The Employment/Wage Trade-off:
Proposition 2 1/2 and Public Sector Union Response
The Case of Belmont

by

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ABSTRACT

This study explores public sector union behavior under conditions of economic constraint which impose a trade-off between employment and wages. A property tax limitation bill, Proposition 2 1/2, was passed in Massachusetts in 1980. The bill limited the ability of local governments to pay their employees and also altered the attitudes of management and labor and the balance of power between them. A case study of police and fire unions in the Town of Belmont was done to explore union reaction to the changed context of labor relations. The study attempts to explain why, when each union was offered a choice between layoffs and a reduction in a negotiated wage increase, each chose a different alternative. It was found that the alternatives entailed other costs to the membership beyond the wage cut and layoffs which determined the different outcomes.

The study places the case of Belmont in the context of the industrial and public sector labor relations literature. That concerning employment and wage relationships was synthesized and used to predict the behavior of the unions. The findings of the case indicate that such literature did not serve to fully explain union objectives and behavior. Factors outside the traditional employment/wage considerations were critical in determining outcomes, particularly the organization of the work place and of the work itself, and the strength of the union, derived from its external and internal relationships.

Thesis Supervisor: Martin Rein, Professor of Sociology
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Preface

Job security has been the essence of public employment. Good wages were not deemed to be necessary because of this security, or in other perspectives, because of the "prestige of public employment." With the advent of public sector unionization, both rationales were challenged. It was obvious that the public worker wanted the same economic benefits as those in the private sector. Higher wages did not decrease employment, however, as municipal coffers were expanded to absorb the employee demands. It was assumed that any trade-off between wages and employment, as found in the competitive market, was irrelevant to public employment.

The mid 1970's saw a fundamental change in the fiscal viability of local government. The threat of default in New York City was not paralleled everywhere, but it was a reflection of a broad change throughout the nation in the ability of government to continually absorb higher costs. The attempt to cope with fiscal constraint (and distress) led to cutbacks in personnel appropriations, and resulted in, perhaps for the first time, layoffs of public employees. It had become obvious that insulation from job insecurity was no longer possible, and that higher wages and increased employment could not co-exist. It appeared that the trade-off had arrived in the public sector.

As job security has been assumed in public employment, and never been challenged despite wage increases, there was little indication of how unions would react. Considerable literature in private sector
labor relations had been generated around the topic, but based predominately in the competitive economic context of the market, where links between price and demand were inherent. But because public employee unions had operated under no such context, it was not clear that the same objectives could be attributed to them.

In November, 1980, Massachusetts residents overwhelmingly voted to approve a property tax limitation bill, Proposition 2½, which was to have considerable impact on municipal revenues, and thus public employment. In February, the Boston Globe published an article headlined under "Proposition 2½ Axe Dulled By Sacrifice." In it was described a decision by the police union in the town of Belmont to take a wage reduction in order to prevent layoffs. At the same time, it was mentioned that the firefighters' union had rejected the option and seven men had been laid off. The case seemed a prime opportunity to explore the factors which determined the outcome of a trade-off between employment and wages.

The study which follows is essentially an effort to understand through the case of Belmont how public employee unions perceive and determine a trade-off between wages and employment. It is the underlying assumption that union objectives and their ability to obtain are the heart of issue, and that understanding a decision will better enlighten the concept of what unions are to their membership.

The first chapter attempts to outline the major theories that have been developed in the labor relations field in relation to a decision between wages and employment. As the existence of a trade-off
has always faced a private sector union, the heart of this work has been in industrial labor relations, and leads the discussion. Following is a section outlining the critical differences in public employment with particular attention to municipal government and police and fire unions, and how these affect the formulation of unions' goal. How these relations are affected by fiscal constraint is discussed in the third section, as well as providing synthesis of what the literature offers in terms of predicting outcome. A final note is added concerning the special nature of constraint imposed "willingly," such as in the public approval of Proposition 2½, and the particular implications of such.

The case of the Belmont unions is described in the second chapter, beginning with a brief description of the particulars of labor relations in the state which are relevant to the case. The final chapter links back to the first, in discussing what might have been predicted through the literature and how that compares to the findings in Belmont.
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CHAPTER I. THE THEORY OF THE EMPLOYMENT/WAGE TRADE-OFF

The Private Sector

Economic constraint is not an unusual phenomenon in private sector labor relations. Indeed, because employment is deeply imbedded in the market system under capitalism, the representatives of employees -- unions -- are intrinsically bound to an economic relationship with the micro-and macro-level economy. The domination of price in the allocation of resources demands a response to union behavior in the distribution and level of general employment, and, until the entire labor force is unionized, in competition from the non-unionized sector. The issue of a trade-off between wages and employment is indisputably part of the context of union behavior; the question for research has been the degree of consciousness with which the trade-off has affected union goal and strategy formulation. The discussion of trade-offs is embodied in the literature in general concern with wage determination as affected by the existence of unions. Collective action by workers is perceived in the classical model as an interference in what might have been market decision, therefore requiring explanation outside traditional economic theory. The literature has largely dealt with wage determination and its interplay with employment levels and other relationships of work as an outcome of a complex process involving union and management goals and ability to obtain them, set in an economic, social, and political environment. The separation and weighing of the different variables involved in the process has been the stimulus for competing
theories in the past, and judging from the current state of the art, of numerous more in the future.

