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Over Forty Hours a Week: A Multi-Themed Approach to Work Time History

by

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They consider work as it should be considered, a necessary means to a livelihood, and it is from their leisure that they derive whatever happiness they may enjoy.

Russell, In Praise of Idleness and Other Essays

CONTENTS

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INTRODUCTION

Prophecy is a sketchy business at best. However, there is something striking about the complete inaccuracy of those predictions which anticipated a decrease in working hours as result of technological progress. In the first half of the 20th century, many historians, sociologists, economists, and other experts agreed that the 40-hour work week was only a temporary stage in a universal and long-range decline of working hours. Gerald Wendt, director of Science for the New York World's Fair in 1939 pointed out that, "It is estimated that we can now produce enough of all materials needed in our complicated industrial life without requiring more than thirty hours of labor per week."[1] In 1955, Sir George Thomson, Nobel Laureate and Master of Corpus Christi College Cambridge, wrote, "It is reasonable to suppose that available leisure will continue to increase."[2] And as late as 1985, William Grossin asserted that, "In the long run the effects of technology are indisputable: they translate to a decrease of the time devoted to work".[3] These predictions were not unreasonable. One would expect that as new technologies come into existence, each person will have a greater pool of production power at their disposal and the same volume of goods and services could be created in a shorter amount of time. Likewise, individuals and firms would shorten work hours as markets become saturated. Surprisingly, this prediction is not true in all cases.

The many prophets of shorter working hours, would be surprised to find that hours worked did not decrease in all nations after several decades of invention; rather,

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[1] Gerald Wendt. Science for the World of Tomorrow (New York: W. W. Norton and Co., 1939), 281.
[2] Sir George Thomson. The Foreseeable Future (London: Spottiswoode, Ballantyne & Co., 1955), 147.
[3] Pietro Basso. Modern Times, Ancient Hours (New York: Verso, 2003), 182.

hours remained steady and even increased in many instances. For example, the average American workweek did not significantly alter between 1980 and 2003.[4] OECD data also suggest that annual per capita hours worked in America rose by 20% between 1970 and 2003.[5] During this same period, hours in Germany fell by approximately 18%.[6] In France, per capita hours worked dropped by approximately 22% after 1970.[7] In Italy, the decrease was approximately 10%.[8] Meanwhile, the decrease was only 7% in the United Kingdom.[9] Examining the British figures more closely reveals that this decrease must have occurred predominately during the 1970's and early 1980's because average work hours only dropped from 33.5 hours per week to 33.1 between 1984 and 2006.[10] In addition, full-time workers in Britain actually increased their average hours from 38.1 hours per week to 38.5 hours per week.[11] For part time workers, hours jumped from 14.9 to 16.3. Perhaps most significantly of all, in Britain the percent of the workforce holding a second job rose from 8.6% in 1984 to 9.6% in 2006.[12] These data demonstrate that while American work hours became stable relatively early, after 1980 they began to increase and diverged from continental Europe. In Britain, work times declined with continental Europe and then showed signs of divergence in the 1980's. Thus, despite increased productivity, work-times did not decrease in all cases.

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[4] "OECD Employment Outlook 2004". 2004. 30 March 2007. OECD. <http://www.oecd.org/dataoecd/41/15/32504422.pdf>, 2.
[5] Ibid.
[6] Ibid.
[7] Ibid.
[8] Ibid.
[9] Ibid.
[10] United Kingdom. National Statistics. "Actual Weekly Hours of Work by Sex". 2006. 12 March 2007. <http://www.statistics.gov.uk/statbase/product.asp?vlnk=8290>.
[11] Ibid.
[12] Ibid.

Upon reading these statistics one wonders why work time trends have diverged as they have. Is it possible that continental Europeans have a greater preference for leisure than Britons or Americans? Why didn't labor-saving technology reduce the total amount of time worked? Perhaps stronger labor unions are present in continental Europe? Could the political situation of a nation affect working time trends? One would assume that a higher level of inequality would have some impact on work times. Do Americans and Britons have a higher rate of consumption than continental Europeans? All of these questions are valid for revealing why work time trends have developed as they have.

The obvious answer to these questions are, unfortunately, far too simplistic. While one might be tempted to adduce working time differences to different lifestyle preferences, the truth of the matter is that Germans actually worked more hours per year than Americans until the 1970's.[13] This being the case, it is implausible that deep-seated lifestyle preferences could emerge and create such a significant socio-economic divergence in the span of barely a generation. One might also add that employee choice is not necessarily a determinant of work hours. Despite the fact that revolutionary labor-saving technologies have been introduced since the 1970s, British and American employees have not witnessed a reduction in work hours in the years between then and now. In fact, these technologies have had the opposite effect in the long-run. As for labor unions, the evidence suggests that the concept of a unitary "union strength" is inadequate for accounting for various factors determining the influence and effectiveness of unions. Rather, union strike tactics, fiscal health,

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[13] Linda Bell and Richard Freeman. "Why Do Americans and Germans Work Different Hours". National Bureau of Economics Research. Working Paper No. 4808 (1994), 6.

strategic position within the economic and political order, national legislation, and union density must all be considered. When these factors favored unions, work reductions occurred. When unions have been explicitly targeted, as the neoliberal governments of the U.S. and the U.K. did during the 1980's, work reduction faltered. Additionally, evidence suggests that the economic inequality emerging during this period bears a statistical correlation with the divergence of work times.[14] The relation of consumption to work times is also more complex than one might be led to believe because the rise in work times in America preceded the explosive growth of consumption during the late 1980s and 1990s.[15] As a result of these complexities, it is helpful to evaluate how previous writers have treated the subject.

Fortunately, a wealth of secondary literature exists that is broadly associated with these developments related to work times. Juliet Schor's The Overworked American presents a very comprehensive elucidation of the linkage between overwork and overspending.[16] Another work by the Marxist historian Pietro Basso focuses on American manufacturing workers and the increase in their working times, in the case of Americans.[17] The differences in bargaining tactics in America where the absence of national legislation or wide scale collective bargaining made work reductions less likely than in Europe has also been fruitfully investigated by Karl Hinrichs.[18] He shows that collective bargaining in continental Europe tended to occur at higher levels than in the United States, and as a result, working times could be

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[14] Bell and Freeman, "Why do Americans", 22.
[15] Ahmad Ijaz. "World Consumer Spending". 2007. Euromonitor International. March 19 2007. <http://www.euromonitor.com/pdf/wcssample.pdf>, 22.
[16] Juliet. B. Schor. The Overworked American (New York: BasicBooks, 1991).
[17] Basso, Modern Times.
[18] Karl Hinrichs, William Roche, and Carmen Sirianni, eds. Working Time in Transition (Philadelphia: Temple University Press, 1991).

standardized between firms so as to reduce the competitive disadvantages.[19] An interesting case study by Benjamin Hunnicut reveals how union support for a reduced work week at a Kellog's plant was necessary for the preservation of reduced hours at the plant.[20] This study is supplemented by a case study of electrical workers that offers a possible explanation of the pressure to end the reduced hours. Namely, the transition from the Depression to a wartime economy and then a post-war boom increased the demand for labor.[21] Likewise, a case study of mid-20th Century auto-workers reveals that working times were only reduced when union leaders were forced to compete for the support of the rank and file by listening to demands for reduced hours.[22] Regarding the socio-economically disruptive technologies introduced during the 1970s, Harriet Presser establishes a connection between the transition to a service economy and the increased work hours needed to maintain an economy that operates beyond the traditional 9 to 5 hours of business.[23] The previous works are complemented by one study that ascribes greater pressure to work long hours to those who are economically discriminated against.[24] This article offers a plausible theory to explain the statistical correlation found in another work concerning work hours and economic inequality.[25]

Taken together, the secondary literature on work times presents numerous

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[19] Hinrichs, Roche, and Sirianni, Working Time in Transition.

[20] Benjamin Kline Hunnicutt. Kellog's Six-Hour Day (Philadelphia: Temple University Press, 1996).

[21] Ronald Schatz. The Electrical Workers (Urbana: University of Illinois Press, 1983).

[22] Jonathan Cutler. Labor's Time (Philadelphia: Temple University Press, 2004).

[23] Harriet B. Presser. "Work Shifts in a 24/7 Service Economy". Annual Blue Cross Blue Shield of Massachusetts Invitational Journalism-Work/Family Conference (Boston, 12 and 13 May 2005).

[24] Maria Sigala. "Personal Careers and Sense of Entitlement". In Houston, Diane. M. ed. Work-Life Balance in the 21st Century. 106-121 (New York: Palgrave Macmillan, 2005).

[25] Bell and Freeman, "Why Do Americans".

insights into how and why work times attained their current levels in the United States. Nevertheless, the literature is inadequate for several reasons. Schor's account fails most strongly in that she does not account for why European and American consumption was roughly equal until 1990 but working times had already diverged significantly.[26] In addition, Basso and Schor conflict on their prediction for the future of work times in relation to the rest of the world. Basso's inquiry is premised on the idea that longer hours characterize a more rationalized capitalism that will be the next stage in economic history.[27] In contrast, Schor believes that longer hours are irrational and ultimately destructive to capitalist society.[28] Only further examination will determine who is more likely to be correct in this case. Basso's work is also incomplete in that it focuses on manufacturing workers, in spite of the fact that the most developed world economies are now predominantly service economies.[29] The studies linking over-work and inequality lack a historical basis and fail to explain how or if inequality increased during the relevant time period, how this inequality operated in the economy, and how this was a result of political decisions.[30] The other secondary source material, while helpful, is often too narrow in focus to capture the full range of factors involved in determining current work time trends. The case studies depicting organized labor's engagement with the issue of work times primarily focus on unions before American working hours diverged in the 1980s, although they do offer a hint for how this divergence occurred.[31] On the same note,

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[26] Schor, The Overworked American.
[27] Basso, Modern Times, Ancient Hours.
[28] Schor, The Overworked American.
[29] Basso, Modern Times, Ancient Hours.
[30] Bell and Freeman, "Why Do Americans"; Sigala, "Personal Careers".
[31] Cutler, Labor's Time; Hunnicut, Kellog's Six-Hour; Schatz, Electrical Workers.

the study demonstrating weaknesses in American collective-bargaining practices fails to explain why work times started to change when they did.[32] More generally, all of the sources discussed fail to synthesize the factors and developments they analyzaed into a coherent historical narrative.

Prior models offer plausible explanations for modern desires to overwork. However, while attributing identical causes for America and Britain's divergence from continental European work time trends may be tempting, this attribution is ultimately futile due to a lack of many shared factors exclusive to the two states. Nevertheless, some factors do overlap. All industrialized nations underwent serious workforce restructuring as layoffs induced by technologies during the 1970s forced manufacturing workers into the expanding service sector. The conjunction of this economic hardship resulting from restructuring, the ravages of oil shock-induced stagflation, and the beginnings of employment repercussions from globalization all led to an anti-incumbency sentiment that contributed, along with structural and organizational attributes of these two polities, to the ascendance of neoliberal economic policy in 1980 in the United States and 1979 in the United Kingdom. The results on inequality have been highly significant in both countries, and these rising inequalities have been associated with longer work times. In the case of Europe, the solutions offered by neoliberalism were rejected or adopted haltingly, and among other results, inequality has been relatively low, as have work times. The final piece of the picture emerges when one considers how consumer spending, especially in the U.S., but also in the United Kingdom escalated rapidly since the late 1980s. This

[32] Hinrichs, Roche, and Sirianni, Working Time in Transition.

spending, along with an expansion of consumer credit and debt has led to higher working hours. Indeed, the history of working time trends is the history of small differences in seemingly unrelated factors joining together and intensifying divergence between the United States and the United Kingdom on the one hand, and continental Europe on the other.

Writing a history of work time divergence faces the problem of establishing precise and accurate calculations of national work hour averages. Most obvious are the complexities of interaction between overtime, part-time, and secondary employment hours. Indeed, several nations calculate their average work-hours using different parameters.[33] Even in an advanced and modernized country such as Italy, it is estimated that 22.3% of all employment is undocumented.[34] Another issue is the exclusion of hours spent fulfilling household obligations. The high degree of segmentation within advanced labor markets also requires sensitivity to averages within different fields of employment. With these difficulties in mind, one can begin to analyze historical work time data.

Another major problem encountered is connecting working times with such things as technologically induced economic hardships, neoliberal government, attacks on unions, and rising economic inequality. Happily, contemporaneous news paper articles accessed through LexisNexis provided an abundance of primary sources from which to reconstruct this past. Numerous government documents, printed monographs, and electronically-accessed journals also aided the construction of the narrative to follow.

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[33] Basso, Modern Times, Ancient Hours, 22-23.
[34] Ibid. 21.

The subject and scope of this study will be the five most advanced and culturally similar capitalist economies in the world during between 1970 and 2000. Specifically, this study will focus on the United States, the United Kingdom, France, Germany, and Italy. Each of these countries experienced structural changes in their workforce during the 1970s as well as economic hardship resulting from the oil shocks. However, their divergence at the political level during the 1980's was a defining moment in the history of work times, as was the weakening of unions in the divergent countries. The rising economic inequality of the 1980s, as well as the explosion of consumer spending, credit, and debt during the 1990s is equally significant to this narrative. The study aims to examine recent history in order to make sense of a currently debated subject.

In the pages to follow, five topics will be discussed based on their causal and chronological relation to each other. The first chapter will document the sweeping technological changes of the 1970's and their consequences for work times and other work related developments. Specifically, it analyzes how manufacturing workers were rendered obsolete by automation technologies and moved into non-unionized and low-wage service sector jobs. The next chapter will discuss the divergent experience of trade unions in the countries chosen, assessing the impact on unions and the results of strikes. Chapter Three discusses the ascendance of neoliberal ideas and policy in the United States and the United Kingdom while examining structural, organizational, and other factors that carried this ideology to the highest levels of power. Chapter Four investigates the effects of neoliberal polices at the social level and demonstrates how the rising levels of income inequality in the U.S. and the U.K.

led to higher work times. This chapter also treats the issue of globalization and its relation to inequality. The final chapter focuses on the role played by expanded consumption practices on work times since the late 1980s. What emerges from examining these specific themes is that the current state of work times was the fragile collusion of several complicated variables in the history of the United States and Western Europe since the 1970s.

CHAPTER 1: TECHNOLOGICALLY-INDUCED SOCIO-ECONOMIC RESTRUCTURING

Technological change is often one of the most important engines of history. One would be tempted to assume that the growth of labor-saving technology in the 1970's would have reduced the need for longer hours by increasing total output and productivity. However, the picture is far more complex. Weakened unions, rising income inequality, and increased consumer behavior arising in the period directly following the technological changes under discussion were the complicating factors. Each of these socio-economic phenomena will receive a more substantive treatment in later chapters, but they can each be fruitfully discussed in relation to technological progress. Case in point is the introduction of new information, communication, and automation technologies during the 1970s which led to a structural shift in most Western workforces from employment primarily in manufacturing to employment primarily in services. In turn, this shift weakened unions as they struggled to cope with a changing workforce. Specifically, technologies such as robotic manufacturing and computers tended to encourage temporary layoffs and plant closures. Facing technological obsolescence, factory workers in large numbers migrated to the lower wage service sector. As a result, the situation for organized labor became more difficult. At the same time, income inequality has increased since the 1970s and this has had an impact on working hours. Similarly, certain post-war technologies of consumption have amplified the domain of consumer desires and consequently created incentives for over-work. The advancement of technology has not been conducive to work-time reduction, and many of the technologies developed by 1980 actually worked against work time reductions.

Technological progress cannot be uniformly equated with progress concerning several economic, social, or standard of living measures. In the case of technological innovation during the 1970s, the changes had adverse consequences that worked in the direction of longer, rather than shorter working times. These results were a consequence of the fact that while certain processes were made more efficient and certain costs lowered, the savings generated were unequally distributed. As Joel Mokyr points out, “Technological progress is hardly ever Pareto superior, that is, an improvement for everyone affected: there are losers in the process, and while the gainers could compensate them, it is only rarely that they do”.[35] Or to quote C.S. Lewis, “Man’s power over Nature often turns out to be a power exerted by some men over other men with Nature as its instrument”.[36] Additionally, one must not overlook the fact that technological change is often haphazard. History abounds with technologies which turned out to be inefficient or even socially or economically detrimental in the long-run, such as the supplanting of wheat fields with potato fields or the obsolescence of wheel-based transportation in North Africa and the Middle East after the invention of the camel saddle.[37] Consequently, one must recognize that adverse effects related to work times arose as a result of technologies created in the 1970’s.

Some of the most significant inventions of the 1970’s were decidedly labor-saving in nature. This trend is exemplified by the rise in the number of robots per

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[35] Joel Mokyr. The Lever of Riches (Oxford: Oxford University Press, 1990), 153.
[36] Ibid., 155.
[37] Ibid., 164.

1,000 manufacturing workers (including some white-collar workers) from .1 in 1976 to 1.3 in 1986.[38] In 1982, over 6,500 robots were operating in U.S. factories.[39] By 1990, this number was predicted by the Unemployment Trustee Corporation to be 50,000 to 100,000.[40] As a result, by the end of the 80's, 200,000 workers were predicted to be displaced by robots.[41] More specifically, 6%-11% of all U.S. auto workers would be displaced by robots.[42] A 1987 study concluded that out of all displacements in the United States, 23% were caused by facility obsolescence and 16% by production automation.[43] However, total jobs created by robots were predicted to be between 32,000 and 64,000.[44] Yet, the report asserts that, "the jobs eliminated are semi-skilled or unskilled, while the jobs created require significant technical backgrounds".[45] While labor-saving technologies may have reduced the time necessary to create the same quantity of goods during the 1970's, the more immediate effects of these technologies were layoffs that actually prevented work time decreases by increasing inequality.

Layoffs increased inequality by forcing workers into lower wage jobs. 30% of displaced blue-collar workers and 24% of displaced white-collar workers found jobs paying less than 75% of their previous jobs' wage in 1987.[46] Displaced durable goods producing workers received on average 20% less than their previous wage in their

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[38] M. Richard Cyert and David C. Mowery, eds. Technology and Employment (Washington, D.C.: National Academy Press, 1987), 44.
[39] H. Allan Hunt and Timothy L. Hunt. Human Resource Implications of Robotics. (Kalamazoo: W.E. Upjohn Institute for Employment Research, 1983), x.
[40] Ibid., x.
[41] Ibid., 92.
[42] Ibid., x.
[43] Cyert and Mowery, Technology and Employment, 61.
[44] Hunt and Hunt, Human Resource Implications, 127.
[45] Ibid., xi.
[46] Cyert and Mowery. Technology and Employment, 59.

new job between 1979 and 1983.[47] This statistic is particularly relevant in light of the fact that these types of workers made up 33% of total displacements, and 12% of total, non-agricultural employment.[48] Consequently, technologically induced layoffs were a significant source of rising inequality, as the poor got poorer by moving into lower wage jobs, often in the service sector.

The shift from a manufacturing to a service economy diminished the possibility of work time reductions in a number of ways. The share of total employment involved in the manufacturing sector to drop from approxmimately 27% in 1965 to approximately 18% in 1983.[49] In line with this trend, 47% of the unemployment increase in America from 1970-1982 occurred among blue-collar workers, although they only constituted 31% of the workforce in 1982.[50] Most noticeably, this shift forced unions to alter their priorities as a result of the changing structure of the workforce during the 1970's, and in the process, the unions weakened. Equally notable was that a service economy required a constant availability of employees for interaction with customers and clients. In contrast, manufacturing processes could be done most efficiently by reducing the total amount of paid work time to as little as possible. Additionally, most service employment has a lower rate of compensation than manufacturing employment, and the resulting income inequality will be linked to work times.[51] The evidence demonstrates that the shift from a primarily manufacturing-based economy to a primarily service-based

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[47] Cyert and Mowery. Technology and Employment, 59.
[48] Ibid., 60.
[49] Ed Nosal and Michael Shenk. "Is Manufacturing Going the Way of Agriculture?" Economic Trends. 15 February 2007. 22 February 2007. <http://www.clevelandfed.org/research/trends/2007/0307/02ecoact_021507.cfm>.
[50] Cyert and Mowery, Technology and Employment, 56.
[51] Ibid.,106.

economy was a factor inhibiting the reduction of work times for a variety of reasons.

