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The Politics of Three Case Studies Industrialization

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The Politics of Industrialization

Three Case Studies

Eve S. Weinbaum, Ph.D.

This article analyzes the grassroots efforts of the working and unemployed poor of three Appalachian communities to improve their towns' devastated economy in an era of rapid economic change and globalization. While all three were beset by plant closings, their forms of political mobilization, both before and after the shut-down, differed. Each group of workers mounted a communitywide campaign designed to convince the company to stay, to induce local government action, to receive pay and benefits due, and to influence state legislation and economic development policy. Mobilization in the wake of a plant closing is rather extraordinary, especially in isolated, low-income rural areas. Why did it occur in these communities, and what were its consequences for the participants and for the state? First, each group's ultimate failure to influence an economic outcome and policy reveals the grim prospects for meaningful local democratic politics in a global economy. But second, the mobilization in two of the three cases succeeded in transforming the participants and the local community.

There is something new and disturbing about current economic afflictions," says *The New York Times*.¹ In the 1990s, journalists and social scientists of all political persuasions are observing troubling trends and widespread anxiety regarding economic issues, especially among the unemployed and the poor, but increasingly throughout the American middle class. The changes that accompany downsizing and deindustrialization are affecting a broad group of workers — from blue-collar production workers to high-level managers — in nearly every region of the country.

The changes of the late 1980s and early 1990s in New England have been particularly severe. Partly because of decreases in defense-related spending, the Northeast has seen what one economist has called "dramatic employment reductions . . . the most severe recession the region has faced since the Great Depression."² A disproportionate share of these reductions has been caused by business failures or plant closings in a variety of economic sectors. Closings in New England, as elsewhere in the nation, have had serious, undesirable implications for the regional economy. Firms that cease to exist cannot rehire workers in periods of economic recovery, banks whose business customers default become less likely to finance new ventures, and communities are decimated as laid-off workers disperse. Accordingly, economists argue that high rates of plant closings tend to have lasting repercussions and to slow eventual economic recovery.³ The "global economy" has had an obvious and well-documented impact on Americans'

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standard of living and economic expectations, but it also has affected our politics.

I analyze the political changes that accompany deindustrialization in cities and rural areas all across the United States by closely examining three plant closings in Appalachian Tennessee. Although local conditions and regional differences are important, these communities provide a useful microcosm for the study of political mobilization around economic change in any region. Many of the firms that once left New England and the Midwest for the low wages and less stringent regulations of southern regions like Tennessee are now moving on. Some are going overseas in a continuing quest to reduce production costs, others are moving between states and counties to benefit from economic development policies and incentives. Whatever the reason, capital mobility is becoming more prevalent than ever, leading to serious consequences for every region of the United States.

All three subject communities analyzed experienced plant closings between 1988 and 1993. The workers in each plant, deciding to protest the shutdown in some way, undertook an effort to improve their community's devastated economy in an era of rapid economic change and globalization. Different forms of political mobilization took place either before the closing (with the hope of preventing it) or afterward, or both. Each community mounted a communitywide campaign to prevent the plant from closing, to induce local government action, to acquire the pay and benefits due them, or to lobby for state or federal legislation. Such mobilization in the wake of a plant closing is rather extraordinary, and I examine the reasons for its occurrence and its results in all three cases.

I discuss the mobilization in several stages, the first covering the circumstances of the shutdowns. It is striking that, although the workers in these plants had more or less notification and time to prepare, this made little difference; all the closings came as a shock and a hardship. The three factories are in small towns in rural areas, and the workers knew that once laid off, finding work, except at fast-food restaurants, cleaning houses, or through temporary agencies, would not be easy.

The second stage is the mobilization campaign. The nature of the effort varies tremendously between cases. Is the problem framed as a single plant's failure or as a challenge to the structure of the American economy? Besides the breadth of the issue, there is the question of the nature of the target of the activity: the plant manager, the corporation, the local, state, or federal government. I show that these are not given parameters but the choices of the leaders in the early stages of a campaign.

The third stage involves the nature of the coalition that forms around the issue as it is framed. To be successful, organizers must recruit others who can provide resources and examples. Their ability to do this depends on many factors, including the current degree of organization in the workplace and in the community and between the two, as well as the leadership and organizing skills of those involved in the drive.

Finally, I argue that the success or failure of each mobilizing effort must not be judged by economic outcomes alone. When small, rural, economically and politically marginalized groups confront national and international institutions on the direction of the global economy, positive material outcomes are a rarity. At least as important are the changes in the individual participants and in their communities brought about by the experience of political mobilization. Through this process, participants come to understand many factors in an entirely different light: their own power and the power of collective action; power relations in their communities; their relationship to authority and the ability to stand up for what is right; the "economy"; national debate of public policy

issues; politics and the role of elected officials; and their commonality with working people across the country and the world. I based the description and analysis of the striking differences in their perceptions of their experiences, and of politics more generally, on my sixty in-depth interviews, conducted October 1993 through February 1994, with employees in all three communities. These transformations demonstrate the potential of grassroots organizing to generate political change.

These cases show that organized and sustained struggle requires many factors, including various types of resources, preexisting community networks, and perhaps most important, leadership. I show that the differences in the types of issues defined, the campaigns waged, the coalitions formed, and the changes in both understandings and material conditions are directly related to the type of political organizing that characterized each effort.

Case 1: Greenbrier Industries

The more than five hundred Greenbrier Industries employees who returned from their Fourth of July vacation in the summer of 1993 found a rude surprise awaiting them. The Clinton, Tennessee, workers were greeted by a telephone message instructing them not to report to work the following day. Some disregarded the message or, certain it could not be true, went to the factory to find out more about what was happening. There they found supervisors and plant managers who were equally confused. The workers were told only that they would receive word in a week as to when they should come back to work. When they checked in the following week, they received the same response. No one knew what to expect, but there was no work. Little by little, the employees discovered the truth: Greenbrier would not reopen. Even worse, it appeared that the company had for months been secretly siphoning off funds. Most workers' final paychecks had bounced. Many payroll taxes had not been paid, suppliers had stopped deliveries when months-old bills were left unpaid, and the company was behind on its obligations. On July 28, 1993, Greenbrier Industries quietly filed for Chapter 7 bankruptcy at its New Jersey headquarters.

Hiring as many as 650 people, Greenbrier Industries had been the second largest employer in Clinton, a town of only 8,000. An apparel plant owned by Northerners, it was a rather typical rural southern factory employing mainly women to sit in front of assorted sewing machines for long days. The pay was low; in 1994, most new workers were paid \$4.50 an hour. More experienced workers hoped to be placed in piece-rate jobs in which they could be rewarded for extraordinary speed. But when a worker or a group became too efficient at a particular task — when their earnings neared \$7.00 or even \$8.00 an hour — engineers appeared to conduct new time studies and reevaluate the piece rate downward. Sewing machine operators did not get rich at Greenbrier, yet workers maintain that they liked working there. Treated well, they considered themselves part of the Greenbrier “family.”

The large old brick factory building by the river, just two blocks from City Hall and in clear view of the Anderson County courthouse, could not have been a more centrally located landmark. It drew workers from very poor rural Campbell, Union, and Roane counties, but most of the employees lived nearby, and nearly everyone in Clinton seems to have had at least one relative, friend, or neighbor who worked at Greenbrier. The twenty-two-year-old company had a rather checkered past. Plagued by investigations and allegations of corruption, Greenbrier had been shifted among various interrelated

owners for many years, yet had continued to grow and thrive. Greenbrier's main customer — for years it had been the only one — was the U.S. government. The plant, which was awarded Department of Defense contracts, had started by making body bags, eventually branching out into parkas, bulletproof vests, camouflage suits, tents, wind-breakers, and dress coats. The workload had been extremely heavy during Operation Desert Storm, and managers not only hired many more workers, but everyone put in overtime hours, sometimes as long as sixteen-hour shifts several days in a row. But business had slowed so that workers were being shifted around and sometimes laid off. Everyone seemed to know that business was bad, but management had continued to assure workers that everything was all right. The sudden bankruptcy was a shock to the entire Clinton community.