Though a trade-off between wages and employment has been implicit in classical economics, its explicit consideration in the formulation of union goals and wage policy was not necessarily assumed. The early writers on unionism had generated a variety of alternative hypotheses explaining the existence and purpose of unions. Some, such as the Webbs,\(^1\) viewed organized labor in a historical perspective, arising out of the nature of capitalism, and in the pursuit of fundamental transformation of society away from capitalistic competition. Perlman, from a different perspective, viewed the primary interest of the worker as job security, the motivation for unionism as a concern with the scarcity of job opportunities.\(^2\) With the firm establishment of business unionism in the United States, focus turned to more specific consideration of union policy, particularly the search for an economic model. Hicks provided a somewhat primitive version in 1932 with the belief that the union strives to obtain the highest wage possible without concern for employment.\(^3\)

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1. Sidney and Beatrice Webb, *Industrial Democracy* (London: Longmans, 1897). Marx and later Lenin also viewed the advent of unionism as arising from the capitalistic mode of production; however, they were critical of the narrow, economistic goals of the existing trade unionism and did not foresee fundamental societal transformation as possible without revolution, in contrast to the Webbs' belief in gradual improvement in which unions played a key role.


With the publication of John Dunlop's book, *Wage Determination Under Trade Unions* in 1944, an elaborate economic model for union behavior was outlined. 4

Dunlop specifically placed a consciousness of employment tradeoffs in the union policy formulation. His view of the union was as a business enterprise, in the business of selling labor in a market economy. Its primary motivation was the maximization of the total wage bill, implying that wage increases would only be sought until the loss of employment decreased total wages below that gained by remaining workers. The union functioned as a sophisticated economic entity, acting as a rational maximizer of wage. (Dunlop did admit, however, that wage policies might be utilized for other than income-gaining reasons though these were sub-goals.)

The trade-off between wage increases and employment was understood by the union but only through "specific channels," not in an abstract over-all elasticity of demand relative to the general economy. The more immediate and direct the employment reaction to a wage change (especially evident with non-union competition), the more clearly the union will perceive the relationship. Any attempt by a particular union to gain employment guarantees recognized the employment-wage-rate relationship, and it was assumed that some portion of wages were given up in the bargaining process in return for such guarantees.

Dunlop also attempted to model the behavior of a union facing a worsened economic context, such as a down-turn in the business cycle,  

in which a union was faced with taking a wage reduction to prevent loss of employment. He postulated that in general unions would not take a wage reduction for a number of reasons, including the fact that the achievements of the union were reflected by the base rate (and thus a reduction would lower status), and that employed members would oppose a cut and have more weight than the unemployed in a decision. The decision would depend upon the degree of certainty over the length of the economic cycle, the perceived costs in terms of the ability to regain the lost wage, and probability of relative shifts in employment between union and non-union firms. In the final analysis, however, Dunlop stated that a decision might be contingent on the degree of pressure from the employer (determined by the status of the firm's product in the market) rather than from unemployment.

The ability of a union to obtain its objectives, in this theory the desired wage level, was also primarily dependent upon market forces. The critical factors were the preferences of workers and employers for wages and man-hours, the degree of competition in the market, and the actual wage and its relationship to an equilibrium weight. Dunlop added that non-market factors, such as toughness or the degree of information concerning the opposition, might have some impact if other factors were equal.

Dunlop's theory was thus intrinsically an economic model of union behavior which incorporated trade-offs between wages and employment in

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5In this, Dunlop identified that clusters of product markets related to each other through economic conditions were significant.
formulation of its goals. Though he admitted that the union was a
decision-making unit, his model implied that the union was a coherent
whole, acting with specific, and predictable, purpose which lay entirely
in the economic sphere. The nature of its demands, its wage policy,
would vary with the definition of wage earners taken into account, the
formal bargaining unit (i.e., whether at the plant level or a larger
jurisdiction), the nature of competition in the product market, and the
expected time span for adjustments from union actions. The outcome of
a wage employment trade-off could be predicted but only with knowledge
of the above conditions and would depend fundamentally on competition
in the product market.

Six years later, Arthur Ross published Trade Union Wage Policy in
which much of Dunlop's theory was sharply disputed. A debate was begun
between the two perspectives, which continued for some time.

In Ross' theory, union wage policy was not to be found in the
"mechanical application of any maximization principle" but rather in
the means by which union leaders reconciled various pressures in order
to "build the union." The union, in Ross' model, was primarily a
political organization operating in an economic environment, and not
the single actor which Dunlop had described. Its ultimate objective
was not maximization of income, either for all or part of the membership,
but self-preservation. The formal rationale of the union was still

6 Arthur Ross, Trade Union Wage Policy. Berkely: University of Cali-
viewed as the enhancement of the economic welfare of its members; however, this purpose was subservient to the more vital institutional objective of survival and growth of the organization, which would take precedence when the two objectives conflicted.