The transition from a manufacturing to a service-based economy arose in part as a result of developments in gender relations. The the creation, elaboration, and proliferation of a whole new host of services as a result of the entrance of large numbers of women into the workforce during the 1970's, and the consequent need for services formerly provided by the household, such as childcare, cleaning, and food services is yet another development that reinforced these processess.[52] The new division of labor provided a cheap, female labor force to work in these new service industries.[53] Consequently, a new technology of labor organization moved household activities into the market sphere and redistributed formerly domestic activites, although the gendered nature of this work was not seriously alterted. This dramatic shift had serious consequences for work times in the years that followed.

A significant effect of the shift from an industrial to a service dominated economy was the consequent rise in part-time work. Between 1950 and 1990 the proportion of the labor force involved in part-time work increased by 50%.[54] Some argue that this statistic obscures a more dramatic transformation which would be visible if the number of part-time jobs instead of workers were taken into account.[55] Concrete technologies played a large role in the extension of this form of work organization. These technologies include, the fax machine and the computer.[56] As Sociology Professor at the University of Maryland, Harriet Presser states, "The ability

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[52] Presser. "Work Shifts", 2.
[53] Ibid.
[54] United States. Department of Transportation. Federal Highway Administration. "Chapter 2". <https://www.fhwa.dot.gov/ohim/equit/chap2.pdf>, 1.
[55] Ibid.
[56] Presser. "Work Shifts", 3.

to be 'on call' at all hours of the day and night to others around the world at low cost generates a need to do so."[57] Moreover, the growth of multinational organizations, and even the less ambitious territoral expansion of smaller firms required branch offices employing part-time work outside of typical "9 to 5" hours, in order to keep these offices running during peek business hours in distant time zones.[58] While part-time work is sometimes viewed as more desireable, the growth of involuntary part time work grew from 3.3% in 1973 13.3% in 1993 as a proportione of all employment.[59] Involuntary part-time workers are those workers who would prefer full-time work, but who cannot obtain or perform it.[60] Another effect of this proliferation of part-time employment was the extension of consumption oppurtunities through longer store hours, which in turn limits the desire for reduced work hours.[61] Indeed, it appears that part-time work can generally be considered the domain of the more marginalized segments of the workforce. In 1990, over half of the part-time workforce had no college education, 45% was either under the age of 30 or over the age of 60, and 64% female.[62] More tellingly, 26% of all part-timers had an annual income of under $20,000 compared to only 14% of all full-timers.[63] Consequently, the rise in inequality engendered by this rise in part-time work, combined with the challenges to unionization that this trend represents, have had an adverse effect on work times.[64] Part-time employment may be viewed as an

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[57] Presser. "Work Shifts", 3.
[58] Ibid.
[59] "Chapter 2", 1.
[60] Ibid., 4.
[61] Presser, "Work Shifts", 4.
[62] United States. Department of Transportation. Federal Highway Administration. "Table 3.1". <http://www.fhwa.dot.gov/ohim/equit/tab3-1.pdf>.
[63] Ibid.
[64] Gene Carroll. "Part-Time Employment and Labor Unions". The Sixth Dusseldorf Forum for Labor

organizational technology that through association with other developments, including union strength, led to work time increases.

Structural changes in the work force and economy created obstacles for the union movement during the 1970's. Specifically, the shift from a manufacturing-based to a service-based economy exacerbated the unemployment resulting from the stagflation of the 1970's and early 1980's. Predicting this outcome in 1949, the founder of cybernetics and the communication revolution, Norbert Wiener, wrote a letter to then president of the UAW, Walter Reuther warning that automation would lead to massive lay-offs.[65] As will be demonstrated in the next chapter, these layoffs most decisively affected British and American unions as they simultaneously struggled to unionize service sector workers and fight off neoliberal attacks on their power. Unions have not been helped by the fact that the service sector has been more difficult to organize, partially a result of the smaller size of service sector firms.[66] The threat that these new technologies posed to unions was apparent when one notes that an American study found 25% of union contracts in 1986 contained provisions relating to the introduction of new technology, up from 10% in 1961.[67] Moreover, as unions strove to negotiate contracts relating to the introduction of new technology, pattern-bargaining became less viable as a result of differential levels of technological introduction between various firms within the same industry, or even between various

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Relations (Dusseldorf, 23 and 24 October 2006).

[65] Jim Davis. "Technology and Jobs". 1996. Computer Professionals for Social Responsibility. 3 February 2006. <http://www.gocatgo.com/texts/cpsr-techjobs.html>.

[66] "TUC: Decline and Revival". BBC NEWS. 8 September 2000. 10 March 2007. <http://news.bbc.co.uk/1/hi/business/911501.stm>.

[67] Cyert and Mowery, Technology and Employment, 130.

plants owned by the same firm.[68] One can gain a better understanding of how technological advancement produced these results by examining some of the specific technologies introduced during this period.

The increasing automatization of industrial processes during the 1970's may have actually increased work times instead of decreasing them as one would expect. This paradox arose from the secondary results engendered by labor-saving technologies. Specifically, the invention of a metal beam-building machine in 1975 led to the layoff of handicraftsmen who had formerly constructed such beams.[69] 1975 also saw the invention of a new tunnel-boring robot that replaced the labor of many miners.[70] Similarly, the invention of an assembly robot with visual recognition of objects in 1976 further reduced the manpower demands of industry.[71] Moreover, during 1976, Stanford University patented two types of assembly robots that could detect force and torque and thus eliminate the need for worker supervision during many industrial processes.[72] In 1977, the Charles S. Draper Laboratories produced a new method for matching assembled parts that would facilitate automatic assembly.[73] The common element of all these inventions was that they significantly erode the industrial workforce. This erosion is significant because it led to a weakening of union strength, the rise in socio-economic inequality, and a shifting of the total economy from the manufacturing sector to the service sector.

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[68] Cyert and Mowery, Technology and Employment, 131.
[69] H. Guyford Stever. (National Science Foundation). National Science Foundation Annual Report 1975 (Washington, D.C.: U.S. Government Printing Office, 1976), 77.
[70] Ibid., 74.
[71] Richard C. Atkinson. (National Science Foundation). National Science Foundation Annual Report 1976 (Washington, D.C.: U.S. Government Printing Office, 1977), 96.
[72] Ibid., 124-125.
[73] Richard C. Atkinson. (National Science Foundation). National Science Foundation Annual Report 1977 (Washington, D.C.: U.S. Government Printing Office, 1978), 107.

The invention and elaboration of electronic display technologies cannot be overlooked as a factor in increased work times, because they have been instrumental in the growth of the service sector. In 1975, the University of Illinois filed two patents for plasma displays/memory panels, one of which could represent parallel information and shift this information automatically.[74] 1976 was also the year in which three patents were filed for new cathode ray tube technologies. [75] The importance of these technologies to work times is due to the fact that they increase the ease with which ever larger numbers of people could be exposed to the same piece of information and then employed to analyze it. In conjunction with new forms of recording, creating, and disseminating information, new display technologies increased work times by increasing the need for work on these proliferating targets of human analysis.

Perhaps no other technological change other than the dramatic advances in computer technology during the 1970's have had as significant an effect on workforces throughout the world. In the service sector, the number of computer workstations per 1000 white-collar employees grew from 14.5 in 1976 to 450 in 1986. As with robotics, several studies concluded that computers led to and would continue to lead to massive layoffs.[76] These layoffs resulted from computer's allowing upper management to amplify skills and extend domains while creating redundancies.[77] The initial invention of the microprocessor during this period both eliminated the massive space requirements of computers and increased the actual

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[74] Atkinson, NSF Annual Report 1976, 124-125
[75] Ibid., 124.
[76] Cyert and Mowery, Technology and Employment, 91.
[77] Eli Ginzberg, Thierry J. Noyelle, and Thomas M. Stanback, Jr. Technology and Employment (Boulder: Westview Press, 1986), 17.

productive capabilities of these devices.[78] The decreased size of computers is important because it eliminated the need for large maintenance teams to support enormous computer terminals and also allowed for the introduction of computing technology to a wide host of applications and environments. As a result, massive office bureaucracies could be trimmed and individuals who best utilized this new technology could use it to amplify the scope and quantity of their work. The effect of this amplification is a major source of income inequality in post-industrial countries. Also, significant was the fact that the increased power and decreased size of microprocessors made them well-suited for coordinating the complicated, automated tasks that were increasingly introduced to industrial manufacturing. As a result, the computer not only revolutionized the office environment, but also led to the layoffs of countless manual workers. The effects of 1970's computing technology on work times were comprehensive, profound, and generally related to the major factors in the work time issue.

During the 1970's information technologies began to mature and disseminate broadly with significant socio-economic consequences. According to Sherwin Rosen, these technologies allow certain individuals to amplify their domain of activity and thereby shut other individuals out of markets or render then redundant.[79] This has had a demonstrated effect on employment, wages, and consequently, income inequality. A study by Linda Bell and Richard Freeman links a nation's economic inequality with the average number of work hours. According to the study, income inequality created a spur on individuals to advance or sustain their careers by working long hours or risk

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[78] Stever, NSF Annual Report 1975, 41.
[79] Paul Krugman. "Technology's Revenge." 1994. The Unofficial Paul Krugman Archive. 2 February 2006. <http://www.pkarchive.org/economy/TechnologyRevenge.html>.

the consequences of appearing less motivated than other possible employees.[80] The technologies that facilitated redundancies created greater inequality in the countries with weaker social safety nets and a consequent rise in work hours in those countries by forcing workers to compete through time expenditure.

The diffusion and ramifications of these information technologies in a wide variety of fields testifies to their importance to the work time issue. Even as early as 1967, almost half of the entire U.S. economy was closely related to "creation, manipulation, or use of information" according to a report 1977 report by the U.S. Department of Commerce Office of Telecommunications.[81] The continuing shift towards a service economy would have serious repercussions on work times. Indeed, the National Science Foundation Annual Report from 1977 predicted, "Over the next few years, revolutionary developments in computers and communications will drastically alter the way in which we process and exchange information."[82] The results are in line with this prediction. In 1982 alone, telecommunications were estimated to have "saved" the American economy $81.3 billion in costs, including labor costs.[83] A recent ranking of industries based on the ratio of investment in information technologies to total capital investment had service industries occupying all of the top ten positions.[84] According to the Office of Services, part of the U.S. Department of Commerce, "Information is the fuel that keeps the services industry

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[80] Bell and Freeman, "Why Do Americans", 22.
[81] Atkinson, NSF Annual Report 1977, 105.
[82] Ibid., 14.
[83] United States. Department of Commerce. "Telecommunications in the Age of Information". The NTIA Infrastructure Report (Washington, D.C.: U.S. Government Printing Office, 1991), 32.
[84] United States. Department of Commerce. Office of Service Industries. The Role of Services in the Modern U.S. Economy. 1999. 20 February 2007. <http://www.ita.doc.gov/td/sif/PDF/ROLSERV199.PDF>, 3.

running".[85] The change brought about by new information technologies would seriously restructure the labor force and the economy as a whole, and it makes sense to discuss the technologies in detail.

The ever widening and deepening streams of information transfer during the 1970's cannot be untangled from working time increases and stabilizations. As early as 1976, a report by Arthur D. Little, Inc., recommended the adoption of electronic funds transfer and outlined the serious changes in the financial industry as a result of such adoption.[86] Also in 1976, Case Western Reserve University formulated a general theory of information transfer that specified optimal methods for disseminating data and led to advanced efficiency in that regard.[87] Similarly, the National Science Foundation funded four studies on the productivity increases generated by computers, specifically on how to more efficiently provide computer services.[88] In the same year, a study determined that technology would not be the primary factor limiting the improvement of information services, and thus implicitly predicted and called for a social restructuring of the information economy.[89] These developments highlight how the very structure and organization of the workplace was being redefined by new technologies. This process was exemplified by the creation of a formal index for measuring productivity of information and computer systems by Westinghouse Electric Corporation, Carnegie-Mellon University, and the University of Pittsburgh in 1977.[90] The index both facilitated firms' introduction of computer and information

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[85] "Role of Services", 3.
[86] Atkinson, NSF Annual Report 1976, 98.
[87] Ibid., 107.
[88] Ibid., 107.
[89] Ibid., 108.
[90] Atkinson, NSF Annual Report 1977, 106.

technologies while also enabling the most efficient operation of these devices.[91] Of course, the expanded volume of information transfers from electronics would have been unfeasible without the advanced cryptography emerging from complexity theory in 1977.[92] The significance of these expanded information transfers is that more information requires more time for analysis. While reducing demands for physical labor, these information flows encouraged a corresponding flow of employment into the service sector. An associated development was the invention of technologies that could codify information or reproduce information in new ways.

The creation and optimization of optical inputs during this period was another source of structural changes in the workforce during 1970's and early 1980's. The creation of better lenses and sensor technologies led to more precise and comprehensive automation in manufacturing processes as these inventions allow for more sophisticated robotics. Thus, the invention of a mass production process for high quality lenses in 1975 marked a significant advance in the replacement of the human eye with an electronic equivalent.[93] Layoffs were inevitable. Similarly, Stanford patented a more sensitive optical scanning device in 1976.[94] The result of these new technologies was that workers in manufacturing occupations could be replaced with machines, while workers in offices could be exposed to an exponentially greater amount of information through the use of photocopying. Related to developments in information codification and distribution, information storage and reproduction led to similar consequences for work forces in developed

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[91] Ibid., 106.
[92] Ibid., 14.
[93] Stever, NSF Annual Report 1975, 34-35.
[94] Atkinson, NSF Annual Report 1976, 125.

economies during the 1970's.

In the same vein as optical scanning, electronic storage increased the work burden of the service sector. In 1976, MIT received a patent for a recording device that could perform its functions while unattended in a remote location.[95] Similarly, a study from 1976 tested the feasibility of using computers to store and deliver engineering handbooks.[96] The greater significance of these development was not in the workers displaced, but in the extra work generated by an increase in total available information requiring analysis. Recording technology allowed for the preservation and reproduction of information with minimal cost increases. This information reproduction instigated the wider dissemination of texts and data. Consequently, the work time necessary for the full analysis of these recordings increased as did the number of individuals involved in the analysis of the recordings. The net effect of all these information technologies was a structural transformation of work that eventually led to longer hours, much as new consumption technologies transformed the way individuals valued their own time.

Certain technologies of consumption can be associated with the rise and stability of work times. Television played a major role in delivering advertisements and increasing consumption by allowing marketers to employ a willing medium and a nearly captive audience. The United States has the highest proportion of television ownership in the world, 806 per 1,000 people.[97] In addition, a 1977 study conducted

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[95] Ibid., 124.
[96] Atkinson, NSF Annual Report 1976, 108.
[97] United States. Census Bureau. "No. 1375. Newspapers, Radio, Television, Telephones, and Computers by Country." Statistical Abstract of the U.S.: 2001. 2001. 14 Dec. 2004 <http://web.lexis-nexis.com/statuniv/attachment/a.unk?_butinfo=001%3b5342%3a45F8H7J3G701%3b1&_me

by Harvard University, the University of Pennsylvania, and Hartford University established that advertising did have a strong effect on children and their consumer patterns.[98] This study is significant because between 1965 and 1975 the number of hours that Americans spent watching TV increased significantly.[99] Consequently, one should not overlook the role of technology in fueling the desire to consume ever more products and services.

The invention of barcodes and EDI had a significant effect on consumption, and consequently working times. On June 26th, 1974 at a Marsh Supermarket in Troy, Ohio the first barcode was scanned for retail purposes.[100] The effects on the retail sector have been enormous. Check-out times were reduced and inventory processes were rationalized to an extent that allowed for the proliferation of and elaboration of exceedingly sophisticated supply chains and increasingly larger retail sites.[101] Perhaps more insidiously, barcodes granted both manufacturers and retailers significantly more detailed and precise sales information, often linking specific customers to specific purchase histories, which could be employed to improve marketing campaigns and further fuel consumption.[102] Similarly, the invention of Electronic Date Interchange, or EDI, had a profound effect on the retail industry. Simply put, EDI is merely a standard paradigm for the electronic transmission of business

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nu=WSUNIV&clientid=&_session=63943820-526e-11d9-8025-8a0c593eaa77.728574235.3280989805.410151.%20.0.0&_state=&wchp=dGLbVtb-zSkVV&_md5=200fcce785ffbb934e1b411caf6102a4>.

[98] Atkinson, NSF Annual Report 1977, 13.

[99] Atkinson, NSF Annual Report 1976, 69.

[100] Nicholas Varchaver. "Scanning the Globe". Fortune Magazine. May 31, 2004. 20 February, 2007. <http://money.cnn.com/magazines/fortune/fortune_archive/2004/05/31/370719/index.htm>.

[101] Ibid.

[102] Ibid.

information and communications.[103] Although, standardized business communication have a long history, the 1979 creation of the X12 standard by the American National Standards Institute represented the watershed moment in which various forms of electronic business transmissions were made mutually intelligible.[104] The resulting benefits according to Roger Clarke, Visiting Fellow of Computer Science at Australia National University, included more efficiency in the areas of, “inventory management, transport and distribution, administration and cash management”.[105] Thus, this invention was another significant factor in the small revolution that occurred in the retail sector during the 1970’s and 1980’s. This facilitation of consumption would lead to an increase in overall average work times as later chapters will demonstrate that wages began to stagnate following this period.

The adverse effects of 1970’s organizational technologies on the strength of the union movement deserve detailed analysis. The introduction of team-based production techniques in automobile manufacturing firms significantly impaired union actions, particularly efforts to unionize Japanese transplant plants in the United States.[106] Moreover, the introduction of Quality Circles starting in the late 1970’s and early 1980’s was extolled by union-busting consultants such as Charles Hughes, as an effective instrument for weakening union strength.[107] An International Association of Machinists and Aerospace Workers Research Report pointed out that Quality Control

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[103] Roger Clarke. “Electronic Data Interchange”. 1998. The Australian National University. 21 February 2007. <http://www.anu.edu.au/people/Roger.Clarke/EC/EDIIntro.html>.

[104] “The Creation of ASC X12”. 2007. ASC X12. 22 February 2007. <http://www.x12.org/x12org/about/X12History.cfm>.

[105] Clarke, “Electronics Data”.

[106] Mike Parker. “Transplanted to the U.S.A.”. Multinational Monitor. 11.1 and 11.2 (1990). <http://multinationalmonitor.org/hyper/issues/1990/01/parker.html>.

[107] Glenn E. Watts. “QWL and the Union". In “Perspectives from the Labor Movement.” United States. Department of Labor. Labor Management Cooperation. 11-15 (Washington, D.C.: U.S. Department of Labor, 1984), 11.

Circles developed in a country where the labor force is significantly less vulnerable than in the United States, "In Japan, where the QCC concept first originated, job security is almost always guaranteed in the industries in which QCCs function. It is both unreasonable and unfair to ask workers to engage in problem-solving to improve the operations of the company unless their own jobs are protected."[108] In contrast, automobile manufacturers in the United States actively funded and directed a movement for the abolition of all unions in the country, under the euphemism "right to work", while appearing to cater to its workforce.[109] Consequently, the widespread adoption of these organizational practices must be regarded as a technology that undermined unions and the importance of a strong union movement to work reduction will be demonstrated.

Production technologies invented during the 1970's and consumption technologies throughout the post-war era actually discouraged work-time reductions despite the increased productivity and output generated by these technologies. These technologies tended to encourage cost reduction through layoffs. As a result, unions lost strength by having few members. Another important effect of new technologies of the period was the shift from industrial to service employment and the consequent rise in income inequality and the loss of union strength. The role of new technologies in directly facilitating income inequality, and consequently increased work times, cannot be overlooked either. Consumption increased as new technologies provided new forms of consumption, and with stagnant wages, this meant trading longer work

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[108] International Association of Machinists and Aerospace Workers. "Quality of Work", In "Perspectives from the Labor Movement." United States. Department of Labor. Labor Management Cooperation. 16-21 (Washington, D.C.: U.S. Department of Labor, 1984), 19.
[109] Ibid., 18.

hours for a higher income. As a result technological progress presents a problematic relationship with work reduction and during the specific time period of the 1970's and early 1980's, technology may have worked against the assumption that productivity increases would lead to decreases in work times. Perhaps most importantly of all, these technological changes weakened unions during their crucial showdown with neoliberal governments in the United States and the United Kingdom.