For many workers, the devastation of suddenly being faced with no work and no income was intensified when they learned the details of the bankruptcy. Many were burdened by the most serious problem of owing huge hospitalization bills. While they were employed, the workers had continued to contribute weekly payments — approximately \$30 a week from a gross salary of less than \$200 — for health insurance. But without informing anyone, the company had stopped paying their bills six months previously. Greenbrier, a self-insured business, had not paid medical bills for half a year. Some workers owed up to \$40,000 in hospital bills, despite the assurance of the company, to both the workers and the doctors, that it would cover all services, including major surgery. By the fall, the workers were being hounded by collection agencies on behalf of hospitals, and some began to receive notices that their wages, if they had any, would be garnished to pay Greenbrier's outstanding bills.

Many workers had also contributed to a 401(k) pension plan, some up to 15 or 20 percent of their monthly wages, on the promise that their personal contributions were being matched by those of their employer. After the company declared bankruptcy, these employees found that not only had there been no matching payments, but their own contributions had been seized by the bank. Workers watched helplessly as their livelihood and their entire savings disappeared.

The Greenbrier Workers Committee

When it was clear that the plant was permanently closed, the Greenbrier workers called a meeting at which almost three hundred people appeared. Comparing notes, they discovered common ground: everyone had been promised that they would return to work after the summer vacation; nobody's hospital and doctor bills had been paid for at least six months; no one knew what had become of their 401(k) savings. One by one, outraged workers stood up to tell their stories. The group, becoming increasingly angry, discussed possible courses of action. Because the company had declared bankruptcy, no one was optimistic about the plant's reopening. Someone pointed out that although the workers' bills had not been paid and many of their final paychecks had bounced, the managers and office staff were still working. So the group decided to begin picketing twice a week. They demanded that the company dedicate whatever money remained not to office staff in an empty factory but to repayment of its debts to the workers. The activists also decided to continue meeting in the county courthouse every Thursday evening to share information and to make further plans.

Although the decision to picket was spontaneous, it was taken seriously by the attendees. More than one hundred workers, armed with angry picket signs, arrived the following Saturday morning and led a lively parade in front of the factory. The local

press showed up, and even the Knoxville newspaper and television stations took notice, for picket lines are an unusual sight in the quiet Cumberland plateau. Energized by this attention to their plight, the workers told their stories and attempted to garner even more notice. They called their senators and representatives and contacted county and city executives, asking that an official investigation be undertaken. The federal officials' only response was to refer them to the nearest job training and employment offices, and the local officials claimed that they had no power to intervene.

When a report of the Greenbrier workers' initial meeting and picket line appeared in the Knoxville press, the Tennessee Industrial Renewal Network (TIRN) became interested. A coalition of labor, community, church, and environmental groups dedicated to organizing around such economic issues as plant closings, TIRN had been involved in helping workers in similar situations. TIRN sent a staff organizer, Tom Turner, to speak with the Greenbrier workers to determine whether they would be receptive to his assisting them in planning strategies and educating people about their rights and opportunities. Turner attended an early meeting, bringing with him two women who had lost their jobs when their sewing factories closed. They described to the group the hardship of surviving a plant closing and provided information regarding the various government programs and what could be expected of each. Following this gathering, Turner continued to attend Greenbrier meetings and picket lines and began to work more closely with a group of key leaders. They decided to call themselves the Greenbrier Workers Committee (GWC), elected officers, and formally joined TIRN.

The picket lines and meetings continued, but as weeks passed the ex-workers became demoralized. They had succeeded in getting the office staff out of the empty plant, but were given no answers concerning the money due them. The media ceased to be interested in the stale plant-closing news, and politicians no longer returned phone calls. Some of the workers found new jobs, most requiring significant commutes and paying less than their previous amounts, and most had no time to continue protesting. Others decided that the situation was hopeless and gave up. By early December, fewer than ten people attended a Thursday meeting, and it seemed unlikely that the GWC would continue to exist. The leaders decided to hold one more meeting, in mid-January, to see if progress had been made in tracking down their 401(k) and other funds, and to disband after that.

The Failure of the GWC

At an early meeting the laid-off workers had discussed possible strategies. Understandably, their immediate goal was to secure the money they feared was lost: their final paychecks, health insurance, and pension savings. Toward this end, Turner suggested that they contact a lawyer, bringing Rick DeLone, a Knoxville attorney experienced in bankruptcies to their next meeting. The attorney had spoken with the bankruptcy trustee in New Jersey to ascertain the status of the Greenbrier estate. After listening to the workers' concerns and needs, DeLone presented the bad news. If he were in their shoes, he told them honestly, he would not spend the time and money either suing Greenbrier or following up on their claims. It would be prohibitively expensive for the workers to hire him, DeLone said, because it would require repeated trips to the northern New Jersey company headquarters where all its records and the bankruptcy papers were filed. And it would be unlikely to pay off, since the bankruptcy was complete, and Greenbrier's individual owners, who reportedly had fled to South America, were protected by American incorporation laws.

Some workers at the meeting resisted DeLone's conclusion. Some wanted to think of ways of raising money. They were eager to offer proof of management's wrongdoing and to prosecute the offenders. One woman verbalized the certainty of many concerning the firm's mismanagement. "They knew, probably two, three, four years ago, that they were running into financial difficulties. There's no doubt in my mind that in this time frame, they started taking money and putting it into other companies, changing names, putting it in their own pockets. They really did. And if I had the time, if I had the money, I could prove this with Greenbrier. But I just don't have the money." She also explained that their goal in hiring an attorney would not be to win a large settlement but simply to see justice done. "It wasn't the money that we wanted. I think we would have been satisfied with an apology. But we never heard from them. It's just horrendous."⁴

Another woman described her sense of violation and powerlessness. "When they claimed bankruptcy, it made me so mad I wanted to die. I said it's like standing on the courthouse steps being raped, and the police driving by and just waving. You know, they took our money. And apparently they'd been taking it a long time."⁵ A man wondered at the imbalance of justice he suddenly saw: "It's like, you've let them steal everything you've got, and there's nothing you can do about it. But now if we — if you or I — go out here and steal something, they'll put us in jail. It's just not . . . it's just not fair."⁶

Yet this tremendous sense of injustice and anger had no outlet. The workers, unable to dispute DeLone's conclusions, deferred to his expertise. Certain individuals continued to look for ways to fight rather than to accept their fate passively. Ann Ritter went to the Anderson County courthouse to see if she could take out a warrant for the plant manager's or the owner's arrest, because, as she said, "He's took money out of our checks and used it for his own." But, as she was told, "He's protected by the bankruptcy court."⁷ She persisted, calling news stations and being interviewed repeatedly about the Greenbrier situation. She called Senator Jim Sasser's office and sent reams of information to his aides, but ultimately received no response. Eventually Ritter, who had to take on three jobs to replace her Greenbrier work, had no more time for protest.

Months later a group of workers reconvened and decided that they should continue to try to raise awareness about their plight. They were still saddled with huge hospital bills — one was trying to pay off a \$38,000 debt at \$5.00 a month, which was all he could afford. They had received no word about their savings money. They were still outraged and energetic, but after brainstorming awhile, they could think of no real channels by which they could hope to effect positive changes. They decided to stage a one-day picket at the county courthouse, to try one last time to move local officials to take up their case and at least investigate, or preferably to advocate on behalf of the displaced workers. By then, only about ten workers showed up on the picket line. There was a palpable sense that their cause had been lost, and that further actions were unlikely and probably futile.

The Greenbrier workers were desolate and bitter. Although their work was tedious, dangerous (injury rates, including carpal tunnel syndrome, nerve damage, severed fingers, and back injuries, were astronomical) and low-paying, they had been surprisingly content. One worker said, "I thoroughly enjoyed my job. I enjoyed learning. And I just learned so many things, I just loved it."⁸ Nearly all talked about how terribly they would miss their coworkers, about the close relationships they had formed at work.

