

Colonial Times to the 1930s

- **Civilian labor force**- age 16 or over working or looking for work.
- **Unions** played a major role in forming the legislation that affects pay and working conditions today.

The two types of unions that emerged after the Civil War were:

craft (trade) union –workers perform the same kind of work.

industrial union- workers perform different kinds of work.

- Unions negotiated for higher pay, job security, better hours and working conditions; if an agreement could not be reached, **strikes(work stoppage), picketing, and boycotts(refusal to buy)**were often initiated.
- Employers fought back by calling for **lockouts** (management refuses to let employees work)or by hiring all new workers to replace strikers.

Labor Since the 1930s

- The Norris-LaGuardia Act of 1932(protected unions from rulings against them for peaceful protests), the National Labor Relations Act of 1935 (allowed for collective bargaining) , and the Fair Labor Standards Act of 1938 (set the first minimum wage due to interstate commerce).
- After World War II, antiunion feelings led to : (Taft-Hartley Act) of 1947, which allowed states to pass **right-to-work laws** (**state laws making it illegal to require a worker to join a union-closed shops**).
<https://nrtwc.org/facts/state-right-to-work-timeline-2016/>
- The AFL-CIO was formed when the American Federation of Labor (AFL) joined the Congress of Industrial Organizations (CIO) in 1955.
- In 2005, the AFL-CIO broke up (due to a dispute over the way to spend union funds), and breakaway unions formed.
- <https://www.infoplease.com/history/us/timeline-labor-unions>

Organized Labor Today

- Kinds of union agreements include:
 1. closed shops-worker must join a union before being hired
 2. union shops-workers must join a union after being hired
 3. modified union shops-workers have the option to join a union after being hired.
 4. agency shops- arrangement where nonunion members still pay dues. THIS WAS OVERTURNED BY THE JANUS CASE IN 2018!!

Today, 1 out of every 11 working Americans is either unionized or represented by a union. Union membership in the U.S. is currently around 11%.

Wage Determination

- **Wage rates**(prevailing pay for work performed in that occupation in a given area) differ from one occupation to the next and person to person.

Noncompeting categories of labor include:

1. **unskilled labor**-no required special training or skills.
 2. **semiskilled labor**-requires a minimum amount of training.
 3. **skilled labor**- education and training needed to operate complex equipment and perform tasks.
 4. **professional labor**- highest level of knowledge-based education and managerial skills. **White-collar**- office or sales position.
- The **market theory of wage determination** states that the supply and demand for a worker's skills and services determine the wage or salary.
 - The **theory of negotiated wages** states that the bargaining strength of organized labor helps determine wages. Seniority plays a role.
 - The **signaling theory** states that employers are willing to pay more to people with certificates, degrees, and other indicators that "signal" superior knowledge or ability.

Resolving Labor Disputes

- **Collective bargaining** is a process of negotiating between union and management representatives.
- In **mediation**, a neutral third party recommends a compromise to disputing sides.
- In **arbitration**, disputing sides agree to a third party whose decision will be accepted as final.
- **Fact-finding** involves a neutral third party that collects facts about the dispute and presents nonbinding recommendations.
- An **injunction**, or court order not to act, can be issued to a union (not to strike) or a company (not to lock out workers).
- Government may temporarily seize company management to keep it running during a dispute.
- Rare presidential intervention may consist of making a public appeal, firing federal workers, or exercising emergency powers to order an end to a strike.

Decline of Union Influence

- Many employers have made a determined effort to keep unions out of their businesses.
- New additions to the labor force, including women and teenagers, have little loyalty to organized labor.
- When union-controlled services become more expensive than nonunion services due to higher union wages, consumers choose the cheaper products, and unionized plants are forced to close.
- Union wages have been renegotiated in recent years through **givebacks**- giving up wages or fringe benefits during renegotiating a contract.
- **Two-tier wage systems**-pays lower wages to newer workers.

Lower Pay for Women

- **Human capital**(sum of people's skills, abilities, health and **motivation**) differences, such as experience and education, account for about one third of the male-female income gap.
- Approximately 1/3 of the male-female wage gap is due to the uneven distribution of men and women among various occupations.
- **Glass ceiling**- invisible barrier hindering advancements of women and minorities in a white dominated organization.
- The remaining 1/3 of the gap is attributed to **discrimination** faced by women in the labor market.
- Two federal laws designed to fight wage and salary discrimination are the Equal Pay Act of 1963 and the Civil Rights Act of 1964.

The Minimum Wage

- The **federal minimum wage** was designed to prevent exploitation of workers and to provide equity and security to people who lack skills needed to earn a higher income.
- The minimum wage has always been controversial. Federal Minimum wage is \$7.25. NY as of 12/31/19- \$11.10 NY City-\$15
- When viewed in **current dollars**, the minimum wage appears to have increased dramatically over time, but current dollars do not account for inflation.
- **Real, or constant, dollars** compensate for inflation.
- The minimum wage goes up when wages increase faster than inflation and goes down whenever inflation increases faster than the minimum wage.