CHAPTER 2: THE UNION BATTLE FOR WORK REDUCTION

Different models of collective bargaining may have had an important effect on work-time agitation. Union density and union coverage demonstrate the strength of a labor movement and its consequent ability to press for shorter hours. The assault on unions initiated by President Ronald Reagan in the early 1980's points to a possible explanation for the work-time divergence from continental Europe. Similarly, Prime Minister Margaret Thatcher's crippling of the miners' union and organized labor in general explains a similar divergence in Great Britain.

The importance of universal work regulation is demonstrated by a significant difference between American and European labor tactics. Whereas European unions achieved gains through both collective bargaining with specific firms and through national legislation, American unions eschewed labor legislation and national labor boards and emphasized collective-bargaining with specific firms.[110] This was a consequence of a rejection by Congress in 1946 of any extension of labor-planning boards beyond wartime, and organized labor's lack of trust in government to oppose employers.[111] Thus, national standardization was difficult and haphazard, creating a situation in which income increases were facilitated at the expense of work-time reductions. The result was that 75% of the increased standard of living in the United States between 1948 and 1975 was in increased wages, while in countries such as the Netherlands and Sweden this increase was split in half between increased income and

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[110] Hinrichs, Roche, and Sirianni, Working Time in Transition, 172.
[111] Stephen Amberg. The Union Inspiration in American Politics (Philadelphia: Temple University Press, 1994), 163-164, 166, 168.

decreased hours.[112] This statistic suggests that differences in labor union models are a plausible explanation for the difference between European and American work-hours.

Another important indicator of the relative weakness of American and British unions is their low unionization rates. In 2002, American union density, as determined by the percentage of unionized workers to the entire workforce, was only 12.6% compared to 26.3% for the European Union. Between 1960 and 1994, American union density has nearly halved, whereas in other industrial countries such as Germany and Canada, union density has actually increased.[113] One might object that both the U.S.'s union density and the U.K.'s at 29.3% are higher than France's union density at 8.3%.[114] As a result, some may be tempted to question unions as a significant factor in determining average national work times. Yet, if one examines the rates of union coverage in these countries, the data reveal that only 13.8% of American workers and 35% of British workers are affected by union contracts, compared to 95% in France.[115] This disparity between union density and union coverage is a result of the decentralized nature of Anglo-American union negotiations. In contrast, French union workers are primarily located in the government sector, publicly owned firms, or in large firms, whereas they are more evenly distributed in the American and British economies. The contracts agreed to by these leading unions are then extended to workers in smaller firms within the same industry, as a result of public policy. For this reason, French workers have little incentive to join unions because they can obtain many benefits of collective

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[112] Hinrichs, Roche, and Sirianni, Working Time in Transition, 174.
[113] Amberg, Union Inspiration, 22.
[114] Jelle Visser. "Union Membership Statistics in 24 Countries." Monthly Labor Review. Jan. 2006. <http://www.bls.gov/opub/mlr/2006/01/art3full.pdf>, 45.
[115] Ibid., 46.

negotiations without actually engaging in them.[116] For British and American unions, their weakness is reflected in the low-level of union coverage in these nations, and this weakness is a partial cause for longer work hours.

Jonathan Cutler, in his book, *Labor's Time*, explains how the end of factionalism within a particular union local, and on a larger scale, the AFL-CIO, put an end to competition for worker loyalty and allowed high-ranking union officials to ignore the call for reduced work hours. His main line of investigation explores the factors that ended agitation for a 30 hour week at 40 hours pay among United Auto-Workers members, specifically Local 600 at the River Rouge Plant in Flint, Michigan between 1930 and 1960.[117] More precisely, Cutler's book traces not only the actions of union leaders but also how they co-opted and finally silenced work reduction agitation among the rank and file. Indeed, the primary question addressed in Labor's Time is not so much whether labor leaders opposed work reduction, but the specific methods they employed in doing so, and why they succeeded.[118] Examining the political machinations of factions within the UAW and Local 600, Jonathan Cutler explains the victories and defeats of work reduction militants by correlating increased competition among factions with the increased adoption of work reduction stances by leaders seeking to gain political support among rank and file workers.[119] Once Walter Reuther had consolidated power as head of the UAW, and later the AFL-CIO, he suppressed factionalism and with it the hope of a shortened work-week.[120] Thus, factionalism may be understood as a key component of a militant and effective labor

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[116] Visser, "Union Membership", 47.
[117] Cutler, Labor's Time. 16.
[118] Ibid., 15.
[119] Ibid., 176-177.
[120] Ibid., 180-181.

movement, and the end of factionalism signaled the beginning of a long decay for the U.S. labor movement.

Another study, Benjamin Kline Hunnicut's, Kellogg's Six-Hour Day further supports this argument through a case-study of another reduced-work labor movement. In contrast to Cutler's auto-workers, Hunnicut's subjects are Kellogg's Battle Creek factory workers who sought to maintain a six-hour day over the course of the half-century between 1930 and 1985.[121] The original shortened work-week was the result of an initiative by W.K. Kellogg and company president, Lewis J. Brown, but not the unions or workers themselves.[122] Their aim was to reduce unemployment through work-sharing.[123] During World War II, the company forced workers into longer hours, but workers demanded a return to shorter hours once peacetime began.[124] In the post-war years, male-dominated departments began to clamor for "full-time" work.[125] Hunnicut explains this as part of a need to justify traditional social hierarchies: "As work began to lose its place as dominant social and cultural focus, the traditional patterns of status and control that had been established on the centrality of work were unsettled. Male dominance, for example, was assured in a culture dominated by work; it was much less secure outside the job."[126] Gradually, the 8-hour day was extended to three quarters of the total Battle Creek workforce by 1957.[127] Despite this erosion of the shortened work week, the remaining quarter of the

[121] Hunnicut, Kellog's Six-Hour Day, 1-2.
[122] Ibid., 13.
[123] Ibid.
[124] Ibid., 98.
[125] Ibid., 103.
[126] Ibid., 7.
[127] Ibid., 182.

workforce steadfastly held onto their 6-hour day well into the 1980's.[128] In 1984, the company blackmailed the union into dropping its support for the 6-hour workers in return for an agreement not to relocate its operations out of the city.[129] Thus, Hunnicut's examination of the rhetoric concerning the centrality of work in life reveals how appeals to gendered ideologies played a part in the demise of a shorter-hours movement.

Another factor in the weakening of the reduced-hours movement has been the general demise of union strength after Reagan's assault on the Professional Air Traffic Controllers' Organization in 1981, which many viewed as an attack on the American union movement as a whole. The actual causes of the PATCO strike were multi-faceted. Arthur Shostak of Drexel University conducted five surveys of PATCO members between 1979 and 1981 which revealed that the rank-and-file were primarily concerned with increasing their wage, shortening the work-week, and improving their retirement plan.[130] As a Business Week article in 1981 asserted, "the [union] membership is homing in on the work week issue".[131] Thus, the strike represented a high-profile case of the central government opposing work reduction demands in order to set an example for other unions. Before the strike began in 1981 the President of PATCO, Robert Poli, anticipated the tacit support of Reagan.[132] Presumably this was because PATCO had supported Reagan in the 1980 Presidential

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[128] Hunnicut, Kellog's Six-Hour Day, 182.
[129] Ibid., 185-187.
[130] Richard W. Hurd and Jill K. Kriesky. "The Rise and Demise of PATCO: Reconstructed". Industrial and Labor Relations Review. 40.1 (Oct., 1986), 116.
[131] Ibid.
[132] Ibid., 19.

Election.[133] As it turned out, the Reagan administration pursued three policies that were clearly intended to break the back of the union, even before the strike began. These policies were the appointment of an openly anti-union president of the FAA, J. Lynn Helms, in March of 1981; the employment of a self-declared, “union-busting” consulting firm for negotiations’; and the secret strengthening of a contingency strike-plan which had the effect of rendering the eventual strike disastrous for PATCO.[134] If these circumstances had been publicized, it is doubtful the union would have plunged so unreservedly into a strike.[135] The most decisive action of the administration, however, was the 48-hour firing ultimatum against the strikers who refused to return to work.[136] Looking back, Harvard Professor John Dunlop elegantly described this policy: “The administration has decided… to leave no avenue of escape for the union. You just don’t do that… [Such an approach] is quite unusual, even going back to the turn of the century”.[137] Indeed, attempts to peaceably mediate the situation were rejected by the administration, in order to force the issue and destroy the union in the process. Thus, Reagan’s presidency marked a serious defeat for organized labor in the United States.

Similar to Reagan’s direct attack on the organized labor movement through a highly-publicized confrontation with PATCO, Thatcher’s assault on the National Union of Mineworkers effectively weakened organized labor nationwide in the U.K. However, in contrast to Reagan’s conflict with PATCO, the National Union of

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[133] Mike Causey. “Reagan is Endorsed by PATCO’s Board”. The Washington Post 24 Oct. 1980: C2+.
[134] Hurd and Kriesky, “The Rise and Demise”, 120.
[135] Ibid.
[136] Ibid.
[137] Ibid.

Miners had long been a political adversary to Thatcher's party and had hamstrung the conservatives in 1972, bringing their government to an end in 1974 through a general strike.[138] The evidence suggests that Thatcher bided her time until coal reserves were sufficient to defeat a miners' strike, and a statement by her from before the strike supports this point: "We would have to rely on a judicious mixture of flexibility and bluff until the Government was in a position to face down the challenge posed to the economy, and indeed potentially to the rule of law, by the combined force of monopoly and union power in the coal industry".[139] In addition, the transfer of the National Coal Board chairmanship to Ian MacGregor in 1983 was widely viewed as an act of provocation, due to his previous anti-union actions.[140] This appointment parallels Reagan's appointment of an anti-union head of the FAA. Thus, when MacGregor announced the closure of several mines and major lay-offs shortly after taking control of the NCB, strikes broke out almost immediately.[141] After a year of deadlock, the power of one of Britain's largest unions was broken as strike funds depleted and miners were forced to either work or starve; the aftershocks seriously weakened the position of organized labor on a wide scale and for the longer term.[142] In retrospect, Thatcher's policies have been described by sociologist Pietro Basso as, "a concentrated and frontal attack against the 'institutional limits' to the exploitation of labour power."[143] It can be argued that Thatcher's attack on the miners had a similar effect as Reagan's attack on the air traffic controllers in that both policies led

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[138] M.J. Parker. Thatcherism and the Fall of Coal (Oxford: Oxford University Press, 2000), 8.
[139] Ibid., 16.
[140] Ibid., 36.
[141] Ibid., 37-38.
[142] Ibid., 222.
[143] Basso, Modern Times, Ancient Hours, 173.

to the crippling of their respective country's labor unions.

Both U.K. Prime Minister Margaret Thatcher and U.S. President Ronald Reagan were widely viewed as union-busters. In a 2003, a senior BMW executive told the U.K. newspaper, the Guardian, “"What we need is a German Thatcher…we need to force the unions back."[144] During the French railroad strike of 1987, a columnist for the leftist daily, Liberation, compared Premier Jacque Chirac's attempts to crush the strike with the actions of Reagan against PATCO or Thatcher against the NUM.[145] Even as early as 1982, European labor unions represented by the European Trade Union Confederation had recognized Thatcher as unique in the degree of her hostility towards organized labor, as demonstrated by her opposition to a proposal that would close a loop hole allowing multinational employers to withhold information to their employees that would otherwise be obtainable under certain national legislation, as reported by The Economist: "Mrs Thatcher may succeed in holding up progress for one year or even two, but even she is not likely to hold out indefinitely against the other nine governments”.[146] Even Thatcher's Employment Minister did not explicitly refute claims that his government was anti-union. When asked by a New York Times reporter in 1985 whether the government was hostile to unions, he merely replied, “Certainly to the political ambitions of trade unions.”[147] In

[144] David Gow. “German Unions Fall out of Favor”. The Guardian. 31 March, 2003. 16 December 2006. <http://business.guardian.co.uk/economicdispatch/story/0,12498,926375,00.html>.

[145] Charles Campbell. “As Strike Spreads, Weakened Unions Try to Make up Lost Ground”. Associated Press. 8 January 1987. Online. LexisNexis Academic. 16 December 2006.

[146] “A Multinational Bone for Europe's Hungry Unions.” The Economist. 24 April 1982: 74. Online. LexisNexis Academic. 16 December 2006.

[147] R.W. Apple, Jr. “British Unions Hunting for Path Back to Glory”. The New York Times. 22 January 1985: A4. Online. LexisNexis Academic. 16 December 2006.

1985, Jack Jones, the former head of Britain's largest union, the Transport and General Workers Union, asserted that Thatcher was at least partially responsible for the current weakness of the union movement.[148] French trade unionists have made similar observations about Thatcher and Reagan. In 1983, the head of France's largest union, the CFDT, Edmond Maire, criticized a government employment plan, but qualified his criticism by stating that at least it wasn't a Reagan or Thatcher plan.[149] This point is underscored by an article from the Christian Science Monitor on August 31st, 1984 which reported, "Unions are united - perhaps as never before - in their voter-registration drives aimed at replacing President Reagan with Walter Mondale."[150] As a result, in the aftermath of the PATCO strike, Jim Baker, a regional director of the AFL-CIO referred to Reagan's actions as "union-busting".[151] Reagan and Thatcher were generally considered anti-union, so it makes sense to examine the specifics of their union policies and national legislation on the issue.

Margaret Thatcher's anti-union legislation developed gradually over the course of the 1980's through a series of bills that slowly chipped away at union strength. For example, the 1980 Employment Act required an 80% vote in order to create a closed shop and modestly restricted the right for secondary boycotts, while stipulating that no more than six pickets could be present at the entrance of a strike

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[148] Apple, "British Unions Hunting".

[149] Noblecourt, Michel. "Labour restless over new austerity moves". Le Monde. 10 April 1983: 12. Online. LexisNexis Academic. 16 December 2006.

[150] Belsie, Laurent. "Unions troubled on Labor Day '84. Bypassed by US recovery, Organized labor unites to defeat Reagan". 31 August 1984:1. Online. LexisNexis Academic. 16 December 2006.

[151] "Labor Leader Assails Reagan Over 'Union-Busting' Tactics". The New York Times. 16 August 1981: 38. Online. LexisNexis Academic. 16 December 2006.

site.[152] The term secondary boycott referred to the practice by which a union strikes in solidarity with the union of another employer. The 1982 Employment Act further hampered union action by requiring that all closed-shops in the United Kingdom must renew their status every 5 years with an 80% vote. The act also provided compensation for those dismissed for not joining a union in a closed-shop and allowed employers to obtain injunctions against and sue unions, further restricting secondary boycotts, and making "union only" contracts illegal.[153] The Trade Union Act of 1984 required unions to hold a secret ballot before any strike actions could be conducted.[154] Finally, the 1986 Public Order Act introduced criminal offenses related to picketing.[155] The tide of anti-union legislation continued even after this period, but by the late 1980's British unions were already significantly weakened. There is little that, with the passage of this legislation by the Thatcher government, U.K. unions became unable or unwilling to fight for a reduction in work hours.

As in Britain, several pieces of American legislation, as well as Supreme Court decisions, created a structural handicap for the American labor movement. The 1947 Taft-Hartley Act abolished the closed-shop, severely restricting the right to conduct secondary strikes and also allowing individual states to pass "right to work"

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[152] United Kingdom. Laws, Statutes, etc. Employment Act 1980. 1980, c. 42. <http://www.statutelaw.gov.uk/content.aspx?LegType=All+Primary&PageNumber=4&BrowseLetter=E&NavFrom=1&parentActiveTextDocId=1353880&ActiveTextDocId=1353880&filesize=38317>.

[153] United Kingdom. Laws, Statutes, etc. Employment Act 1982. 1982, c. 46. <http://www.statutelaw.gov.uk/legResults.aspx?LegType=All%20Primary&PageNumber=4&BrowseLetter=E&NavFrom=1&activeTextDocId=1334318>.

[154] United Kingdom. Laws, Statutes, etc. Trade Union Act 1984. 1984, c. 49. <http://www.statutelaw.gov.uk/content.aspx?LegType=All+Primary&PageNumber=2&BrowseLetter=T&NavFrom=1&activeTextDocId=1297983&parentActiveTextDocId=1297983&showAllAttributes=1&hideCommentary=0&suppressWarning=0&versionNumber=1#attrib>.

[155] United Kingdom. Laws, Statutes, etc. Public Order Act 1986. 1986, c. 64 <http://www.statutelaw.gov.uk/legResults.aspx?LegType=All%20Primary&PageNumber=9&BrowseLetter=P&NavFrom=1&activeTextDocId=2236942>.

legislation.[156] The act also included a clause that prevented strikes by workers that would create or exacerbate a "national emergency," as determined by the President.[157] The Labor-Management Reporting and Disclosure Act of 1959 strengthened the restrictions on secondary strikes and allowed for criminal injunctions against unions that didn't clear their strikes with the National Labor Relations Board.[158] In addition, this law forced unions to submit their financial, organizational, and governmental records and procedures to the Secretary of Labor for approval. In the realm of judicial interpretation, President Reagan's invocation of the 1938 Supreme Court decision, *Labor Board v. Mackay Radio Co.*, in order to hire replacement workers signaled a sea change in American management-labor relations and led to the utilization of more replacement workers as a strike-breaking tool in future disputes.[159] While, this decision created a precedent allowing for the hiring of replacement workers during a strike, this tactic had been widely reviled and seldom used before Reagan's actions against PATCO. This explicitly anti-union policy set a national precedent and effectively debilitated collective bargaining for years to come.[160] Taken together, the legal structure and new interpretations of existing laws in the United States significantly hampered unions and thus created obstacles for work-time reductions.

Aside from ideologically motivated anti-union policy, there is evidence that unions were already losing strength during the 1970's. In particular, union financial

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[156] United States. Taft-Hartley Act of 1947, Pub. L. no. 80-101, 7 Stat 141-197 (1947).
[157] Ibid.
[158] United States. Labor-Management Reporting and Disclosure Act of 1959, Pub. L. no. 86-257, 73 Stat 519-546 (1959).
[159] Rudy H. Fichtenbaum and Thomas L. Traynor. "The impact of post-PATCO labor relations on U.S. union wages". Eastern Economic Journal. 23:1 (1997). 12 December 2006. <http://www.findarticles.com/p/articles/mi_qa3620/is_199701/ai_n8738316>.
[160] Hurd and Kriesky, "Rise and Demise", 121.

data demonstrate the weakening of American unions during the 1970's. Between 1970 and 1976, the ratio of union liabilities to union assets jumped significantly. For national unions the ratio increased from 12% to 21.7%.[161] In the case of intermediate union bodies, liabilities were 11.5% of assets in 1970, and 18.5% in 1976.[162] The ratio was 7.9% for local unions in 1970, and 8.8% in 1976.[163] This creeping trend suggests that union financial stability was gradually eroding over the course of the 1970s. Similarly disconcerting for the union movement was that the gap between receipts and disbursements at all three levels narrowed or disappeared during this period, with local union budgetary surpluses falling to 33.8 million dollars in 1976 from 52.9 million dollars in 1970.[164] In the same period, intermediate union bodies saw their surpluses decrease from $8.4 million to $4.6 million.[165] Perhaps most alarming of all these figures, a budgetary surplus of 35.8 million dollars for national unions shrank to a budgetary loss of 16.7 million dollars between 1970 and 1976.[166] These statistics demonstrate that the financial situation of unions was deteriorating over the course of the 70's. It is also worth pointing out that these fiscal trends run counter to the assumption that numerical surpluses would only widen during a time of intense inflation, such as the 1970's. The failing finances of unions during this period were yet another reason for the American labor movement's inability to fight for reduced hours, as strike funds became scarce.

An important explanation for the weakness of American unions lies with the

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[161] United States. Department of Labor. Union Financial Statistics 1976 (Washington, D.C.: U.S. U.S. Government Printing Office, 1980), 23.
[162] ibid., 41.
[163] ibid., 61.
[164] ibid., 62.
[165] ibid., 42.
[166] ibid., 24.

so-called “right to work” legislation passed by many state governments over the course of the mid-twentieth century. By the mid-1970’s, 19 U.S. States had right to work legislation or constitutional statutes, including: Alabama, Arizona, Arkansas, Florida, Georgia, Iowa, Kansas, Louisiana, Mississippi, Nebraska, Nevada, North Carolina, North Dakota, South Carolina, South Dakota, Tennessee, Utah, Virginia, and Wyoming.[167] It is important to note that before the 1970’s, these states were under-populated and economically insignificant compared to the rest of the country.[168] However, a number of factors such as the invention of air-conditioning, an increasingly mobile population, and the shift from a manufacturing to a service economy allowed for a population shift from the traditional industrial north to the south and west, and a consequent shift in economic weight as well.[169] As time passed, and the effects of anti-union laws were felt, states with the highest union density and wealthiest unions were all located in non-right to work states, where a constantly decreasing proportion of the total workforce was located.[170] These “right to work” laws have made it much more difficult for workers to organize and for unions to strike in America since the 1970’s.

