

## **The Industrial North: The Future of Jobs, Productivity, and Community**

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The frostbelt faces problems embodied in decaying cities, numerous plant closings and growing unemployment. This crisis has generated fear in the general public and reconsideration in the political and academic worlds as "the conventional wisdom" no longer explains and rectifies economic problems. New ideas and plans have been explored by academics, labor leaders, and businessmen but they lack the crystallization and acceptance to form a new public agenda. This juxtaposition of crisis and exploratory thought and practice provided the occasion for a conference on "The Industrial North: The Future of Jobs, Productivity, and Community" held at Indiana University of Pennsylvania in Indiana, Pennsylvania, October 21-23, 1982. Conference participants presented general outlooks based on free enterprise or cooperation of labor, management, and government to promote international competitiveness or a combination of national planning and legislation with democratic decentralization and offered specific policy recommendations within the framework of each mode.

Stuart Butler and Richard McKenzie, associated with the Heritage Foundation, presented a free market perspective, based on the writings of Adam Smith and the classical economists, which emphasized economic growth and freedom as our historical benefits from free enterprise. Both libertarians criticized big business and big government as dangerous concentrations of power which produced inefficiency and undermined freedom. Mr. Butler noted the role of small business as a source of employment, a guarantor of freedom and a linchpin of a stable community. Plant closing legislation, according to Mr. McKenzie, illustrated the detrimental effects of government intervention on economic growth and sound decisionmaking. Proponents of legislation exaggerated the extent of business migration to the sunbelt, overlooked our success in job creation, and underestimated the value of a free market system for a free society.

Staughton Lynd, a Youngstown attorney who has assisted Youngstown, Ohio, and Homestead, Pennsylvania, workers faced by severe job loss, and Barry

Bluestone, professor of economics at Boston College and co-author of *The Deindustrialization of America*, condemned the libertarian perspective. Mr. Bluestone placed the crisis in a national and international setting by reference to investment patterns and government policies. In the 1970s, he contended, big business grew, often as conglomerates and multinationals, propelled by a frenetic search for the highest possible return on investment. This pursuit led to "the deindustrialization of America" as these firms opened overseas facilities in nations with a "better business climate" and closed plants, many of them profitable operations, in the United States. A tax policy which almost eliminated the corporate income tax, gave special treatment to foreign profits and allowed tax benefits for closing old plants and opening new ones reinforced this trend. Mr. Lynd condemned this "greenfield policy" as destructive and dehumanizing and used his experiences with plant closings in Youngstown and the unsuccessful attempts to reopen the mills under worker-community ownership as a case study. He counterposed a "brownfield policy" in which facilities would be remodeled instead of scrapped and families and communities would be safeguarded. At the policy level he recommended a federal framework and local implementation as embodied in TVA and the legal services systems, a perspective shared by Barry Bluestone who advocated an expanded social safety net, plant closing legislation and a full employment policy along with a needs and resources assessment at the local level.

The final perspective was expressed in the keynote addresses of Alfred Warren, Vice President of Industrial Relations for General Motors, and James Smith, Research Director of the United Steelworkers of America, who spoke of new directions in labor-management relations in the auto and steel industries and how the Japanese experience could be instructive. Both speakers condemned government tax and trade policy as a hindrance to international competitiveness and advocated a tripartite arrangement in which management and labor would subordinate antagonism to cooperation in league with a supportive government. This policy, they contended, would generate the investment needed for modernization and, combined with a more productive labor and management, would improve our international balance of trade. Warren and Smith praised quality work circles as a major step in improving worker satisfaction and productivity.

The other speakers described specific policies to revitalize the economy and achieve greater equity. Jack Sheinkman, Secretary-Treasurer of the Amalgamated Clothing and Textile Workers Union, characterized pension funds as a huge and growing source of capital which could be used to rejuvenate the urban North and provide social services for the working class. Jack Russell, author of *Rational Reindustrialization*, depicted a revitalized Detroit in which former auto plants and employees would be reconverted and retrained to produce energy equipment. Other conference participants described and advocated plant closing legislation, employee stock ownership plans and cooperatives.

The diversity of viewpoints expressed at the conference typified an era without a clear ideological and policy consensus. Most participants sought new policies which combined a more active and responsive federal government with more

efficient and democratically operated localities and workplaces. However, they disagreed about the control and direction of these activities as illustrated by controversies about the Japanese approach to tripartite cooperation, quality work circles and labor-management cooperation. The increasing role of technology intensifies the urgency of these concerns and led Harley Shaiken, a research associate at MIT, to present a Technology Bill of Rights designed to assure the primacy of the interests of workers, the community, and the environment in the operation of technology. The conference concluded with an announcement of the next conference entitled “Technology and Society” scheduled for October 26–28, 1983.