To many, the most devastating aspect of being laid off was the extreme disrespect demonstrated in Greenbrier's actions. As one worker explained, "We knew they was in trouble. We were not surprised they were going to close. We were just surprised at how

they treated us. That it was done so dirty.”⁹ Another elaborated:

“I think it wouldn’t have bothered any of us near as bad if they had said, ‘Hey, we don’t have a job for you anymore, we don’t have your 401(k), we don’t have this . . .’ But they didn’t say anything. And that’s what bothers you so bad. It is terrible. And it takes a long time to get over that. Because you have the devastation of being without employment, you know, just the financial aspects of it, you have no health insurance, but then you have to deal with being treated that way. And that, for me, has been the hardest part. I’m not over that yet. Because I feel like somebody that they had no respect for whatsoever. And that has been very difficult for me.”¹⁰

Prior to the closing, most workers had felt extremely loyal to Greenbrier. Bob Walker, who worked on maintenance and security for eighteen years, described his deep loyalty to the plant manager.

“He was like a father to me. . . . I would have done *anything* for him, really. I was always a company person . . . I cared about the place and wanted to see it grow. I had opportunities on top of opportunities to take kickbacks on things and I didn’t.”

He described being injured several years ago, and his decision not to file a workers’ compensation claim or to ask for sick pay.

“No pay, no workmen’s comp, or anything. I wanted to be . . . I felt at the time that it would just hurt the company. Then I had a car wreck with one of their vehicles, reinjured my back. But I didn’t sue or apply for workmen’s comp or anything. The company had enough of that on ‘em, so I didn’t.”¹¹

Like many other workers, Walker was astonished to learn that the managers did not have the same respect for him.

When asked to explain why the plant closed, the Greenbrier ex-workers were unanimous in their judgment: bad management. Some blamed the plant and personnel managers; other placed the fault on upper management and owners in New Jersey. Some believed their bosses to have been devious and manipulative; others guessed that they were merely incompetent and lost money by planning and running the factory poorly. Every worker believed that the plant was entirely profitable, efficient, and productive, and that it therefore closed unnecessarily. Most workers personalized their blame, and expressed their sense of extreme betrayal by the plant managers who had been like parents to them.

Although Greenbrier Industries survived entirely on government contracts with government inspectors always overseeing every aspect of its production, the workers did not blame the government for what happened. All they would ask the government to do differently is to punish the “thieves” — the corporate officials who took their savings and health premiums without providing the promised benefits. None of those interviewed had ever been involved in political campaigns or issues, and many had never even voted. For them, the plant closure and their elected officials’ inefficacy only reinforced their sense of powerlessness and their belief that the political system is ultimately corrupt.

The fired Greenbrier workers were more likely to look within the plant itself for an

explanation. Many blamed their fellow workers. One supervisor described the high turnover rates, which compromised both efficiency and product quality. While she noted that machine operators whose \$8.00 or \$9.00 an hour rate for piecework had been decreased to \$4.50 an hour, she did not connect this fact to the high turnover. Instead, she blamed the workers: "People don't take any more pride in their work. They're really not that ambitious, you know . . . especially young people. I guess they're spoiled, probably. I think a lot of them are satisfied with welfare and that kind of help." She also blamed workers for submitting excessive workers' compensation claims, although acknowledging that work-related injuries were rampant, and she had no examples of fraud.¹² Even after the extreme hardship foisted on them by the company, the workers often blamed one another for hurting Greenbrier. Even after being forced to apply for welfare and food stamps, the workers put down people who drew welfare or relied on any type of government subsidy, seeing themselves as fundamentally "different." Although they were down on their luck, the Greenbrier workers believed that unlike other recipients of aid, they were more than willing to work.

Case 2: Acme Boot Company

Once upon a time, the Acme Boot Company owned and operated five large boot-making plants in Tennessee. It employed thousands of workers in sorting, cutting, stamping, stitching, piping, and shipping and receiving. Making high-quality casual, dress, and cowboy boots for such famous labels as Dingo, Dan Post, and Luchessi, Acme was the largest boot manufacturer in the world. Unlike most factories in rural Tennessee, Acme Boot was unionized, and employees were well treated and relatively well paid. Workers describe leaving farms or coal mines to work at Acme, then encouraging their families and friends to join them. Many attest to the closeness they felt with their fellow workers and to their pride in the unsurpassed quality of the product they turned out every day. The company had been in Tennessee for nearly seventy years, and at corporate headquarters in Clarksville, Acme was proud to be the county's largest and best-known employer. People in Clarksville still remember how, during the Great Depression, the company had sent its workers out to cut the grass every day rather than lay them off.

Beginning in the early 1980s, Acme Boot plants began to shrink or close, as the work was moved elsewhere. Acme had opened nonunion, lower-wage plants in Texas, Mexico, and South America, and much of the production was done there, with boots returning to Tennessee for finishing, repairs, and shipping. By 1990, the Clarksville plant was the only one remaining, and many laid-off workers had relocated there to keep their boot-making jobs. In November 1992, the final bomb fell. Acme announced plans to close the Clarksville manufacturing plant. About six hundred people would be laid off, most within two months, and production work would shift south, especially to a new plant in Puerto Rico. The company president announced that some management and supervisory personnel would move to Puerto Rico immediately to begin operations there. He reassured the community that although no manufacturing operations would remain in Clarksville, almost a hundred managerial employees would remain in corporate headquarters there. "Acme will continue to be in Clarksville . . . Clarksville is home," he said.¹³ The workers saw it differently.

The events leading to this closing had begun several years earlier. In 1985 the company had been bought out by Farley Industries, a Chicago-based, privately held firm led by industrialist and high-profile takeover specialist William F. Farley. A diversified company with interests in automotive components, railroad parts, apparel, and foot-

wear, Farley Industries is best known for its Fruit of the Loom label. Farley viewed Acme's reported annual sales of more than \$3 billion as a profitable addition to its footwear holdings. The decision to close the Clarksville plant, made in Farley's offices in Chicago's Sears Tower, was part of a long-term restructuring toward outsourcing, according to corporate spokespeople. Acme would move out of manufacturing and into marketing, buying low-cost boots from makers in Latin America and elsewhere and selling them under the Acme labels.

For the immediate future, however, production was booming in El Paso — much of the actual work was done, for much lower wages, across the border in Mexico, where the two Acme plants had doubled their employee base and tripled production in the previous year.¹⁴ The Clarksville boot-making operations were being moved to Puerto Rico. Asked to explain this decision, Acme president Mike Vogel said, "It's better for us to do it there. It's less costly . . . There are some tax code advantages to doing work in Puerto Rico." He also cited lower wage and benefit costs and potential employee training incentives for Acme. He did *not* say that the Clarksville plant was closing because it was doing badly. Indeed, 1992 was Acme Boot's second best profit-making year of all time.¹⁵

The decision to move the plant to Puerto Rico was directly encouraged by both the Puerto Rican and the U.S. governments. After discussions, Puerto Rican officials gave Acme Boot a building in Toa Alta owned by the Puerto Rico Industrial Development Company, a government entity. The building and its surrounding roads and utilities had been built with federal government money, and had previously been occupied by a pharmaceutical division of Baxter International Inc. Acme, in return, had promised to invest \$1 million in production equipment and machinery and to hire six hundred workers. The newspaper *Caribbean Business* reported, "The establishment of Acme Boot operations in Puerto Rico is a major boost to the island's footwear and leather goods industry, especially in light of the North American Free Trade Agreement, which is seen as influencing labor-intensive industries such as apparel and leather goods to set up plants in Mexico."¹⁶

This great boon for economic developers in Puerto Rico was an equally great tragedy for the Clarksville workers. The Acme jobs were not extremely well paid, and the work was certainly not easy. The highest pay bracket for unionized workers, \$7.95 an hour, was only for those who had been on the job more than thirty years. When the plant closed, the average employee was forty-eight years old and the average length of seniority was twenty-five years. Most workers had believed their jobs were absolutely secure. Having worked at Acme for their entire adult lives, they had no experience or training in anything else. Moreover, Clarksville was in the middle of a serious recession — according to most workers a true depression — and they knew other jobs would be scarce and pay well below Acme's rates. Jobs above minimum wage were nearly impossible to find.