Another important indicator of weak unions in the United Kingdom and the United States was the reduction in the 1980’s of the frequency, intensity, and scope of strike actions. In America the average annual number of strikes in the 1970’s was

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[167] “Right to Work States”. 2006. National Right to Work Foundation Legal Defense, Inc. 10 December 2006. <http://www.nrtw.org/rtws.htm>.

[168] “Sun Belt”. The Columbia Encyclopedia. 6th ed. Columbia University Press, 2001-2005. Bartleby.com. 2 February 2007. <http://www.bartleby.com/65/su/SunBelt.html>.

[169] Luis Fernando Lanaspa-Santoloria, et al. “Changing the Economic Landscape. University of Zaragosa. 15 December 2006. <http://webdeptos.uma.es/THEconomica/papers/docri.pdf >, 4-5.

[170] Union Financial Statistics 1976, 16-17.

288.8 compared to 86.7 between 1980 and 1988.[171] In addition, the average number of workers involved in stoppages was 15,899,000 during the 1970's and 512, 667 between 1980 and 1988.[172] The percentage of the total estimated working time lost in America during the 1970's was .13% compared to .05% in the period between 1980 and 1988.[173] To put these statistics in context, the average number of work days lost per thousand employees in the United States decreased by 64.5%, between 1970 to 1979 and the period from 1980-1988, whereas the average number of workdays lost per thousand employees in Germany decreased by only 35% between the 1970's and the period of 1980-1987, though it must be noted that the baseline number of strikes was lower in that country.[174] While Margaret Thatcher's attack on the unions in the United Kingdom did not begin until 1985, the average number of work days lost per thousand employees from 1986-1988 was 73.6% lower than in the period from 1970-1985.[175] Thus, the inordinately large decrease in the number, effect, and participation level of strikes demonstrates yet another dimension in which unions lost the ability to fight for reduced weekly working hours.

By contrast, an examination of Germany's IG Metall union's fight for a 35-hour week demonstrates how a strong union was an essential element for the reduction of working hours. IG Metall President Hans Mayr initiated a campaign for a 35-hour week in 1984 with one of the largest strikes in German history and

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[171] United States. Department of Labor. Handbook of Labor Statistics 1989 (Washington, D.C.: U.S. Government Printing Office, 1989), 543.
[172] Ibid.
[173] Ibid.
[174] Ibid., 581.
[175] Ibid.

successfully obtained a 38.5 hour week.[176] One explanation for this success lies in the tactic of only targeting the most crucial plants and processes for strike actions, so as to preserve strike funds.[177] Since contracts negotiated by leading unions in Germany are extended to the rest of an industry, this tactic proved effective. Later in 1987, the union negotiated a 37 hour week.[178] In 1990, after the union encouraged its members to conduct wildcat strikes leading up to negotiations, it secured a gradual hours reduction to 35 hours by 1995, in 1990.[179] The case of IG Metall represents a successful union push for an hours reduction of over 10% in the space of little more than 5 years.

A series of strikes by British workers allowed the United Kingdom to keep pace with continental work hour trends through much of the 1980's, but this trend ended in 1990. In 1979 manual workers in the Confederation of Shipbuilding and Engineering Unions successfully walked out for a 39 hour work-week.[180] This success was followed up by a demand as early as 1983 for a 35-hour work-week for all blue and white-collar workers.[181] This campaign stretched on for several years culminating in a successful strike campaign that lasted approximately one and a half years from 1989 to 1991.[182] However, after receiving hour reductions to 37 hours in most of the striking plants, the president of the AEEU called off the strike as

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[176] Rupert Cornwell. "Militant Hand to Take Helm of IG Metall". Financial Times. 9 July 1986: 2. Online. LexisNexis Academic. 14 December 2006.
[177] Cornwell, "Militant Hand".
[178] Peter Bruce. "W German Engineering Workers Win Shorter Week Deal". Financial Times. 23 April 1987: 46. Online. LexisNexis Academic. 13 December 2006.
[179] "Union Wins 35-hour Week". Facts on File World News Digest. 1 June 1990: 409 E3. Online. LexisNexis. December 14 2006.
[180] John Lloyd. "Deal on shorter week likely for 2m workers". Financial Times. 12 September 1983: 6. Online. LexisNexis Academic. 11 December 2006.
[181] ibid.
[182] Barrie Clement. "National Deal Cuts Working Hours". The Independent. 14 June, 1991: 9. Online. LexisNexis Academic. 12 December 2006.

recession fears settled upon the U.K.[183] Despite promises to continue the campaign once the economy recovered, a 35-hour week eluded most British workers with the exception of a victory for employees of British Nuclear Fuels in 1991.[184] In comparison, a strike later in the year by British workers at a De La Rue money-counting machine factory ended in total defeat. The strike was initiated in order to secure a 35-hour week after successful negotiations for a 36.5 hour week had been made several years before.[185] Contrary to expectations that workers would not be enthusiastic to risk to risk their jobs for such a seemingly marginal decrease, the initial strike ballot won the approval of 80% of the workforce.[186] However, after two weeks and company threats to hire replacement workers, the strike ended in complete failure.[187] This is but one example of how British unions striking for shorter hours achieved initial success but ultimately failed in the early 1990's.

Strong unions have been an important ingredient in work hour reductions, and the crippling of British and American unions during the 1980's stands out as a salient source of longer work hours. Consequently, strong unions appear to be a necessary condition of work reductions, but future investigation could determine whether it is a sufficient condition as well. Different union models and policies have an important effect on working hours in that they determine the strategic and tactical capabilities of organized labor. Union strength measured by both density and coverage has an

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[183] Michael Smith. "Engineers warn about more strikes over hours". Financial Times. 13 April 1991: 4. Online. LexisNexis Academic. 14 December 2006.
[184] Clement, "National Deal".
[185] Michael Smith. "De La Rue Workers Stop Work in Hours Row". Financial Times. 23 July 1991: 6. Online. LexisNexis Academic. 14 December 2006.
[186] Michael Smith. "Manual workers vote to strike for 35-hour week". Financial Times. 17 July 1991: 10. Online. LexisNexis Academic. 14 December 2006.
[187] "Strike Ends at De La Rue". Financial Times. 3 August 1991: 4. Online. LexisNexis Academic. 14 December 2006.

explanatory value for differences in work-times; however, the data suggest that density and coverage are insufficient for fully appraising the power of a union to reduce work. What is certain is that the grounding of a union organization in rank and file concerns is a necessary component for a strong work-reduction movement. The rank and file of a union must have a consensus on the value of leisure in order for work-reduction to be a possibility. However, the historical record indicates that when unions are targeted with the instruments of state power, they will be helpless to militate for much of anything, let alone a shorter work-week. Whether unions are always so helpless in the face of such an assault remains a question open to historical inquiry in the future. Perhaps more importantly, one might ask, why did governments hostile to unions appear in the United States and the United Kingdom, but not continental Europe around 1980?

CHAPTER 3: SUBTLE STRUCTURAL DIFFERENCES LEADING TO NEOLIBERAL ASCENDANCY

The political history of the major industrial nations during the crucial decades of the 1970s and the 1980s is an important component of the history of work times. These narratives are punctuated by the emergence of neoliberal ideas and policies in the United States and the United Kingdom around 1980. By contrast, neoliberal programs were avoided or executed on a much smaller scale by the governments of France, Germany, and Italy. It is necessary to analyze the peculiarities of the political situation in each of these nations in order to elucidate the divergence of Anglo-American politics from the continent. More broadly, one must look into how a common dilemma, namely stagflation during the 1970's, was confronted by different polities, and what the socio-economic effects of their policies were. In order to reveal the causes of politico-economic divergence between developed nations, an examination of each countries engagement with neoliberalism is necessary. One must look into both how and why neoliberalism received the degree of support it did in specific countries. Consequently, both the macro political narrative of each country and relevant structural characteristics merit analysis.

The major problem facing all governments during the 1970's was the rampant stagflation that marked that decade. Beginning with the breakdown of the Bretton Woods system in 1971, the world economy sustained further damage as a result serious oil price increases in 1973 and later in 1979-1980.[188] The consequences,

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[188] Francois Crouzet. A History of the European Economy, 1000-1750 (Charlottesville:

simultaneous recession, inflation, and unemployment, were puzzling to economists at the time, because the reigning Keynsian consensus held that high inflation was a consequence of low unemployment.[189] However, during the mid-1970s, as well as the late 1970's and early 1980's, inflation in the United States frequently rose into the double digits.[190] At the same time, unemployment rose to as high as 8.3% in the United States.[191] For the 15 European OECD nations, unemployment rose from 2.8% in years 1960-1967 to 5.1% in the years 1970-1979.[192] Meanwhile, the twelve major European economies experienced an average annual inflation of 9.4% from 1974-1983.[193] These developments would lead to a new economic policy framework, neoliberalism, with new answers to the riddle of stagflation.

The actual policy goals of neoliberals during the 1970s and 1980s appeared in Sir Keith Joseph's speech at the London Business School's Stockton Lecture in 1974. In this speech, Joseph made a distinction between the works of John Maynard Keynes, with who he agreed, and those of his successors with whom he disagreed.[194] Joseph claimed that Keynes was a monetarist, that is, he believed that stabilizing the money supply through monetary policy was important for encouraging economic

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University Press of Virginia, 2001), 220.

[189] Keith Joseph. "Monetarism is Not Enough". Stockton Lecture at the London Business School. (London, 5 April 1976). <http://www.margaretthatcher.org/commentary/displaydocument.asp?docid=110796>.

[190] Tim McMahon. "Inflation Similarities between the 2000s and the 1970s". 21 April 2006. InflationData.com. 4 March 2007. <http://inflationdata.com/inflation/Articles/2000_vs_1970s.asp>.

[191] Michael Podgursky. "Sources of Secular Increases in the Unemployment Rate: 1969-1982". Monthly Labor Review. July 1984. <http://www.bls.gov/opub/mlr/1984/07/art4full.pdf>.

[192] Crouzet, History of European Economy, 221.

[193] Ibid.

[194] Joseph.

growth and reducing inflation and unemployment.[195] Joseph opposed this belief in monetarism to the then prevailing Keynsian theory that government fiscal measures, such as deficit spending, could lower unemployment by increasing demand. Instead, Joseph recommended substantial cuts in government spending in order to reduce the money supply and lower inflation, so that producers could more easily lower unemployment.[196] Specifically, Joseph recommended cuts in social support services, because according to him:

> We shall need to cut it back by several percent. Pseudo-cuts of future programmes will not be enough. We shall need to cut state employment and subsidies to rail, steel, housing and the supported sector… subsidized employment is not really saving jobs because the subsidies have to be paid for and the paying for them loses more jobs than are saved.[197]

In the same vein, Joseph condemned unions for fighting for higher wages and employment, and consequently higher labor costs: "unions have their share in responsibility by their short-sighted resistance to change, by the strike-threat and by over-manning".[198] Keith Joseph's speech demonstrated the desire of neoliberals to cut social spending, grant financial incentives to business, and attack organized labor.

Italian politics during the 1970's and 1980's contained many unique features which prevented the emergence of neoliberal policies. Here, one cannot overlook the almost complete dominance of government between the end of World War II and the 1990's by the Christian Democratic Party.[199] Despite the formal exclusion of the Italian Communist Party from cabinet positions, it still held a large number of seats

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[195] Ibid.
[196] Joseph.
[197] Ibid.
[198] Ibid.
[199] Donald, Sassoon. Contemporary Italy (New York: Longman, 1997), 192.

throughout this period and played a significant and collaborative role in legislation.[200] Thus, the demands of the left could not be ignored. After the Communist Party increased its electoral support from 27.2% to 34.4% compared to 38.7% for the Christian Democrats and 9.6% for the Socialists in the 1976 elections, the Christian Democrats were essentially forced to choose between the Italian Socialist Party or the Communists in order to create an effective coalition.[201] However, following the 1979 election, the Socialists began to move towards the center and the Christian Democrats adopted them as the only alternative to a coalition with the Communists.[202] As a result, Socialists controlled the prime minister position for much of the 1980's, under the leadership of Bettino Craxi.[203] During this period, the Socialists pursued a more neoliberal agenda than any other Italian party had ever enacted.[204] One of their more salient policies was the effort to make public sector industries more profitable, often through privatization of assets, as in the case of the industrial holding company, Istituto per la Ricostruzione Industriale.[205] As it turned out, the Christian Democrats initiated expansion of the public sector more than any other party in order to solidify their electoral support through the elaboration of a clientelistic system.[206] In addition, the Catholic Church strongly opposed neoliberal reforms, especially those that eroded the welfare state.[207] However, the Socialists employment of clientele methods in the

[200] Ibid., 203-204,
[201] Sassoon, Contemporary Italy, 250.
[202] Ibid., 259.
[203] Ibid., 198.
[204] Ibid., 260.
[205] Miller, Michelle B. "Financial Markets in 1986". In Piergiorgio Corbetta, Raffaella Y. Nanetti, and Robert Leonardi, eds. Italian Politics. Volume 2. 90-108 (London: Pinters Publishers Limited, 1988), 99.
[206] Sassoon, Contemporary Italy, 240-241.
[207] Sandro Magister. "Catholic Action and Internal Conflicts in the Catholic Church". In Piergiorgio Corbetta, Raffaella Y. Nanetti, and Robert Leonardi, eds. Italian Politics. Volume

south, prevented them from radically restructuring the economy and caused their leader, Bettino Craxi, to implement policy based almost exclusively on political expediency.[208] This strategy was also a result of the fact that the Socialists never managed to garner more than 12% of the national vote through the mid-1980's.[209] In Italy, Catholicism, clientelism, coalition-building, and communism prevented the wrenching neoliberal reforms witnessed in the United States and the United Kingdom during the 1980's.

In order to understand the limited appeal of neoliberal reform in France, one must first understand the macropolitical narrative of the 1970's and 80's. During his tenure from 1974 to 1981, French President Valery Giscard d'Estaing pursued less interventionist policies than any of his predecessors.[210] This policy change included the relaxation of price controls on bread and rents for the first time in decades.[211] Nevertheless, the political situation of the period was not encouraging for more serious neoliberal reforms. In the early 1970's the French Communist Party was the largest sized party in France and continued to attract the loyalty of a large swathe of the electorate for some time afterwards.[212] On the other end of the mainstream political spectrum, during the 1970's, the Gaulists continued to favor dirigisme, or state-coordination of capitalism.[213] Reflecting these realities, Jacques Chirac captured the leadership of a right of center coalition from Giscard in 1981 by running as a

2. 25-40 (London: Pinters Publishers Limited, 1988), 27.

[208] Sassoon, Contemporary Italy, 259-260.

209 Sidney Tarrow. "Introduction". In Robert Leonardi and Raffaella Y. Nanetti, eds. Italian Politics. Volume 1. 1-8 (London: Frances Pinter (Publishers) Limited, 1986), 3.

[210] J.R. Frears. France in the Giscard Presidency (London: George Allen & Unwin, 1981), 21.

[211] Ibid., 136.

[212] Julius W. Friend. The Long Presidency (Boulder: Westview Press, 1998), 14-15.

[213] Ibid., 90.

more traditional Gaulist in favor of cooperation between the state and private business, and opposed to the neoliberal reforms proposed by Giscard.[214] The outcome was the election of the first Socialist President of France in 1981, Francois Mitterand.[215] Interestingly, Mitterand introduced liberalizing reforms, such as a 1% cut in the budget for 1983, but these measures were muted by members of his party such as Pierre Mauroy.[216] However, Mitterand's government did introduce a 39-hour work week upon coming to power.[217] During this period following his 1981 electoral loss, Chirac began to look across the Atlantic to the neoliberal rhetoric of Ronald Reagan as a means to differentiate himself from the incumbent Socialist Party.[218] Following the defeat of the Socialists in the 1986 legislative elections, a period of power-sharing between Chirac as Prime Minister and Mitterand as president began.[219] Chirac's coalition had run on an almost explicit repudiation of Gaulist state intervention in the economy, although they did not reject the shortened work hour policies of the recent past.[220] During this period of cohabitation, Mitterand opposed Chirac's attempt to privatize sixty-five industries.[221] The deadlock between a socialist president seeking to position himself as the friend of the economically marginalized, and a former Gaulist prime minister seeking to emulate the policies of Reagan led to a deadlock that prevented radical breaks with previous economic policies. Consequently, the Gaulist tradition, as well as the strength of the left in French

[214] Ibid., 90-91
[215] Friend, Long Presidency, 24.
[216] Ibid., 50-51.
[217] Marc Frons and Timothy Nater. "A Stormy French Summer". *Newsweek.* 19 July 1982: 32. Online. LexisNexis Academic. 12 December 2006.
[218] Friend, Long Presidency, 90-91.
[219] Ibid., 100
[220] Ibid., 95
[221] Ibid., 106

politics, prevented Thatcherist or Reaganist policy changes in the 1970s and 1980s.

Like Italy and France, specific attributes of Germany's macro-political history also played a crucial role in the rejection of neoliberal principles during the 70's and 80's. The most economically liberal German party, the FDP, played an almost continuous king-maker role and facilitated the leftward political transition in 1969 by joining a coalition with the Social Democratic Party (SPD) against the Christian Democratic Union (CDU).[222] This alliance sustained a socialist government until the FDP threw their support behind Helmut Kohl and the CDU in 1982.[223] The subsequent elevation of an FDP minister, Otto v. Lambdorff, to the position of Minister of the Economy, heralded the possibility for liberalizing reforms in the 1980's.[224] Thus, one can chart the fortunes of neoliberal hopefuls by observing FDP election successes and failures during this period and noting that while the party was almost always in a governing coalition, it was never strong enough to set the agenda for any coalition.[225] Moreover, the Flick bribery scandal in 1984 forced the resignation of Lambdorff and hampered structural adjustments by forcing the CDU to mollify the electorate with more muted liberalizing measures.[226] The rise of the Green Party also undercut the FDP's position as a crucial third party, and reduced their political significance.[227] Helmut Kohl moderated many policies because of his constant tension with Franz Josef Strauss, the leader of the CDU's crucial ally the

[222] Barbara Marshal. Willy Brandt (New York: St. Martin's Press, 1997), 65.
[223] Jonathan Carr. Helmut Schmidt (New York: St. Martin's Press, 1985), 182-183.
[224] Ibid., 190.
[225] Ibid., 42, 55, 71, 106, 154, 190.
[226] Karl Hugo Pruys, ed. Kohl. trans. Kathleen Bunton (Chicago: Edition Q, inc., 1996), 219-221.
[227] Marshall, Willy Brandt, 105.

CSU, because he couldn't afford to lose any moderate voters.[228] In addition, one cannot overlook the fact that in 1975 Germany's inflation rate was 6% compared to 9.1% in the U.S., 11.8% in France, and 24.2% in the U.K.[229] The fact is that Germany never experienced stagflation on such a severe scale as affected other industrial nations of the time. This narrative demonstrates how even in the most favorable of settings, political and economic circumstances effectively prevented socially-upsetting economic reforms.

The victory of Margaret Thatcher and her successful implementation of neoliberal reforms were the result of the United Kingdom's particular political situation. The United Kingdom was perhaps hardest hit by stagflation in the 1970's. This period was marked by the toppling of the 1974 Conservative Heath government by a miners' strike and the continuation of labor unrest throughout the 1970's, especially the "Winter of Discontent" in 1979.[230] Despite Labour's promise of more harmonious industrial relations, these events served to discredit both the union movement and the Labour Party.[231] In addition, stagflation and the doubling of unemployment during the Labour governments from 1974-1979 provoked a strong anti-incumbency sentiment.[232] Conservative electoral support from manual laborers jumped from 24% in 1974 to 35% in 1979.[233] This increased support was partially a result of Thatcher's conscious and effective differentiation of her policies not only from preceding Labour governments, but also preceding Conservative

[228] Pruys, Kohl, 212.
[229] Marshall, Willy Brandt, 77.
[230] Dennis Kavanagh. The Reordering of British Politics (Oxford: Oxford University Press, 1997), 57-58.
[231] Ibid.
[232] Ibid., 55.
[233] Ibid., 176.

governments.[234] Her victory in the 1975 Conservative Party leadership ballot stemmed more from the apparent political demise of Heath the year before and the lack of alternative challengers than from any correspondence between Thatcher's policy goals and the Conservative establishment.[235] Further encouraging a break with conservative tradition was the IMF intervention to prop up the U.K. economy, a symbolically humiliating event for a nation that had once overseen a vast global empire.[236] Finally, the emergence of the Social Democratic Party and their alliance with the Liberals divided opposition to Thatcher's policies and gave her administration a freer hand than it would have had otherwise.[237] The simultaneous discrediting of both major parties in the United Kingdom, combined with Thatcher's ability to re-invent the Conservatives in a completely new image allowed for a neoliberal socio-economic program in that country.

