading of the prewar period to view American workers and working-class politics as exceptional, or to paint too stark a contrast between the American and British labor movements, revisionists acknowledge that at some point prior to World War I a distinctive American pattern of development did begin to emerge. First, whereas in the United States the principal leaders of the union movement continued to reject independent labor politics, in most other industrial nations union-supported political parties had arisen before 1914, and within the next decade would, in the case of Britain and Germany, temporarily, at least, becoming governing parties. Second, union density in the United States began to lag significantly behind the levels achieved in Britain, and, to a lesser extent, elsewhere on the continent. Although union density had risen rapidly in the United States in the first few years of the twentieth century, in the ten years before the outbreak of war in Europe, unions failed to make further gains. In contrast, in Britain, the decade before the beginning of World War I witnessed dramatic increases in union membership. Thus, in 1914 only about one in ten non-agricultural workers belonged to trade unions in the United States; at the same time, the figure in Britain had risen to close to one in four. Nor would this disparity prove temporary, since the gap that opened in the decade before the war would persist throughout the remainder of the century.

21 Bain and Price, Profiles of Union Growth, 39, 88. Since so many more Americans were still employed in agriculture, if one considers the labor force as a whole in the United States, the ratio of union members to the total working population falls to one in fourteen;
disputing the notion that American workers were either immune to feelings of class-consciousness or inherently opposed to independent political action, revisionist historians offer several new explanations of the growing divergence between the American and British labor movements that was beginning to appear by the eve of World War I.

William Forbath and Victoria Hattam have each recently elaborated on Sombart and Perlman's initial claims that the American two-party system and federalist structure of government provided obstacles to the development of a labor party. While Sombart and Perlman stressed the difficulty of third-party breakthroughs in the American political system and the practical problems associated with workers trying to advance a legislative agenda in a federalist system in which power was so thoroughly decentralized, Forbath and Hattam highlight the significance of the independent power of the judiciary as a decisive feature of the American state. Like Fink and Voss, Hattam and Forbath both reject the notion that American workers in the late nineteenth century were ideologically predisposed against a class-based approach to politics. However, they both argue that the power and insularity of a hostile judiciary ultimately turned American workers away from politics. In contrast to the supremacy of parliament in Britain, the independent judiciary in the United States whereas in Britain the figure remains nearly one in four. Ana Orloff and Theda Skocpol, as well as William Forbath, contend that statistics comparing union density for the United States and Britain are misleading because in certain highly industrialized states such as Massachusetts the density of union membership very nearly equaled that of Britain. Yet, comparisons by industrial sector show that, in such key industries as coal mining and railways (areas of greatest union strength in each country on the eve of World War I), union density was approximately twice as high in Britain as in America. Ana Shola Orloff and Theda Skocpol, "Why Not Equal Protection? Explaining the politics of Public Social Spending in Britain, 1900–1911, and the United States, 1880–1920," American Sociological Review, 49 (December 1984), 737; William E. Forbath, Law and the Shaping of the American Labor Movement (Cambridge, MA, 1991), 21. U.S. Department of Commerce, Historical Statistics of the United States, 74, 98; Bain and Price, Profiles of Union Growth, 45–46, 67.

was virtually impervious to popular pressures for labor reform exerted by workers through the electoral system.

Thus, in Britain, parliament in 1906 was able successfully to reverse the Taff Vale decision and to establish the absolute immunity of unions from tort liability. Although British judges had attempted to interpret the law in ways that were inimical to the interests of organized labor, parliamentary supremacy resulted in the triumph of an “abstentionist” labor law that was premised on the assumption that unions should be free from state interference in their efforts to organize workers and to bargain collectively with employers. British law neither explicitly encouraged unionization nor provided for direct government involvement in the collective bargaining process, but, during the late nineteenth century, and especially after 1906, it created a favorable environment in which unions were free to organize.

According to Forbath and Hattam, the independence of the American judiciary allowed it to act more effectively than the British judiciary in hampering the efforts of labor to organize or use state power for the benefit of workers. After experiencing the continuing frustration of seeing pro-labor state legislation nullified by the courts, and, even worse, after suffering from increasing judicial intervention in labour disputes in the form of antiunion injunctions in the 1880s and 1890s, American labor leaders, such as Samuel Gompers, adopted an antistatist ideology that regarded state intervention in industrial relations as undesirable, and rejected as impractical and a waste of scarce resources efforts to use state power to implement a broad class-based approach to reform.

