

Chapter One

Worker Ownership and Class in America

Immediately following the 1992 Democratic National Convention, then presidential and vice-presidential candidates Bill Clinton and Al Gore traveled to Weirton, stopping there first on a nationwide bus caravan campaign. Worker ownership and employee participation at Weirton Steel, they claimed, were examples of “what was right in America,” of what worked, the future of American industry. As Clinton and Gore spoke they were framed by a familiar sign in town: mill employees (one black, one white, a woman, and an executive) pulling a rope connected to a Weirton Steel logo with the words “working together works.” Ironically, it was a sign that captured the beleaguered spirit of liberalism that Clinton and Gore carried across America, and it belied the conflict over worker ownership that was soon to erupt in the company.

A few days later I spoke with some friends in town. “So you all made the national news again. What did you think?” Well, they did not think much of it actually. “No big deal,” most said. “Just a bunch of Secret Service,” and for a while “the streets were jammed.” But a few were offended by the jeans and work shirts worn by the candidates, a tired populist portrayal of a hardworking president praising a hardworking town for something that

worked. "What are we, a town of working stiff," grumbled one resident. "They could have at least worn a suit and tie—shown some respect." People still fondly recalled when John Kennedy, and later Robert Kennedy, visited Weirton—they both wore a suit and tie. The offense had touched a nerve deep within the class structure of local life, a nerve that worker ownership had also strained.

Liberalism was indeed being tested in Weirton. Whether at a shareholders' meeting in the community center gym or on the shop floor of the tin mill, at an employee participation training session in the executive dining room, or on the expansive lawns of the general offices for an annual food festival, the subordinate role of "worker" still contradicted their celebrated status of "owner." By itself, this is neither surprising nor unexpected in most cases of worker ownership in America that have been imposed by capital and its consultants on both labor and management. Indeed, what is most interesting about worker ownership here is that despite structural and cultural barriers to a democratic Employee Stock Ownership Plan (ESOP), as well as determined efforts during and after ESOP negotiations to avoid one, *workers gradually became more activist in demanding a more democratically structured company*. Contrary to what many observers speculated when Weirton Steel first drew national attention in 1982–84, over the past ten years it has been the site of protracted struggles over *control* in the company. How did this come to pass? What were the sources of this unexpected challenge and what factors have shaped its evolution and form?

Worker Ownership

The significance of the Weirton saga is best understood in the context of debates over worker ownership and participation, and class in America. For most of American history worker ownership has encompassed everything from counterculture cooperatives, to corporate-initiated profit-sharing plans, to radical calls for economic democracy. Since the mid-nineteenth century political elites have tried to claim worker ownership as a "solution" to problems of productivity and the growing antagonism and conflict between capital and labor. In wresting the issue away from labor,

political elites (occasionally joined by business and academia) upheld a version of worker ownership that focused on *equity* rather than *control*.¹ Simply put, this version of worker ownership sees workers as consumers and bases its appeal on financial incentives (primarily, stock ownership or some form of profit sharing) to bring labor and management together under one roof to improve productivity, quality, and overall company performance.

Most recently, this "consumerist version" of worker ownership has been elaborated by Louis Kelso and Mortimer Adler in *The Capitalist Manifesto* (1958) and carried into Congress by Senator Russell Long who initiated legislation in 1974 enticing business leaders to form Employee Stock Ownership Plans (ESOPs).² Legislation has focused primarily on tax incentives, credits, and deductions for firms setting up such plans. In the last decade ESOP legislation has slowly expanded into regulatory policy over banks, retirement funds, and labor law reform.³

The most rapid growth of ESOPs came between 1983 and 1986 following tax credit legislation that benefited high salaried employees but excluded rank-and-file (often unionized) workers.⁴ With the repeal of this tax credit in 1986, ESOPs have become less a federal grant to corporations and more a legal mechanism for corporations to set up trusts and then either use their own funds to create a stock bonus plan with immediate tax deduction benefits (nonleveraged ESOP) or borrow funds from commercial lenders with the advantage of deducting both the principal and interest (leveraged ESOP) from corporate taxes. The tax credit ESOP accounted for most of the ESOP participants (some 90 percent), leaving just 310 leveraged or nonleveraged ESOPs in the publicly traded corporate sector by 1986, the period of my field study.⁵