The election of Ronald Reagan as President of the United States in 1980 was the conclusion of a long unfolding of political processes. The perceived foreign policy weakness of the Carter administration, especially in relation to the Iranian hostage crisis and resurgent Soviet power allowed Reagan to position himself as the prophet for a new American nationalism.[238] Carter's apparent weakness only grew when juxtaposed with the inability of his administration to effectively fight stagflation.[239] The union of the religious right with those favoring neoliberal reforms

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[234] Ibid., 76-77.
[235] Ibid., 76.
[236] Kavanagh, Reordering British Politics, 82.
[237] Ibid., 182.
[238] David H. Everson. "The Presidential Campaign of 1980". In Paul T. David and David H. Everson, eds. The Presidential Election and Transition 1980-81. 81-96 (Carbondale and Edwardsville: Southern Illinois University Press, 1983.82), 92.
[239] Peter W. Colby and Paul M. Green. "Illinois and the Presidential Election of 1980". In Paul T. David and David H. Everson, eds. The Presidential Election and Transition 1980-81. 175-194

proved to be a workable alliance, and perhaps more importantly, a politically appealing strategy. [240] Likewise, the bitterly contested primary campaign between Carter and Ted Kennedy added to the difficulties of opposing Reagan and led to lasting divisions in the Democratic Party between those favoring structural adjustments and those opposed.[241] As a result, Reagan was able to push forward his agenda with minimal opposition at the level of macro-politics.

While many differences existed between them, the policies of Thatcher and Reagan were distinct from other contemporary, free-market policies in continental Western Europe. Most obviously, both governments launched a comprehensive attack on their nation's welfare state.[242] Policies aimed at the socially or economically disadvantaged were mitigated or eliminated. Both governments committed themselves to a decisive confrontation with organized labor and employed every tool available in order to subdue and marginalize trade unions.[243] Both Thatcher and Reagan introduced reforms for the liberalization of credit and deregulation of corporate governance.[244] Reagan's Justice Department relaxed enforcement of anti-trust laws in 1982 and 1984.[245] Each politician also sought to elevate work to the highest of all human activities.[246] Finally, both administrations lowered the share of

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(Carbondale and Edwardsville: Southern Illinois University Press, 1983), 187.

[240] Everson, "The Presidential Campaign of 1980", 83-84.

[241] John S. Jackson. "The 1980 Democratic Primary in Illinois". In Paul T. David and David H. Everson, eds. The Presidential Election and Transition 1980-81. 27-44 (Carbondale and Edwardsville: Southern Illinois University Press, 1983), 43-44.

[242] Shirley Robin Letwin. The Anatomy of Thatcherism (London: Transaction Publishers,1992), 211; Michael Schaller. Right Turn (Oxford: Oxford University Press, 2007), 52.

[243] Letwin, Anatomy of Thatcherism, 146; Schaller, Right Turn, 53.

[244] Letwin, Anatomy of Thatcherism, 127; Schaller, Right Turn, 130-131.

[245] Schaller, Right Turn, 122.

[246] Letwin, Anatomy of Thatcherism, 34; Schaller, Right Turn, 41.

taxes paid by the upper income groups of their countries.[247] As a result, the neoliberal reforms of Thatcher and Reagan were a primary cause of elevated economic inequality in these nations compared to continental Europe, and the relation of these inequalities to work times is the subject of the next chapter.

The statements of continental European leaders who held power contemporaneously with Thatcher and Reagan, including conservative politicians, also demonstrate that there was a fundamental difference between Reagan and Thatcher on the one hand, and continental conservatives on the other. Even, the most neoliberal candidate during the 1981 election season, Conservative French President Giscard d'Estaing, directly attacked monetarist and neoliberal policies: "These are policies which applied in France would be extraordinarily dangerous socially, because they are policies which accept the slowing down of the economy."[248] Leftist politicians also recognized Thatcher and Reagan's policies as distinct from their more traditional opponents, the conservatives. Upon the end of his term as EU Commission President, in 1994 Socialist Jacques Delors specifically mentioned "Reagan and Thatcher" when referring to his victory over the forces neoliberalism: "We have overcome and reversed the tide. We have a society better than the one advocated by those with right-wing doctrines."[249] This statement demonstrates that Delors viewed continental Europe as fundamentally different from the United States and the United Kingdom after only a decade and a half of neoliberal government in those countries. Germany's conservative Chancellor Helmut Kohl asserted during a 1996 debate in

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[247] Letwin, Anatomy of Thatcherism, 123; Schaller, Right Turn, 52.
[248] "French President Says Thatcher, Reagan Policies Not For France". The Associated Press. 11 March 1981. Online. LexisNexis Academic. 13 December 2006.
[249] Geoff Meade. "Delors: Europe's Triumph Over Thatcher Policies". Press Association. 8 December, 1994. Online. LexisNexis Academic. 12 December 2006.

the Bundestag, “I never thought [that] Mrs. Thatcher's example was a desirable one for Germany where we have a completely different concept of social obligations.”[250] Reagan and Thatcher’s policies stood out from those of continental European governments, and politicians from those countries recognized this fact.

The actions and interactions of individual political leaders cannot fully explain the success of neoliberalism in the U.S. and the U.K. Structural factors must have played a part as well. One must look at systems of election, as well as the role of non-governmental organizations in facilitating the political success of Ronald Reagan and Margaret Thatcher.

The electoral systems of the United Kingdom and the United States play a large role in explaining why these two polities adopted significantly different policies from their continental European peers. Namely, the first pass the post, or winner take all systems in these countries leads to a fundamentally different form of political action. Commentators have observed that in proportional voting systems, the relevant political actors enter into compromises and coalitions after an election, while in first pass the post systems, the political actors create coalitions before an election.[251] As a result, with proportional voting systems, politicians rarely have a mandate equivalent to a blank-check and they must constantly structure their policies to ensure the stability of their coalitions. On the other hand, winner take all systems give their politicians a free hand after an election, and allow for the introduction of much more

[250] Peter Norman. “Kohl plea to unions for wage restraint”. Financial Times. 9 February 1996: 2. Online. LexisNexis Academic. 12 December 2006.

[251] Douglas J. Amy.“Proportional Representation: Empowering Minorities or Promoting Balkanization?” 2006. Mount Holyoke College. 13 December 2006. <http://www.mtholyoke.edu/acad/polit/damy/articles/pegs.htm>.

radical policies.[252] The unpopular and socially-wrenching policies of Thatcher and Reagan could be more easily implemented in a system where a victorious party only needed to worry about the unity and cohesion within its own ranks and not with weaker coalition partner parties. By contrast, in the mid-1980's, the CDU-CSU-FDP coalition in Germany attempted to weaken labor unions with a series of laws. Yet, disputes within the coalition effectively stalemated the political process and led to a dilution of the bills potency.[253] In line with this phenomenon, the Chicago Tribune's political editor, Rick Pearson asserted that a more moderate and consensus-driven style of politics prevailed in the state of Illinois before it adopted a winner-take-all system of representation in 1980.[254] In general, coalition governments are less capable of passing extreme or unpopular policies and Thatcher and Reagan's full-out assault on organized labor were politically unfeasible in continental Europe due to the absence of winner take all election systems, although think tanks also played a substantial role in this narrative.

The rise of think tanks in the United States has been meteoric since the 1970's, and this has had a significant effect on elections. Before 1970, less than 70 think tanks existed in the country, and they had little public recognition.[255] During the course of the 1970's conservative organizations such as the Bradley, Smith Richardson, and Sarah Scaife foundations began to pump a decisive amount of funds into right-leaning tanks, and the founding of the Heritage Foundation marked a

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[252] Ibid.
[253] Stewart Wood. "Weakening Codetermination? Works Council Reforms in West Germany in the 1980s". Discussion Paper of the Social Science Research Center Berlin (WZB). FS I 97.302 (1997), 16-18.
[254] Stephen Hill. Fixing Elections (New York: Routledge, 2002), 34.
[255] Andrew Rich. "War of Ideas". Stanford Social Innovation Review (Spring 2005), 20

milestone.[256] This organization was founded by, conservative beer magnate, Joseph Coors in 1973.[257] The Heritage Foundation proved so influential that its 1980 policy recommendations, titled, A Mandate for Leadership, was actually adopted in large part by the incoming Reagan administration.[258] During the Foundation's 10-year anniversary, current President Ronald Reagan took time out from the duties of office in order to congratulate the foundation and thank it for assisting his election,

> They will find among your numbers the leaders of an intellectual revolution that recaptured and renewed the great lessons of Western culture… Back in the mid-seventies this foundation was begun, as you've been told by Paul Weyrich and Ed Feulner, with only a few staff members, some modest offices, and not very much in the way of funding. And today, of course, you know Heritage has more than a hundred staff members, many more associates and consultants, as you've been told, a brand-new office building -- its picture is on the program there -- a budget that's gone from 3 million to 10 million in five years.[259]

Margaret Thatcher's congratulatory address to the organization during its 25th year anniversary in 1998 likewise demonstrates its significance as well as the link between her political success and that of Reagan's.[260] Another link existed in that Margaret Thatcher's political success was as much a product of think tanks as Reagan's.

The history of think tanks in Britain followed a similar trajectory to that of the U.S.. Unlike, in West Germany, where each political party has a specific think tank

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[256] Ibid.

[257] "Heritage Foundation President Mourns Death of Joseph Coors". Ed. Nathaniel Ward. 2003. The Heritage Foundation. 15 December 2006. <http://www.heritage.org/Press/NewsReleases/nr031603.cfm>.

[258] Jacob Weisberg. "Happy Birthday, Heritage Foundation". Slate. 9 January 1998. 19 December 2006. <http://www.slate.com/id/2299>.

[259] Ronald Reagan. "Remarks at a dinner marking the 10th Anniversary of the Heritage Foundation". 10th Anniversary of the Heritage Foundation (Washington, D.C. 3 October 1983). <http://www.reagan.utexas.edu/archives/speeches/1983/100383h.htm>.

[260] Weisberg, "Happy Birthday".

that is publicly-funded and employed for internal research purposes, British and American think tanks stress advocacy.[261] The neoliberal intellectual Friedrich Hayek directly encouraged Sir Antony Fisher to found most of Britain's neoliberal think thanks when they met in 1944, by asserting, "Society's course will be changed only by a change in ideas. First you must reach the intellectuals, the teachers, and the writers, with reasoned argument. It will be their influence on society which will prevail, and the politicians will follow".[262] Sir Antony Fisher would found the U.K.'s most influential free-market think tank, the Institute for Economic Affairs in 1956, and the Atlas Economic Research Foundation in 1981.[263] Marageret Thatcher, her adviser Alfred Sherman, and Keith Joseph founded their own think tank in 1974, the Centre for Policy Studies.[264] The Conservative Philosophy Group started in 1975 with the express intent of discussing conservative principles, and Milton Friedman was amongst the first speakers to the organization.[265] Thus, think tanks in the U.K. played a role similar to that of American think tanks, in that they were primarily free-market and anti-Keynsian, and proved effective for electing sympathetic politicians and pushing through neoliberal policies, goals, and agendas, although other factors contributed to the success of both politicians.

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[261] "Political Parties Links". 2006. IDEA. 16 December 2006. <http://www.idea.int/parties/links.cfm?CFID=5529278&CFTOKEN=89643004>; "Konrad Adenauer Stiftung". 2007. Konrad Adenauer Stiftung. 16 December 2006. <http://www.kas.de/wf/en>; "Heinrich Boll Foundation". 2007. Heinrich Boll Foundation. 16 December 2006. <http://www.boell.de/asp/frameset_en.html>. cf. "Heritage Foundation". Ed. Nathaniel Ward. 2003. The Heritage Foundation. 15 December 2006. <http://www.heritage.org>.

[262] John Blundell. "No Antony Fisher, No IAE". Economic Affairs. 18.3 (1998), 42.
[263] Ibid., 43.
[264] "Sir Alfred Sherman". The Times Online. 29 August 2006. 17 December 2006. <http://www.timesonline.co.uk/article/0,,60-2332315.html>.
[265] Richard Cockett. Thinking the Unthinkable (London, HarperCollinsPublishers, 1994), 218.

One cannot overlook the timing of Thatcher and Reagan's rise to power. Thatcher's successful election campaign in 1979 and Reagan's first successful presidential bid in 1980 predated the major national elections in France and Germany. France's 1981 Presidential Election was the earliest of the next elections, and by that time French leftists could already point to the example of Thatcher's policies and Reagan's suppression of the PATCO strike. Moreover, the major election that handed national leadership from the SDP to the CDU occurred in 1984, and in the years that followed, Reagan and Thatcher's policies created a number of examples of social and economic impoverishment that could be easily noted by European observers. The effects of Thatcherism and Reaganism could be easily examined by continental European analysts and then used as election fodder, should any neoliberal reforms be proposed in those countries at a later time.

Another explanation for Thatcher and Reagan's success can be attributed to their successful harnessing of nationalist sentiment. Reagan actively targeted post-Vietnam malaise and sought to inculcate a renewed sense of pride in America.[266] Thatcher consistently invoked the symbols of nationalism, and attempted to renew pride in Britain following the loss of national self-esteem in the aftermath of decolonization.[267] Thatcher also pursued a successful war against Argentina in the Falklands and her popularity increased commensurately.[268] Reagan involved the United States in a series of small-scale military actions around the world, including El Salvador, Lebanon, and Grenada.[269] The U.S. President also began to unroll a

[266] Schaller, Right Turn, 78.
[267] Letwin, Anatomy of Thatcherism, 37.
[268] Ibid., 285.
[269] Schaller, Right Turn, 95, 91.

discourse of anti-terrorism and positioned himself as a solution to this seemingly horrifying menace.[270] Predictably, Reagan escalated rhetoric concerning the Soviet Union and actively labeled his opponents as weak or yielding in the face of the alleged Communist threat.[271] Undoubtedly, both leaders shrewdly manipulated nationalism in ways that were unavailable to contemporary European leaders succeeded in securing support for their most controversial social and economic policies.

Fear of Communism and other radical left-wing movements played a significant role in preventing nationalist discourses from emerging and served as a moderating influence on social and economic policy in continental Western Europe. Italy and France had large Communist Parties, with substantial military capabilities directly after the War.[272] Consequently, governing coalitions for most of the anti-war period were predicated on minimizing the influence of Communists in the government in the case of both France and Italy. West Germany solved this problem by simply declaring Communist Parties illegal.[273] In the same vein, the 1958 redrafting of the French constitution was in large part a method to weaken the Left's impact on the political scene.[274] Moreover, the existence of left-wing terrorism by the Red Brigades in Italy, and the Red Army Faction in Germany convinced politicians to eschew radical free-market solutions to social and economic problems in their

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[270] Ibid., 92.
[271] Ibid., 78.
[272] Mark Mazower. Dark Continent (New York: Alfred A. Knopf, Inc., 1998), 227-228.
[273] Ibid., 289.
[274] Sidney Tarrow. "Communism in Italy and France". In Donald L.M. Blackmer and Tarrow, Sidney, eds. Communism in Italy and France. 575-640 (Princeton: Princeton University Press, 1975), 591-592.

countries.[275] One cannot overlook the geographic proximity of continental Europe to the Soviet Bloc, whereas the U.K. and the U.S. did not share the same landmass with any Communist nations. Therefore, a desire to reduce the appeal of Communism led most continental European governments to more actively court the socially and economically marginalized. The rise of the Green Party in 1980's Germany was a similar inducement for moderation amongst German conservatives, as they were initially greeted with a significant degree of fear and loathing by West Germany's political establishment.[276] Strong left-wing movements in continental Europe effectively prevented the emergence of neoliberal reforms to their economies.

The fascist legacy and other horrors from the recent past also acted as a significant barrier to the introduction of neoliberal reforms in continental Western Europe. In Germany, far-right parties were banned by the high court, and a spirit of harmony and cooperation between business, labor, and government was pervasive.[277] In France, the memory of occupation and the Vichy regime led to De Gaulle's complete rejection of laissez-faire economics and the embrace of a managed economy.[278] Concerning Italy, the fascist party was destroyed, and its opponents gained politically.[279] With the discrediting of the right, the entire political spectrum had shifted to the left in these countries. Consequently, both labor unions and left-wing parties were significantly more popular than in the United States and the United Kingdom. Moreover, the actual experience of fascism instilled a deep distrust in the

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[275] Mazower, Dark Continent, 319; Sassoon, Contemporary Italy, 250-251.
[276] Carr, Helmut Schmidt, 180.
[277] Mazower, Dark Continent, 288.
[278] Ibid., 189.
[279] Sassoon, Contemporary Italy, 5.

iconic and forceful political style characteristic of Reagan and Thatcher.[280] One might object that France was never seized by a native Fascist movement; however, in the pre-war era, fascism was significantly more powerful in France than in other countries, such as the United Kingdom.[281] Also, one must not forget that the United Kingdom was never occupied by the Nazis, unlike France. As a result, the nationalist, aggressive, and right-wing policies of Thatcher and Reagan were far less appealing in those countries that had actually experienced the full effects of Fascism.

One final important factor contributing to the unattractiveness of neoliberalism in Germany during the 1980's was the lack of salient targets for neoliberal rhetoric. Unlike in most Western nations after World War II, Germany never whole-heartedly adopted Keynesian policies and direct government intervention as a means to stimulate the economy.[282] There were relatively few state-owned industries compared to other capitalist European countries during this period.[283] Unlike the France, Italy, and the UK (before 1997), Germany had an independent central bank. The Bundesbank Act specifically states, "In exercising the powers conferred on it by this Act, the Bank is independent of instructions from the Federal Cabinet."[284] Furthermore, German industrial-relations were characterized by compromise, codetermination, and cooperation, as opposed to the turbulent situation in 1970's and 1980's Britain.[285] Thatcherite rhetoric attacking the overbearing state,

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[280] Kavanagh, Reordering British Politics, 135-136; Mazower, Dark Continent, 289-290.
[281] Robert O. Paxton. The Anatomy of Fascism (New York: Alfred A. Knopf, 2004), 114.
[282] C.S. Allen. "Ordo-Liberalism Trumps Keynesianism in the Federal Republic of Germany". In Bernard Moss, ed. Monetary Union in Crisis: The European Union as a Neo-Liberal Construction. 199-221 (London: Palgrave, 2005), 199.
[283] Ibid., 200.
[284] Deutsche Bundesbank. Bundesbank Act. 1998. <http://www.bundesbank.de/download/presse/publikationen/bbkgesetz_june1998.pdf>.
[285] Wood, "Weakening Codetermination", 12 cf. Letwin, Anatomy of Thatcherism, 151-513.

or Reagan rhetoric extolling the lost virtues of private initiative could not be employed in West Germany. As a consequence, the attractiveness of neoliberal policies was relatively weak in West Germany.

The story of neoliberal reforms by certain governments in the 1980s demonstrates how seemingly minor structural and contextual differences as well as the presence of certain types of organizations led to a divergence in socio-economic policies. This divergence suggests how processes of historical change may be amplified by the minutest of differences. In fact, the differences may at first seem unrelated to the changes under discussion. A broader picture emerges of how a common dilemma was confronted very differently by different governments and how these differences in policy created unexpected results. As will be shown in the next chapter, these policies have had an enormous impact on work times by increasing income inequality.