Although Forbath and Hattam provide a useful analysis of the way in which the structure of the American state influenced the options available to the American labor movement, as Greene, Kazin, and Gary Fink have shown, unions at the local and state level did not respond to judicial hostility by repudiating politics and state action altogether. Labor’s commitment to voluntarism was thus not as unqualified as either Forbath or Hattam imply. Nor, on the other hand, do they sufficiently emphasize the underlying similarity between the AFL’s fear of state intervention in labor-management relations and the continuing appeal of the philosophy of “collective laissez-faire” for the British labor movement in the early years of the twentieth century.


Daniel R. Ernst, *Lawyers Against Labor: From Individual Rights to Corporate Liberalism*
Gary Marks offers a different explanation of the failure of American unions to support the establishment of a labor party before World War I. He argues that, in order to understand the contrasting approaches of the AFL and the TUC toward politics, it is necessary to consider the constituent elements that made up each labor federation. Marks claims that: “The AFL was unique among Western union federations in its composition. No other union federation in the Western world was so dominated by closed craft unions.” In his view, the greater dominance of closed craft – as opposed to open industrial or general – unions in the American labor movement most satisfactorily explains the AFL’s approach to politics.

“Closed” unions, in Marks’s terminology, are organized along craft lines and see their power as based on restricting the supply of labor in a given job territory. They have a narrowly defined approach to recruiting, and their relatively small membership is spread thinly across the country. Consequently, they see political activity as being of only “marginal” value to their efforts to regulate working conditions. In contrast, “open” unions seek to enroll all workers in a particular industry and depend on the force of large numbers of members in geographically concentrated areas. Because of the virtual impossibility of controlling their labor market without outside pressure and support, open unions are much more likely than closed unions to turn to politics to accomplish their objectives.

Marks contends that craft unions on both sides of the Atlantic generally lacked a commitment to independent politics. Conversely, open unions in both America and Britain shared a common interest in political action. Such unions were the principal source of support within the labor movements of both countries for independent labor action in politics, but, following the collapse of the Knights of Labor, they remained a distinct

Marks, Unions in Politics, 233.

Marks notes one important exception to the generalization that craft unions tend to be non-political. He argues that unions of craft workers whose particular skills are becoming obsolete, or who work in an industry whose product market is collapsing, may also turn to politics out of desperation. Industrial unionists, as Larry Peterson has pointed out, could also provide the social base for a revolutionary syndicalism that repudiated politics. Larry Peterson, “The One Big Union in International Perspective: Revolutionary Industrial Unionism, 1900–1925,” in James E. Cronin and Carmen Sirianni, eds., Work, Community, and Power: The Experience of Labor in Europe and America, 1900–1925 (Philadelphia, 1983).
minority in the United States, while they became a sufficiently powerful force in the British labor movement to tip the balance toward affiliation with the new Labour Party. Thus, the structure of the labor movement in each country largely determined its approach to politics.\footnote{Marks, \textit{Unions in Politics}. For a similar, but less fully developed, interpretation of the importance of craft union domination of the AFL, see Ruth L. Horowitz, \textit{Political Ideologies of Organized Labor: The New Deal Era} (New Brunswick, NJ, 1978), 55–58; and George G. Higgins, \textit{Voluntarism in Organized Labor in the United States, 1930–1940} ([1945]; New York, 1969).}

Marks’s interpretation is insightful, but not only does it tend to obscure the extent to which American craft unions at the local and state level became involved in political action; it also raises the more fundamental question of why unions, in general, and open unions, in particular, were more successful in prewar Britain than in the United States. Even if one accepts Marks’s line of argument, the forces working against the growth of industrial or general unions in the United States, rather than the fact that the American labor movement was dominated by craft unions, would lie at the center of any explanation of American distinctiveness. Marks devotes very little attention to this critical problem of analysis, briefly citing the impact of the collapse of the Knights of Labor and the problems posed by the wave of ethnically diverse unskilled immigrants that flooded the American labor market in the late nineteenth and early twentieth centuries, factors that Perlman and other exponents of a more traditional view of American exceptionalism often emphasized.\footnote{Fink and Voss both see the defeat of the Knights of Labor in the 1880s as a turning-point in the history of the American labor movement because it served to discredit the supporters of non-craft based unionism.}