But the growth of ESOPs has slowed in recent years. From 1983 to 1988 the number of employees in ESOPs grew 66 percent to 9 million, but by 1995 that number climbed only 11 percent with some 9,500 ESOPs covering approximately 10 million employees.⁶ According to Corey Rosen of the National Center for Employee Ownership, roughly half of the 9,500 ESOPs today in America are,

used to provide a market for the shares of a departing owner of a profitable, closely held company. Most of the remainder are used either as a supplemental employee benefit plan or as a means to borrow money in a tax-favored manner.⁷

Likewise, Raymond Russell notes that ESOPs should be distinguished from employee stock purchase plans that have existed much longer and involve far more people and firms. In stock purchase plans employees buy shares of company stock and take immediate title to them, whereas ESOPs are structured as retirement plans where stock is held in a trust and shares are not issued until employees either retire or leave the firm. Russell cites a 1986 U.S. GAO study that found about 5% of ESOPs actually paid dividends directly to individual employees, even though legally entitled to since 1976.⁸ And Rosen notes that by 1996 less than 5% of ESOPs were used to defend a hostile takeover or save a failing company, only 3% of all ESOP participants gave up pension plans for their ESOPs, and only 4% of the ESOP companies required wage concessions.⁹ While close to 85% of all ESOPs are privately held companies, Rosen finds that public company ESOPs are becoming more popular. Some of the most well-known ESOP companies where a majority of company stock is owned by employees include Melville Corporation, Avis car rental, and most recently, United Airlines, while some lesser known majority-owned ESOP companies include Publix Supermarkets and Science Applications International, Inc.¹⁰

Once again, worker ownership is being summoned by political and business leaders to solve a myriad of contemporary problems, from deindustrialization and declining productivity, to the decline of organized labor and growing inequality in America. With the resurgent popularity of ESOPs proponents also expanded their claims, arguing that worker ownership not only improved productivity and company performance but it also reduced labor-management conflict, created an "identity of interests" between employees and their company, and led to improved worker satisfaction in the workplace.

Support from American intellectuals for this dominant consumerist version of worker ownership has been mixed. Tacit support has come from research on American workers that has (a) stressed their interests as consumers¹¹ and (b) shown that employee-owners do not want control over those issues not directly related to their job or immediate work area.¹² Still other scholars have argued that workers *do* want more control in the workplace, but they are either blocked by management, undermined by organizational and cultural factors, or deterred by the state or their

institutionalized unions.¹³ I share this latter view and argue that the “consumerist” version of worker ownership ignores workers as producers and minimizes or excludes any inclinations they have toward control. Indirectly, it seeks to manage such inclinations by structuring another financial stake for workers beyond their wages in exchange for obedience and discipline.

The United Airlines case noted above, like the Weirton Steel case discussed in this book, raises the issue of control once again. Both are rare examples of ESOPs insofar as they are troubled industries where deep concessions were accepted in exchange for worker representation on the company’s board of directors, both seating three employee representatives on a twelve-member board.¹⁴ In 1994 United Airlines became an ESOP company when its pilots and mechanics agreed to wage concessions in exchange for a 55 percent interest in the airline. However, they only represent 8,172 and 26,633 employees respectively, whereas 17,376 flight attendants though the Association of Flight Attendants chose not to participate in the deal. Should they choose to join the ESOP, flight attendants would also be given a seat on the board. Some 27,942 non-union employees, including managers and reservation agents, had no choice about whether to participate in the deal because United’s executive management unilaterally decided they would.¹⁵

Despite the publicity given such cases, companies with worker directors make up a tiny minority of all ESOPs in America. Research on employee representation on the board of directors and decision-making in employee owned companies has tended to show that workers do not desire influence beyond their immediate jobs and working environment. As Rosen notes, “while control and participation are very important to some workers in some companies, they are not so important to others. Instead, it is the financial part of employee ownership that matters most.”¹⁶ Likewise, Raymond Russell found that by 1988 “in only 4% of all firms with ESOPs had union representation or other representatives of non-managerial employees been elected to serve on company boards.”¹⁷ And Robert N. Stern finds that worker/union directors “change very little about decision making unless they are chosen by the workers they represent and enter a board environment in which they are accepted as legitimate participants.”¹⁸ Both of these conditions are rare indeed.