CHAPTER 4: THE RELATION OF INEQUALITY TO WORK TIMES

After delineating the relation of technology to various socio-economic factors, demonstrating the importance of strong unions to work reduction, and specifying the causes of neoliberal ascendancy of the United Kingdom, it remains to be seen what the effects of neoliberal policies were, and how these effects were associated with work times. Economic inequality significantly increased in the United States and the United Kingdom since 1980, and for reasons that will be shown, increased work times were an inevitable byproduct of this development. Meanwhile, in continental Europe, inequality was relatively stable, and work time trends were not seriously altered during this time period. Public policies by neoliberal administrations must have played a large role in explaining this sudden growth in inequality; therefore, these policies require analysis. Rising corporate profits and CEO compensation are associated phenomena. In addition, globalization began to play a role in shaping the structural distribution of wealth. As a result of this rising inequality, conspicuous consumption increased, and as a result of this rise, work times followed suit. Increased inequality is also a destabilizing force on the labor movement, and as a result, workers found it harder to militate for a shorter work-week. Income inequality increases in the United Kingdom and the United States since the 1980s were a significant factor in the divergence of work time trends in these countries from the trends of continental Europe.

A study by Linda Bell and Richard Freeman reveals a significant link between work hours and economic inequality. The study concludes that differences in hours worked are not statistically related to average incomes in particular countries.[286] However, Bell and Freeman assert that the primary explanation for divergent work hours rests upon income inequality and its role as a whip on workers:

> If earnings inequality allows for a system of rewards that encourages working harder, then the U.S.-German hours and preference gap may represent different payoffs to effort which are not related to differences in mean (tax and social income adjusted) earnings but are instead related to differences in earnings variance among workers. Put differently, the U.S. wage determining system may be closer to a tournament or a piece rate wage system – you work hard to advance, to keep the job, to keep from falling into a shallow safety net –whereas the German wage determining system and social benefits system is closer to a guaranteed annual income.[287]

The more people must compete against each other in markets, the longer they will have to work. This analysis finds further evidence in a 2001 interview study by Liff and Ward which found that female bank managers felt discouraged to work less hours because, "in a culture in which long hours are valued as a major indicator of commitment, knowledge that one had been asking about reduced hours of work would count more than an assessment of the quality of one's work in determining one's future".[288] If evidence indicates a significant shift in economic inequality during the early 1980's in the United States, and in the 1980s and early 1990s in the United Kingdom, this inequality could be a major factor for increased work times in these countries. In order to establish if income inequality increased, one must employ an economic concept known as the Gini coefficient.

The Gini coefficient is an economic term that represents the level of income

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[286] Bell and Freeman, "Why do Americans", 25.
[287] Ibid., 22.
[288] Sigala, "Personal Careers", 107.

inequality for a particular nation, and this coefficient has increased significantly during the late 20th century in both the United Kingdom and the United States. The coefficient is determined by charting a curve graphing the percentage of total national income in relation to the percentage of total households, and then dividing the area between that curve and a line charting perfectly equal income distribution by the total area under the line depicting perfect income equality. A higher number means more inequality. In the United States, the Gini coefficient was 40.3 in 1980.[289] By 1986 the coefficient had risen to 42.5.[290], In the United Kingdom, the coefficient increased from 26.53 to 33.77 between 1984 and 1993.[291] In contrast, the coefficient for France was 29 in both 1984 and 1995.[292] Similarly, in West Germany the coefficient barely budged from 25.5 in 1983 to 26 in 1990.[293] Finally, in Italy, the coefficient barely increased by half of a point, from 32 in 1981 to 32.50 in 1991.[294] These data demonstrate that during the 1980's and early 1990's, economic inequality remained relatively low in continental Europe; however, in the United States, economic inequality was already high, and began to climb rapidly during the 1980s. The United Kingdom began to match this trend a few years later. As a result, first in the United States during the early and mid 1980's, followed by the United Kingdom in the late 1980s and early 1990s, work times began to significantly increase or in the case of the UK stabilize, while in continental Europe work times continued to decrease at a

[289] World Institute for Development Economics Research. World Income Inequality Database. 2005. United Nations University. 13 March, 2007. <http://www.wider.unu.edu/wiid/wiid.htm>.
[290] Ibid.
[291] Ibid.
[292] Ibid.
[293] Ibid.
[294] Ibid.

steady rate.

The existence in the United States of salient socio-economic inequalities based on race and gender divides adds another level of complexity to the analysis of work time. While the volatility of socio-economic positions in the U.K. and the U.S. provided a significant impetus for longer work hours, the rigidity of race and gender inequality in the United States provided a similar impetus. While this may seem like a contradiction, it is not. The hierarchy of the American work force served to make different groups view each other as competitors and compete by working longer hours.

The writings of experts on race are helpful in understanding how the U.S. Labor market is structured as a competitive hierarchy. W.E.B. Du Bois explained the impoverishment of southern workers in comparison to northern workers in of terms racial antagonisms and anxieties: "the group of white laborers, while they received a low wage, were compensated in part by a sort of public and psychological wage… the result of this was that the wages of both classes could be kept low, the whites fearing to be supplanted by Negro labor, the Negroes always being threatened by the substitution of white labor."[295] Consequently, in an already brutally competitive economy, racial antagonisms led to competition between workers to display a willingness to work longer hours and for fewer wages. To further elucidate this point, a metaphor is helpful. This is Assata Shakur description of guards in a women's prison in 1978:

> …Usually from working class, upward bound, civil service oriented backgrounds. They identify with the middle class, have middle class values

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[295] W. E. B. Du Bois. Black Reconstruction in America (New York: The Free Press, 1998), 700-701.

> and are extremely materialistic... to them, the women in prison are 'losers' who don't have enough sense to stay out of jail. Most believe in the boot strap theory – anybody can 'make it' if they try hard enough… no matter how much they hate the military structure, the infighting, the ugliness of their tasks, they are very aware of how close they are to the welfare lines. If they were not working as guards most would be underpaid or unemployed. Many would miss the feeling of superiority and power as much as they would miss the money.[296]

Much like a prison, the employment structure of the United States eroded socio-economic affinities by deploying structural inequalities in order to create elaborate hierarchies among the less privileged.

These strategies of racial anxiety have been used to fight unions. Douglas A. Fraser, the President of the United Autoworkers Union pointed out the use of racist tactics to divide the labor movement in his letter of resignation from the Labor-Management Group in 1978: "GM has given us a Southern strategy designed to set up a non-union network that threatens the hard-fought gains by the UAW."[297] Fraser was referencing the more well-known "Southern Strategy" adopted by the Republican Party which demonized Democrats as pro-black and allowed Republicans to win presidential elections by capturing support from previously Democratic strongholds in the South, and which worked successfully through the 1980's.[298] Consequently, one cannot ignore how structured racial inequality led to weakened unions and more intense competition for jobs.

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[296] Assata Shakur. "Women in Prison (April 1978)". In Anthony Arnove and Howard Zinn, eds. Voices of a People's History of the United States. 471-476 (New York: Seven Stories Press, 2004), 474.

[297] Douglas A. Fraser"Resignation Letter to the Labor-Management Group (July 19, 1978)". In Anthony Arnove and Howard Zinn, eds. Voices of a People's History of the United States. 530-533 (New York: Seven Stories Press, 2004), 530.

[298] Bob Herbert. "An Empty Apology". The New York Times. 18 July, 2005: 19. Online. LexisNexis Academic. 11 March, 2007.

Racially based economic inequality in the United States during the 1970's and 1980's was undeniable. While some would assert that the civil rights movement and the growth of "black capitalism" had largely erased racially-based economic inequality, the evidence strongly refutes these claims. The largest black corporation in 1974, Motown Industries had sales in 1974 of 45 million dollars compared to 42 billion dollars for Exxon Corporation and total receipts of black-owned firms were only 0.3% of all business income.[299] Putting this statistic in context, 11% of the American population was black according to the 1970 Census.[300] Unemployment among black youth was 34.8% in 1977 and the median family income for black families was 60% that of white families.[301] The New York Times was stating the obvious when it reported in 1978 that, "…the places that experienced urban riots in the 1960's have with a few exceptions, changed little, and the conditions of poverty have spread in most cities".[302] Racial inequality worsened further during Ronald Reagan's administration. By the late 1980's over one third of all black families were living below the poverty line.[303] The life expectancy of blacks was over 10 years less than that of whites. By this time, Washington, D.C., Detroit, and Baltimore had a higher infant mortality rate among blacks than in Jamaica or Costa Rica.[304] Moreover,

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[299] Howard Zinn. A People's History of the United States (New York: Perennial Classics, 2003), 465.

[300] United States. Census Bureau. "Table 1. United States – Race and Hispanic Origin". 2002. 30 March 2007. <http://www.census.gov/population/documentation/twps0056/tab01.pdf>.

[301] Zinn, People's History, 466.

[302] John Herbers. "Decade After Kerner Report: Division of Races Persists". The New York Times. February 26, 1978. 13 March, 2007. <http://partners.nytimes.com/library/national/race/022678race-ra.html>.

[303] Zinn, People's History, 582.

[304] Ibid., 582.

black children were four times as likely as white children to grow up on welfare.[305] The situation for Latinos was similarly bleak. By 1984, 42% of all Latino children and one fourth of all Latino families lived below the poverty line.[306] Consequently, American racial minorities have been structurally placed in a lower position than whites in the employment market.

Like racial inequality, economic inequality between men and women was significantly more pronounced in the United States than in continental Europe. Even as late as 2002, the ratio of women to men below the poverty line in the United States was 1.38.[307] In the United Kingdom, this ratio was 1.2.[308] For Germany, the number was 1.18, followed by 1.16 in France.[309] Of course, one cannot overlook the fact that in all of these countries gender-based income disparities were significant, but the fact that almost 40% more women than men fell below the poverty line in the United States indicates a salient source of inequality. This gender-based economic inequality functioned similarly to race-based inequality, in that it allowed the dominant group to accept economic weakness for some of its members so long as they could perform a dominant identity. Jeniffer Pierce's study of paralegals in 1999 draws attention to how male paralegals performed their gender in order to compensate for their inferior economic position in law firms.[310] Gender-based hierarchies served to obscure more pronounced economic hierarchies and make them more palatable for some, while

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[305] Ibid., 578.
[306] Ibid., 614.
[307] Karen Christopher, Paula England, Timothy M. Smeeding, and Katherin Phillips. "The Gender Gap in Poverty in Modern Nations: Single Motherhood, the Market, and the State". Sociological Perspectives 45 (2002), 228.
[308] Ibid.
[309] Ibid.
[310] Pierce, Jennifer. "Emotional Labor Among Paralegals". Annals of the American Academy of Political and Social Science. 561 (1999), 132-134.

dividing opposition. In many cases, both gender and racial inequality was a matter of public policy.

Economic inequality growth in the 1980's largely arose from government policies. Specifically, the government of Ronald Reagan in the United States and Margaret Thatcher in the United Kingdom attacked equality by granting government economic support to the affluent and withdrawing support from the less fortunate. These policies had serious socio-economic implications which translated to longer work hours.

American President Ronald Reagan waged a war on the impoverished throughout his administration. During his time in office, Reagan reduced the number of housing units receiving government subsidies from 400,000 to 40,000.[311] The Federal Trade Commission no longer opposed flagrant cases of trust formations, and the rates of corporate mergers accelerated greatly, with dire consequences for employees as the labor market tightened and monopsonies formed.[312] Moreover, Reagan cut the budget of all federal regulatory agencies by 12% on average.[313] In addition, 1 million poor school children who depended on free school lunches for almost half of their nutritional needs were removed from that program.[314] In a similar vein, Ronald Reagan made deep cuts in the Women, Infant, Children program which provided pre and post-natal care to poor children and women.[315] A more broad perspective reveals cuts of $140 billion in social programs through 1984 while

[311] Zinn, People's History, 663.
[312] Naomi Klein. No Logo (New York: Picador, 2002), 163.
[313] Schaller, Right Turn, 128.
[314] Zinn, People's History, 578.
[315] Schaller, Right Turn, 125.

defense spending increased by $181 billion.[316] Meanwhile, Reagan proposed $190 billion in tax cuts that mostly benefited the wealthy.[317] As a consequence, the national debt rose considerably and by 1992 had reached four trillion dollars.[318] The significance of this rising debt is that it took money away from social programs and increased tax burdens. Reagan's contemporary, Margaret Thatcher, applied relatively similar policies to the United Kingdom.

Margaret Thatcher's tenure as Prime Minster of the United Kingdom was marked by measures that increased economic inequality. In 1979, the state provided 61% of pensioners incomes, compared to 50% in 1992.[319] The Social Security Act of 1986 reduced pensions from 25% of previous incomes to 20%, calculated pensions based on a person's average income over a lifetime instead of the highest 20 years, and reduced the pensions of surviving spouses from 100% to 50% of their deceased partner's pensions.[320] The act also provided incentives for people to leave the state earnings related pension scheme and enter into personal pension arrangements.[321] As a result of these reforms, the income of the poorest 10% of pensioners only grew by 10% compared to 57% for the richest 10% between 1982 and 1992.[322] The first six years under Thatcher resulted in 8 billion pounds being cut from social security benefits for the poor.[323] As a result, in the area of social security and unemployment

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[316] Zinn, People's History, 577.
[317] Ibid., 577.
[318] Ibid., 662.
[319] Edward Whitehouse. "Pension Reform in Great Britain Social Protection (Discussion Paper 9810)". World Bank. June 1998. 10 March 2007. <http://siteresources.worldbank.org/SOCIALPROTECTION/Resources/SP-Discussion-papers/Pensions-DP/9810.pdf>, 1.
[320] Ibid., 6.
[321] Ibid.
[322] Ibid., 11.
[323] Joel Krieger. "Social Policy in the Age of Reagan and Thatcher". The Socialist Register

benefits the percentage of men who received less than half of their previous incomes in benefits rose from 30% in 1978 to 38% in 1982.[324] Likewise, the percentage of individuals who received over 80% of their previous incomes in the form of benefits dropped from 25% to 21% during this period.[325] This resulted largely from a reduction in 1981 and then elimination in 1982 of benefits for men with pensions totaling over 35 pounds per week and for those aged over 60 years old.[326] Also in 1982, social security benefits were classified as taxable income.[327] Similarly, Thatcher's initial budget increased the Value-Added Tax to 15%.[328] Like sales taxes, this tax was highly regressive and weighed most heavily on the poor because consumption formed a larger proportion of their budgets. Closer scrutiny of political actions, including tax reforms in the United Kingdom, as well as the United States, demonstrates an effect on income inequality.

Changes in taxation policies reveal another fundamental divergence between the United States and the United Kingdom on one hand and continental Europe on the other. Between 1975 and 1990 the maximum rate of taxation in the United States dropped from 70% to 33%.[329] A similar magnitude decrease occurred in the United Kingdom where the top rate dropped from 83% to 40%.[330] In contrast, France's top rate remained relatively stable between 1975 and 1990, when it was lowered from

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(1987) 177-198.
<http://socialistregister.com/socialistregister.com/files/SR_1987_Krieger.pdf>, 183.

[324] Ibid.

[325] Ibid.

[326] Krieger, "Social Policy", 183.

[327] Ibid., 184.

[328] "Value-Added Tax". 2007. Politics.co.uk. 13 March 2007.
<http://www.politics.co.uk/issuebrief/economy/taxation/vat/value-added-tax-$366603.htm>.

[329] Harvey Lazar and Peter Stoyko. "The Future of the Welfare State." International Social Security Review 51.3 (1998), 19.

[330] Ibid.

60% to 57%.[331] Stability also marked Italy's maximum tax rate which only dropped from 72% to 60% during these years.[332] Perhaps, most surprisingly, West Germany's top tax rate remained at 56% during this period.[333] A similar pattern emerges when one examines the number of tax brackets in these countries during this entire period.

The progressiveness of a tax structure is partially determined by the number of tax brackets; as a result, higher levels of economic inequality exist in those countries with fewer tax brackets. The fewer tax brackets there are, the more likely it is that a richer person will pay a similar rate as a poorer person. In line with other trends, the number of tax brackets in the United Kingdom shrunk significantly from 10 in 1975 to 2 in 1990.[334] An even more extreme decrease occurred in the United States where the number of brackets sank from 25 to 2.[335] However, France's 13 tax brackets remained substantively unchanged during this period.[336] Similarly, West German tax calculations were based on a complex multi-variable formula that did not alter between 1975 and 1990.[337] These developments in the number of tax brackets are consistent with the developments in maximum tax brackets. In fact, Italy stands out as the only case of inconsistency between these cases, as the number of brackets dropped noticeably, from 32 to 7.[338] However, this is the exception that proves the rule of a trend indicating increasing income inequality in the U.S. and U.K. while inequality increases in continental Europe were muted, especially in the case of

[331] Ibid.
[332] Ibid.
[333] Ibid.
[334] Lazar and Stoyko, "Future Welfare State", 19.
[335] Ibid.
[336] Ibid.
[337] Ibid.
[338] Ibid.

France and West Germany.

One must not ignore the fact that despite differences in the level and intensity of change regarding income inequality all countries under consideration experienced inequality increases during the period under discussion. In the United Kingdom the poverty rate increased from 6.7% to 17.3% between 1979 and 1995.[339] The percentage of Americans living below the poverty line rose from 15.2% to 18.6% from 1979 to 1994.[340] In the case of West Germany, the percentage increased from 4.5% to 8.1% between 1981 to 1994.[341] France experienced a serious upsurge in poverty in the decade between 1979 and 1989, from 8.1% to 13%.[342] Italians did not elude these trends either, as their poverty rate increased from 12.1 to 15.8 between 1985 and 1995.[343] While one might dismiss these data as inconclusive, they do demonstrate that the rates of increased impoverishment were most prevalent during the 1980's in the United States followed by the United Kingdom, then Italy, then France, then West Germany. The lowest economic decile in the United Kingdom only gained 7% in income, while the top decile's income rose by 38% during the 1980's.[344] In addition, 10.6% rise in poverty in the United Kingdom demonstrates a serious divergence from the general European trend, as the next highest increase was only 4.9%. The data clearly demonstrate a linkage between governmental policies and income inequality following 1980.

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[339] Tina Makinen. "Structural pressures, social policy and poverty". International Social Security Review 52.4 (1999), 8.
[340] Makinen, "Structural Pressures", 8.
[341] Ibid.
[342] Ibid.
[343] Ibid.
[344] United Kingdom. National Statistics. "Social Inequalities". 2007. 12 March 2007. <http://www.statistics.gov.uk/focuson/socialinequalities>.

The preceding outcomes can be understood as a consequence of social policies espoused by each state; more specifically, there is a relationship between inequality and social security transfers as a percentage of gross domestic product. If one follows this hypothesis, one would expect West Germany to have the highest ratio of social security transfers followed by France, Italy, the United Kingdom, and the United States, in that order. The actual evidence is close to this result, but not precisely. Germany had the third highest rate of social security transfers with an average of 17.7% between 1981 and 1989.[345] The highest rate of transfers was in France, 21.9% between 1979 and 1989.[346] Italy had a slightly higher rate than West Germany at 18.15% between 1985 and 1995.[347] The rest of the data flow as hypothesized. The United Kingdom had an average social security transfer rate of 13.25% between 1979 and 1995.[348] Finally, the United States had the lowest rate of transfers, 11.4% between 1979 and 1994.[349] Despite France and Italy having a higher rate of social security transfers than West Germany, the data still establish a connection between economic inequality and social policies.

A non-political explanation for the significant rise in economic inequality may be attributed to the dramatic rise in corporate profits in the United States during the 1980's. Between 1980 and 1990 post-tax corporate profits rose from 108.6 billion dollars to 311.5 billion dollars.[350] The majority of this rise took place before 1985, at which point corporate profits had already risen to 241 billion dollars. In contrast, even

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[345] Makinen, "Structural Pressures", 10.
[346] Ibid.
[347] Ibid.
[348] Ibid.
[349] Ibid.
[350] "Corporate Profits After Tax". 2006. Federal Reserve Bank of St. Louis. 11 March 2007. <http://research.stlouisfed.org/fred2/series/CPATAX/downloaddata>.

during the highly inflationary 1970's, post-tax corporate profits rose from 51.5 billion dollars to 108.6 billion dollars.[351] Consequently, the 1980's, particularly the first half of the decade, witnessed a significant change in the direction of the economy. This change is connected with several factors. When profits rise this means that either revenues have increased or costs have decreased, or both. The lowering of costs can be attributed to the lowering of labor costs. Increased revenues point to an increase in consumption activities. In both cases, economic inequality increases as money flows out of the pockets of consumers and workers and into corporate revenues and profits. In the case of increased consumption, people worked longer in order to buy more. With industrial layoffs, organized labor weakened and the prospects of winning a shorter workweek decreased. Consequently, if rising corporate profits during the 1980's were paired with a significant decrease or stagnation of worker wages, the inequality generated was a significant factor in the increased work times that occurred during and after that decade.