A growing number of scholars have begun to focus on the organization of the American economy and the strong resistance of American management to unionization as key factors in the failure of American unions after the turn of the century to maintain a level of membership comparable to that achieved in Britain. Sanford Jacoby, for one, contends that analyses of American labor exceptionalism have too often tended to ignore the crucial role played by management in shaping the nation’s industrial relations system. He argues quite persuasively that the most distinctive feature of the American system of industrial relations has been the “exceptionally high degree of employer hostility” toward unions.\footnote{Sanford M. Jacoby, “American Exceptionalism Revisited: The Importance of Management,” in Sanford M. Jacoby, ed., \textit{Masters to Managers: Historical and Comparative Perspectives on American Employers} (New York, 1991).} Voss, in her analysis of the factors that led to the collapse of the Knights of Labor, finds statistical evidence to support the claim that the strong...
collective opposition of employers was crucial to the failure of the Knights to survive as an organization. Similarly, James Holt, comparing the abortive efforts to organize American steel workers to the successful organizing campaigns in Britain’s steel industry between 1890 and 1914, argues that:

the most striking difference between the two situations concerns the behaviour of employers rather than employees…. The determination to resist the growth of trade unions by [American] employers who possessed vast financial resources, who controlled a rapidly changing technology, and who were uninhibited by political constraints, may not have been the only reason for the collapse of unionism in the American steel industry, but it is surely the most important one.

Lloyd Ulman and Roy Adams, in their comparative studies of industrial relations, offer similar hypotheses to explain American employers’ hostility to unions. They argue that, in societies with strong labor (socialist) parties, employers might well be more inclined to recognize unions and engage in collective bargaining in order to defuse worker support for more radical measures that might be implemented through state action. Conversely, in societies like the United States with no plausible political threat from labor, employers are likely to take a harder line against unions. The growing disparity in rates of unionization between the United States and Britain did, in fact, develop during the decade prior to World War I in which the British Labour Party came into being and began to exercise some influence in parliament.

On the eve of World War I, the Labour Party may well have had greater potential for achieving a significant measure of power in the British parliamentary system than did the Debsian Socialist Party for gaining a meaningful foothold in the American presidential system of government. Ironically, however, in the war mobilization that occurred after 1914, it

Voss, Making of American Exceptionalism, 232. Voss, in fact, claims that when confronted with the challenge posed by the inclusive unionism of the Knights, employers who in normal circumstances were loathe to co-operate with each other, were willing to collaborate in efforts to crush the movement.


was the British labour Party that often played a conciliatory role, while radical elements of the trade union movement more directly challenged the prerogatives of capitalist employers. Ross Martin thus argues that the Labour Party gained in strength and legitimacy during the war, in some ways at the expense of the leadership of the unions, because it supported the war effort and was perceived by the Lloyd George government as a more responsible representative of workers’ interests than much of the union leadership. In the United States, the Socialist Party adopted a radical position against American participation in the war and suffered serious repression as a result of its opposition to the “capitalists’ war,” while the AFL gained legitimacy because its leaders were willing to co-operate with the government’s industrial mobilization. The war experience thus indicates the need to consider not only the strength of labor parties as a possible factor influencing employer attitudes towards collective bargaining, but also the relationship that exists between such parties and organized labor, and the relative militancy of these two wings of the working-class movement.

A number of other historians have sought to understand the contrast between American and British employer attitudes towards unions in this period by focusing on the economic and technological context in which management choices were framed. Recently, William Lazonick and Howard Gospel have developed the most sweeping accounts emphasizing economic factors, but their findings are echoed in several other more narrowly focused studies by Jeffrey Haydu, Bernard Elbaum and Frank Wilkinson, Keith Sisson, and Steven Tolliday and Jonathan Zeitlin.


These authors contend that the contrasting markets served by American and British firms and the consequent difference in the organizational forms adopted by business concerns on either side of the Atlantic largely determined the divergent management approaches to labor relations that became apparent in the two nations before World War I.