The Union Fights Back

For about ten years previous to Acme Boot's closing, management had been telling the union — United Rubber Workers Local 330 (URW) — that times were tough and demanded cuts in wage scales and concessions on benefits. Alan Buckner, Local 330's chief steward at the time, remembers one particularly harsh round of negotiations in the early 1980s. "We went through negotiations to give concessions to keep the plants open. I tried at that time to get [the union president] not to do it. I said, 'They're going to

close the plants anyways.' But cuts and concessions came. I went from piecework to hourly work. I went from \$13.22 an hour to \$5.35."¹⁷ With every contract, more pay cuts were handed down and more hard-won benefits were lost. Managers brought in cost figures from El Paso and elsewhere and told the employees that to retain the work in Clarksville they had to be "competitive" and cut their own costs. The workers voted to go along with the concessions in the hope of saving the factory and their jobs.

When the company announced that the Clarksville plant would close, the union leadership was surprised and furious. They had seen Acme's other Tennessee plants close, and had been reassured that the Clarksville factory — Acme Boot's first and flagship plant — was doing better than ever. Suddenly they were told that within two months from the announcement, half the employees would be laid off. Even worse, managers were already being relocated to Puerto Rico to hire 250 workers for the brand-new Acme Footwear, Inc.

The union immediately challenged the legality of the shutdown, claiming that Acme Boot officials had violated the federal Worker Adjustment and Retraining Notification Act by not telling the employees who would be laid off when. Federal law requires companies to give employees sixty days' advance notice of potential layoffs or plant closings. The Tennessee Department of Labor was given a list of those who were to be separated in the coming two weeks, but the workers were never advised.

The union then began a publicity campaign, notifying the local press and local officials of Acme Boot's plans. The union held a very well-attended rally, claiming that closing the Clarksville plant was possibly illegal and certainly immoral. Individual workers told their stories and wondered what they would do after losing one of the best jobs in Clarksville. Forced to respond, company officials assured the public that they intended to be a "good corporate citizen" of Clarksville, providing more assistance and notification on the closing than required by law. Focusing on the hundred remaining employees, Vogel claimed, "The last five or six years have been very tough. What we are trying to do is make this company well so we have jobs for the remaining employees."¹⁸ The workers, who had received their highest production bonuses ever, knew differently. The Clarksville plant's profits were higher than they'd ever been.

Union leadership, who began to research Acme's proposed move to Puerto Rico, found that the company was taking advantage of the Possessions Tax Credit, also known as Section 936 of the U.S. Internal Revenue Code, which allows Puerto Rico subsidiaries to repatriate their profits back to their American corporate parents without federal taxation. Federal corporate income taxes are waived on profits earned in U.S. territories, including Puerto Rico, Guam, and the Virgin Islands, giving multinational corporations a legal 100 percent tax break. Also, under the Puerto Rico Tax Incentive Act, an American company is not required to pay the high Puerto Rico income taxes. The company acknowledged that it was looking forward to the tax breaks.

With the help of the Oil, Chemical, and Atomic Workers International Union (OCAW), which had just been through a similar fight against the Elkhart, Indiana, Whitehall Pharmaceuticals, the URW learned more about Section 936 and decided to fight Acme's plans. The strategy was to block the company from taking advantage of Puerto Rico's tax breaks, relying on a 1987 commonwealth law which said that local officials can refuse to waive the local corporate taxes if they find that a company's move caused economic hardships on the mainland. A question on the tax break applications asks if the jobs in Puerto Rico would cost jobs in the United States. If the answer is yes, the company is ineligible for tax benefits. Acme's answer, no, was a lie, which

constitutes tax fraud.

In January the union held a second rally, focusing on Acme's move to Puerto Rico. Calling Acme a runaway shop, the URW directly blamed Section 936 for Clarksville's expected loss of 480 jobs in one year. The United Rubber Workers vowed to save Acme Boot by convincing either the U.S. or the Puerto Rican government to review and deny the company's claims, an action that had never been taken. The union amassed proof that equipment was shipped directly from Clarksville to Puerto Rico and that the work planned for Puerto Rico duplicated part of the Clarksville operation. The union found support from other organizations, such as the Midwest Center for Labor Research (MCLR), which identified thirty-five communities from which more than 15,000 jobs were transferred from mainland plants to Puerto Rico tax-sheltered factories — these represented only a fraction of the 100,000 people known to be employed in Puerto Rican factories owned by American corporations. A researcher with the MCLR called this "a case of tax-loophole-driven job destruction" and agreed with the URW's position against Acme's petition.

Union leaders traveled to Washington to try to convince the American government to block Acme Boot's 936 request. There they found themselves up against the Puerto Rico-USA Foundation, a lobbying group made up of seventy major Fortune 500 corporations fighting to uphold Section 936 and other incentives. Initiatives by members of Congress to amend 936, or to require confirmation that job transfers do not harm mainland workers, have repeatedly failed. The congressmen cannot compete with aggressive lobbyists for companies like Pfizer Pharmaceuticals, which saves \$156,400 in taxes for every employee in Puerto Rico, whose earnings average only \$26,471. The U.S. Treasury Department estimates that it annually loses about \$3 billion in taxes to Section 936 — profits that accrue directly to transnational corporations.¹⁹

Union leaders also initiated contacts with Puerto Rican officials, urging that they enforce their law prohibiting tax benefits to manufacturing companies whose relocation on the island is directly responsible for job losses in the States. They found that Acme had already been received with open arms by local politicians desperate for new jobs at almost any price. URW president Mitch Tucker wrote to Puerto Rico governor Pedro Rossello to ask that he deny tax benefits to Acme Boot. He said that the plant scheduled to open in Toa Alta, Puerto Rico, would be carrying out essentially the same manufacturing procedures being performed in Clarksville. "We state to you unequivocally that this is a runaway shop . . . If an exemption has already been granted, you must revoke it . . . If an application is now pending, it should be denied." Tucker added that Acme "plans to perform Clarksville production processes on Clarksville brand name boots with equipment shipped from Clarksville . . . Any attempt by Acme Footwear, Inc., to represent the facts otherwise, especially on its application under the Puerto Rico Tax Incentive Act, would be fraudulent."²⁰ Tucker also sent letters to resident commissioner Carlos Romero Barcelo and to vice president-elect Albert Gore, neither of whom replied.

Thwarted in its efforts within regular political channels, the URW launched a public campaign. Its goal was to increase public pressure to persuade the company to continue manufacturing operations in Clarksville and to abandon its plans to open a boot finishing plant in Puerto Rico. At a rally in Clarksville, Mitch Tucker vowed, "We want to send William Farley a message. We intend to fight this illegal shutdown." Turner called on Farley to fulfill his promise, made at the time of purchase, that Acme Boot would maintain manufacturing in Clarksville.²¹ The rally featured Connie Malloy of the

OCAW, who had helped fight Section 936 in Elkhart, and Ricky Mullins, a dislocated Decaturville Sportswear worker. The URW repeatedly drew on the parallels between the Clarksville and Decaturville stories, as the Decaturville plant closing had been a major campaign issue in 1992 when the company moved from Tennessee to Central America with the support of the Agency for International Development. Vice President Gore had visited Decaturville and denounced the pattern it represented, and Ricky Mullins had been invited to the Faces of Hope luncheon at the Clinton inaugural. Yet when the URW pointed out the similarity and asked for the Clinton administration's support, it received no reply.

The union urged all area unions as well as community groups and churches to attend its rallies, demonstrations, and events and to participate in its campaign. The media, and some public officials, began to take notice. The *San Juan Star* quoted Puerto Rico's new chief of economic development, Clifford Myatt: "If it is a clear case (of a runaway), then we will be obliged to make a decision in accordance with the facts." But Myatt also cautioned that while his agency would take a close look at the Acme application, there is "a very thin line" between runaways and normal plant closings. "We will have to see the reasons for the closing, whether the company thinks it makes business sense, and if it does not relocate in Puerto Rico, if it intends to relocate somewhere else." And a spokeswoman for vice president-elect Al Gore said Acme's proposed move was "an unfortunate use of the existing tax law, which was intended to create jobs."²²

With other groups from Clarksville and elsewhere in Tennessee and the nation, the Acme workers planned event after event. They held demonstrations, press conferences, and marches. Supported by the Clarksville community, they held a three-hundred-car motorcade through the small downtown. Every weekend, workers stood in front of K-Mart and Winn-Dixie, distributing flyers that explained Section 936 and their plight and encouraging community members to contact all relevant decision makers. In April the union sponsored a mass public boot-burning, at which hundreds of Clarksville residents burned their Acme-made boots. This dramatic gesture inaugurated a national boycott of Acme, Dingo, and Dan Post boots. A boycott flier, "The Anatomy of an Acme Boot," designed by award-winning labor cartoonist Mike Konopaki, was distributed by labor unions nationwide.