Because Ross approaches the union as an organization, rather than a single "rational actor," he looks to the nature of relationships within and without the bargaining unit for explanations of union behavior. In his view, the union leader is the ultimate decision-maker, who moderates the various pressures arising from members, management, the broader union organization, and the general political and economic environment of the nation, but who is also endowed with more foresight and knowledge than membership, and thus can take responsibility for the union as an organization. Thus, bargaining power in Ross' theory was coached more in terms of the union's ability to survive than in influence over the wage. Ross did not ignore the market forces of competition from which union power was essentially derived, but saw them as affecting the range of choices available rather than determining outcomes of union behavior.

The role of the employment/wage trade-off as a conscious factor in wage policy formulation is refuted, for one, because the general employment effect of an individual wage bargain is minimal, covering only a small portion of the economy in most cases, and two, the relationship between the wage and employment is not direct, nor predictable. Such a relationship within a single firm is no less unpredictable, due to considerable "free play" between wage rates and labor costs, labor
costs and total costs, total cost and selling price, and selling price and employment volume. Ross purports that the "responsible wage policy" which takes into consideration the employment effect, is almost always impossible to fulfill. Rather, the wage policy which results, with its (indirect) impact on employment, is the outcome of the political process surrounding the union leader; the appropriate reconciliation of various pressures will depend "on the relative urgency of the pressures." Variations in behavior of unions is not accounted for by varying degrees of enlightenment, but rather different range of choices, offered by the nature of the political pressures on the leadership and the economic context. Ross' image of the "responsible wage policy" highlighted industrial peace more than full employment.

In Ross' theory, the outcome of a specific wage/employment trade-off, such as that which might arise during a depression when an employer requested a wage reduction to preserve employment, would not be determined primarily through economic considerations. For one, the union would not be able to determine with certainty the employment impacts of a wage reduction; risk would lessen the attractiveness of the proposal. The membership, still a majority of those employed, would not be happy with reduced income and pressure for rejection. The two would combine

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7 It is interesting to note that other theorists of the same time period, Belfer and Bloom, had found that union action itself had sufficiently altered the substitutability of workers within a firm through rules on speed of production, hiring and firing so that marginal productivity was rendered indeterminate; unions were able to raise wages without causing unemployment as normally dictated by rational economic behavior. Nathan Belfer and Gordon Bloom, "Unionism and the Marginal Productivity Theory," in Lester and Shister, eds., Insights Into Labor Issues, New York: Macmillan & Co., 1949.
to make the political risk to the union leader of taking a reduction considerable. According to Ross, however, rejection of the reduction was not inevitable; because the union leader also desired to maintain peace with the employer and therefore assure continuation of the bargaining relationship, he might be induced to take such a cut under extreme pressure from the employer. That the magnitude of pressure from the employer was dependent upon market forces (the pressure on product price) did not alter the fact that union behavior lay outside the context of unemployment considerations.

There was another important element in Ross' theory concerning union wage policy. According to Ross, relative wage levels, rather than absolute level, were more important to union membership, enabling them to distinguish between a good and bad deal. Because this was to be a measure of success of a union leader -- and success meant preservation of the leader and the union -- the concern during negotiations was guided by such relative standards. To Ross, members related their wage to two main factors, inflation and comparison with other wage levels. The latter was made primarily within "orbits of coercive comparison," an entity that partially was determined through links in the labor and product markets, but also through political factors such as employer and union organization.

In sum, Dunlop's model had postulated why a union should be concerned with employment/wage trade-offs and had assumed that the trade-off would be taken into consideration in formulating wage policy. Ross offered
reasons why such a trade-off was not and could not be a major consideration and provided an alternative rationale for the determination of wages under unionism, using a perspective beyond economic theory. Both assumed an inherent rationality to union behavior, though the form and objectives of each was quite different. Dunlop's union was fundamentally a single entity acting in pursuit of one economic goal; Ross's was not, though decision making was centralized in one person, the union leader, who moderated interests and insured the basic organizational and economic goals of the union were pursued.

Ross' hypothesis, that the relative wage rate was more important than the actual level, links union behavior to the macro economy. Insofar as unions determine the wage level through their actions, there are impacts from such determination on inflation and unemployment. Though Ross essentially alleviated the union from responsibility for such impacts (because of the impossibility of making such connections at the local level) and maintained that macro-economy considerations were not part of the formulation of union objectives, the relationship between the two has inspired much of the literature on unions, and, in part, forced a closer examination of union behavior.

Ross' theory became part of a greater attempt to explain a phenomenon in the United States economy that went against the laws of supply and demand. It had been observed that wages were more stable than employment, in other words, that there was a wage rigidity which resulted in fluctuations in employment. Supply and demand theory would dictate
that price (wage) should fluctuate. In the identification of importance of comparison of wages, rather than actual level, Ross introduced an institutional reason for such wage rigidity. Because of the nature of unions as political organizations, the level of wages demanded could not be permitted to fluctuate with changes in the competitiveness of factors of production. The consequences of equalization and resulting rigidity of wage, was unemployment.