Reviewing the research on workers' control in worker-owned companies, Joseph Blasi once put forth the notion that workers "tend to have a dual culture conflict."

On the one hand, they believe they should not have influence over top policy and managerial decisions and desire to leave a lot to management. On the other hand, when they perceive a substantial gap between their desire for some changes and transformations in the company and the fact that there has been almost no change, they express considerable frustration and often increase their attachment to the union as a mechanism to dominate the resolution of such issues.¹⁹

The observation that worker consciousness is conflicted over issues of workplace control is not new, and researchers from John Commons to David Halle have documented the complex and often contradictory identities and outlooks of America's working class.²⁰ This should not be considered unusual insofar as they (and other classes) live complex and contradictory lives which are understood and expressed as such culturally. But is this evidence of a "dual culture conflict" or are their attitudes about worker ownership in general, and control in particular, evidence of a more complex and dynamic working-class culture, the roots of which extend beyond the factory gates and into the communities where people live? In my view, workers' ambivalent attitudes about control in the workplace have as much to do with their experiences as a *class*, as with worker ownership per se; ambivalence that is magnified by their subordinate position in the working class and their ambiguous status as "worker-owners."

While the United Airlines case will be interesting to watch, the Weirton case suggests that how workers interpret worker ownership and what they claim as their legitimate sphere of control is shaped by more than economic rationality or their position in the workplace. Looking at how workers reason over issues of control I show how their "desires," and the "gap" between these and their perception of change, are shaped in the community as well as at work. What is now considered a "dual culture conflict" might once have been more complementary *and less* conflicted under conditions where work and home, industry and community were more

integrated. Before exploring this further I wish to consider employee participation reforms, which are far more common than board representation in worker-owned firms in America.

Employee Participation

Employee participation reforms are hardly a recent innovation in American labor-management relations. Such "cooperation" programs date back at least to the Employee Representation Plans that were common during the 1920s. Since that time, industrial sociologists, psychologists, and engineers have diligently researched the workplace and helped design programs to raise productivity, improve labor-management relations, and impose labor discipline.²¹

In the past twenty years labor relations reform has included various forms of employee participation and "quality circle" programs initiated solely by business and outside consulting agencies.²² Yet results have been mixed at best, and scholars of work and industrial relations are divided in their evaluations of this most recent wave of reform. The current debate over the "new industrial relations" has been dominated by two opposing perspectives. At issue is whether these programs have deskilled workers and eroded what control they have over work or whether they have enhanced workers' skills and their influence in industrial production.

On the one hand, theorists of the "post-Fordist/flexible specialization" school argue that recent changes in labor relations herald a significant movement away from previous strategies deployed by capital to control and organize the labor process and workers.²³ From their perspective, the reorganization of industrial production and labor relations results from changing market conditions that increasingly require new technologies and organizational structures to meet a growing demand for specialized goods and services. Mass production technology and organizational forms that dominated industry along the lines of Taylorist principles no longer effectively meet these demands and have been (or must soon be) abandoned. Employee participation represents a potentially empowering opportunity for workers to improve their knowledge and skills and contribute to the firm's success.

Challenging this view are those who argue that employee participation reforms are little more than managerial attempts to extend their control over the labor process and placate American labor under conditions of increasing foreign competition and a growing global division of labor and capital. For theorists of the "labor process/deskilling" perspective recent innovations in technology and industrial organization not only undermine the skills workers have but, in the case of participation programs, have induced workers into collaborating in their own exploitation. It is no surprise, they point out, that such reforms have historically coincided with attacks on organized labor and currently follow upon a thirty-year decline in union membership and strength.²⁴

Just how effective has employee participation been in reducing labor-management conflict, promoting cooperation, and improving productivity and company performance? Given the variety of employee participation programs and the difficulty showing direct causality between such reforms and these results, research is still inconclusive. Several studies have shown a positive correlation between many forms of participation, and productivity and company performance.²⁵ Yet Raymond Russell cautions that recent studies have cast doubt on "many of these comfortable conclusions about the effects of participation on satisfaction and performance."²⁶ Likewise, he notes that employee ownership (through some form of profit-sharing or "gainsharing" formula) by itself is also unlikely to significantly improve employee performance or satisfaction.

On the other hand, Corey Rosen argues that *combining* employee participation and ownership does lead to significant improvements in productivity and company performance.