On May 29, 1993, the *Walter Cronkite Report* covered the shutdown of the Clarksville plant. Invited by the URW, the *Report* staff attended the boot-burning and other events, including the last day of work at Acme Boot on May 21. The *Cronkite Report* aired extensive footage of interviews with dislocated employees and showed the devastating impact of job loss on workers in the already depressed Clarksville economy. It emphasized job flight, the lure of Section 936, and the connection between tax policy and job loss. Following the *Cronkite Report*, other national and local news media picked up the Acme Boot story. Members of Local 330, who received mail and support from individuals and groups around the country, were tremendously encouraged by the outpouring of public support for their cause.

At the end of May, Acme suddenly announced that it would not seek federal income tax exemptions on profits from the Puerto Rico plant. The company withdrew its application for Section 936 benefits. Acme president Mike Vogel explained that although the company was distancing itself from the 936 issue, it would still receive local incentives and was still moving. He claimed that the Clarksville plant closing and the establishment of a new plant in Puerto Rico were "nonrelated, coincidental issues."²³ A high-ranking Puerto Rican official cited "corporate exhaustion" as the reason for Acme's

withdrawal of its tax exemption application. And Clifford Myatt said, “I think the union has been so vociferous and unfair in its attack on them that [Acme doesn’t] want any more bad P.R. Also, they’ve been inundated with so much paperwork and expenses that they decided to forget it.”²⁴

This was a major victory for the workers’ campaign against Acme. Yet they had not succeeded in saving their jobs or their community. The Clarksville plant closed on schedule, and the company, without benefit of tax breaks, moved its operations to Puerto Rico. After months of mobilization, coalition building, public education, media attention, political lobbying, and protest, the Clarksville community lost Acme Boot.

Lessons from the United Rubber Workers Fight

The most obvious and significant difference between the situations at Greenbrier and Acme Boot was the presence of a strong union. First, because the URW was regularly negotiating contracts with the company, it had access to financial reports and other information and could see the coming changes before anything drastic happened. Second, because the union had an organizing structure in place, workers could be informed almost immediately as events unfolded. They were therefore less likely to blame one another and were kept up to date on the situation. Third, the union had connections to larger organizations, especially to the URW International Union, other labor unions, coalitions like Tennessee Industrial Renewal Network, and research and advocacy institutes like the MCLR. All these provided crucial support at various stages of the workers’ mobilization and lobbying. Fourth, the union knew how to launch a public campaign. It, and other unions, unlike the Greenbrier workers, had held marches, parades, rallies, boycotts, and other events previously and knew how to organize actions successfully. They had dealt with the press regularly. Union leaders and members had been active in political campaigns, so they knew which officials to call first. Finally, the URW had access to resources from outside the Clarksville community. They could pay people to fly in for rallies; send representatives to Washington to lobby; create leaflets, posters, and banners; and buy advertising space in local newspapers. By contrast, the Greenbrier workers could not even communicate with the bankruptcy trustee because they could not afford a long-distance phone call to New Jersey.

Interestingly, despite all these benefits Acme’s workers were not more pro-union than Greenbrier’s. A few blamed the union for giving away too much or for not doing more to prevent the closure, but most were absolutely indifferent on the subject of unions. Although they were not ideologically committed to unions, they appreciated the benefits and work environment created by a union. Sally Kellam was typical; referring to her search for a new job, she said, “I don’t care one way or the other; it don’t matter to me if it’s union or non-union.” On the other hand, she noticed real differences between the two types of plants, and she did have a preference. “I just don’t like the way that things are just different [at nonunion plants].” Her most serious complaints at her new job involved layoffs, which were random or involved favoritism, mandatory overtime, and unequal treatment of workers.²⁵ With the union at Acme Boot, workers had come to expect fair treatment, open and agreed-upon procedures, and reliable avenues for redress of grievances. This general expectation of fair treatment seems to have fueled the campaign against Section 936 as well.

Although the Acme Boot campaign failed in its immediate goal, it had a striking impact on both participants and other members of the community. Ironically, while unions are usually charged with creating antagonism between workers and management,

just the opposite can be demonstrated here. Unlike the Greenbrier workers, no Acme Boot employees blamed their supervisors or managers. Instead, they blamed the federal government for maintaining the Section 936 tax loophole and helping major corporations rather than workers of either country. The workforce was effectively educated to understand the national and international political decisions that led to the plant closing. They understood Acme's move as a strategic decision encouraged by a series of governmental decisions made under pressure from large transnational corporations. When other economic issues arose, such as the North American Free Trade Agreement, they could understand them in this same context. While most of the Greenbrier workers who had opinions said they believed NAFTA would probably be "a good thing," all the Acme Boot workers interviewed could speak quite knowledgeably about the agreement and its effects on both American and Mexican workers.

The Acme personnel were better educated about American politics as well. They had participated in letter-writing campaigns, met with politicians, and learned a great deal about the political process. They were not, however, necessarily more sanguine about the political system. Sally Kellam expressed a common sentiment: "We [the URW workers] went out here and worked for [President Clinton] to get him in office. Now we feel like we've been let down. So, I don't think I'm gonna vote again. What's the point? . . . Now, maybe I'll change when the time comes again."

But whether or not she participates in electoral politics, Kellam was changed by the Acme Boot campaign: "I've gotten more involved in a *lot* of things since this plant closing . . . I've gotten more involved. I have never in my life wrote letters to congressmen and the White House; I never was like this . . . But I feel like we need to stand up because that's important. They need to *know* how the people feel. It could make a change. It could make a difference."²⁶

Case 3: General Electric

In Morristown, a midsize town in the mountainous, rural Appalachian region, a job at General Electric had been considered one of the best positions a person could hold. Morristown has a low rate of unionization and, like all of upper East Tennessee, Hamblen County has been hard hit by plant closings and layoffs. In 1988, GE was considered a progressive employer and an invaluable asset to the community, with wage scales higher than those of most local industrial facilities. Most workers earned between \$9.00 and \$12.00 an hour, had been there for many years, and considered that they had secure, permanent jobs. Yet a new management team had begun to institute changes that seemed to alter the character of the plant and labor-management relations for the worse. The workers felt increasingly harassed and powerless.

In June of that year, the International Brotherhood of Electrical Workers (IBEW) launched a union organizing campaign at GE's Morristown plant. There was great initial support among workers, but the company spared no expense to counter the union campaign. Management treated employees to parties and gifts. Workers were shown films describing how the union would hurt them and the plant. The company produced its own videocassette devoted to "the GE family," complete with shots of nearly every worker, some with families and friends, and the beautiful surrounding area. For the video, the company commissioned an original country music song dedicated to the people and countryside of Morristown. It promised that GE would protect its workers and their community more than any "outside" union could.

