This paper presents a study of the work of the institutional labor economist, Ben Seligman. Seligman presents an interesting case study of theory and practice because he spent part of his career working for unions. He formed his version of institutional economics before he went to work for those unions, but his work for them exposed him to the impact automation was having on workers and unions. Because his institutional economics included an appreciation for humans as active agents with the capability to act within the limits set by the context of socioeconomic institutions, he was able to set forth an analysis of automation that centered on alienation as a key indicator of the harm automation caused.

Institutional economists have typically analyzed labor unions as outsiders. As will be described below, Thorstein Veblen never studied unions directly but tried to fit them into his theoretical categories. While John R. Commons had worked in a union printing shop in his college days, he and his followers researched the functioning of unions as sympathetic observers. One exception to this practice of analyzing unions from the outside would be Ben B. Seligman (1912–1970). Seligman presents an interesting case study of union influence because he worked for unions after he had established his credentials as an intellectual. Consequently, while he formed his conception of institutional economics before entering the union movement, his work with unions reoriented his research toward the study of automation, its impact on workers and its connection to the decline of unions in the USA.

This reorientation was feasible for Seligman because he was, in his own words, ‘an institutionalist who, contrary to popular opinion on institutionalists, happens to have a high regard for theory’. The type of theory he regarded, however, needed ‘to provide insights into economics as a social science, thereby providing materials for a more general theory of human behavior’. Seligman’s institutional economics contained this general theory of human behavior through its analysis of people as active subjects, shaping history rather than being simple products of structures, either material or institutional. In its operational form as applied to labor, this theory focused on how unions added to the development of workers’ ‘capabilities’, to use Amartya Sen’s term, to be effective workers and effective members of society. In his writings on automation he applied this capabilities approach to establish that automation was at odds with the way humans should work in their jobs.
This article will follow him as he moved from practical research on automation for unions to academic work on the same topic. I will first provide the biographical and intellectual details of his life and explore his version of institutional economics. Then I will outline the work he did as a researcher for unions, producing studies on automation for the United Auto Workers (UAW) and the Retail Clerks International Association (RCIA). After a decade working with unions, he made a transition to academia as professor of economics and labor center director, where he produced a scholarly book on automation and I will review that book in detail. In conducting his research, Seligman understood that he needed ‘information on motivations, social organization, rules of production, and above all where we want to head’. This multifaceted approach stressed the importance of understanding humans as active agents with the capability to act within the limits set by the context of socioeconomic institutions.

An intellectual life
Seligman was born in Newark, New Jersey, on 20 November 1912. Information on his life and career in his early years is limited to the information he provided for the listings of members of the American Economic Association. From those brief listings the following brief outline of his early career can be constructed. He graduated *cum laude* from Brooklyn College in 1934, earned an MS from Columbia University in 1936, and continued his studies at the New School for Social Research during 1940–1941. He taught high school during 1940–1941, worked as a commodity analyst for the Office of Price Administration from 1942 to 1945, served as managing editor of *Labor and Nation* in 1945–1946, acted as economist for the Council of Jewish Federations from 1946 to 1953, and directed community services for the Jewish Labor Committee from 1953–1955. From 1947 to 1949 he lectured in economics at Brooklyn College.

As will be described below, in 1956 he began a career as a union researcher with a position as International Affairs Analyst with the UAW. After one year, he became the Director of the Department of Education and Research at the RCIA, a position he held until 1965. He then became professor of economics and director of the Labor Relations and Research Center (LRRC) at the University of Massachusetts/Amherst. During his years in academia, he took a leading role in the formation of the Association for Evolutionary Economics, an organization dedicated to institutional economics. His untimely death on 23 October 1970 ended his efforts to turn the LRRC into a center for applying institutional economics to research and graduate study in labor relations.

Throughout his life Seligman produced an array of writings, publishing seven scholarly books, including a classic textbook on the history of economic thought, and scholarly articles in journals such as *The American Economic Review* and *The Journal of Economic Issues*. He also wrote over one hundred articles on issues of public interest for magazines like *Dissent*, *Challenge* and *The Nation*. A partial listing of his publications is included in the sources of this article. In recognition of his lifetime of achievement as a scholar, the Association for Evolutionary Economics honored him with its Veblen–Commons Award in 1970.

Give the broad range of his work, Seligman is difficult to analyze in an article such as this one. Accordingly, the focus here will be on his writings directly related to workers, unions and the impact of automation on them and how his institutional economics with its focus on human agency and worker capability informed his
understanding of their situation. Before looking at those writings, we must first take into account his institutional method.

**Economic methodology and institutional economics**

From his early days in college Seligman considered himself to be a member of the school of institutional economics and the major institutionalists in Seligman’s time, Wesley Clair Mitchell, John Maurice Clark, Joseph Dorfman, and Rexford G. Tugwell, taught at Columbia University. The institutional school is usually thought of as starting at the turn of the twentieth century as a reaction to the formalism inherent to the marginal utility school. Institutionalism, however, antedates neoclassical economics, and institutionalists, notably Richard Ely, founded the American Economic Association in 1886 to promote institutional and historical studies in the German model. Despite Ely’s early work, modern institutionalists trace their roots to Veblen and Commons. Both thinkers developed approaches to studying the economy that employed two overarching ideas: social institutions influenced human behavior and institutions changed.