Researchers now agree that "the case is closed" on employee ownership and corporate performance. Findings this consistent are very unusual. We can say with certainty that when ownership and participative management are combined, substantial gains result. Ownership alone and participation alone, however, have, at best, spotty or short-lived results.²⁷

Other research supports Rosen's optimism,²⁸ yet the case may still be open. Russell suggests that although "the social scientific evidence regarding the effects of various kinds of participation may

still be weak or inconclusive, the quality of this evidence may in actuality be less important than the question of what corporate managers perceive the impact of participation to be."²⁹ Several studies have shown that American managers believe participation improves employee and company performance. But an interesting finding is that management remains ambivalent about participation reforms and frequently terminates successful experiments rather than expand them throughout the firm.³⁰ Why? According to Russell, a number of factors are at play, including;

resistance by supervisors whose authority is threatened . . . ; a lack of support for or commitment to the experiments from middle or top levels of management; a perceived lack of compatibility between a democratic experiment and the managerial practices and organizational traditions dominant in other parts of the firm; and a tendency for employees involved in successful experiments to begin insisting that their increased effort or productivity ought to be rewarded with some sort of increased pay.³¹

So even though employee participation has often shown its "bottom line" value, especially when combined with employee ownership, it has yet to be completely embraced by corporate America. This suggests that the "productivity" dimension of worker participation and ownership is important *only if, and to the extent that, it is combined with the dimension of control*. In this context, the current participatory impulse is more of an ideological construct useful in struggles for control over the labor process than simply an issue of efficiency or productivity.

Likewise, studies on the impact of participation on worker attitudes and satisfaction, and labor-management cooperation remains inconclusive at best. Reviewing data from opinion surveys, statistical analysis, and case studies, Barry and Irving Bluestone find that although survey data (on management/executives, rank-and-file employees, and union leaders) generally indicate widespread approval of employee participation, statistical and case study research shows little impact on satisfaction and labor-management cooperation one way or the other.³² They do note research showing that such reforms *do* have a positive impact in these areas to the degree that unions are involved in their design

and implementation.³³ This, however, is quite rare as most participation programs have been designed and initiated by management.

In his review of ESOPs during the period of my fieldwork in Weirton (1986–87), Joseph Blasi cautioned against assuming any inevitable improvement in labor-management relations under worker ownership.

[The] fundamental conclusion from recent experience demonstrates that labor-management cooperation does not emerge automatically when publicly traded companies move into employee ownership. [And] it is clear to see that the corporate uses of employee ownership tend to ignore industrial relations.³⁴

While Rosen and Russell would urge employee owned companies not to ignore industrial relations, it remains an open question just how employee participation and ownership will be combined and with what consequences. As Blasi notes, even when workers buy a public company “there is no evidence that employee ownership leads to efforts toward greater labor-management cooperation,” but he went on to say,

companies such as Weirton Steel [a privately held company during my research] that have bucked this trend have begun to redesign the system of industrial relations in their companies.³⁵

Weirton Steel has indeed spent a great deal of time, money, and effort in implementing wide-ranging employee participation reforms, but my research suggests that instead of “bucking” the system they have reinforced it. After three years of worker ownership, the rhetoric and deployment of employee participation reforms were significant precisely because questions of control in the mill were far from settled following the ESOP negotiations. Workers were unsure of their new role as worker-owners and they held vague expectations about “our” mill, but they also held doubts about company leadership and where it was taking them. Whatever these expectations, the main impact of employee participation was to further *bureaucratize* the workplace, reinforcing the role of “worker” and the distinctions—*and divisions*—between labor and management. Even though millworkers accepted an or-

ganizational hierarchy, they still desired more say in who management was and what they did.

More, workers' conceptions of control were both supported and contradicted outside the mill, where community and familial relations shaped their ideas about workplace relations and authority. Since 1987, workers have become frustrated with, and critical of, employee participation. I argue this is due as much to the demise of a paternalistic order that once governed labor relations as it is to the failure of employee participation to provide an adequate alternative normative order under worker ownership. To further explore worker ownership in this larger context, we first need to consider the historical intersection of paternalism and class in Weirton.