Since the beginning of the industrial revolution, most British manufacturers created diverse product lines to serve relatively specialized markets. Even by the first decades of the twentieth century, British industry continued to concentrate on small batch production. Consequently, British business firms generally remained small by American or German standards. Not only did British companies fail to develop substantial managerial hierarchies prior to World War I, but they also functioned in highly competitive markets. As a result, most manufacturing employers lacked the managerial resources to develop internal labor markets (i.e., an employment system characterized by extensive bureaucratic rules and the use of personnel specialists to allocate and train labor) or to exercise strict control over the shopfloor. Instead, they relied on craft unions, whose existence dated back to the early stages of industrialization, to organize production on the shopfloor, and take wages out of competition. Lazonick, in particular, argues that such a strategy produced a competitive advantage for British firms in the nineteenth century, even if that advantage would later be lost. Moreover, as Keith Sisson observes, the establishment of industry-wide bargaining patterns, that emerged largely as a means of eliminating competition in wages, set the stage for incorporating unskilled workers into general unions and thus contributed to the growth in union density and the increasing importance of what Marks would refer to as “open unions” in the British labor movement.\footnote{Sisson, \textit{The Management of Collective Bargaining}, 174–79.}

In contrast, American firms operated in potentially much larger, more standardized, product markets and in a more constricted market for skilled labor. Market conditions thus encouraged American companies to pursue strategies of mass production and mass distribution, and to create substantial managerial hierarchies that enabled them to establish direct control over the shopfloor. In so doing, American employers built huge business enterprises that were much larger than firms in Britain. Unlike their British counterparts who had self-interested economic incentives for dealing with unions, most American employers active resisted collective bargaining because they came to see unions as an obstacle to their
rationalization of production. Instead, most large American companies established internal labor markets under their own control.

Zolberg also notes another factor related to the size and organization of American manufacturing firms that might have impeded the growth of unions. As a result of the more capital-intensive nature of American industry and the more highly bureaucratized organization of American business firms, a higher percentage of the non-agricultural labor force in the United States came to be employed in non-production line jobs. In fact, the United States was the only nation before World War I to have more workers employed in the tertiary (service) than in the secondary (production) sector of the economy. Since throughout the industrialized world in this period white collar and service workers were far less likely than production workers to belong to unions, the structure of the prewar American economy contributed to the lower density of union membership in the United States. Robert Heilbroner thus argues that a key factor in the failure of a revolutionary labor movement to develop in the United States was that only a relatively small percentage of the labor force was ever exposed to the "harsh discipline of the assembly line." The nature of economic growth in America thus "defused the revolutionary potential inherent in factory life by using the productivity of the machine to support the rise of nonfactory occupations."  

Moreover, as Haydu emphasizes, in contrast to Britain where the industrial revolution had begun, factory production in the United States was a more recent development, so that unions, even when they did form in the late nineteenth century, did not have such deep roots and established traditions. Unskilled or semi-skilled workers were more difficult for American unions to organize, not only because many were recent immigrants from southern and eastern Europe, but also because they worked in settings where unionized craft workers had not already established strategic positions of power.  

36 Zolberg, "How Many Exceptionalisms?", 438–41; Robert L. Heilbroner, *The Economic Transformation of America* (New York, 1977), 146–47. Britain actually had a higher percentage of its entire working population involved in the tertiary sector than the United States (40 percent as compared to 35 percent). However, when one excludes the large number of Americans (33 percent of the population) working in the primary sector (agriculture), 36 percent of the remaining non-agricultural labor force was employed in the tertiary sector, whereas in Britain the figure was 47 percent. These statistics are derived from Zolberg, 441; and George Sayers Bain, *The Growth of White Collar Unionism* (Oxford, 1970), 15.  

37 Haydu, "Trade Agreements vs. Open Shop"; Haydu, *Between Craft and Class*; Lazonick, *Competitive Advantage on the Shop Floor*. 
Martin Weiner contends that the tradition-bound English elite remained more ambivalent than American business leaders about industrialism, and that, by the end of the nineteenth century, Britain’s capitalists increasingly came to disparate the passion for modernization and technological development they associated with America. In contrast, Eugene Ferguson argues that America’s more democratic society has, from its early days, been quite hospitable to technology as a means of realizing the democratic dream of equality.\(^8\) However, as Haydu points out, in cases such as chemicals, where an industry’s organization and development occurred relatively late in Britain, so that “technological innovation and market concentration both came before the formation of unions among production workers,” British employers seemed perfectly capable of adopting an “American” approach to both labor relations and technological modernization. On the other hand, in some highly competitive decentralized industries in the United States, where firms had to rely on the craft skills of their workers, American employers were capable of utilizing a “British” approach to collective bargaining.\(^9\)