To Seligman, the most important point about Veblen was that he called himself an evolutionary economist whose ideas derived from Darwin. For Veblen, evolutionary change followed a pattern of cumulative causation in a process more recently captured by the method of ‘adaptive behavior’. To formulate a theory of adaptive behavior, Veblen argued that humans had a set of instincts that functioned within the context of social institutions. An instinct of workmanship made humans desire to accomplish useful activities that aimed at serviceability to human existence, a predatory instinct impelled them to plunder rather than produce what they needed and an instinct of idle curiosity enabled them to think creatively even when there was no practical end in sight. In Veblen’s day, the predatory instinct meshed with the pecuniary institutions of business and the conspicuous consumption patterns of the leisure class, the instinct of workmanship came out in industrial work with technology, and the instinct of idle curiosity was reflected in science and the technology of mass production. Because divergent institutions influenced them, businessmen and workers would have different value systems that Veblen characterized as business vs industry.

Veblen’s distinction between business and industry had a profound effect on Seligman’s thinking and he praised Veblen for an approach that was ‘practical and provisional’ for it recognized the limits institutions place on our ideas – a true science respects that ideas can always be changed by the force of new information or new ideas. The problem was in how those ideas were translated to the minds of the active human agents who were engaged in economic behavior. Experience with finance gave businessmen their pecuniary values. Workers got their industrial values from technology, but Veblen’s interpretation of the technology that fostered industrial values among workers rested on the mechanistic methods of mass production. To him, workers gained their industrial values by working with machines. He wrote,

The machine throws out anthropomorphic habits of thought. It compels the adaptation of the workman to his work, rather than the adaptation of the work to the workman. The machine process rests on knowledge of impersonal, material cause and effect, not on the dexterity, diligence, or personal force of the workman, still less on the habits and propensities of the workman’s superiors.
Under the influence of the machine, workers would question the pecuniary sagacity of their bosses and their enhanced capability would permit them to take a broader view of the social needs that industrial production must meet. In his early writings Veblen thought that unions would be a part of this influence. When it came to the trade unions of the A.F.L., the standard bearers of labor in Veblen’s day, however, he found them to be engaged in business (pecuniary) practices of getting the most money for themselves without regard for the needs of society. Their fighting to protect their craft skills also put them at odds with the industrial values of the machine process.

Seligman could not have accepted Veblen’s positive position on the effects of machinery on workers and unions because it turned them into passive receptors of conditioning. Consequently he had to find other theorists for his perspective on the relationships among technology, human behavior and unions. He found such a theorist in Robert F. Hoxie. Hoxie had started his career as a traditional economist. Contact with Veblen brought him into the institutionalist school. According to Seligman, Hoxie first tried to apply Veblen’s methods to the study of trade unions, but found that ‘the whole instinct approach was inadequate’. Unlike Veblen, he actually went out and talked to union leaders. He learned that the psychology of union leaders was more complicated than business vs industry. By studying unions more closely than Veblen, he classified them into four main categories: business unionism, uplift unionism, revolutionary unionism and predatory unionism. Each type of union would have a different influence in terms of its effect on enhancing the capabilities of its members. Uplift unionism would take the broad perspective of industrial values that Veblen had indicated, as might revolutionary unionism. Business unions would focus on economic gains for their members and predatory unions would try to gain members from other unions.

The category a union would take depended on its leaders. Those leaders had to react to the market conditions they encountered in making gains for their members, but Seligman found that ‘Hoxie clearly had great sympathy for those unionists for whom some measure of idealism represented an important motivation’. How the union leader’s individual psychological make up interacted with market forces determined the type of union that an analyst might encounter. To Seligman, union leaders as active agents could develop a variety of capabilities, which meant that ‘progressive uplift’ was possible among union leaders. Of importance to Seligman, Hoxie applied the institutionalist method to the study of unions by looking at facts rather than relying on the application of theoretical understanding. Seligman also appreciated that ‘uplift unions’ would take care of their members’ needs for better wages and working conditions while still retaining their social idealism of doing things to enhance the capability of their members to function in society.

The possibility that unions could retain their idealism contrasted with the views of the other pillar of institutionalism, John R. Commons. On Seligman’s account, Commons was especially interested in institutions of collective action such as corporations, government and unions and wanted to study how they interacted with each other. Instead of the marketplace of individuals who passively took whatever price the market offered them, Commons wrote of collective bodies negotiating to reach agreements that produced ‘reasonable value’ for products and economic activities. Government could become a mediator between business and consumers, as in the case of public utility regulation, or between business and unions, as in the case of government arbitration boards. Unions themselves could be a vehicle for collective action by workers, in a way to reach a working
balance between capital and labor. Seligman would find Commons’ theories of collective bargaining a useful tool that allowed human agents to act in groups. In an article ‘On writing labor history’, he set Commons as the standard in labor history for seeking to ‘explain the trade union as an expression of certain economic, social, and legal impulses’.

There is one other thinker whose influence on Seligman needs to be noted – Karl Marx. Seligman did not shy away from acknowledging Marx’s influence but was careful to state what parts of Marx’s writings he found useful. For example, he did not find Marx’s application of the labor theory of value to be an effective tool of analysis and found contradictions in his theories of profit and the increasing misery of workers. Because these theories were central to the thinking of Marxist intellectuals in the 1930s and 1940s, it is doubtful Seligman would have been in their camp. He referred to ‘die-hard followers of the pure Marxist doctrine’ as responding to questions with the ‘reply that Marx was a genius’. Still, he found that Marx had tried to answer the pivotal questions of economic development, such as the role of technological change, the nature of the capitalist entrepreneur and his passion for accumulation and the causes of unemployment.