Paternalism and Class

In 1909 E. T. Weir stood high atop a hill overlooking the Ohio River, gazed confidently at a farming valley of "indifferent crops of wheat and apples" and declared Hollidays Cove the site of his new steel mill. The "story" of Weirton's beginnings is told in town histories and depicted in a film produced by the Weirton Steel Company.³⁶ How accurate it is matters little compared to its cultural significance. The incident has become almost mythical and serves as a symbolic signpost, a cultural marker of Weirton's past as a company town. The image of Weir standing in a long black coat and hat, the camera panning the lush valley and rumbling, smoking steel mill below, resembles as much a benevolent patriarch contemplating his traditional duties and obligations as it does an eager entrepreneur surveying his prospective financial fortunes. This image of strong-willed, determined independence with its normative overtones is part of Weirton's cultural heritage as a company town; a paternalistic order integrating a steel mill, its workforce, and a community, although one not without its contradictions and ambiguities.

The concept of paternalism has often been used to describe relations of domination and subordination under rural or early industrial conditions,³⁷ or in the case of slavery in the American antebellum South.³⁸ With the notable (and debated) exception of Japanese industry, paternalism has been viewed as a form of traditional authority that would inevitably be transformed by encroaching market forces and bureaucratic modes of organization.³⁹

But despite its common usage, paternalism remains a loosely defined concept that raises important questions about authority relations and the dynamics of class struggle.

Nicholas Abercrombie and Stephen Hill argue that paternalism “is primarily an economic institution concerned with the manner of organizing a productive unit and regulating relationships between subordinates and the owners of the means of production or their agents.”⁴⁰ Paternalism is constituted by differential access to power and resources and an unequal exchange of goods and services. It is typically a diffuse social relationship covering all aspects of a subordinate’s life—the whole person. The ideological dimension of paternalism, which Abercrombie and Hill argue is overemphasized and often misapplied, legitimates elite control and privilege on the basis of personal care and benevolence toward subordinates dependent on elites for their well-being. Finally, paternalism is also a collective form of social organization where, despite the rhetoric of individual obligation,

subordinates’ obligations and duties, and the reciprocal paternalistic benefits, become common to the whole group rather than varying from person to person, and the customary regulation of relationships develops for all. . . . This explains how paternalism can flourish without face-to-face interaction between an owner and employees: it becomes part of the organizational rule system and the normative structure of management.⁴¹

In contrast to the contract exchange of rational free-market individualism, paternalism is an attempt to mitigate the worst aspects of industrial capitalism—class conflict—by blending traditional family and community norms within industrial organization. As Howard Newby writes, nineteenth century industrialists felt that,

the sedative effects of paternalism were of a kind that would bring about stability and order and an identification of the workers with their “betters” [and] therefore enabled power relations to become moral ones, so that not only would workers believe that their employers *did* rule over them, but they felt they *ought* to do so [original emphasis].⁴²

This moral dimension, however, ultimately masked the primary interests of industrialists which rested on regulating a labor force at higher levels of productivity. And as Richard Sennett notes, unlike the factory experiments of Robert Owen in Scotland, paternalism in nineteenth-century America placed far less emphasis on the *moral* betterment of workers than on removing "the sting" of industrialism through elite oversight and community welfare. Employers of the company towns built throughout the American east and Midwest, writes Sennett,

claimed that they were acting for their employees in the employees' own best interest; but, in contrast to the older Benthamite or Owenite schools, they claimed that mutual economic advantage to the employer and employee resulted, as well as a moral environment. Like the Walthamite industrialists, they worried about community services for their employees, but unlike the Walthamites, they argued openly that these services were morally valuable because happy workers were more productive and less strike-prone than unhappy ones.⁴³

Likewise, Michael Burawoy and Newby argue that factors associated with labor force needs and production technologies spurred the development of "factory regimes" or paternal institutional and normative structures.⁴⁴ In any case, most observers view the ideological and moral claims of paternalism as secondary to its exploitative institutional arrangements.