Theorists continued to explore the existence of fluctuating employment and more stable wages, particularly among certain groups of industries. Other institutional theories besides Ross' "orbits of coercive comparison" were generated, including pattern bargaining--key bargains which are first negotiated and set the base for other negotiations and customary wage structures, whereby workers in the primary (including unionized) sector, become attached to specific wage structures which spread a "shock" to one point in a system throughout. It should also be noted that not all attempts to explain the seemingly irrational existence of unemployment accept a non-economic model. Theories arising out of a struggle to maintain the integrity of neo-classical economics have included the "search theory," where a lag is required for employees to gain information concerning job opportunities, and more recently,


the "implicit contract," whereby workers have an understanding with employers that they will be rehired with an economic upturn, and thus tolerate a stable wage rate despite (supposedly) temporary loss of employment.11 As the macro level of analysis is not particularly relevant to the rest of the study, it will not be discussed further, though recognition is paid to inspiration it has provided to the understanding of union behavior in general.

In general, it can be said that, at least in industrial fields, the concept of a union as more than an economic actor came to prevail. Though other disciplines have continued to search for theories of union behavior within their own fields (in economics the maximization of utility, in political economy the role of the union in class struggle, in sociology, unionization of rebellion and co-option, etc.), industrial relations has attempted to build a broader framework identifying the various factors which may affect the formulation of union objectives and their ability to gain them. The employment/wage trade-off has not disappeared, particularly in outcome, but its position in the formulation of union policy and strategy is no longer considered to be predetermined. Analysis has also expanded the question somewhat; some theorists have questioned the dominance of wage matters over other monetary or non-monetary issues in union objectives. The trade-off may no longer be purely wage versus employment but entail a considerable number of other

matters, which also serve to increase the indeterminateness of such trade-offs.

Though a variety of frameworks might be constructed, Dunlop developed a particularly coherent approach to labor relations putting union behavior within an industrial relations system, whereby actors form relationships within an economic, technological, and political context. The context influences both union objectives and strengths, but does not displace the internal dynamics of a union (and management) as an organizational entity. The environment has been defined as the economic, the technological, and public policy (loci of power, and ideology in greater society) contexts by Dunlop. The economic context includes macro-level conditions, particularly rate of inflation (the higher the rate the higher expectations for increased compensation) and proximity to full employment (the closer to full employment, the greater the power of unions); and micro level, where Marshall's^{13} argument that union power is related to elasticity of demand (the more inelastic the greater the power). Industry concentration and rate of profit and productivity also have impact on bargaining power.

The technological context is the type of work place and the content of the work day, the features of the productive process which determine the relationships of workers to each other, to machines, and to the organization itself. It should be noted that there is considerable

variance in the importance to collective bargaining attached to
technology; to Marx it was a critical feature behind the formation of
the labor movement, to the mainstream industrial relations specialist,
it is irrelevant except in adjustments to technological change. Certain
characteristics in the technical environment have been postulated to
relate to union power and objectives, however, including (1) greater
worker solidarity with greater isolation of the work place, homogeneity
of skill, and relationship to residence, (2) the strategic position of
workers, whereby employers cannot resist and incur considerable cost from
a shutdown, (3) the potential spillover of work place operations into
the external environment, which inspires greater government intervention.
Greater conflict has also been observed in mass production technologies.

The political context includes both the location of power in
society and specific public policies which impact the labor relations
system. It has been noted that United States unions are traditionally
"business unions," lacking substantial ideology beyond the maintenance
of the capitalistic employer/employee relationship. The greater society
has generally tolerated unionization in this form. Legal and political
institutions have had considerable impact on both the ability of unions
to survive and the structure of collective bargaining. Essentially,
labor laws and the National Labor Relations Board regulate the balance
of power between labor and management, constraining tactics on both
sides. This has permitted top-down organization of the work force,
and perhaps affected the ideology and objectives of unionism. The
legal and political systems thus provide both power and constraint to
unions.

A demographic context might also seem to be important, as the composition of union membership reflects the composition of the labor force. It has been postulated that the faster the demographic change in the labor force, and the greater the heterogeneity, the more internal conflict will arise. A change in mix (from predominately white male to non-male and female) also affects the nature of demands, as needs of aspirations of worker may vary.

The union organization itself is no longer viewed as a "black box" but rather as a complex organization, whereby different actors and groups of actors with particular interests are formed into a system through formal and informal relationships. At the base is the membership, itself not necessarily a monolithic structure. Ross and Dunlop made distinctions between the employed and unemployed members in their different interests; others have commented on far greater diversity, including differences between older and younger, skilled and unskilled. The union leadership has similarly been identified as an independent actor, a moderator as in Ross' theory, but also with its own preferences and goals. Management, in its response to union behavior, is also a critical actor, partially determining the quality of relations (conflictual versus cooperative). Structure of bargaining, or the scope of the union (and management) and the location of the bargaining unit in terms of the employer (plant, firm or industry) and the union organization (local versus national) has been identified as affecting the balance of power with management and relationships within the union.
The greater the product and labor market unionized, the greater the union influence. The degree of centralization and the breadth of the union organization also has implications for responsive leadership to local interests and circumstances as well as degrees of pressure to conform. (Disenchantment with the union on the part of membership has recently driven national leaders to focus back on local interests.) Relationships with affiliates and other unions are important in pressuring union behavior, particularly in conformance with national labor policies, out of fear of rival unions, or in informal pattern bargaining.