By the 1950s, moreover, alienation, one of Marx’s key concepts, was rediscovered by intellectuals and Seligman was a leader in making that rediscovery well-known. Seligman’s use of alienation permeates his work, especially his later work on the effects of automation on workers. He took a broad view of alienation drawing on theorists as diverse as Sigmund Freud and Hannah Arendt, but he always relied heavily on Marx for his basic appreciation of alienation. We can see Seligman’s reliance on Marx in one especially clear statement of what alienation meant to him:

The fundamental question for the individual worker must be the shape and form his work assumes. When technology was less structured and more amenable to human control, the individual could mold his work directly, lending to a pride of craft, even joy in bending oneself against resisting forces to compel them to assume shapes unheard of in a rude state of nature. Material was torn out of nature and converted into a product of man. This, indeed, was his true social condition.

He footnoted Marx’s ‘Alienated Labor’ from the Economic and Philosophic Manuscripts of 1894 (sic) in Eric Fromm’s Marx’s Concept of Man (1961) as a reference for this passage making Marx’s influence apparent. Less apparent, this view of unalienated labor by focusing on humans as controlling their work served to offset the mechanical notion of technology’s influence on workers that Veblen had set forth. Marxists had also interpreted Marx’s ideas of human agency with a narrowly defined economic determinism. Seligman criticized such narrow interpretations of Marx’s views by pointing out that ‘Marx’s early writings, notably the German Ideology and the Holy Family, clearly showed that noneconomic factors and the way in which social reality reflected itself in individual behavior’ were important in the process whereby ‘economic situations markedly shaped the institutions and ideas of men’. We can add Marxian thinking to the background of Seligman’s institutional economics, and the concept of alienation was crucial to his argument that automation undermined the capabilities of workers.

Seligman never set down in one place his own approach to institutional economics but we can see that it was an eclectic combination of the ideas of Veblen, Hoxie, Commons and Marx. From Veblen he learned a mistrust of business values and methods, especially as applied to unions; he also took from Veblen the idea of cumulative causation with its implications that institutions evolve but not toward a predictable end. Hoxie gave him
a way to classify unions based on the goals of their leaders. With Commons he got the idea that unions were a method of collective action as part of the social and legal climate that made the USA and its unions unique. Marx taught him to look at the alienated conditions under which workers had to function to earn their livings, even when they had the protection of unions. And he combined these ideas into an approach that found unions to have a complex set of functions to perform for workers and recognized that those functions changed over time, making it impossible to state definitively their economic impact. Humans had the potential to control their lives based on the capabilities their life experiences gave them.

We can see elements of this approach in one of his earliest articles, ‘Portrait of a labor leader’, first published in 1945. The article tells the story of David Gordin, a mid-level union official. Gordin was born in Russia in the early 1880s and as a young man was exiled to Siberia for revolutionary activities; his family then arranged to send him to the USA. He worked in sweatshop conditions in New York and joined a union to fight for social justice for workers. He quickly learned that unions in the USA were more interested in protecting their members’ status in industry and began the process that made him a successful union leader. Seligman described his evolution as follows:

You had better not accuse him of having surrendered his socialist faith. He insists that he has merely adapted socialism to the changing tides of history.... Forty years ago he believed in uplift unionism; to him trade unions were the carriers of a socialist civilization. Now he feels the purpose of a union is job protection within a capitalistic framework.

The philosophy underlying Gordin’s sense of the mission of unions was that they would redress that weak bargaining position of workers.

Thus far Seligman has shown Gordin to have started out as a leader of Hoxie’s ‘revolutionary unionism’ but evolved through ‘uplift unionism’ to ‘business unionism’. Gordin remained satisfied with what he had accomplished and felt that the rank-and-file were satisfied with his practical business attitude, which he described as follows:

A union today is like a corporation. The membership is the stockholders and the officers are like the board of directors. As long as the board of directors pays dividends the stockholders are happy.

This is a classic statement of ‘business unionism’ and it troubled Seligman. To him, unions should be enhancing workers’ capabilities as well as keeping them happy with higher pay. ‘Uplift unionism’ should be engaged in preparing workers for greater social responsibility. He made this belief clear in a later article, ‘Needle Trades Unionism’. He began the article regretting ‘the gradual decline of the typical Jewish trade union’. Those unions had been unique in creating a union philosophy that paid attention to the educational and welfare needs of its members, as well as to hard-headed “business”. The problem Seligman had with ‘business unionism’ was that it did not take on broader tasks of preparing workers for social and cultural proficiency. As indicated above, Seligman anticipated Sen in finding that business unions did not add to the development of workers’ ‘capabilities’. The need for workers to have unions that improved their social and cultural proficiency was directly tied to Seligman’s use of alienation as a key concept. Like Marx, he wanted to see workers be fully-developed individuals but through the use of realistic methods that would be consistent with the institutional structure of the USA, that is, through the use of collective bargaining as Commons had thought feasible.
Seligman added to institutional economics a sense of humans having the capability to influence their lives and he considered unions to be part of a process whereby participation in democratic institutions builds capabilities.

Consequently, Seligman espoused an economics that took as its research project the study of economic actions undertaken by humans organized into groups in a social system that was always changing and often guided by irrational behavior. This type of economics could not be based on *a priori* assumptions. It would have to be institutional economics that built on the ideas of Veblen, Hoxie and Commons as supplemented by Marx. This institutional economics stressed humans as having the potential to be active subjects rather than being simple products of structures, either material or institutional. It was this approach that he used when he examined the impact of automation on workers and their unions.