Bruno Ramirez has shown how a number of large American corporations at the turn of the century initially flirted with the idea of cooperating with unions before finally adopting the antiunion position that was generally characteristic of American employers.\(^4\) Although the economic settings in which American and British firms did business differed before the 1890s, it would not be until the great merger movement was completed in the first years of the new century that the contrasts between the American and British forms of corporate organization would become fully evident and the paths of labor-management relations in the two countries would permanently diverge.

Howell Harris, however, raises questions about the new economic interpretation of American employer attitudes advanced by scholars such as Haydu, Lazonick, and Gospel. While rejecting the traditional view of American labor relations and acknowledging significant similarities between the American and British experiences before 1900, Harris offers


\(^9\) Haydu, “Trade Agreements vs. Open Shop,” 168. Gospel, Markets, Firms, and the Management of Labour, 21, 58, makes a similar point. In 1914, for instance, union density in the construction industry was quite similar for the two nations (approximately 25 percent). Bain and Price, Profiles of Union Growth, 63; Historical Statistics of the United States, 74, 98.

a case study of Philadelphia metal manufacturers that brings attention to the anti-union activities of a group of American employers who operated in markets very similar to those in Britain’s engineering industry and whose firms were also similar in size to those doing business in Britain. Yet, these employers, after experimenting with an approach to labor relations much like that adopted by their British counterparts, turned to a union avoidance strategy after 1903. Most scholars would agree, in fact, that small firms throughout American industry in the decades to come would be more vehement in their opposition to unions than the corporate giants of the economy.41

While raising doubts about a purely economic interpretation, Harris in some ways echoes the views of Hattam and Forbath when he suggests that contrasting political environments might help to account for the differences that generally characterized the American and British approaches to industrial relations. However, whereas Hattam and Forbath emphasize the impact state intervention had on the policies of union leaders, Harris hints at the importance of public policy as a reinforcing influence on the attitudes and actions of employers. He points to the possible impact on British employers of a “subtle but powerful state intervention” on behalf of the principle of collecting bargaining, while arguing that “statute and judge-made law” in the United States, in effect, legitimized employer resistance to unions. Even though Harris’s limited case study does not by itself constitute sufficient grounds for repudiating an economic interpretation of American employer attitudes toward unions, it does highlight the complexity of the issues involved in any analysis of American labor relations, and underlines the difficulty in making generalizations about a “pattern” of employer behavior.42

Although this essay focuses on works that concentrate on the period from 1880 to 1920 as crucial to the ultimate development of a distinctive American labor movement, it is appropriate to make some brief observations about a few recent studies that examine the system of industrial relations resulting from the new forms of state intervention established in the 1930s. The failure of the American labor movement to support an independent labour party or to become committed to a socialist vision for America seems clearly rooted in developments prior to 1920. However, the distinctive system of American industrial relations that David Brody labels “workplace contractualism” did not finally take

shape until after the passage of the National Labor Relations Act (NLRA) in 1935.43

In a pioneering comparative study of American labor law, Derek Bok noted that the pattern of regulation established by the NLRA was distinctive in a number of ways. He claimed that no other country involved the state so deeply in determining bargaining units, conducting representation elections, or defining unfair labor practices. Nor did other industrial nations see collective bargaining principally as a means for establishing highly detailed and legally binding contracts regarding a wide variety of working conditions.44 Ronald Schatz and others have noted that industrial relations specialists writing in the immediate postwar period tended to view the system of labor relations that crystallized by the 1940s as the almost inevitable product of the social and cultural forces first described by John Commons and his disciple, Selig Perlman, and thus to view the system within the orthodox framework of American exceptionalism.45