Variables which affect the role of a trade-off between employment and wages in union behavior are found within this framework. Union objectives and power are derived out of the context—economic, political, and technical—and the organizational characteristics of the union itself. The above was essentially a partial list of factors which might be relevant; their weighting has been the source of numerous studies, with some, but by no means total, success in creating an accurate model capable of predicting union behavior. Certainly membership interests, leadership preferences, pressures from the context, and management response to union objectives are fundamentally important to the formulation of union goals. A major source of power has been traditionally identified as that from the economic context, though structure and organizational characteristics can be equally important, particularly the scope of union membership, the location of negotiations in the system, and the willingness or ability of membership to strike or
Objectives and power are not independent of each other. The ability to gain, and what has been won, will have considerable influence on what will be demanded. It is here that the trade-off between wages and employment becomes muddled. Certainly if a union can obtain security of employment, it will be able to press for other demands, but whether a union will place that security above other interests is unclear. That a trade-off exists in the current environment is indisputable (though the shape of the curve varies from one sector to another and among theorists) and it has major implications for union power. But is it a conscious part of union goal formulation? Dunlop's economic model answered a vehement yes, Ross attempted to refute that through the inability of unions to assess the real trade-offs, and placing union survival as primary. More recent theorists have attempted to use formal testing techniques and surveys to determine preferences and power, though the two have often been separated, making the issue of a trade-off more difficult to discern. A Quality of Employment Survey in 1977 of union membership indicated that of those surveyed, the highest priorities desired for leadership action were, in order of greatest preference, (1) greater influence in the union itself, (2) more and better fringes, (3) higher wages, and (4) job security. But this does not necessarily speak to a trade-off, nor to the actual behavior of unions in negotiations.
As Ross was instrumental in making clear, union leadership is separate from the membership, and has the responsibility of both preserving the union and its own power therefore the interests pursued may be different. The latter implies that the demands a leader makes may be contingent on the ability to gain them, as failure in negotiations does little to maintain membership allegiance. Therefore, the visible priorities and not necessarily intrinsic preferences of either membership or leader. The responsibility for union survival includes not only insuring that a union can continue to bargain with management but also that there is a membership to bargain for (and from whose strength a position to bargain from). Ultimately, employment becomes critical to union preservation.

Perhaps a reconciliation of what emerges from the history of the literature is that the existence of a conscious concern with employment level as affected by wage demands varies with the situation. As Ross indicated in 1950, the complexity of the economic system and of union organization make it unrealistic that a trade-off be generally incorporated into the nature of objectives. Joseph Shister, in a discussion on union-management cooperation,14 indicated, however, that there is a critical point of unemployment beyond which a union will make cost concessions. The critical point varies among unions and particularly among different time periods (reflecting the role of context, organization and power). It might therefore be interpreted that the relevancy

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of trade-off is dependent upon the circumstance, certainty and magnitude, of the wage effect, and may at times become critical in a union's goal formulation. The choice between such a trade-off is also as dependent on the circumstances; certainly there is not a general answer for which side a union will take.
Public Sector Labor Relations: Under "Normal" Conditions

In most literature the major distinction drawn between public and private sector labor relations lies in the nature of government as provider of public services and representative of citizens. Apart from philosophical arguments over the sovereignty of the employer and its ability to recognize the collectivity of workers, public employment differs from private in the indirect role which the market plays. Though in the long run employment structures are affected by general market principles -- competition for labor with the private sector, and the determination of the economic base from which revenues can be derived -- the essential decisions of funding and allocating employment are political rather than economic. Economic constraints of competition which frame the existence of trade-offs between employment and wages in the private sector do not hold.

There are a number of different arguments why the market forces which affect private sector employment do not apply in the government sphere. One such comes out of radical economics and its interpretation of the role of the state in society. O'Connors, and other such economists, have argued that the purpose of the state is to legitimize capitalism and aid accumulation, and therefore is under pressure to provide services; however, in order to fulfill its legitimization function, the reasons given for employing workers have to be social or political rather than

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15 The Hobbsian sovereignty concept was used for many years to justify the government's refusal to accept union rights in the public sector. Collective bargaining with the state meant joint, rather than unilateral determination of employment conditions, and threatened the government's allegiance to the public interest. For one discussion, see, Joan Weitzman, The Scope of Bargaining in the Public Sector, New York: Praeger, 1975.
market or profitability criteria. Productivity and efficiency arguments are therefore irrelevant; effectiveness of government is measured by how well it promotes business prosperity and social peace.16

A different argument sees the beneficiary of government as the elected official. In this light, public workers serve as voters and as vote producers (thus the "new machine" emerging in major cities).17 Public employment has also traditionally served such other purposes as integrating ethnic or other economic groups into society.18 The more the importance of these functions of public employment (which may not be contradictory except in the broader ideology), the less relevant are economic forces.

In neo-classical theory the basic distinction between public and private employment lies in the purported inelastic demand schedule for the product and services which is also a key determinate of union power under Marshallian theory. Government cannot bankrupt, or relocate, and is not free to alter its product, the provision of essential services.


18 Robert Fogelson, Big-City Police, Cambridge, MA: Harvard University Press, 1977, is one among many who have perceived this as a function of public employment.
Few substitutes for service provision exist in the private sector, and due to nature of service provision itself, capital substitution for labor is difficult. Productivity relative to worker hours is difficult to determine, making the adjustment of production method difficult to ascertain, even if substitution were feasible. Demand for services has been assumed to be relatively fixed or upwards rising, and because the decision for service output is political, management response to this demand has led to stable or increasing employment. Up until recent experience, the demand for public employees, particularly those in public protection, has been assumed to be inelastic, rendering the impact of wage and cost increases ineffective in employment level determination.¹⁹ (Current experience, which has questioned this inelasticity of demand, still indicates that the trade-off between wage and employment is not smooth, due to the political, not economic base of decision making.)