A union economist

As the articles on Goldin and the needle trades indicate, for the first two decades of his career as an institutional economist, Seligman followed the pattern of most institutional labor economists of analyzing unions as a friendly observer. Then in 1956 he had a chance to take a closer look at unions and workers by getting a job as an analyst for the UAW. Up to this time, he had not written on the impact of automation on workers and unions. While a search for records of his work in the UAW archives provided little information about the work he did for the UAW, there is one memorandum\(^\text{32}\) that indicates he had investigated the effects of automation on workers in automobile factories and in other industries. That seven-page memorandum, written to Victor Reuther on 17 April 1957, has a subject line, ‘Data on Automation’.

In the memorandum, Seligman detailed the impact of automation on auto workers, starting with the Cleveland engine plant of the Ford Motor Company. He wrote, ‘Automatic machine tools perform more than 500 boring, broaching, drilling, honing, milling, and tapping operations without any human assistance. The timing of each operation is synchronized so that the line moves forward uniformly.’ The machines were also set up to function for a set number of times, based on how long it took for the tools to wear out. No one had to watch the machines until it was time to change the tools. The result of this automation was that ‘There are less men on these operations than formerly. In one part of the line 25 men perform the same work as 117 did using the old method.’ The investment in automation appeared to be paying off for the company in terms of increased labor productivity. In a ‘rocker arm support operation five workers at 2 machines had produced 38 pieces per hour; after automation one worker produced 750 pieces per hour’.\(^\text{33}\)

The next five pages of the memorandum describe cases of automation in other industries. Seligman then cited a study that indicated that all industries were investing heavily on automated equipment. He presented Reuther with a list of ‘the broad questions you will want to discuss’. The items on the list were: ‘High cost of installation, high cost of maintenance, used for more highly skilled workers, long range impact on market for output, affect on employment, impact on competition of labor force, problems of immediate displacement, labor’s views, and pollyannaish attitudes of some business men.’\(^\text{34}\) These would be the same broad questions Seligman would raise a decade later when he produced his book on automation and indicates where his union work gave him
a research topic when he had the time to pursue his own research as an academic. He still had nearly a decade of work for a union before him, however.

In 1957 Seligman joined the staff of the RCIA as director of education and research. The RCIA archives have no information about how he got the job, but they tell a great deal about the range of his activities. During his eight years at the RCIA, Seligman produced research reports, developed a system of contract analysis that produced a computerized database of information from contracts negotiated by RCIA local unions, testified before congressional committees, served on a Labor Department Advisory Committee with a goal of improving the data produced by the Bureau of Labor Statistics, attended numerous conferences as representative for the RCIA, developed seminars on economics, political science and sociology for RCIA staff, executive leaders and local union members, gave speeches in a variety of venues, was a member of the National Equal Pay Commission, and served on the board of the Federal Statistics Users Conference, an organization to address the needs of researchers in business, labor and nonprofit sectors of the economy.

In his work for the RCIA, Seligman would continue his interest in the effects of technology and automation on workers. The RCIA had been formed in 1890 to organize the white-collar clerks who worked in major stores. Over the course of the twentieth century, technology and the mass merchandising of chain stores changed that occupational structure of retail clerks. To Seligman, automation was creating a new challenge for the RCIA and its members. On 15 December 1959, he wrote James A. Suffridge, president of the RCIA, about an article in the *Wall Street Journal* that described ‘a new device for check out counters which if instituted may in the next couple of years pose a serious employment problem in our field. It seems to be a situation that merits close attention’.

Suffridge apparently agreed, because by July 1960 Seligman had prepared a 27-page research report on ‘Automation in Retailing and Distribution’. The report began by citing a special issue of the *Journal of Retailing* on the use of automation in retail stores. The articles in the issue focused on how quickly automation was coming to retail stores and how its direct impact would be to reduce labor costs. Moreover, Seligman added, automation was spreading through every facet of retailing. At the time, its most important application had been in the areas of record-keeping and inventory control but companies were beginning to use it in materials handling and warehousing for consumer durables and in back-of-store operations in grocery stores. To be sure, these changes would require that consumers be willing to accept new ways of shopping; they would have to be willing to buy standard consumer durable products off the shelves in retail stores and to live with shrink-wrapped meat and produce and other types of pre-packaged items in grocery stores. In addition, Seligman reported on the future prospects of an automated grocery shopping experience with purchased items being scanned at a checkout counter without the need for a cashier. He was in no doubt that consumers would adapt to all the changes automation would make in their shopping experience.

These changes would also have an impact on workers in retail. Seligman observed that the articles in the *Journal of Retailing* had overlooked the impact of automation on ‘those human beings who may have spent two or three decades of their creative, active lives in the retail business’. Already, automated cash registers had reduced the time to process a customer by one-third, and Seligman argued that automation caused alienation among
retail workers. He quoted one retailing executive who had observed, ‘Automatic retailing takes the fun out of work for the [salesclerks]. People like to feel they are in control of an operation and even making mistakes is important because it gives them a sense of importance. When you get too automatic, you get restless, or listless help.’ Seligman highlighted this quotation because it supported his institutional economics with its sense of workers as active subjects with the capability to shape their work and was in line with his appreciation of the relationship between automation and alienation.