By September of 1988, by instilling a mixture of fear and complacency, the company had won the struggle, and the union was voted down by a 3-to-1 margin. One observer noted that “the employees beamed with pride because they thought this would demonstrate to the company how they believed in General Electric.”²⁷

One week after the vote, GE laid off more than one hundred of those same workers. They were told that they would be recalled to work in the spring of 1989. But the next week they learned from radio, television, and newspapers that their jobs were permanently lost. The distribution center warehouse was moving thirty miles away, literally down the road, to the town of Mascot in adjacent Knox County. GE had received economic development incentives from Knox County to encourage the move, as well as state funding to train new workers. At the new site, GE announced, all work would be subcontracted through USCO, an independent company, and all jobs would be redefined as “temporary,” even though the work was no different than it had been. The pay would be about \$6.00 an hour, with no benefits, a far cry from the union wages the workers had once anticipated. Knox County executive Dwight Kessell commended the county’s director of economic development for “the extraordinary work she did in securing this new industry and these new jobs for Knox County.”²⁸

After hearing about the new plans, the laid-off workers attempted to contact managers to see if there was any alternative. They met as a group to discuss possible courses of action. Their offers to freeze or cut their own wages in order to keep their jobs, benefits, and seniority were refused. Attempting to initiate negotiations to retain their jobs, they were again refused. The company stated that, in order to remain competitive in the global market, tough measures were necessary. After giving up on changing management’s mind, some workers simply traveled to the USCO plant, asking to be hired there — to do their own jobs, for half the pay and no benefits. They were never called back.

By the end of 1989, the hundred permanently laid-off workers were looking for new jobs. The official listings at the Tennessee Department of Employment Security Job Service comprised very few openings, and hardly any above minimum wage. Officials referred worker after worker to temporary service and contract-labor agencies. Unlike traditional employers, these agencies were continually hiring. Morristown-area factories were increasingly choosing to contract out for “temporary” employees rather than hire their own permanent workers.

The Birth of CATS

Having lost good jobs at General Electric, the workers were shocked to hear that temporary service was their only option. Many had to support families and could not rely on jobs with absolutely no security or stability, at such low pay and — most important for some — with no health insurance or pension benefits. They were shocked, too, to find that they were not alone; permanent, decent-paying jobs in Morristown were systematically being replaced by temporary jobs, either through agencies or through in-house temporary labor pools at large companies. The outraged workers, mostly women, began to meet regularly. At one meeting, someone — no one can now remember exactly who — suggested they call their group Citizens Against Temporary Services, or CATS, and the name stuck.

One of their plans was to hire an attorney who would file a lawsuit against GE. Charging age discrimination, since older workers had been disproportionately singled out for layoffs, and fraudulent use of government funds, they compiled evidence for a case against GE. Although they believed their case was strong, the initial hearings

dragged on, and it became apparent that, if they could win at all, the legal route would not further their goals in a timely fashion. Eventually, under pressure from GE management, their lawyer withdrew from the case and they were forced to drop the suit without winning anything.

Initially optimistic that aid would be forthcoming once the facts of their case were public, they began to contact politicians and community leaders to see if anything could be done. When they met with only apathy or outright hostility from officials, CATS decided to plan community meetings to put pressure on GE but also to expose their larger concerns about the increasing use and abuse of temporary and contingent workers by large companies. CATS set out to generate support and to exert pressure to get their jobs back, but also to look for ways to address issues of injustice in the workplace that were affecting workers in Hamblen County.

With a little research, CATS leaders quickly discovered that the loss of permanent jobs to the instability and inequities of temporary jobs was a national trend. In fact, the growth of part-time, seasonal, and other forms of contingent work represents a sea change in the American workplace. In 1989 the National Planning Association estimated that nearly one third of the entire workforce was composed of contingent workers, and that the percentage was growing. Perhaps unsurprisingly, women and minorities are disproportionately represented in the temporary workforce — nearly double their percentages in the total workforce.²⁹ Between 1983 and 1993, the number of temporary workers increased by more than 300 percent.³⁰ The payroll of temporary employment services — one part of the contingent work boom — increased by almost 3000 percent between 1970 and 1992.³¹ By 1994, Manpower, Inc. — a temporary help supply service — was the largest employer in the United States, with nearly one million employees.

As CATS began to seek help elsewhere and to devise plans, they found many local groups and individuals who had similar concerns. They talked with unionized and unorganized workers, and with community groups, politicians, and unemployed people. Workers from all industries were aware of the problem and troubled by the trend toward contingent work. On the one hand there was a broad concern and support for reform; on the other hand, there was very little precedent for positive change. CATS found that because temporary service agencies in Tennessee were completely unregulated, there was no official route through which to address abuses. At a legislative meeting in late 1989, the administrator of Tennessee's Personnel Recruiting Service Board, which licenses permanent employment placement agencies, said she receives about ten complaints per year about permanent employment agencies, but she gets three complaints per week about temporary agencies, over which she has no jurisdiction.

After organizing in the fall of 1989, CATS proved extremely persistent and determined. Wearing their self-made, bright red T-shirts emblazoned CITIZENS AGAINST TEMPORARY SERVICES across the back, they were highly visible around town. One of their initial events was a community meeting in Morristown to publicize their plight and the issue of temporary jobs. Nearly four hundred people attended — a record for the small town. Shortly thereafter, CATS marched down the streets of Morristown calling for fair labor laws in Tennessee. Hundreds of people attended the parade, which was spirited yet serious in its demands for attention and reform.

These events, and the remarkable turnout they generated, were all the more impressive because the only Morristown newspaper refused to carry any stories about CATS. The city and county governments, the Chamber of Commerce, the local business community, and the local media either actively opposed CATS — as antagonistic to corpo-

rate interests and therefore harmful to Hamblen County's "business climate" — or dismissed it as irrelevant. After being blacked out by the town's one paper, CATS had to find other strategies to publicize its message and events. One way involved organizing members and their families to distribute leaflets advertising events at supermarkets and other public places. Another was to buy space in the *Smoky Mountain Trader*, a small, free advertising weekly that was available all over town. In it, CATS publicized its meetings and other activities, even publishing short articles. This proved most effective, as the *Trader's* wide circulation made it a useful conduit of information.

If CATS's public events did not draw mainstream media, they did serve another crucial function: attracting the attention of important potential allies. One of the marchers at the April parade was Bill Troy, a staff member of the Committee on Religion in Appalachia (CORA), a coalition of church groups working on issues of economic justice. Troy was in the process of founding a new organization, the Tennessee Industrial Renewal Network (TIRN), a coalition of labor, community, and environmental groups to work on economic issues statewide. Having learned about the CATS march through friends at the Highlander Center for Research and Education, another Appalachian institution interested in economic justice, Troy was inspired by CATS members. He immediately got in touch with the group and remained involved for the next five years. He invited CATS representatives to a June 1990 Chattanooga conference he was organizing for June 1990, "Responding to Plant Closings in Tennessee." CATS members attended the conference, speaking movingly about their experiences with the GE warehouse closing and its aftermath. This was the beginning of a close alliance with TIRN, which set up an ongoing committee to assist CATS efforts with staff support and other resources.

Through their contacts with Highlander Center staff, CATS became aware of an Appalachian citizens group, Save Our Cumberland Mountains (SOCM). It had worked primarily on environmental and land use problems for many years, but had recently become more involved with economic and job issues as well. In 1990, CATS voted to become the Morristown chapter of SOCM, thereby taking advantage of the group's extensive experience in organizing, strategizing, and lobbying skills and resources. This alliance was a further means of institutionalizing CATS and ensuring a strong base from which it could continue its work.

With the help of SOCM staff, CATS began to design a strategy to push for government action. Ferreting out the facts of the government's complicity in GE's move proved difficult. CATS leaders made hundreds of frustrating phone calls to Nashville and Washington, to every imaginable relevant office. A few traveled to Nashville several times to ask questions in person. After nine months of research, they finally discovered that tax dollars had indeed been allocated to GE to support its move to Mascot. They tracked down the contract showing that GE had been promised \$200,000 in Job Training Partnership Act (JTPA) funds to train new workers for the exact jobs from which they had been fired. CATS argued that this was illegal, because JTPA funds cannot be used for jobs from which fully capable workers had been laid off. GE argued that it was legal because the new factory was operated by USCO, the labor contractor, rather than by GE. After putting pressure on Knox County officials and state and federal labor department officials, CATS won. It was able to prove that GE was directly responsible for the warehouse and that the fully capable Morristown workers had not been offered the new jobs although many would have been willing to take them. CATS finally persuaded the Department of Labor to declare the GE/USCO warehouse in Mascot

ineligible for JTPA funding and withdraw the \$200,000.