The economic context under which public employees operate is thus considerably different from that in the private sector; it is not irrelevant however. A government is obviously limited in its ability or willingness to increase taxes infinitely. As Wellington and Winter comment, there is no reason to suppose that it is desirable for a governmental entity to liquidate its taxing power (to tax up to the point where another tax increase will produce less revenue because of the number of people it drives out of the community). The costs to the public and state are too high, and as the authors point out, legal

and moral conditions prevail to constrain taxes. The boundaries of the constraint are not clear, however, certainly not relative to those which arise under strict profit maximization criteria.

The nature of government as employer and provider of essential public services thus places the determination of wages and employment more critically in the political context. The implication for labor relations of such placement is a number of characteristics of bargaining unique to public employee unions. Of particular importance are the increased role of the legal structures and the structure of employer decision-making as a political process, rather than a single rational actor. The greater reliance on legal and statutory mechanisms has been justified by the nature of public sector collective bargaining as "illegal delegation of authority" in the recognition by the sovereign employer of the right of workers to organize and jointly determine employment conditions -- the less elastic demand schedule, and the essentiality of certain services to the public and the state. The prohibition against strikes or lockouts is the major such constraint, particularly justified in redressing an imbalance in power due to the inelastic demand for public services and the intolerance of the public for withdrawal of essential services.²⁰ It can also be said that strikes are a critical threat to social peace and to the elected official. The law has also been utilized to constrain the demands as well as the strategies of unions, justified in the role of government as serving

²⁰Wellington and Winter, "The Limits Of Collective Bargaining In Public Employment."

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the public interest. 21 The scope of bargaining has thus been a more critical issue in public sector labor relations, with greater attempts to maintain a distinction between management and worker rights.

The structure of the bargaining relationship is more expansive in the greater number of actors involved. A number of theorists have recognized the existence of multi-lateral bargaining, in contrast to the usually bilateral structure in the private sector, meaning that influence on the negotiators may arise from actors outside the direct bargaining setting. 22 This may occur from union action, in seeking out the aid of other governmental bodies or political interests, or may rise from particular community interest groups attempting to intervene on a particular issue. The nature of government is also such that the employer is difficult to define. Policy formulation is not generated by a single set of actors but rather in layers of hierarchial and lateral control. Essentially, public employees must operate in an environment of competition with other interest groups for a share of a somewhat limited revenue pool. Support of the general public and specific political actors and the overall political environment and its tolerance for unionization and its strategies are thus more critical. As Kochan has said, these factors render the balance of power far more indeterminate in the public sector.

There are other differences between public and private employment beyond the political and economic context, including those in the

21 Weitzman, The Scope of Bargaining in the Public Sector.

technical context, the structure of bargaining, and the motivations of the actors. The first -- the technical context or the structure of work and its workplace -- has not received much (sufficient) attention in industrial relations literature. It is only by going outside the field that illumination on the work situation has been gained, which perhaps explains part of the failure of the field to fully predict behavior of public employees. Provision of services entails different working conditions than those experienced in the production of commodities. The public employee generally works among people, not machines, and the relationship with the consumer is much more direct.23 It should be noted, however, that more attention has been paid to this issue in attempts to explain the limits of unionization in the public sector, though the theories were abandoned when the prediction of lack of unionization was confronted with massive "rebellion" in the 1960's. Decentralization, in both management and union organization, is also identified as peculiarly distinct characteristic of public sector labor relations. Municipal revenues are primarily gathered from the local property tax, providing local autonomy. Unions, particularly non-laborers, also tend to have greater autonomy, even when affiliated with state or national organizations. There is some evidence, however, that as with increasing state and federal aid to localities, and interference in local operations, unions are forming stronger statewide

23 Michael Lipsky, Street Level Bureaucracy, New York: Russel Sage, 1980, has identified a number of critical factors of the work and workplace of some public employees which explain not only worker attitudes, but problems with the implementation of public programs.
or national organizations.\textsuperscript{24} Lobbying of the legislature has become one purpose of such organizations, not only for more favorable legislation but also for increased funding to localities.

It has also been suggested that the motivations of actors differ from those in the private sector. Profit maximization is not (cannot be) the goal of management, and as was suggested in the discussion on purposes of government, the desire to be re-elected and maintain peace would tend to outweigh efficiency considerations. This factor has important implications for both the growth in public employment and the increases in wages; it has often been easier for management to maintain social peace and gain political advantage and votes by settling with unions without undue trouble.

Similarly, public employees have at times been endowed with particular interests and motivations for their work. Much was written prior to public employee unionization concerning the conflict between public employment as a job and as a public service. "The prestige of public employment"\textsuperscript{25} was presumed to endow work for the government with special rewards, apart from financial renumeration. Citizens (and academics) expected the public spirit to motivate the worker to serve the "public interest," implying a distinction with the worker's interests. The advent of unionization may alter the relevancy of much of this literature, but a variation in concept of work is still to be seen.