To solve the problems being caused for workers by automation, unions needed to recognize that while the process of automation was long-term and carried benefits, it was moving quickly and in the short-term was imposing costs on workers affected by it. They also needed to understand, as the above quotation indicated, that forward-looking managements were aware of the problems automation caused for their employees. Unions needed to collaborate with management to solve those problems and Seligman cited an ‘automation fund’ that Armour & Co. had negotiated with unions as part of its collective bargaining contract to provide resources to help workers adjust to automation. He also suggested that since the union movement had always aimed at making life easier for workers, unions should propose that the best way to handle the problem of automation was through a reduced work-week at the same pay. That approach had been supported by the General Executive Board of the RCIA.

This approach of a shortened work week would also carry benefits to society by enhancing the capability of workers to be better citizens. Seligman wrote,

> It is also clear that increased time for one’s self and one’s family is a necessary condition for a rounded useful and satisfying life. The fuller development of individual capacity, better care of children, greater attention to community obligations, better education and a general improvement in the quality of life makes for higher productivity.

Here is further evidence of Seligman’s institutional economics and its theme of having unions enhance the ‘capabilities’ approach more recently set forth by Sen.

Moreover, during his time with the RICA, Seligman continued to research the problems of automation and to give speeches about it. He also began writing articles in intellectual magazines about the increased use of automation in US industry. The reports, speeches and articles he produced have the same themes and content as his later book on automation, *Most Notorious Victory*, and those themes will be considered at length below. Here I will make three points. First, at least one of the articles I have been able to locate replicated the material contained in his UAW memorandum, although his other examples indicate that he had clearly expanded his research on automation. Second, he had already formed his view that automation was an ‘approaching catastrophe’ for unions because of its potential for causing a reduction in union membership through worker displacement. He observed that as a result of automation ‘it is so much easier now for plants to escape to communities where unionism seems to represent little threat’. He repeated these points several times, writing that companies that wanted to ‘escape the union organizer’ could locate automated factories in remote areas. Third, as time went on, he became more pessimistic that collective bargaining could solve the problems being caused by automation. The RCIA had been successful in some areas where they represented a large percentage of the work force in retailing by getting contracts that protected its members’ jobs, but overall he admitted, ‘The experiences that we have had thus far I do not think are especially encouraging.’ Consequently, he looked for federal government help and testified on behalf of a bill to create a ‘Presidential
Commission on Automation’. These three points represent important lessons he learned through his research on automation for the UAW and the RCIA.

Seligman’s work with the RCIA gave him many new projects to research and write about and during this period he was able to find the time to continue contributing small articles to intellectual magazines. To develop fully many of his research ideas, especially his ideas regarding automation, he would need more free time than working for the RCIA afforded him. In 1965 he gained that free time by making a transition from the RCIA to academia.

An academic scholar

After 8 years working for the RCIA, Seligman joined the faculty of the University of Massachusetts in Amherst in 1965. He held joint rank as professor in the economics department and director of the LRRC. The LRRC was formed to offer graduate study in labor relations, provide outreach programs for unions, and conduct and publish research on issues pertinent to unions. The LRRC would add to the university’s luster by serving the Commonwealth through its study of many of its socioeconomic problems related to labor force issues, by performing outreach services for unions, by training a new breed of union staff members, and by producing scholarly works.

The LRRC was planned with the guidance of an advisory council composed of faculty members at the university, members of State Labor Council of the American Federation of Labor and Congress of Industrial Organizations (AFL–CIO) and delegates from the Education Department of the national AFL–CIO. When it came time to find a director for the LRRC, the advisory council indicated that while finding a person with a PhD was desirable, it would be more important that the director have the ‘ability to establish rapport with the academic community’, be capable of getting ‘the cooperation of labor leaders as well as workers’, and have an ‘enthusiastic commitment to working in the labor field’. Although the university archives do not tell us how the search committee for the LRRC director settled on Seligman, his background of intellectual writing and union work matched the needs of the position very well.

Seligman reported on the organization of the LRRC in a 1966 issue of the Industrial and Labor Relations Review. The academic program of the LRRC would be an interdisciplinary study of labor relations leading to a Master of Science in Labor Studies. Students in the program would complete 36 credits of graduate study, conduct a research project in their first year of study, undertake an internship during the summer after their first year of study and take on an assignment in the extension-teaching area. It was a well-rounded education that set students on the path Seligman had followed with his institutional economics of labor.

The LRRC offered labor education extension services, headed by two assistant directors; they had already developed a series of ‘tool-type’ courses to be offered to members of a long list of unions in Massachusetts. Union members would also be able to take ‘broader courses on major social issues’ to give them a better sense of the history and philosophy of unions. Such courses would enhance the capabilities of those who took them by having the LRRC perform a function Seligman thought unions should have undertaken. The early years of the LRRC under Seligman’s direction expanded these courses. It also added to its faculty members by hiring Solomon Barkin, a highly respected union economist who, after 25 years with the Textile Workers Union, had just served
five years as director of research for the OECD in Paris. Consequently, while the LRRC had similarities with labor centers such as the ones formed earlier at Wisconsin and Cornell, two economists with union experience staffed it. Barkin shared Seligman’s broad based institutional economics and would produce many of the research publications of the LRRC for the following two decades. By 1966, the LRRC had supported the publication of two books on labor by the University of Massachusetts Press, and Seligman included two of his books as part of the LRRC’s list of sponsored research.