The evidence indicating reduced wages for American workers is readily apparent. Based on 1996 dollar values, the value of wages shrank for the lowest economic decile by 11.8% between 1974 and 1996.[352] For the second, third, fourth, fifth, sixth, and seventh lowest deciles, wages dropped by 9%, 8.1%, 7.5%, 6.6%, 4.2%, and 0.4% respectively.[353] In contrast, the eighth and ninth deciles witnessed wage increases of 4.4% and 7.1% respectively.[354] A large part of these wage reductions can be explained by the shift from industrial to employment. In the United

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[351] Ibid.

[352] William Julius Wilson. "Rising Income Inequality and the Case for Coalition Politics". The Annals of the American Academy of Political and Social Science 561 (2000), 84.

[353] Ibid.

[354] Ibid.

States in 1997 retail workers earned $8.34 an hour compared to an average wage of $12.26 for all workers. In the United Kingdom, retail paid 4.58 pounds per hour, compared to 9.10 pounds per hour for all workers.[355] Jim Guyette the President of Local P-9 in Austin Texas, of the United Food and Commercial Workers during their 1985-1986 strike against the meatpacking company, Hormel, recalls one of the ways by which union workers suffered and were forced to move into the service industry:

> Young women, twenty-two years old, worked at the plant for less than two months and got carpal tunnel syndrome. They couldn't even pick up their kids anymore. People, thirty and thirty-two years old, big enough and mean enough to eat nails, couldn't lift a ten-pound box. Then the company retrains them to fry hamburgers at Hardee's and McDonald's and tells them to get on with their lives.[356]

A large segment of American workers did not share in the benefits of the 1980's "economic recovery".

Along with rising corporate profits and lowered workers wages, the United States witnessed a meteoric rise in executive compensation after the election of Ronald Reagan. In 1980, Chief Executive Officers received 10 times more monetary remuneration than the average worker in America.[357] Currently, American executive compensation is 430 times greater than that of the average employee.[358] A significant portion of this increase occurred during the 1980's when compensation ratios

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[355] Klein, No Logo, 487.

[356] "Local P-9 Strikers and Supporters on the 1985-1986 Meatpacking Strike (1991)". In Anthony Arnove and Howard Zinn, eds. Voices of a People's History of the United States. 524-529 (New York: Seven Stories Press, 2004), 526.

[357] Robert Trigaux. "CEO Pay Eclipses Ridiculous". St. Petersburg Times. 24 April, 2006. 10 March 2007. <http://www.sptimes.com/2006/04/24/Columns/CEO_pay_eclipses_ridi.shtml>.

[358] Ibid.

doubled.[359] This dramatic increase in executive compensation can be partially attributed to the rising corporate profits of the time period. As a result, increased CEO compensation must be viewed in the light of reduced labor costs for most of a firm's workforce and increased revenues resulting from higher consumption. However, higher executive compensation also reflected a higher valuation of executives in relation to the entire work force and increased willingness on the part of shareholders to give higher rewards to their executives.[360] Naomi Klein, posits that increased executive compensation was directly linked with the ability and willingness of CEO's to cut labor costs by massively downsizing or outsourcing their workforces.[361] Also, one cannot overlook the effect that multibillion dollar salaries have on the issue of conspicuous consumption.

Conspicuous consumption is a result of income inequality, and as a spur on consumer activities, leads to increased working times. Conspicious consumption was first formulated as a concept in 1902 by Thorstein Veblen who proposed that social mobility created a society in which those at the higher reaches of the socio-economic scale of respectability set the standard of consumption for everyone, all the way down the unequal hierarchy.[362] According to the theory, a society with high inequality but seemingly high social mobility will lead to increased consumption as "lower" classes attempt to emulate the "upper" classes. Much evidence shows that luxury consumption increased by over 50% in the brief period between 1986 and 1990 and

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[359] Holly Sklar. "CEO Gravy Train Keeps on Rolling". Zmag.org. June 2000. 10 March, 2007. <http://www.zmag.org/zmag/articles/sklarjune2000.htm>.
[360] Sklar, "CEO Gravy Train".
[361] Klein, No Logo, 255.
[362] Veblen Thorstein. The Theory of the Leisure Class: An Economic Study of Institutions. (New York: Macmillan, 1902).

then tripled during the 1990s in the United States.[363] Moreover, McGill University historian, Gil Troy concludes that along with patriotism and individualism, conspicuous consumption was a dominant theme of the 1980's in the United States.[364] Consequently, the inequality of the 1980's engendered a culture of conspicuous consumption and the effects of this consumption for work times will be examined in the final chapter.

Finally, no discussion of rising economic inequality since the 1970's would be complete without a discussion of globalization. In 1964, the United Nations Economic and Social Council passed a resolution supporting export processing zones as a means to help developing countries through trade with developed countries. However, this policy did not achieve significance until India granted a 5-year break to firms who outsourced their activities to the country's EPZs.[365] The growth of these areas was rapid and significant. Between 1986 and 1994, the number of EPZ workers in the Philippines grew from 23,000 to 229,000.[366] The number of free-trade factories in Mexico, known as maquiladoras, grew from 789 in 1985 to 2747 in 1995.[367] Between 1980 and 1995, the total assets of the top 100 transnational corporations increased by 697%, yet direct employment in these corporations dropped by 7.6%. Eight American banks had foreign branches in 1960 compared to 129 in 1974. The

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363 "Comparison of Luxury Consumption with Overall Consumption Growth 1986-2001". January 2007. News Batch. 11 March, 2007. <http://www.newsbatch.com/econ-luxury.html>.

364 Susan Page. "A Reflection on Reagan's 1980's". USA Today. 23 March, 2005. March 13, 2007. <http://www.usatoday.com/life/books/reviews/2005-03-23-morning-in-america_x.htm>.

365 Klein, No Logo, 205.

366 Ibid.

367 Ibid.

assets of these branches grew from 3.5 billion in 1960 to 155 billion in 1974.[368] The effects of this globalization on employment deserve serious attention.

Unemployment resulting from globalization was a serious concern even before the 1990's. As early as 1974 in the United States, the issue entered political discourse when provisions of the Trade Act established a 70% compensation rate for workers whose, "employment was disrupted by import competition".[369] Globalization was already a serious concern for labor unions as early as 1977, when the 12th Constitutional Convention of the AFL-CIO resolved that, "The Congress and the administration should adopt and pursue an international economic policy that will stop the destruction and export of American jobs and the undermining of the nation's industrial base".[370] According to the convention, American multinationals produced $690 billion annually outside of the United States, $270 billion of which are manufactured goods.[371] After growing in value by 15% in the years leading up to 1977, in that year, these manufactured goods began to account for 20% of American manufactured imports and exceeded $15 billion dollars in value.[372] Between 1971 and 1976, U.S. imports of manufacturing goods from developing countries grew from 13% of total manufactured imports to 22%.[373] The dangers of these developments for employment were rather clear-cut. A 1976 a study by the U.S. Department of Labor predicted a net loss of 31,700 manufacturing jobs if there were a 50% linear tariff

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[368] Zinn, People's History, 561

[369] United States. Department of Labor. Trade Adjustment Assistance for Workers (Washington, D.C.: U.S. Government Printing Office, 1976), 1.

[370] "Policy Resolutions of the Twelfth Constitutional Convention of the AFL-CIO". AFL-CIO. (Washington, D.C.: 1977), 3.

[371] Ibid., 10.

[372] Ibid.

[373] Ibid.

reduction.[374] From 1970-1976, the income for the average displaced worker fell by 5% to 25% with a dollar value of as much as $10,000 in current dollars.[375] In the first year of the act, 435,000 workers filed for compensation.[376] Significantly, individuals in the United States and the United Kingdom were more exposed to the ravages of global markets than their peers in Germany, Italy, or France. Both the U.K. and the U.S. received a score of 1.9 on the Index of Economic Freedom in 1995, compared to 2.3 for France, 2.1 for Germany, and 2.5 for Italy.[377] Consequently, globalization raised the specter of economic dislocation.

The precariousness of the American worker in the 1980s and beyond is easily observed. A 1994 poll indicated that 40% of American workers were worried they would be laid off or suffer wage reductions.[378] Between 1970 and 1998, the average number of people employed daily by U.S. temp agencies increased by 1201.5%[379] However, the wages of temps in real terms declined by 14.7% between 1989 and 1994.[380] Between 1980 and 1996 the number of Americans holding more than one job increased by 65%.[381] Three quarters of these workers explained their multiple jobs as resulting from "economic hardship".[382] The increasingly precarious position of American workers and their response to this precariousness led to increased working times as they strove to compete even harder in an already cruel economy.

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[374] United States. Department of Labor. The Impact of International Trade and Investment on Employment (Washington, D.C.: U.S. Government Printing Office, 1978), 252.
[375] Ibid., 98.
[376] Ibid., 130.
[377] Andrew K Rose. "Do WTO Members Have More Liberal Trade Policy". Andrew K. Rose Recent Research. May 2003. 30 March 2007. <http://faculty.haas.berkeley.edu/arose/WTOTables.pdf>, 11.
[378] Ibid., 86
[379] Klein, No Logo, 265.
[380] Ibid., 255.
[381] Ibid., 85
[382] Ibid., 86

Economic inequality has been a significant factor in longer work-times in the United States and the United Kingdom. While continental Europeans faced hardships as a result of stagflation and changing technologies in the 1970s, the American and British situation differed considerably in that neoliberal policies became ascendant. Inequality grew and persisted for a number of reasons including globalization, government policies, and identity-based structural inequalities such as sexism and racism. This rising inequality implies that political developments can have a significant and rapid effect on economic conditions. What this inequality does not explain is why working hours were so much higher in the United States than even the United Kingdom. The answer to this question lies in the relation between over-consumption and over-work examined in the next and final chapter.

CHAPTER 5: THE 1990S CONSUMER EXPLOSION AND AMERICAN WORKING TIME DIVERGENCE

After discussing work times in relation to inequality and the weakening of unions, a critical question remains. Why is it that American work times halted their declines since the 1970s, and increased in the 1980s and 1990s? The answer lies in the extraordinary level of consumption on the part of Americans since the 1980s. Consumer spending played an important role in the growth of over-work in the United States and the United Kingdom during the 1980s and 1990s. As a result of this inordinately high spending, people had to increase their incomes by increasing their work times. This increased spending was assisted by credit liberalization and a consequent increase in personal debts. New types of advertising also played a role, as did a rise in the cost of essentials such as housing and fuel. As a result of this transformation and intensification of consumerism, work times in the United States diverged sharply from the other nations under consideration.

Consumer spending was relatively equal among developed countries in 1990, but during the course of the 1990's, United States consumption began to significantly diverge from other Western industrialized countries. During this decade, American per capita consumption in U.S. dollars grew from $3,892.23 in 1990 to $5,517.08 in 2000.[383] Italy began with a larger consumption per capita in U.S. dollars, $4,370.30 in 1990, but this figure only increased to $4,874.03 in 2000.[384] Per capita consumption

[383] "World Consumer Spending". 2007. Euromonitor International. March 19 2007. <http://www.euromonitor.com/pdf/wcssample.pdf>, 22.
[384] Ibid.

actually shrank in France from $4,424.72 in 1990 compared to $4,155.11 in 2000.[385] A similar trend is discernable for Germany where consumption decreased from $3,888.17 in 1990 to $3,639.36 in 2000.[386] In contrast, consumption grew significantly in the United Kingdom from $3,119.79 in 1990 to $3,886.36 in 2000.[387] These data indicate that while all five developed economies had similar levels of consumption in 1990, by 2000 U.S. consumerism had increased to a significantly higher level.

Keynesian economic theory provides an explanation for the divergence of American consumer spending from that of Europe. This explanation does not arise from the theories themselves, but rather from a single passage in *The General Theory of Employment, Interest, and Money*. The passage recommends increased consumerism over work-sharing proposals to mitigate unemployment: “This [work-sharing] seems to me to be a premature policy- much more clearly so than the plan for increasing consumption… I see no sufficient reason for compelling those who would prefer more income to enjoy more leisure.”[388] While avoiding discussion concerning the validity of Keynesian theory, one must accept that it quickly became the dominant economic model for policy makers in the postwar era.[389] More importantly, this model was interpreted and enacted differently by different governments.[390] Certain aspects of the theory were emphasized over others. In the United States, Keynesian theory allowed encouragement of consumption to become a *leitmotif* of government

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385 “World Consumer Spending”.
386 Ibid.
387 Ibid.
388 John Maynard Keynes. The General Theory of Employment, Interest, and Money (New York: Harcourt, Brace, and Company, 1943), 326.
389 John A. Garraty. The Great Depression (New York: Anchor Press/Doubleday, 1987), 248-251.
390 ibid. 248-249

policy.

American government intervention in favor of bolstering demand during the second half of the 20th century is well-documented. A significant impetus for these efforts was the Cold War. Immediately following World War II, many American propaganda films began to sing the praises of mass consumption, and even linked its existence with that of democracy.[391] Moreover, both conservatives such as Richard Nixon, and liberals such as David Lilienthal and Chester Bowles agreed that consumerism was the advantage that the United States held over the Soviet Union.[392] Government intervention in the economy was most obvious in support for the military-industrial complex which provided employment for a multitude of people.[393] In addition, the Employment Act of 1946, listed government duties as, "promot[ing] maximum employment, production, and *purchasing power*".[394] Moreover, the Servicemen's Readjustment Act of 1944, residential construction, unemployment insurance, social security, public assistance, and minimum wage laws all boosted purchasing power.[395] These demand-side economic measures were supported not only by Democrats, but also by Republicans such as President Eisenhower.[396] Indeed, until Carter's so-called "malaise speech" in 1979, there was a broad political consensus for government support of mass consumption as the engine of economic growth, placing consumer needs at the center of politics.[397] After the stagflation of the 1970's,

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[391] Lizabeth Cohen. A Consumers' Republic (New York: Alfred A. Knopf, 2003), 124-126.
[392] Ibid. 126.
[393] Ibid. 118.
[394] Ibid. Emphasis added.
[395] Ibid.
[396] Ibid.
[397] Ibid. 389.

American government began to decrease direct intervention as a means of consumption encouragement; however, consumption policies were not wholly abandoned.[398] Indeed it was believed that deregulation and laissez-faire policies would allow the private sector to optimally increase demand.[399] Even in recent years, consumer-oriented economics have played a role, such as the justification of George W. Bush's tax cuts as a means of stimulating demand.[400] Finally, Keynesian policies encouraged constant inflation during the second half of the 20th century, which was further impetus for a higher marginal propensity to consume because inflation discourages savings.[401] American government played a significant role in fostering consumption, and this role continued even after the discrediting of Keynesian economics following the stagflation of the 1970s.

What one cannot overlook is that while aspects of Keynsian policies relating to inequality were abandoned in the United Kingdom and the United States after 1980, in the U.S. deficit military spending continued alongside other Keynesian measures. A government study from the Department of Defense in 1980 reveals a significant source of economic disruption as a result of American military Keynesianism, even before the Reagan defense build-up. According to the study, "The 100 largest defense contractors in FY 1979 received 66.4 percent of the total dollar value of DoD prime contract awards. The seven largest received more than one quarter of the total."[402] This study also concluded that military contracts created

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398 Cohen, Consumers' Republic, 390-391.
399 Ibid. 393.
400 Ibid. 400.
401 Garraty, Great Depression, 252-253.
402 William L. Baldwin. United States. Federal Trade Commission. The Impact of Department of Defense Procurement on Competition in Commercial Markets (Washington,

barriers to competition in the electronics industry. Out of the top 25 companies listed by Electronic News for 1979, 21 belong to the 100 largest defense prime contractors in the same year.[403] This study serves to demonstrate the role of defense spending as a method of Keynesian intervention. In addition, the market interventions represented in this study must have increased under the Reagan administration as defense spending accelerated dramatically. Reagan's first four years in office were marked by a $181 billion increase to the military budget.[404] Thus, Keynesianism was never fully abandoned in the United States as in the United Kingdom, although both polities did end or reduce redistributive measures.

Military Keynesianism continues to play a significant role in the U.S. economy, even after the end of the cold war and formal rejection of Keynesianism by mainstream political figures. Military-related employment peaked in 1990 directly before the end of the cold war, when the Department of Defense employed approximately 3.7 million people, including active duty personnel.[405] Yet, as late as 2004, this number was still over 2.7 million people.[406] This figure does not include employment in private firms working under defense department contracts. In 1985, when employment in the Department of Defense and active duty military service was at 3.5 million, private employment related to defense was nearly the same at 3.2 million.[407] Even in 1977, total defense related employment was over 5 million.[408] It

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D.C.: U.S. Federal Trade Commission, 1980), 2.

403 Baldwin, Impact of Defense, 75.

404 Zinn, People's History, 577.

405 United States. Census Bureau. "National Security and Veterans' Affairs". Statistical Abstract of the United States: 2007. 2007. 30 March 2007. <http://www.census.gov/prod/2006pubs/07statab/defense.pdf>, 330.

406 Ibid.

407 David K. Henry and Richard P. Oliver. "The Defense Buildup, 1977-1985". Monthly Labor Review. 110.8 (1987), 8.

appears the legacy of Keynes continued in the United States, albeit with a strong military accent.

Other factors such as mass media marketing help to explain consumerist tendencies in the 1980s and 1990s. From the end of World War II to 1959, advertising expenditure tripled.[409] These new ad campaigns relied on catering specific products to specific groups. By segmenting markets, advertisers increased product demand.[410] Another important marketing innovation of this period was the television. By 1953, two-thirds of American families possessed televisions.[411] By 1988 half of all Americans had cable.[412] Television allowed marketers to employ a willing medium and a nearly captive audience. In a recent statistical analysis, heavy television viewing revealed an association with higher spending and lower saving.[413] Furthermore, the effects of increased marketing are displayed by data which demonstrate that American children manifest higher levels of brand affinity than any other children.[414] This is perhaps explained by the fact that the United States had the highest proportion of television ownership in the world, 806 per 1,000 people, as of 2001.[415] Following the logic that technology should lead to decreased working hours, television's impact was paradoxical in that it represented a technology which

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[408] Henry and Oliver, "Defense Buildup", 8.
[409] Cohen, Consumers' Republic, 301.
[410] Ibid. 349
[411] Ibid. 302
[412] Joseph Turow. Niche Envy (Cambridge: The MIT Press, 2006), 60.
[413] Juliet B. Schor. Born to Buy (New York: Scribner, 2004), 64.
[414] ibid. 13
[415] United States. Census Bureau. "No. 1375. Newspapers, Radio, Television, Telephones, and Computers by Country." Statistical Abstract of the U.S.: 2001. 2001. 14 Dec. 2004 <http://web.lexis-nexis.com/statuniv/attachment/a.unk?_butinfo=001%3b5342%3a45F8H7J3G701%3b1&_menu=WSUNIV&clientid=&_session=63943820-526e-11d9-8025-8a0c593eaa77.728574235.3280989805.410151.%20.0.0&_state=&wchp=dGLbVtb-zSkVV&_md5=200fcce785ffbb934e1b411caf6102a4>.

encouraged consumption, which in turn encouraged longer working hours. Thus, American media played a significant role in the construction of a consumer society devoted to maximization of income and new marketing strategies are a part of this picture.

New marketing strategies played a significant role since the 1980's in increasing American consumption. Between 1983 and 1993 direct marketing mailing expenditure increased from 12.7 billion to 27.3 billion dollars.[416] Similarly, between 1984 and 1993, direct marketing telephone expenditure increased from 34 billion to 60.5 billion dollars.[417] Finally, product placement became a significant aspect of film marketing strategies during the 1980's.[418] These new marketing techniques had a significant effect on the consumption patterns of adults, but that is only half the picture.