The research on police and fire employees and unions points to


heightened distinctions with private sector labor relations. For one, fire and police protection are presumed to be some of the more essential services, thus having even greater demand inelasticities. Private sector substitution (contracting out) are also less likely for police and fire than for other services, not only due to the difficulties of training and organization, but because of perceived desire that these services be community based. Thus demand for police and fire personnel is presumed to be even more inelastic than in other sectors. (Indeed, other factors such as the setting of fire insurance rates for a municipality by number of firefighters reinforces the stability of employment.) A greater intolerance for strikes by either service union has also led to greater legal and statutory control, and has affected the political pressure access of the unions. Both police and fire unions, though more pronounced in the former, have a history of local autonomy, whether or not they are affiliated with either a statewide organization or an international. The firefighter union history does diverge from police in several key respects; its organization began in 1890 with the creation of the International Association of Firefighters, which 90 percent of all locals are affiliated with currently, and the union movement has faced much less resistance than in the case of police. The police do not have an equivalently strong international (indeed the International Brotherhood of Police has yet to be admitted to the AFL-CIO),

nor are they as organized on the state level as the firefighters.

Public resistance to police unionization was enlarged due to the characteristic of police as maintainers.

The above discussion attempted to highlight the differences between private sector and public sector labor relations which were relevant to the formulation of union objectives and the determination of power. The discussion was not intended to remove the public sector union out of the general characteristics of the labor movement; the fundamentals of workers joining together to wield power through collectivity over their employers in order to better their working conditions is not altered. What betterment is and how it is to be achieved may, however, vary, though it is the hypothesis here that there is more similarity at least in objectives than difference.

It has been seen that a critical aspect of the economic environment facing the industrial union is not necessarily present in the public sector -- the market competition forces creating a trade-off situation between higher wages and employment levels. Prior to 1975, research on the objectives and power of the public sector union assumed the absence of this trade-off. Formulation of union policy did not have to have corporate consideration of such a trade-off as job security was presumed to exist. It was also presumed that the desirability of public employment was its security, and whatever other public spirit awards might be derived, and that therefore the interests of the membership were

primarily in job security. In the words of a British trade union leader, "The civil servant lives in a state of abiding poverty, but thank god it's permanent."\(^{28}\) The coming of unionization was therefore declared a strive for "more" in terms of economic rewards, without the spectre of unemployment. It should be noted that an important factor operating in favor of job security was the institution of Civil Service, adopted in many states in the early 1930's as part of a reform movement. The drive behind Civil Service was as much an attempt to "clean-up" public employment and insulate it from political patronage and corruption, but it has served as a major device in protecting the hiring, firing, and promotion of public workers.\(^{29}\)

The consensus among authors describing union objectives indicates that priorities were (1) recognition and the right to bargain, the primary goal during the great expansion of public sector unionization in the 1960's, (2) higher wages, and (3) of almost equal importance, shorter working hours and better benefits, pensions and formalized procedures governing the work place (it might be noted that pensions are a form of security, just obtained after retirement). Formal statements by union leaders, supported by several academics, maintain that the public worker wants what the private worker has always wanted.\(^{30}\) A number of factors which affect the level of wage and benefit demand might be noted however.

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\(^{29}\) Robert Fogelson, *Big-City Police*.

One such which may mitigate a high demand is the localized nature of union (and management) jurisdiction which effectively removes union leaders from the pressures of "orbits of coercive comparison" except within the municipality. Parity among unions in the same area, was, however, critical and in fact has been lobbied into legislation in numerous cities. Another mitigating factor on the size of demand of the lack of rival unions, particularly in non-laborer unions, a union leader is not "forced" into demanding and gaining more if competition is not evident (internal competition for leadership may change the situation, however).  

Working in a potentially opposite direction is critical comparison with private sector wage and benefits gains. Indeed, the first generation of public sector union goal formulation is often attributed to catching up, not only with inflation but with the private sector.\textsuperscript{32} Comparability has been institutionalized at the federal level, and in some other levels of government, partially as a means of maintaining a fair wage in absence of market forces, and also to keep government employment competitive with private. As some have indicated, there are problems with the prevailing wage concept as a wage determinate, particularly in defining whose wage as relevant.\textsuperscript{33}

\textsuperscript{31}Ross and Dunlop both mentioned the critical role that rival unions play in pressuring the demands of leadership.

\textsuperscript{32}Kochan, Collective Bargaining and Industrial Relations.

\textsuperscript{33}In particular, Walter Fogel and David Lewin, "Wage Determination in the Public Sector," in Lewin, et al. \textit{Public Sector Labor Relations}. 
The contextual and organizational factors similarly affect the balance of power between government and union. The traditional source of power attributed to unions lies in the demand elasticity for the services and employees. Some debate has occurred recently, however, challenging the assumption that demand was inelastic. Lewin points out that it is relatively inelastic, not absolutely, and varies with the sector.\textsuperscript{34} The assumption of inelasticity was what drove Wellington and Winter to perceive the unions as having greater power than management (and thus permitting substantial blame on unions for the demise of the fiscal stability of major cities). As mentioned previously, the justification of the prohibition of strikes was largely based in the attempt to re-balance power towards management. A comment can be made on Lewin's findings. For one, elasticity in demand has been found for teachers, more than for other public workers. The demand for police and fire is less likely to fluctuate, not only because they provide essential services for public safety, but also because the level of their service is often judged by the number of visible personnel. This relates to the fact that the inability to determine productivity provides considerable leverage for public employees. Even with the creation of standards, the public perception of service level may still depend on visibility of employees.