A theory of automation

The first book was Seligman’s account of the costs of automation, Most Notorious Victory. We have seen that he had begun studying the impact of automation during his work with the UAW and the RCIA. That work had been narrowly focused, however. In keeping with his broad based approach to labor issues, Seligman in his book created an analysis of automation that included lessons from the history of technology, economics, sociology and psychology. The content of the book is too broad to review here. In keeping with the theme of this article, I will focus on its analysis of automation’s affects on workers and unions.

The first three chapters present a broad sweep of the history of technology, starting from ancient times and ending up with the technology of mass production in industrial society and they build on work he had done for the RCIA. Chapter 1 makes the point that technology had been static for most of human existence, but for the last two centuries the pace of technological change increased dramatically owing to the combination of technology with science. Although he appeared to be following Veblen in making technology independent of capitalism, he did consider how human agents, the middle class of businessmen in England, took advantage of the increase in technological change by using it for economic gain. He also added that from the beginning of capitalism businessmen took an active interest in technology that aimed at reducing their reliance on craftsmen by replacing their skills with machines. The result was a fascination for machines that has persisted throughout the economic history of capitalism, including the development of the assembly line. As part of that fascination, businessmen and engineers dreamed of making factories automatic:

The search was on for the automatic factory which would function as if it were a set of synchronized watches with split-second timing. Technology was to dispose forever of the need for workers to attend the product-in progress. The protest of the worker that the assembly line was a brutal master, driving at inhuman speed would be heard no more. Eventually the machine would do the work itself.

Chapter 4 sets out examples of where automation had made headway. Its main advantages were in costs savings, reliability, better quality control and higher productivity. Despite these advantages, Seligman noted that there were also ‘countervailing costs’ that did not become part of the economic calculation:

The pursuit of technology tends to brush them aside. One thinks of humans who were once involved in industry. But no matter; if a bolt or a valve can be made without hands, that is feat enough.

Here as throughout his discussion of the history of technology, Seligman was chronicling the ‘deskilling’ of workers that had been taking place for nearly a century. While this
‘deskilling’ may have given managers greater control over workers, Seligman was more concerned with its impact on the degree of control workers had in their jobs and with the displacement of workers from their jobs. Numerical controls that guided a machine tool did a better job than the machinist had, and without him. Indeed, the overall impact of computer technology in manufacturing was to transform ‘discrete production’ into a continuous process. Although his theory of automation’s alienating effect of workers derived from Marx, his interpretation of the technical features of automation is reminiscent of Veblen’s machine process.

In Chapter 6, Seligman looked more closely at the direct impact of automation on workers. He raised the issue of pertinence today of the displaced worker in manufacturing having to take a lower paying job in the service sector. Workers resisted the impetus to change job paths or to move to a new location to find a job. Free-market economists talk of workers finding new jobs as if they were a commodity that could be arbitrag ed to the highest pricing point. From his institutional economics perspective, Seligman understood that workers found such changes traumatic and resisted them as much as possible. To help workers adjust to changes the US needed to develop a ‘labor mobility policy.’

Moreover, the jobs that remained under automation were not necessarily pleasant, ‘for automation tends to generate it own particular pathology’. He cited one study that workers in automated offices tended to be more ill-tempered and prone to illness. Another study showed that work relations in automated offices had begun to resemble the factory floor. Consequently, he argued, automation led to ‘an intensification of the sense of alienation’ in contrast to Robert Blauner’s study that argued the reverse. Seligman’s aim was to counter the contentions of proponents of automation, such as Peter Drucker, who thought automation would bring about higher skilled jobs. In looking at automation in this way, however, Seligman has treated alienation as related to work and technology rather than seeing it as being due to the separation of the worker from control over the means of production. His theory of human behavior did not include workers having the capability to question the social relations of capitalist production.

Unions and automation

Chapter 7 looks at the response to automation by unions. Seligman began the chapter by quoting George Meany’s comments to the 1963 AFL–CIO convention where he called automation ‘a curse to society’. Seligman interpreted the comments as part of ‘a state of panic among many union officials’ over the job losses being caused by machines that cost less than what it would take to feed a worker and his family. What were unions doing about it?

In answering this question Seligman was very critical of the union leadership for their attention to business unionism and pecuniary values. He had already noted how John L. Lewis had determined not to be concerned about unemployment among members of the United Mine Workers but instead had agreed to help coal mining companies innovate to be come more competitive. Lewis’ argument was that it would be ‘better to have half a million men working in the industry at good wages… than to have a million men working in the industry in poverty and degradation’. Lewis had let mine operators automate, Seligman observed, with the result that he became a ‘labor statesman’ while several hundred thousand miners lost their jobs. Seligman feared that the displaced
workers would impose a drag on the wages of union workers and that they would interpret unions as having a goal of protecting members with jobs from those who had been displaced. Seligman might have expected a union leader with Lewis’ reputation to have been more concerned with ‘uplift unionism’.

In addition to causing divisions in the workforce, automation, by shifting workers into low-level white collar jobs and service jobs, created another problem for unions. Unions had not developed effective strategies for organizing white collar and service workers, and those workers often identified with management, making them less interested in unions. Finally, automation weakened unions’ greatest weapon in collective bargaining, the threat of a strike. Seligman gave an example of a strike by the Oil, Chemical, and Atomic Workers’ Union against a Gulf Oil Company refinery. The strike failed because supervisors were able to run the automated refinery without workers, and the only accomplishment of the union was to get a promise of 60 days’ notice of impending layoffs.