Brody offers a more complex analysis of the industrial relations system that prevailed in much of American industry from the late 1930s until that system began to disintegrate in the 1960s. He argues that the American regime of “workplace contractualism” arose in large part because of “the technical and structural characteristics of the American mass-production sector.”46 In a comparative analysis paralleling the interpretations offered by Haydu, Lazonick, and Gospel, Brody contends that, in Britain and other European societies, craft traditions and significant worker autonomy on the shop-floor continued into the twentieth century. As a result, unions found little need to establish detailed work rules and personnel policies through their collective bargaining agreements. On the other hand, in the United States, the early development of mass production and close management supervision and control of the shopfloor coincided with the development of a union avoidance strategy by employers. When American

unions finally gained a foothold in industry through supportive government intervention in the 1930s, it was only natural that they would concentrate on pay equity and seniority rights and other attempts to circumscribe management control of the work process at the level of the individual firm.\textsuperscript{47}

Roy Adams, in fact, contends the decentralization has always been one of the most distinctive features of the American system of industrial relations.\textsuperscript{48} In Britain’s less highly concentrated economy, small-scale firms early on found it advantageous to establish employers’ associations for the purpose of negotiating collectively with unions. The agreements that resulted were intended largely to take wages out of competition and thereby bring order to the industries involved, rather than to establish highly detailed and firm-specific work rules. In the United States, on the other hand, the dominant large companies were capable of exercising a far greater degree of control over their own individual labor markets and thus had little incentive to engage in multi-employer bargaining to reach collective agreements with unions (although they did often band together temporarily for the purpose of breaking unions that sought to establish a bargaining presence in industry). Only in those few industries, such as coal and clothing, which were characterized by intense competition among many small firms, did multi-employer bargaining become well established in early twentieth-century America. Even after the adoption of the NLRA, collective bargaining in the United States, in contrast to Britain and most other industrial societies, took place on a firm-by-firm basis.

Another distinctive feature of the post-NLRA industrial relations system described by Bok, Brody, and Melvyn Dubofsky, among others, is the nature and extent of direct state intervention in labor-management relations.\textsuperscript{49} Such state intervention differed significantly from Britain’s abstentionist approach to labor law (though more recently British labor law has itself undergone fundamental change). Even before the adoption of the NLRA, the American state played a far more intrusive role in labor conflicts than was the case in Britain, so that a significant degree of direct state involvement can be seen as a consistent feature of American labor relations. Yet, the NLRA clearly marked a turning-point in the form and purposes of state intervention, since the federal government adopted a


\textsuperscript{48} Adams, \textit{Industrial Relations Under Liberal Democracy}.

\textsuperscript{49} For a survey of state–labor relations from the 1870s to the 1970s, see Melvyn Dubofsky, \textit{The State and Labor in Modern America} (Chapel Hill, 1994).
seemingly pro-union stance by supporting collective bargaining rights. Brody points out that the NLRA sought to achieve this goal not by protecting unions, which is what British law did indirectly, but by protecting the rights of individual workers.  

In addition to the literature dealing directly with the issues of labor relations and labor politics examined here, there has also arisen a large body of work in the "new labor history" that has moved away from an emphasis on the study of unions to examine working-class culture and the daily experience of workers. Much of this literature posits the existence of an American form of working-class consciousness and further challenges some of the key assumptions of the Sombart–Perlman school of American exceptionalism. This literature generally emphasizes the agency of workers in shaping their own lives and the nation's culture and political economy. As part of the larger emergence of a greatly invigorated field of social history, this component of the new labor history has added a great deal to our understanding of America's past.

However, as this essay has shown, it is impossible to understand the role of labor in the American political economy and the distinctiveness of the American system of industrial relations without taking into account the insights of historians who have examined the ways in which both the state and employers have powerfully shaped the American labor movement. Recent work on American labor relations thus reflects the broader trend in history and social science of "bringing the state back in," as well as the growing interdependence and sophistication of the fields of

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labor and business history. Few scholars today would deny that such factors as a widespread and deep-seated tradition of individualism, the racial and ethnic diversity of the American work force, and the structure of American politics and government have influenced the path followed by the American labor movement. Yet the literature reviewed here makes a persuasive case not only that the once dominant notion of American exceptionalism is no longer tenable, but also that employer attitudes and state policy have been the critical factors in establishing the framework in which the American labor movement developed. Of course, employer attitudes and state policy are not independent variables, but their relationship has not yet been fully explored and remains a potentially fertile ground for further study.

For an introduction to recent social science efforts to revitalize interest in the state, see Peter B. Evans, Dietrich Reuschemeyer, and Theda Skocpol, eds., Bringing the State Back In (New York, 1985).