This raises a fundamental question that scholars have grappled with and is central to the Weirton case: What of the contradictions between the benevolent and coercive sides of paternalism and the forms of opposition and challenge they engender? As Newby notes, paternalism may combine simultaneously "autocracy and obligation, cruelty and kindness, oppression and benevolence, exploitation and protection."⁴⁵ Much of the confusion over paternalism, argues Mary Jackman, lies in the difficulty researchers have reconciling its friendly and coercive dimensions: "warm feelings seem incongruous with a discriminatory intent."⁴⁶ Jackman resists the assumption that paternalistic ideology is any more insincere or intrinsically flawed than other forms of social control, claiming that paternalism is a negotiated order, albeit

reached under unequal conditions, that is fundamentally exploitative but *is not* therefore any less affective. Or, as Reinhard Bendix has written, “a personalized exploitation can be every bit as cruel as an impersonal one.”⁴⁷ Indeed, “it is precisely this ambiguity and subtle deception,” notes Jackman, “that makes paternalism such an insidious form of social control. . . . [T]he coercive potency of paternalism draws vitally on the ‘inconsistent’ attitude structure that lies at its core.”⁴⁸

But then so too does the potential for opposition. On the whole, most scholars generally acknowledge that paternalistic authority leaves elites vulnerable to challenges by subordinates based on its own normative and moral codes. As Newby puts it,

[Paternalism] thus tends to disguise, however imperfectly, fundamental conflicts of interest and to mediate, however unjustly, between one class and another. In doing so, however, it grants to subordinate individuals certain prerogatives which, while technically in the gift of those in power, tend over time to be appropriated as “rights.” Custom therefore sanctions claims upon those exercising a paternalist mode of control which frequently leads to paternalism being redefined from below in a way which may form the basis for the overthrow of paternalism itself.⁴⁹

Further, Newby points out, the economic interests or conditions of employers “that demand that workers be treated as impersonal commodities subject to the vagaries of the labour market” may collide with the ideology of paternal obligation that demands “they be personally protected and cared for as far as possible.”⁵⁰

Jackman argues that because analysts assume that exploitation necessarily involves conflict and open hostility between dominant and subordinate groups, periods of calm and stability are taken as evidence of “false consciousness” or complete acceptance. Again, she questions this assumption and suggests that exploitative intergroup relationships under paternalism should not be defined purely in terms of conflict and open hostility but also involve periods of genuine goodwill, peace, and stability. Paternalism elicits loyalty and submission (though incomplete), but it is also subject to challenge and opposition (partial as it may be). To assume subordinates’ total ~~submission during~~ submission/during periods of calm, hence caught in an ideological spell, makes it difficult to explain the

nature and form of opposition when it arises, except in terms of "hidden resistance," or what Eugene Genovese refers to as "simultaneous accommodation and resistance."⁵¹ The question then becomes *what* is to be considered accommodation and resistance?

Although my study is primarily ethnographic, I needed to look more closely at Weirton's history to better understand a moral economy that derives from paternalism and is still evident today in the practices and outlooks of residents and mill employees alike. The concept of moral economy was first developed in the work of social historians, particularly E. P. Thompson in his studies of capitalism and an emergent working class in eighteenth-century England.⁵² Briefly stated, Thompson analyzed resistance among the English poor to market transformations that undermined traditions and customs of an earlier period of economic production and exchange. Grievances among the poor, Thompson notes, "operated within a popular consensus as to what were legitimate and what were illegitimate practices in marketing, milling, baking, etc."⁵³ These popular sentiments of "right and wrong" regarding the production, distribution, and exchange of economic goods were,

grounded upon a consistent traditional view of social norms and obligations, of the proper economic functions of several parties within the community, which taken together, can be said to constitute the moral economy of the poor. An outrage to these moral assumptions, quite as much as actual deprivation, was the usual occasion for direct action.⁵⁴

Thompson argues that the moral economy of the English poor was not an articulate political ideology, but neither was it *unpolitical* for it "supposed definite, and passionately held, notions of the common weal," many of which found support in the paternalistic traditions of authorities.⁵⁵ Indeed, the poor validated their grievances and direct action by a "selective reconstruction" of a receding paternalistic code governing economic behavior.

Thompson's analysis has been criticized primarily on the grounds that it is (a) too cultural and (b) too political. On the one hand, critics argue that Thompson places cultural traditions, customs, and moral norms ahead of economic and political structures in shaping working-class struggle and opposition.⁵⁶ Similarly, many scholars have argued that the idea of "moral economy" mistakenly

emphasizes notions of cultural identity and collective action over rationally calculated self-interest in explaining people's economic behavior.⁵⁷ On the other hand, Thompson attributes political significance to the vaguely articulated, partially conceived, but strongly felt moral codes that inform and direct working-class protest, while many scholars question just how "political" and effective such opposition is and can be. Richard Sennett, for example, has argued that resistance to paternalism is circumscribed by the very symbolic framework it deploys.