When he presented case studies of what unions had done to fight the affects of automation, Seligman found little to encourage him as they reverted to Hoxie’s category of ‘predatory unionism’. In those cases, unions attacked each other as happened when the Airline Pilot’s Association fought the reduced need for pilots in jet airliners by struggling to have a pilot occupy the cockpit seat previously taken by engineers who were members of the Flight Engineers’ International Association. In another case he documented how the International Longshoremen’s and Warehousemen’s Union had created a dual labor market of ‘A’ men who were on a register to get regular jobs with benefits and ‘B’ men who would be called in when needed. The ‘B’ men bore the burden of displacement when the docks and ships were automated; most of them were African-American and when they were called in to work it was usually for the worst jobs. The upshot of this and other cases, Seligman concluded, was that ‘the only answer to automation through collective bargaining is to take care of those who are inside the plant. Little can be done for the worker already shunted aside and even less for the younger worker who wants to get in.’

The problem for unions in developing their capability for ‘uplift unionism’ that could deal with automation on a broad scale was that they were associated with particular employments and particular jobs rather than with workers and the working-class in general.

If particularistic collective bargaining could not resolve the issues of automation, what were unions doing? To a large extent, they were calling for government help. Seligman noted, however, ‘By urging an expansion of retraining, relocation aid, and area redevelopment, the A.F.L.–C.I.O. itself has acknowledged that the burden of automation is too great for collective bargaining.’ Policies of the individual unions of the AFL–CIO were ‘at best holding actions and at worst helpless rhetoric’. Seligman then asked whether the unions’ inability to address the issues of automation meant that unions faced a future ‘of declining power and influence’.

Automation and union decline

Seligman hoped not, for he believed that unions had brought better lives to millions of workers. Yet viewed from today’s vantage point we can see that he was right in raising this issue. At the time he wrote, unions were at the peak of their influence in society and near the high of their membership as a percentage of the labor force. They have been
in decline ever since. Here we might pause and consider whether he was right for the correct reason.

A large number of factors have led to the decline of unions, from the falling off of manufacturing as a portion of the US economy to the opening of manufacturing plants in non-union parts of the USA and the world. A common feature in these factors is that automation has made it easier for them to take place. Factories that require minimal skills of workers can be opened anywhere in the world where there are potential workers, regardless of their skill levels or work habits. Seligman outlined this process in terms of its impact in the meat packing industry. The large meat packing companies began using technology in the 1950s to improve their productivity and regain market share from smaller companies. They reduced the number of workers they needed and handled the transition by closing large urban plants and opening plants of reduced size in smaller cities where they ‘could escape the trade union and pay lower wages than they did in the larger communities’. Today the same process is at work in the globalization of industry where companies open up new factories anywhere in the world. Seligman may not have seen all of this coming, but he saw the beginning of the trend if not its full extent. Few other economists, Solomon Barkin stands out as an example, saw the same trend of union decline.

In the absence of unions having a collective bargaining strategy for displaced workers, they turned to the government, and Seligman devoted Chapter 8 to a study of what it had done. In the main, the Democratic administrations and congresses of the 1960s had addressed labor issues through macroeconomic policies aimed at keeping unemployment low. In this way displaced workers would always be able to find jobs. To be sure, there were a number of presidential committees and congressional committees established to study the issue of automation, but little came of them. The best governmental plan that Seligman found was a guaranteed annual income by the government, such as represented by Milton Freidman’s negative income tax.

Writing as he was during the high days of liberalism in the USA, as set forth by Lyndon Johnson’s Great Society, Seligman’s tone of pessimism went against the grain of thinking among institutional economists. After all, this was a time soon after one of Commons’ protégés, Sumner Slichter, had written, ‘The American economy is a laboristic economy or at least is becoming one.’ To him this meant that ‘employees are the most influential group in the economy’. For the next thirty years economists followed Slichter in believing that unions were gaining a great deal of social power, including John Kenneth Galbraith with his idea of the ‘countervailing power’ of unions keeping business in check. Seligman clearly stated his view that unions were not as powerful as social thinkers presumed in a review of a book, Labor Today (1964) by B.J. Widick, written at about this time:

The unions, at least the larger ones, have achieved a position of relative prosperity, but this in no way makes them the powerful countervailing organizations that Widick, among others, believe them to be. If union leaders have, on occasion, had coffee in the White House, that does not make them partners in government or enterprise . . . . The alleged accommodation between unions and management, which Widick claims exists, is so unreal that management, whenever it can get away with it, encourages decertification proceedings before the National Labor Relations Board.

Unions were in a weak bargaining position with business and automation was helping to keep them there.
It could be argued that unions had put themselves in this weak bargaining position by taking on the trappings of ‘business unionism’. Had they been more progressive and uplifting in their activities, they might have garnered more social support in the struggle against automation. Seligman’s view of unions certainly hinted at this argument. When other analysts of union activities made the point that unions had become too business-like, Seligman defended unions on the grounds that they were creatures of the social institutions of the USA. He weighed in on this issue in reviews of three books on unions, ‘New views on labor’, writing:

> Unions have in fact become precisely the kind of business organization that American workers and the American public wanted them to be. If members do not attend meetings... neither do they go to church with any regularity, nor to their lodges, nor PTA’s. If membership commitment to unions is tenuous, it is equally so in other organizations.  

Unions were service organizations seeking to get their members better pay and working conditions and they had been successful. In terms of Hoxie’s taxonomy, they had become ‘business unions’ because of the socioeconomic conditions their leaders faced from market conditions and the legal system that governed union activities. Given the cultural values of the USA at the time unions developed, one should not expect more of them in terms of getting commitments from members.