Toward the end of 1989, CATS began to push their state legislators to set up a study committee to look at the issue of temporary services. They also lobbied for a study committee on fair labor laws in Tennessee. Both committees were set up, and CATS then demanded that they hold hearings in Morristown. Finally a joint hearing was scheduled for October at Walter State Community College. CATS once again distributed leaflets, wrote articles for the *Trader*, activated their telephone tree, and contacted labor unions, community groups, churches, and anyone else they could think of. Their efforts paid off, as an unexpected seven hundred people showed up to overwhelm the legislators. Many testified movingly about the experiences they had undergone and their worries for the future of their families and children with all the changes in the workplace. CATS members were surprised and heartened by the outpouring of support for them and their issues from all over East Tennessee. They heard horrible stories similar to theirs from friends and allies they never knew they had. Everyone seemed to agree that the situation for factory workers was dire and becoming worse, and that it was the government's responsibility to take action. The committee listened dutifully, but, as usual with study committees, no results materialized.

CATS finally decided that if Tennessee were to have any type of fair labor laws, the members themselves would have to create them. In 1990 they wrote legislation that would define temporary employees as temporary, regulate temporary agencies, and forbid the replacement of permanent workers with temporary ones. This was precedent-setting legislation, since at that time no state or local legislation dealt with the abuse of temporary services. With help from TIRN and SOCM, CATS members pressed for their bill to be introduced in the 1990 legislative session. As the date for the vote approached, they organized a delegation of about fifty citizens to drive four hours to Nashville to lobby for themselves. Although CATS had done extensive lobbying ahead of time, when they arrived in Nashville for the vote, they found themselves outnumbered and overpowered by opponents. Federal Express, Eastman Kodak, and other major Tennessee employers were pushing hard against the CATS bill. The National Association of Temporary Services and its Tennessee affiliate were also lobbying against it. Although CATS had received promises of support from a majority of committee members, several decided not to vote at all, and the bill never made it out of committee. The following year CATS presented a more streamlined, less ambitious bill, for which they again lobbied extensively. They believed they had a good chance of winning, but they were outmaneuvered by more politically powerful opponents. After two years of legislative work, their only tangible result was a bill requiring temporary service agencies to register with the state, a minimal requirement that contained no provisions for regulation or enforcement.

CATS's Ongoing Legacy

CATS failed to accomplish any of its original goals. It did not succeed in keeping the GE jobs in Morristown; it did not get even one worker rehired. After investing considerable sums in attorneys' fees, CATS members lost their lawsuit against General Electric. The time and energy spent lobbying elected representatives did not generate even a minimal bill to protect temporary workers. The temporary service industry is subject to no more regulation than previously, and temporary jobs are still multiplying in Morristown as permanent ones disappear. Yet despite these failures, CATS is an excellent example of a successful organizing effort. Members of CATS were involved in a

sustained effort at social change around economic issues. Both the individual participants and the larger Morristown community — arguably even the entire state of Tennessee — were transformed by the struggles begun by a small group of women laid off from GE.

CATS scored several points that cause it to stand out among community mobilizations around economic issues. One is symbolized by the name of the group. Unlike the two companies described above, the Morristown laid-off workers did not organize simply around the events at GE. They did not call themselves the GE Workers Committee, or Morristown Citizens Against GE. From the outset they were Citizens Against Temporary Services, representing a conscious decision to focus on the cause of their problem rather than its symptom. Moreover, because of its close alliance with larger organizations in East Tennessee, and because of the region's rich history of community organizing struggles, CATS was immediately encouraged to foster an understanding of its members' experiences within a wider context. This association with similar yet diverse groups had many consequences.

First and probably most important was the contribution of organizing expertise. Bill Troy of CORA and Susan Williams of the Highlander Center worked closely with the CATS group, helping them strategize, build a local coalition, plan events, and carry out an entire campaign. The CATS activists credit Troy and Williams with inspiring them, helping them think through their ideas, planning next steps after disappointments, and keeping them going when they felt like giving up. The chairperson of CATS calls them a lifeline, saying that she would not have survived without their aid.

Second, other organizations provided people to participate in CATS events and to publicize their issues and struggles. CATS members spoke to a national audience at the TIRN founding conference in Chattanooga and to statewide audiences at rallies in Knoxville and Memphis. They joined TIRN leaders to speak with other displaced workers about practical issues like JTPA and other programs, but also about the changes that are required to better serve the needs of working people. Some even attended a conference in Washington, D.C., about women in the changing workplace.

Third, other organizations provided essential training in leadership skills. CATS members participated in workshops at the Highlander Center with community activists and organizers from all over the South and Appalachia, learning how similar struggles were handled in similar communities. They were encouraged to speak publicly, to persuade others to get involved, to confront decision makers, all entirely new experiences for the women involved.

Fourth, CATS members were exposed to communities extremely different from their own. The most dramatic example was a trip to the *maquiladora* (free trade) zone in Mexico, sponsored by TIRN. Two CATS leaders participated in the trip, along with eight other women workers from East Tennessee. They visited a General Electric plant, among others, and were horrified by the living and working conditions provided by American corporations. They learned to make connections between their own experiences and those of Mexican women working in the *maquiladoras* for very low wages, with no job security or organizing rights. Simply by traveling around Tennessee and meeting with other groups in the context of their fight for fair labor laws, CATS members were educated about changes in the economy and their effects on all kinds of groups.

Finally, even more intensely than the Acme Boot workers, the CATS participants underwent a political education and transformation. Until 1988 they had been very

lucky, holding some of the best, most secure, and highest-paying jobs in Hamblen County. Through a sudden management decision they became not just laid-off factory workers but, even worse, workers qualified only for the most unstable, poorest-paying temporary service positions. This changed their view not only of themselves but of others as well. Kathy Muller, a CATS leader, described the changes she saw in herself:

I must have been a shallow person. Because, see, I was in my own world. I got up every day, and I went to work, and I made good money, and . . . when I went to the grocery store and I saw somebody that had food stamps, I always thought, "Oh, that little kind of people, they ought to get a job and go to work . . ." Now I'm grateful that I'm able to look and see and have compassion for people, because they're having a hard time. I wrote Al Gore a letter and told him that I fully believe that 98 percent of our society would work, if they could make a decent wage to where they can survive . . . I really think if you give people the incentive that they'll work.³²

In addition to their attitudes, their political behavior changed as they organized CATS. Not one member had ever been to the state capitol in Nashville, and very few had ever so much as written a letter to a public official. As Muller said, "When I worked at GE I would've never asked my government a question. I would've never challenged them on anything. Now I challenge them on everything. I mean, I wouldn't take their word for nothing . . . I can see beyond what they say." This was a major change for Muller. "I had all these ideas that there was justice in the Labor Department. Even when I lost my job, I thought, Well, not to worry, I'll go out and find another job, and then when reality started setting in I thought, Well, our government won't let GE do this. And when you realize they *will* let 'em do it, they're doing it every day, then I began to ask questions."³³

The process of beginning to ask questions and doubting long-held beliefs about authority was extremely difficult for many. Joe Perkinson, a veteran of the Korean and Vietnam wars, who was fifty years old when he was laid off, seriously contemplated suicide and other types of violence. He threatened to bring in a gun to force GE managers to give him his job back, at whatever wage. Others in the group convinced him to use more peaceful means. He now has a minimum-wage, temporary job as a security guard at the Morristown mall. He says he understands why the crime rate is so high in areas where there are no good jobs.³⁴ Kathy Muller points out that none of the CATS members had ever fought for something like this before. "I was the type of person, I guess that if [GE] had told me to go out in a lake and jump in, I would've went in, because I thought they knew what was best for me . . . I had been brought up to think that if you got a job you did the very best you could, you worked as hard as you could, you did what they said, because they were boss, and you'd be okay! When I realized that didn't work, it was hard, it was really hard."³⁵

These hard-learned lessons stuck. More than anyone in Greenbrier or Acme Boot, the members of CATS continued to participate in political activities. CATS became the Hamblen County chapter of SOCM, and Muller became a leader in a new campaign to get city drinking water for people living in a neighborhood near a polluted landfill. Other members, including several who were previously virulently antiunion, led and worked in union campaigns. All the members interviewed were extremely knowledgeable about NAFTA, welfare reform, labor law reform, and other national economic issues. They continued to write letters and meet with legislators at every opportunity. Most important, they have learned to stand up for themselves, both individually and

collectively. Each one can tell stories of confronting authorities, at work and elsewhere, when injustice was being done. These small demonstrations of resistance, taken together, have had an impact on many lives.