A generational transition during the 1980's created a new and influential type of consumer that would seriously affect the fate of mass consumerism in the United States, especially during the 1990's. During the 1960's, Children 2 to 14 years old directly influenced $5 billion worth of their parent's purchases.[419] By the mid 1970's the number was $20 billion.[420] In 1984, children influenced $50 billion worth of purchases.[421] By 1997, child-influenced purchases totaled 188 billion dollars.[422] Combined with an estimate of $35 billion for purchases with their own money,

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[416] Turrow, Niche Envy, 65.
[417] Ibid.
[418] Ibid., 57-59.
[419] Miriam H. Zoll. "Psychologists Challenge Ethics of Marketing to Children". 5 April 2000. MediaChannel.org. 15 March 2007. <http://www.mediachannel.org/originals/kidsell.shtml>.
[420] Ibid.
[421] Ibid.
[422] Ibid.

children provided a significant portion of total consumer spending in the United States by the late 1990s.[423] Of course, advertisers have readily recognized the importance of this demographic.

Children were a particularly targeted group for advertisers starting in the 1980s. In 1988, the New York Times reported that 88% of children watched television after school.[424] Currently, two out of three children between 8 and 18 have a television in their room, as do 32% of children between 2 and 7 years old and 26% of children under 2 years old.[425] Advertisers received considerable aid from U.S. President Reagan's decision to deregulate advertising on children's television in 1984, by allowing advertisers and television producers to form partnerships for the sake of marketing to children.[426] Soon thereafter, every one of the top 10 best-selling toys were related to television programs.[427] In addition, Reagan's cut back on federal aid to states for public schools encouraged schools to elicit corporate advertising in order to secure funding, which granted marketers a captive audience.[428] Consequently, the 1980's marked a time when children entered the consumer market in earnest, and the effects would be even more pronounced in the years to follow.

The effects of this increased use of advertising in America are easily observed. The retail trade grew from $804 billion in 1978 to $1.51 trillion in 1987 to $1.96 trillion in 1992.[429] Perhaps even more significantly, consumer durable spending

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[423] Zoll, "Psychologists Challenge Ethics".
[424] Susan Linn. Consuming Kids (New York: The New Press, 2004), 131.
[425] Ibid., 5.
[426] Ibid., 72-73.
[427] Ibid., 6.
[428] Ibid., 78-79.
[429] United States. Department of Commerce. Revised Monthly Retail Sales and Inventories: January 1978 through December 1987 (Washington, D.C.: U.S. Government Printing Office, 1988), 8, 26; United States. Department of Commerce. Combined Annual and

increased for the same periods from $281 billion to $559 billion to $705 billion.[430] Along with other evidence, this data clearly suggest that consumerism was rapidly accelerated in the United States during the 1980s and 1990s.

Additionally, one might note the high ratio of consumerism to GDP as evidence that the American economy was focused on consumption. In 1998 consumer expenditure was 69.3% of GDP.[431] Perhaps even more significantly, 85% of the 3.9% increase of GDP in 1998 was related to consumption.[432] An associated statistic appears when one discovers that consumer outstanding credit reached 15% of nominal GDP and 21% of total disposable incomes in 1998.[433] As a consequence, the ratio of total household debt to GDP rose to 68% in the same year.[434] What these figures demonstrate is that, in the United States, even after the supposed repudiation of Keynesian policies, consumer spending was still the main engine of economic growth.

American savings and consumption rates diverged significantly from those in Europe. While in Italy, the United Kingdom, and Germany individuals have a marginal propensity to consume of 2%, in the United States the marginal propensity to consume is 6%.[435] What this figure means is that with a unit increase in post-tax incomes, Americans will spend 6% of that increase on consumption, or three times as

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Revised Monthly Retail Trade, January 1983 Through December 1992 (Washington, D.C.: U.S. Government Printing Office, 1993), 2.

430 Ibid.

431 Ahmad Ijaz. “Consumer Spending and Consumer Debt”. Center for Business and Research. University of Alabama. 1999. <http://cber.cba.ua.edu/rbriefs/ab0899.html>.

432 Ibid.

433 Ibid.

434 Ibid.

435 Joseph P. Bryne and E. Philip Davis. “Disaggregate Wealth and Aggregate Consumption”. Oxford Bulletin of Economics and Statistics 65.2 (2003), 208.

much as Europeans. Interestingly, the savings rate for Americans dropped from 8% in 1980 to 4% in the early 1990's to zero in 2000.[436] The effects of savings rate approaching zero had obvious ramifications for credit utilization and personal debts.

The extraordinary lack of obstacles to credit acquisition was another significant factor in explaining American divergence from consumption and working norms for advanced, industrial economies. Structural factors such as banking deregulation of the 1980's created an environment in which the American credit system diverged from other economies.[437] This situation accelerated as a result of rapid bank mergers throughout the 1980s and 1990s.[438] Court decisions such as the 1978 Supreme Court ruling in the case of Marquette National Banks v. First of Omaha Service Corp that banks located in states without interest rate caps can export their rates to other states and do not have to abide by interest rate caps in these states further liberalized credit. [439] One of the results of this decision was that when Delaware abandoned interest rate caps in 1981, many large banks moved their legal location to that state, so that by 1987 Bankers Trust, Chase Manhatten, Chemical, Manufacturers Hanover, Morgan, and Marine Midland all moved to Delaware.[440] As a result, credit availability and credit itself grew at a rapid pace in the United States.

The pace of credit growth was relatively stable between 1970 and 1990, but also surprisingly rapid. During the 1970's consumer credit grew by 172.76%.[441] In

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[436] Juliet B Schor. "The New Politics of Consumption". In Juliet B. Schor. Do Americans Shop Too Much? 3-33 (Boston: Beacon Press, 2000), 10

[437] Williams, Brett. Debt for Sale (Philadelphia: University Press, 2004), 1-3.

[438] Ibid. 2

[439] David S. Evans and Richard Schmalensee. Paying with Plastic. (Cambridge: The MIT Press, 2005), 69.

[440] Ibid.

[441] United States. Federal Reserve. Consumer Credit Historical Data. 7 March 2007. 19 March 2007. <http://www.federalreserve.gov/releases/g19/hist>.

the 1980's growth was 126.72%.[442] Despite two decades in which credit more than doubled, credit continued to grow at a brisk pace of 92.13% during the 1990's.[443] In addition, dollar values for credit and charge card transactions grew from 155 billion in 1982 to 400 billion in 1990.[444] Average monthly household credit card bills grew from $47 in 1970 to $1,280 in 2002.[445] Finally, the percentage of households with at least one card grew from 43% in 1982 to 62% in 1992.[446] Credit growth has been an important part of the story of the massive increase in consumption experienced by the United States during the 1990's.

Credit also played an integral role in producing work-time divergences between continental Europe on the one hand, and the United Kingdom and the United States on the other. In 2001, the ratio of total consumer expenditure to total consumer credit was highest in the United Kingdom and the United States at approximately 23% and 22% respectively.[447] While Germany displayed a similar ratio of approximately 20%, France and Italy's ratios were significantly smaller at approximately 15% and 6% respectively.[448] Of course, the significantly higher levels of consumption in the United States mute this statistic somewhat; however, the data clearly indicate a higher usage of credit.

Evidence demonstrates how mass consumerism and the attractions of easy credit have increased personal debts. One study from 1990 describes how the 12.4

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[442] "Consumer Credit Historical".
[443] Ibid.
[444] Evans and Schmalensee, Paying with Plastic, 76.
[445] Ibid. 4
[446] Ibid. 76
[447] Nicola Jentzsch and Amparo San Jose Rientra. "Information Sharing and Its Implication For Consumer Credit Markets". The Economics of Consumer Credit. Working Paper for the European University Institute Workshop (2003), 36.
[448] ibid.

decrease in real wage values between 1972 and 1988 led consumers to expect a more affluent lifestyle than their means could allow and how they often sought to supplement their incomes with risky credit practices.[449] Moreover, credit card issuers have been open about the fact that they specifically target individuals who intend to pay their credit card bills but then cannot come up with the money at the end of the month because they represent the greatest possibility for profit.[450] The results of this policy can be observed in the fact that in 1996 alone, 1.2 million people filed for bankruptcy, an increase of 22% over the previous year.[451] However, that figure is only scratching the surface of the debt dilemma confronted by tens of millions of Americans.

Debts are a serious component of over-work in that they force workers into more and more dire economic straits as interest payments accumulate. In the United States personal debt increased by roughly one third between 1995 and 2003 to 130% of disposable income.[452] Personal debt in the United Kingdom rose by 62.5% between 1993 and 2000.[453] Currently individuals in the United Kingdom have twice as much unsecured personal debt as the average Western European.[454] Additionally in the United Kingdom, 35% of low and moderate income families were unable to meet at least one bill or credit commitment in 2000, and 20% of households report having financial difficulties.[455] This debt is significant, because it provides a catalyst for the

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[449] Williams, Debt for Sale, 43.
[450] Ibid., 35.
[451] Ibid., 60.
[452] Ibid., 3.
[453] Debt Statistics". 8 March 2007. Credit Action. 19 March 2007. <http://www.creditaction.org.uk/debtstats.htm>.
[454] Paul Marsh. "Consumer Credit: U.K. Lenders Must Look to Opportunities Abroad". Banking Business Review. 27 September 2006. 19 March 2007.
[455] United Kingdom. Department of Trade and Industry. "The Consumer Credit Market

stabilization and even increase in working hours.

Moonlighting has been a significant consequence of American consumerism, and the consequences for work times are readily apparent. As of May 1989, over 6% of the employed workforce held two or more jobs.[456] However, Juliet Schor asserts that this number is significantly under-reported, and may in fact be twice as high. [457] Roughly half this number reported that they worked two jobs, "to meet regular household expenses or pay off debts".[458] The evidence shows how with incomes remaining stable or declining, increased consumption, credit, and debt must be paid for with more work.

Another important difference between consumption in the United States and the United Kingdom versus continental Europe is in the divergent rate of compulsive purchasing in these countries. In the early 1990's, the United States and United Kingdom had nearly 10% of their populations engaged in compulsive buying, known as oniomania.[459] In contrast, Germany had a rate of only 5% during this period.[460] The evidence demonstrates that consumers in the United States and the United Kingdom are more likely to spend beyond their means than their counterparts in continental Europe.

Income has a limited number of uses. An individual can save or spend their income. In the late 20th century, economies, especially the American economy, were

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in the 21st Century (White Paper)". Department of Trade and Industry. December 2003. 19 March 2007. <http://www.dti.gov.uk/files/file23663.pdf>, 75.

[456] Schor, Overworked American, 31.

[457] Ibid.

[458] Ibid.

[459] Michael Neuner, Gerhard Raab, and Lucia A. Reisch. "Compulsive Buying in Maturing Consumer Societies". Journal of Economic Psychology 26.4(2005), 511.

[460] Ibid., 511.

powered by consumer spending. If individuals were working more, the money had to go somewhere and the evidence points to factors supporting consumption over other uses of income. Thus, consumption increased work, although a desire to work long hours may have been preexistent.

What makes mass consumption particularly relevant to work hours in the United States is its existence alongside severe socio-economic inequality. As noted previously, such inequality has led to what is known as "conspicuous consumption". However, some research reveals a more concrete relation between inequality and a desire to consume. One study from 1993 found that 35% of Americans desired the incomes of the highest 6%. Forty-nine percent desired the incomes of the next 12% highest.[461] A mere 15% responded that they would be satisfied with "living a comfortable life".[462] Another survey of American households found that desired incomes doubled between 1986 and 1994.[463] With inequality being what it was and continues to be in the United States, particularly with the accompaniment of stagnant wage rates, the only way to fulfill these consumer desires was through increased work. Added to this phenomenon, individuals felt further pressures to work longer hours as a result of increased housings costs.

The significantly increased cost of housing during the 1980's forced those who were lower on the socio-economic ladder to devote ever larger proportions of their income to housing costs instead of seeking more leisure time. Part of this increase may be attributed to the fact that the average house size doubled between

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[461] Schor, "New Politics", 10.
[462] Ibid.
[463] Ibid.

1970 and 2000.[464] However, one cannot reduce the increase in housing costs to that single factor. Although, the inflation rate between 1981 and 1990 was 58.64%, rents increased by 84% from an average of $243 a month to $476 a month in gross rent.[465] In addition, mortgages increased by 101.01% during this period from $366 dollars a month to $736 dollars a month.[466] Finally, various monthly owner costs, including fuel costs, increased by 63.28% from $128 per month to $209 per month.[467] In the United Kingdom, housing prices rose by approximately 140% during the 1980's.[468] As a result of these cost increases, individuals needed higher incomes, and with stagnating average wage rates, this period witnessed an increase in work times.

The divergences in working hours must be placed in historical context. Following World War II, Keynesian theory was accepted by the majority of advanced nations, though each nation employed a preferred interpretation of these theories. In the United States, consumption was explicitly encouraged. However, following the oil shocks and stagflation of the 1970's, the United States and Great Britain embarked on economic policies which were fundamentally different from continental Europe. In both countries, the labor movement was crippled and opposition to work increases was stifled. American citizens were still encouraged to spend *en masse*; however, banking deregulation created easy access to credit. Combined with increasingly

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[464] Betsy Taylor. "The Personal Level". In Juliet B Schor. Do Americans Shop Too Much?. 57-62 (Boston: Beacon Press, 2000), 58.

[465] "The United States Inflation Rate by Year". The U.S. Misery Index. 24 February 2006; 21 March 2007. <http://www.miseryindex.us/irbyyear.asp>. United States. Department of Commerce. Detailed Housing Characteristics 1980 (Washington, D.C.: U.S. Government Printing Office, 1983), 1 cf. United States. Department of Commerce. 1990 Census of Housing: Detailed Characteristics (Washington, D.C.: U.S. Government Printing Office, 1993), 1.

[466] Ibid.

[467] Ibid.

[468] "Debt Statistics".

sophisticated media and marketing, individuals continued to consume at previous rates, despite the absence of previous demand-side stimulating policies. Thus, personal debt accumulated at an alarming rate, fueling further increases in working hours throughout the 80's and 90's. As a result of these factors, continental European and Anglo-American work hours diverged. Thus, the analysis of these historical economic factors helps to explain the troubling propensity for Anglo-American working hours to remain stable or even increase in the face of technological progress.

CONCLUSION

The divergence of American and British work times from that of Italy, France, and Germany is a result of complex interactions between a variety of historical processes. The story begins with the revolutionary communications, information, and automation technology that developed and proliferated during the 1970’s. As a result of these technologies, unions struggled to adapt to a changing workforce, and their efforts were obstructed by hostile governments coming to power in the United Kingdom in 1979 and in the United States in 1980. These governments did not confine their attacks to organized labor but sought to undermine the entire Keynesian consensus that had emerged since the post-war era. Consequently, economic inequality sky-rocketed in the U.S. and the U.K. but remained relatively stable in Germany, Italy, and France. Work time trends have followed a similar pattern, although the high rate of work hours in the United States cannot be explained by weak unions and high inequality alone. Significant consumption increases during the 1990s in America are the final piece of the puzzle in explaining the serious divergence of work hours in this country from even the United Kingdom. The way these factors encouraged each other and created a self-reinforcing cycle has led to longer working times. Thus, historical inquiry reveals how the present state of work times is a product of complexly interacting developments from the past.

At the broadest level, this study refutes any attempt to reduce working time extensions to any single factor. While technological change since the 1970s led to a historical discontinuity, the impact on work times cannot be reduced to one development. Similarly, globalization would have been impossible without both technological change and explicit encouragement by neoliberal governments. This finding implies that contingency played a strong role in the recent history of diverging working times. Only a particular combination of historical factors could produce the divergence of British and American working hours on such a scale from that of Europe. A minor difference in the chain of interactions and events could have produced a profoundly different outcome. As demonstrated by the evidence on inequality, many of these changes acted as reinforcements on each other. Neoliberalism led to policies which increased inequality, while at the same time this inequality made it more difficult for the socio-economically marginalized to challenge neoliberal policy makers. This connection demonstrates how originally small differences become amplified through complex interactions. The complexity of these interactions requires that one studies each factor closely and discretely.

The contribution of this historical work lies primarily in its synthesis of various seemingly unrelated developments in the last quarter of the 20th century with working time divergence. This synthesis reveals how work times increased as a result of five distinct developments. The inadequacy of prior accounts focusing on only one or some of these variables is readily apparent. Centering the divergence on the transition from a manufacturing to a service economy ignores the differences between the U.S. and the U.K. on one hand and continental Europe on the other.[469] Accounts focusing on unions do not explain why organized labor encountered resistance from neoliberal administrations in those countries that eventually diverged from working

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[469] Presser, “Work Shifts”.

time trends.[470] Yet, by concentrating on the victory of neoliberal economic policy over Keynesian policies, one ignores how the United States never rejected Keynesianism completely. The effect of this blend of Keynesian deficit spending and consumption encouragement with neoliberal attacks on unions and slashing of social services has led to a uniquely hostile atmosphere for work time reductions. While secondary literature helps to establish a link between work times and economic inequality, this thesis explains how inequality has operated historically in the exploitation of workers, the extension of this relationship to social inequality in the United States, and how this inequality became a factor for work times in the U.K and the U.S. Inequality arose from technological change, neoliberal policies, weakened unions, and globalization. The link between inequality and work times combined with the linkages between the previous development and consumption are also relevant to this discussion. Consequently, this historical inquiry draws attention not only to the possibility of significant historical repercussions from seemingly insignificant structural and organizational differences, but also to the intensity of amplification caused by the interaction of these differences.

In the study of work times, broader historical issues, such as: continuity, divergence, the effect of individual actors, structural repercussions, and self-reinforcing development come to the forefront. There is evidence of historical continuity in the policies adopted by continental European leaders in dealing with the twin problems of stagflation and decisive technological changes. However, the period studied by this thesis is more marked by discontinuity than continuity. The

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[470] Cutler, Labor's Time; Hinrichs, Roche, and Sirianni, Working Time in Transition; Schatz, The Electrical Workers.

technological changes experienced by all countries, the ascendance of neoliberal policies in the U.S. and the U.K., followed by the frontal attack on organized labor, as well as the divergence of American consumption patterns in the 1990s all demonstrate a serious break with the past and a move towards an uncertain future. While many of these developments are the result of conscious decisions by free-agents, they are also deeply embedded in structures larger than any individual person. Without minor differences in electoral systems, socio-political research structures, and attitudes towards ideology, the neoliberal victories in the United Kingdom and the United States would have been less likely. Without these neoliberal victories, unions may never have weakened to the extent that they did in these countries. Interestingly, perhaps the already-present weakness of these unions played a decisive role in determining the outcome of their struggles with Reagan and Thatcher. The broader implication is that historical change is not a one-way street, and that the most profound changes can emerge from seemingly unrelated choices, as well as the interaction and amplification of what appears to be minor structural differences.

Many additional areas of research could be explored, or explored more comprehensively than in this thesis. One important domain relates to the relation of work times and consumption. Time series questionnaire data relating to attitudes towards work and consumption that compared various nations would be useful for establishing a more precise connection between over-spending and over-work. Similarly, a study investigating the relationship between higher consumer debt and long working hours would be much welcomed. Research into this field would also be assisted by more theoretical work concerning the relation of inequality to work times.

While the Bell and Freeman study establishes a link, describing the precise mechanisms of this relationship would be particularly useful. In the same vein, additional research into class or gender based inequality as a cause of over-work is needed. More evidence of organized labor's awareness of the work time issue would strengthen the argument that viable unions are necessary to work reduction. This same purpose could be served by exploring more cases of unions striking for shorter hours. As for technology and work times, more research is needed concerning the ability of technologies to amplify individuals' skills and create employee redundancies. The answers to these questions would be useful for a greater understanding of the work time issue, as well as the broader historical issues associated with the subject.

The question that remains is whether work times will continue to diverge or whether convergence is more likely? Perhaps more importantly, if convergence does occur, will it be towards the continental European model or that of the United States and the United Kingdom? The evidence appears to point towards the latter development. With consistently high unemployment combined with relatively slow economic growth, France, Germany, and Italy appear less and less committed to their own socio-economic and political models. The neoliberal model offered by the United States and the United Kingdom may appear even more enticing to these countries now than during the stagflation of the late 1970s. If this turns out to be the case, the adoption of neoliberal policies will weaken unions and increase inequality. If this is accompanied by an increase in consumer spending, a rise in work times will be almost inevitable. That said, it is quite possible that continental Europe will not adopt more neoliberal policies, or a new model will emerge that does not increase work times. Possibly, new technologies will radically alter the way work is perceived and performed, and work times will drop in turn. However, from the current perspective, and with the past as a guide, it appears that the U.S. and the U.K. will export their model of high work times to continental Europe, and possibly the entire planet, because their economic model currently appears to be the most profitable and the most amenable to the demands of global capitalism.

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