**Automation and alienation**

In Chapter 11, Seligman returned to the issue of alienation in the workplace. With his scholarly erudition, he was able to outline the history of human attitudes toward work from the Greeks who found it demeaning to Veblen who found it to be a basic human instinct of workmanship that found purpose in work. He also credited Marx for his persuasive analysis of the dangers of alienated labor for society. To Seligman, work was ‘the most important activity in which man engages, for it provides the standard for judging his worth’. There was dignity in work and workers had a concern in the form that work took. When technology was under human control, such as in crafts work, the worker could take pride and joy in fashioning the things of nature to his own needs. When technology was under human control, such as in crafts work, the worker could take pride and joy in fashioning the things of nature to his own needs.  

> Work becomes a mechanical reaction of those pursuing the dictates of a single set of values; it loses its spontaneity and its creativeness and is converted into automatic behavior... Meaning disappears as work takes on the character of continuous improvement. When it does, those humans utilized by the process become mere automatons.

This is a stark statement about the numbing affects of automation, and it is not one that economists have studied with very great attention. As noted above, among institutional economists, Veblen had put a positive spin on working with machines, albeit without much research to back up his interpretation. Because Seligman had undertaken direct research in the effects of automation, he had an advanced understanding of its consequences for the undermining of human capabilities.

**Conclusion**

As active human agents, intellectuals join the labor movement for a variety of reasons, ranging from social idealism to opportunism related to furthering a personal agenda.
We will probably never know for certain what motivated Seligman to work for the UAW and the RCIA. What I have tried to show in this article is that his work for unions expanded his intellectual horizons by giving him first-hand data about the problems automation caused for workers and for unions. Of his publications, *Most Notorious Victory* remains the most prescient because of his insights regarding worker alienation and union decline. It is doubtful he would have written it had he not spent a decade in his mid-life as a union researcher. Moreover, his background of working for unions enhanced his knowledge of unions and gave him the ability to work with union leaders and members. These capabilities made him the ideal person to be hired as first director of the LRRC. Since his years with the LRRC were also his most productive as a scholar – he could not have written *Most Notorious Victory* or his other books without the research time academia afforded him – Seligman’s legacy as a scholar owed much to his work for unions.

Because he was often critical of union leaders in *Most Notorious Victory* it would be easy to conclude that Seligman held a negative view of them. What was his attitude toward unions? In his appreciation of Seligman, novelist and friend Harvey Swados wrote, ‘Ben Seligman was an old-fashioned socialist intellectual’. At first glance, it is hard to see what Swados meant by this label. There is nothing in Seligman’s writings reviewed in this article that directly relates to socialism. To be sure, he did not fall in the same camp as Commons, who once wrote, ‘I concede to my radical friends that my trade-union philosophy always made me conservative’. Rather he comes off as a progressive unionist dedicated to helping workers attain the capabilities required to live a better life. That better life, however, included more than higher incomes. Workers should be better educated in the ideas that enhanced their capabilities, and they should be able to work in jobs that did not alienate them. Unions should be ensuring that workers attain these non-monetary gains by following the path of Hoxie’s ‘uplift unionism’.

Unions were not taking on this larger role as Seligman well knew. The problem as he saw it was that ‘Unions have in fact become precisely the kind of business organization that American workers and the American public wanted them to be.’ Their business-like perspective of getting more money for their members offset the idealistic appeal they might have had. Here Seligman returned to the same pessimistic outlook that Veblen had, that the pecuniary culture of capitalism had influenced unions greatly. As we have seen in this article, that outlook made it hard for unions to fight the automation that harmed their members and eventually led to their decline. Because technological innovation that ignored human cost was based on pecuniary decision making, Seligman was not a supporter of capitalism. Still, he believed that unions had to retain their idealism in ways that made capitalism better. He wrote, ‘Labor needs to develop a social and political image which will be uniquely labor’s.’ That image meant that unions had to work out ‘a cohesive program stemming from the demonstrable congruence of labor’s needs with that of society’.

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Notes

2. Another exception would be Solomon Barkin as described in Stabile, Activist Unionism.
10. Seligman, Main Currents, 137 and 140–5
11. Seligman, Dissent, 8.
17. Seligman, Dissent, 410.
19. Seligman, Main Currents, 50.
24. Seligman, Main Currents, 50.
25. This attribution of Hoxie’s influence is partly based on the author’s recollection of the stress
Seligman put on Hoxie’s ideas in his history of thought seminar in fall 1970.
29. Seligman, Dissent, 340.
30. Seligman, Dissent, 351.
33. Seligman to Reuther, 1–2.
34. Seligman to Reuther, 7.
35. Seligman, ‘Research Report on Sears’, ‘Research Report on Colonial Stores etc.,’ and
‘Automation in Retailing and Distribution’.
37. Seligman, ‘Statement to the Select Subcommittee on Labor’, ‘Statement to the Manpower
Subcommittee’, and ‘Supplemental Statement’.
38. Seligman, ‘Memorandum on Labor Department Advisory Committee’.
‘Princeton Seminar’.
40. Seligman, ‘Memorandum on Educational Program’ and ‘Memorandum on Educational
Seminar for Executive Board’.
the Future’.
42. Minutes of the National Equal Pay Commission.
Statistics Users Conference’.
44. Seligman, ‘Memorandum on Automation’.
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