CATS also transformed Morristown. Anyone in that town who has a problem in the workplace knows to contact a CATS leader. A small group of them now serve as informal job counselors for nearly the entire city's population. Moreover, although it has become SOCM and has quieted down during the past four years, public officials in Morristown remember CATS. The county executive and Chamber of Commerce officials refer to it as having instituted the strongest protest about jobs and the economy Hamblen County has ever seen. Although CATS may have lost the immediate battle, its legacy can be detected in the ongoing decisions made by local officials who have known the group's organized power and will always, even unconsciously, anticipate their reactions.

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The most striking conclusion to be drawn from the three cases of mobilization in East Tennessee is the exceptional potential of ordinary working people to take on a complicated issue, educate themselves, fight for what they deserve, and join with others in a common struggle. The crucial corollary is that in order for this process to take place, enormous resources are necessary. This is true not in the sense of a traditional "resource mobilization"³⁶ framework, but in terms of indigenous resources from within a community: an institutionalized base with which groups can affiliate and learn organizing skills, sources of publicity and information, and leadership.

These three examples show that abundant crises in every community can serve as sources of mobilization and protest, but their consequences are more difficult to predict. In all three companies, the consequence the participants sought — to keep their jobs — eluded them. The global economy brings a widening gap in power that has proved to be too severe for impoverished local groups to overcome. Only few such campaigns will ever produce concrete improvements in economic circumstances, by keeping a plant from moving on or by pressuring local governmental entities to strengthen their economic development bids. Yet even if material benefits never appear, these organizing efforts are not failures. Where grassroots mobilization has occurred, people have a much stronger comprehension of fundamental political issues and, as important, a transformed understanding of themselves in relation to those issues. Organizing is likely to increase political participation and thus strengthen local democracy, educate citizens on local and national issues, nourish leadership, and foster solidarity and collective responsibility. Different types of mobilization lead to different sets of experiences, understandings, and resulting political behaviors among participants.

Studying political mobilization among low-income rural people reveals the incentives and barriers to true local democracy in an increasingly global economy. This study has focused on the concern most central to poor people's lives: their jobs and, more generally, the condition of the local economy. It shows, first, that the most devastating economic changes result not from an invisible hand within an optimizing free market, but from sets of national, state, and local institutions and political decisions. It then shows that local people can have an impact on these issues, although they must contend with formidable structures and opponents. Although local organizing cannot compete with the forces shaping national and global economic policy, it *can* transform local politics and is an essential beginning. It is important to note that these local battles are indeed only a beginning.³⁸

The histories presented here prove that in no way should this type of organizing be

seen as limited to local groups and traditional neighborhood issues. In every case, people were more than capable of seeing their struggles in a national and international context and learning to analyze their own towns' economies in this framework. The transformation from the personal and local to the global remains the test of successful organizing. Small, disadvantaged communities always encounter difficulty in mobilizing around economic issues, but if they neglect to act, they are excluded from the decisions that most affect their lives. Examining systems that enable excluded groups to achieve a voice in such judgments is central to debates about democracy and power in contemporary American politics and public policy. In an era of downsizing, deindustrialization, and economic globalization, these questions are more important than ever. ❀

Notes

1. "Downsizing and Its Discontents" (masthead editorial), *New York Times*, March 10, 1996, E14.
2. Yolanda K. Kodrzycki, "The Costs of Defense-related Layoffs in New England," *New England Economic Review*, March/April 1995, 3.
3. James W. Meehan, Jr., Joe Peek, and Eric S. Rosengren, "Business Failures in New England," *New England Economic Review*, November/December 1993, 33.
4. Interview with Joanne James, December 7, 1993, Clinton, Tennessee.
5. Interview with Ann Ritter, LaFollette, Tennessee, December 10, 1993.
6. Interview with Bob Walker, Clinton, Tennessee, December 6, 1993.
7. Ritter interview.
8. Ibid.
9. Interview with Bobbie Bishop, Clinton, Tennessee, December 6, 1993.
10. James interview.
11. Walker interview.
12. Bishop interview.
13. Douglas Ray, "Acme Plans Boot Plant in Puerto Rico," *Clarksville (Tennessee) Leaf-Chronicle*, December 27, 1992.
14. The El Paso plants employed more than seven hundred employees, a number similar to that of those fired from the three other closed Tennessee plants. The company would not reveal the wages of workers in El Paso or Mexico. See Stephen Franklin, "Union Wants Puerto Rico to Boot Acme," *Chicago Tribune*, February 1, 1993, 1.
15. Ray, "Acme Plans Boot Plant," 1.
16. Pablo J. Trinidad, "Acme Boot to Produce Footwear in Toa Alta," *Caribbean Business*, December 10, 1992, 1.
17. Interview with Alan Buckner, Clarksville, Tennessee, December 14, 1993.
18. Franklin, "Union Wants Puerto Rico to Boot Acme," 1.
19. Harry Turner, "Congress Urged to Eliminate 936," *San Juan (Puerto Rico) Star*, May 15, 1992, 1.
20. Robert Friedman, "Rossello Urged to Deny Factory Tax Benefits," *San Juan Star*, January 12, 1993, 1.
21. Terry Batey, "Acme Boot Workers, Union Vow to Fight Closing to Bitter End," *Nashville Tennessean*, January 15, 1993.
22. Robert Friedman, "Acme Boot Company: A Runaway Plant?" *San Juan Star*, January 10, 1993, 20.
23. Jimmy Settle, "Will Newest Stitch Come in Time for Acme Workers?" *Clarksville Leaf-Chronicle*, May 18, 1993, A1.
24. *San Juan Star*, May 7, 1993.
25. Interview with Sally Kellam, Clarksville, Tennessee, December 15, 1993.
26. Ibid.
27. Linda Yount and Susan Williams, "Temporary in Tennessee: CATS for Stable Jobs," *Labor Research Review*, no.15: 74.

28. Ibid., 75.
29. Richard Belous, *The Contingent Economy: The Growth of the Temporary, Part-Time, and Subcontracted Workforce* (Washington, D.C.: National Planning Association, 1989).
30. Nine to Five, "National Profile of Working Women" (Washington, D.C.: Nine to Five, 1995), 1.
31. By 1994, Manpower, Inc., a temporary help service, was the largest employer in the United States, with nearly one million employees. See Robert E. Parker, *Flesh Peddlers and Warm Bodies: The Temporary Help Industry and Its Workers* (New Brunswick, N.J.: Rutgers University Press, 1994), 27.
32. Interview with Kathy Muller, Morristown, Tennessee, December 10, 1993.
33. Ibid.
34. Interview with Joe Perkinson, Morristown, Tennessee, December 8, 1993.
35. Muller interview.
36. See, for example, John McCarthy and Mayer Zald, "Resource Mobilization and Social Movements: A Partial Theory," *American Journal of Sociology* 82, no. 6 (May 1977); Anthony Oberschall, *Social Conflict and Social Movements* (Englewood Cliffs, N.J.: Prentice-Hall, 1973); Charles Tilly, *From Mobilization to Revolution* (Reading, Mass.: Addison-Wesley, 1978); and William Gamson, *The Strategy of Social Protest* (Homewood, Ill.: Dorsey Press, 1975).
37. Here I amend the arguments of Harry Boyte, Doug McAdam, and others. See, for example, Harry C. Boyte, *The Backyard Revolution: Understanding the New Citizen Movement* (Philadelphia: Temple University Press, 1980); Harry C. Boyte and Sara M. Evans, *Free Spaces: The Sources of Democratic Change in America* (New York: Harper & Row, 1986); Doug McAdam, *Political Process and the Development of Black Insurgency, 1930-1970* (Chicago: University of Chicago Press, 1982).