The negation of authority does not transcend the ethos of capitalism: "possession" is the ruling term. The vision of a better social order, or a truly responsive and nurturing authority, of *better* authority, is not germinated by this resistance. . . . The potency of paternalism is more, however, than a matter of deflecting protest. One consequence of this highly charged conflict is that the worker can reject anyone who reaches out to him in the name of helping him. . . . Learning to disbelieve, *per se*, is what the worker took away from the original experience [original emphasis].⁵⁸

While I see Weirton's moral economy as a product of the historical evolution of paternalism, I am also arguing that such normative and moral codes still persist today and shape how people perceive and act toward worker ownership. But what were the lessons of this history for workers and residents of Weirton? Was periodic resistance insignificant in shaping paternalism and later struggles, or did it nurture a "vision of a better social order"?

Class and Class Consciousness

The debates over paternalism and opposition speak to the same problem facing theorists of class. Research on class and class consciousness has tended to portray the American working class as rather docile; one that may be a *class in itself*, organized under exploitative capitalist relations of production, but not *for itself*, that is neither conscious of a class identity nor politically mobilized as such. The working class in America has been considered apolitical, disorganized, and *coarsely militant* as a class, though ethnic,

racial, and sexual divisions often become aggravated, thus complicating and compromising fundamentally shared class interests. But as Rick Fantasia has noted, exceptional periods of labor unrest in America have thus been seen by many scholars as the model for “true class consciousness,” for these outbursts of political opposition conform more closely to the assumptions of theorists who see the working class as, in the Marxist sense, “a historical force” for radical social change.

This view derives in part from survey research methods that define and measure class in discrete statistical terms, what Eric Olin Wright calls a “gradational” view of class,⁵⁹ and in part from theoretical assumptions concerning the “historic role” of the working class. In gradational terms, class is viewed as a group of people who have differential access to some set of resources in a vertical system of stratification defined by quantitative measurements. Here, class becomes a set quantity, either of people or resources, rather than a qualitative process of relationships between people. Survey research has tended to identify those who fit these set quantities and define class consciousness, then, in terms of the views and attitudes they expressed at a given point and time.

But this provides a rather fixed, or static view of people’s outlooks, a picture of class consciousness that may, as Fantasia notes,

capture some important attitudinal trends, but crucial dynamics of collective interaction are lost, and thus what is being measured may not represent the *collective* class consciousness that studies purport to show [original emphasis].⁶⁰

Surveys that find a passive American working class or “satisfied” workers have often failed to explain or predict sudden explosions of opposition as well as the high degree of worker militancy throughout American history to the present. More, survey techniques separate cultural expression from lived experience and behavioral routines of people; forms of association that also exhibit cultural forms often at variance from those documented in surveys. For example, Fantasia notes the 1959 Lubell Poll of American steelworkers that showed overwhelming opposition to a possible strike only to be followed by workers enthusiastically supporting a 116-day strike—the longest in the history of the

industry. Or John Goldthorpe's surveys of English automobile workers in the *Affluent Worker and the Class Structure* (1969), which showed them firmly integrated into the class system and holding no serious grievances, only to erupt into "wild rioting" at their factory before the book had been published.⁶¹

Instead, Fantasia adopts a more "relational" view of class that focuses on the relationships between groups and the exploitative context of those relations.⁶² In this sense, class and class consciousness are more dynamic, unfolding, and always subject to the conflictual conditions and situations given by market forces, economic organization, and family and community life. For Fantasia, the expression of class consciousness is fundamentally rooted in collective action and as such may become manifest in various forms of acceptance *and* opposition, neither of which alone accounts for the "true" nature of class struggle but together constitute a lived experience combining both objective social relations and their subjective ideational forms.

Here, Fantasia's approach to class analysis helps clarify the confusion in debates over opposition to paternalism and the form such resistance might take. Rather than either assuming, or imposing, a specific political orientation for working-class struggle, Fantasia suggests looking at class consciousness through "class action as it is expressed in specific industrial conflicts and framed by institutional trade unionism and the industrial relations system in which it operates."⁶³ He adopts the concept "cultures of solidarity" to refer to the "cultural expression that arises within the wider culture, yet is emergent in its embodiment of oppositional practices and meanings."⁶⁴ Following the lead of E. P. Thompson and Raymond Williams, Fantasia views class and the political dimension of class struggle as both an objective condition of exploitation and subjective cultural outlook that are constantly evolving through what Marx termed "praxis,"

[a] purposive activity that changes the world and is changed by it at the same moment. From this perspective, human labor in capitalist society takes place within an exploitative context that generates opposition. The activities of workers against capital contain in themselves transformative potential, for in the course of struggling to liberate their "social being," they are simultaneously liberating their "subjectivity."⁶⁵

Ethnographic analysis provides the best method for studying these emergent forms of class association and opposition because “a victory” or “politically correct” outlook in these struggles is less important than understanding how cultural forms are acted out in collective action under exploitative conditions and against employer strategies that seek to repress or contain them. My research seeks to analyze how such choices are structured and acted out.

Adopting this approach, in my view, helps to explain the complex intersection of paternalism and class, and the evolution of worker ownership in Weirton. Like other company towns, Weirton was dominated by the mill and its powerful elites. But the social order these elites envisioned was challenged by workers, not only in 1919, but again from 1934 to 1951. Paternalism in Weirton was never successfully opposed, nor was it completely embraced. Instead, the lives of people living there are better understood in the context of a complex history that included elements of elite dominance and local resistance, worker quiescence and opposition. And if Weir and fellow elites exercised considerable power, paternalism repeatedly intersected with national and international developments—two world wars, economic booms and busts, New Deal policies and politics, national union organizing—and was a product of these forces as much as of elite design or desire. What developed was a series of “forced choices,” leading to what two scholars of a company town in England noted as “exaggerated deference” alongside “dull resentment.”⁶⁶ Weirtonians “got what they could get” but they always knew whom they were getting it from—the mill and town elites.

Outline of Chapters

In chapter 2 I examine the social and cultural order of Weirton until National’s announcement in 1982 to divest its Weirton Steel division. Paternalism organized mill and community life from controlling employment, labor force size, compensation levels, promotions and thus social mobility, to regulating personal lives, enforcing civic obligation, and even influencing marital choice. Paternalism sought profit and labor discipline but it also entailed the obligations of a benevolent, though autocratic, version of community. At the same time, federal opposition and significant agitation

within the mill workforce for an independent union shaped paternalism and the moral codes that are still evoked today.

In chapter 3 I look closely at the ESOP negotiations that evolved over a two-year period from 1982 to 1984. Ironically, both critics and supporters agreed that in the Weirton case strong community sentiments and close-knit local and family relationships would help secure the eventual mill buy out and later become an integral component of a successful ESOP. But this view fails to account for the town's conflicted history, the divisions that characterize Weirton today, or the animosity and ambivalence many people expressed toward the town and the mill. While sensitive to how "community" designated geographical boundaries as well as social relationships, I was also interested in "community" as an *ideological* construct that carries normative and moral prescriptions for those who consider themselves members.⁶⁷

From the start the idea of worker ownership became the only option for workers and residents alike. It was vigorously pursued by local management and union officials, but a small group of workers challenged the secretive and nondemocratic negotiations. Eventually other groups emerged in protest, though an alliance among dissenters never formed. At this point, a consistent history of losing the battles of confrontation became manifest in traditions of compliance, of avoiding conflict, and of pessimism regarding how much, if anything, labor militancy in the name of economic democracy could do. With dissent fragmented, calls for more worker involvement and a democratic ESOP were steadily discredited in a symbolic struggle over "community" that threatened the buy-out and the very community people were trying to save.

Part III focuses on labor relations reform at Weirton Steel. In chapter 4 I discuss the structure and operation of employee participation where its primary impact is the *bureaucratization* of labor. Employee participation (EPG) reinforces the role of worker and the distinction between workers and management through its "problem-solving" orientation. This bureaucratization is further supported through the employee participation training program and the ideology of "participative management."

How workers, management, and employee participation staff evaluate these reforms is the subject of chapter 5. Employees generally find the *idea* of participation appealing while remaining skeptical of how well it works. Management is skeptical of em-