As others have pointed out, there are also other reasons for public employment beyond citizen demand. The politician may still perceive a need for more employment both to gain support from workers, but also to have access to a pool of "campaign workers." The interests of the state may also require that certain services be maintained against public whim for the long term maintenance of social peace.

As public sector labor relations are primarily political, access to the political process is a key determinate of union power. The union must lobby with competing interest for shares of municipal resources. The economic conditions of the community are also critical; if revenues can be increased, the politics of distribution rather than redistribution ease the strife of the union, as it is easier to gain when there is not a direct loss to another. Gaining the support of the public, and of subgroups within, is an obvious means of achieving a more dominant position in the political arena. Special interests, or general interest in quality of service, may be utilized in forming alliances. As Wellington offered in example, limits in class size is both of concern to a teachers' union and to those believing in its relationship to quality of education. Power of the union per se may not be critical to achievement of union goals, particularly in regards to non-monetary gains. Skillful utilization (or creation) of a multi-lateral collective bargaining situation affords a different degree of influence than a union confronting a single employer.

The political context of the community (within the larger political structure) and its tolerance for private sector unionization has been
indicated as one determinate of power -- the greater the strength of the industrial unions, the greater that of the public sector. 35

More specifically, the tolerance of the local government for public employee unionization may depend upon other factors. Organization of the work force may serve the purposes of local politicians, either in political support, or as a means of controlling behavior. The tolerance of the public and the state for disruption of services is also a critical determinate of union power, from all perspectives. Disruptions of municipal peace threaten the status of the public official, both as an individual in search of political power as a representative of the state. Power of the union can therefore reflect on the willingness of the membership to strike or assert other pressure.

Other variables affecting union power include the legal and statutory structures. Basically created to maintain labor relations peace, the direction in which power is distributed will depend on the broader political context. Lobbying efforts by the unions, both for legislation and for electing favorable public officials may increase, somewhat, the favorableness of the bodies. Other determinates of power that rule in the private sector are also applicable, such as the skill and experience in negotiation, and the cohesiveness of the membership and work group. The latter has been offered as a particular source of power for police and fire, enjoyed due to the nature of work and socialization process.

35 Kochan, Collective Bargaining and Industrial Relations.
In sum, there are key differences in private and public sector labor relations which are relevant to the existence and recognition of a trade-off between wages and employment. It has been seen that two primary factors -- the economic context and the motivations of management -- are substantially different, putting the determination of wages and employment outside market forces and within a political arena where influence is gained through means other than competitive status. Unemployment in the public sector as a response to wage increases has not occurred, at least in the history of most public employee unions. If anything, employment has risen with increasing wages, as a result of a number of institutional factors. Other mechanisms have arisen to control and limit public sector unions, in attempts to contain disruption of municipal peace, to limit intrusions into the sovereign rights of the employer, to remove considerable wage leverage of the unions over management. These have served to lessen the unions' power, as have other factors from which the union derives political resources.

In response to their environment, public employee unions have not incorporated the concept of wage action impacts on employment, and thus not a trade-off. Employment security has been assumed, and the driving motivation for union action has been in pursuit of better economic conditions. Constraints on the level of demand have been made by the internal union dynamics and its relations with the employer and clients, and ultimately, in the distribution of power in the political arena. Ultimately, however, a public sector union is a union in the most fundamental sense – the distinction between employer and employee in control –
and public sector labor relations cannot be removed too far from its parent.
Public Sector Labor Unions Under Fiscal Constraint

The expansion of unionization in the public sector, and the accompanying academic literature, occurred during the 1960's, a decade of a growing national economy and municipal coffers. Demands for higher wages were made by public employees and met to a large extent by their employers. The increased labor costs were covered for the most part not through reallocation of revenues, but through an expansion in total resources, i.e., increased taxation. The unions achieved their economic gains through the politics of distribution. Demand for services and for the employees to provide them was up, and was interpreted as inelastic. At the same time, the economic well being of the general public was higher (as was inflation). Private sector wages were increasing and there was some legitimization for the monetary demands of public workers to keep pace.

By 1975, the economic context of at least the largest municipal governments had undergone considerable change. The recession of the early 1970's had affected the cities as it had the nation, but the former

36 Between 1956 and 1976, the percentage of all government employees who were union members grew from 12.6 percent to 20.1 percent and to 39.2 percent if these parts of a bargaining organization are included. (This is in contrast to a decline in the private sector.) Kochan, Collective Bargaining and Industrial Relations, 1980. In Massachusetts, the number of locals representing state and municipal employees grew from 203 in 1965 to 975 in 1980 with a parallel growth in membership from 53,600 to 177,200 (Massachusetts Department of Labor & Industries, 1980).

37 Numerous authors have so indicated, including Raymond Horton, "Economics, Politics, and Collective Bargaining," in Chickering, ed., Public Employee Unions, CA: Institute for Contemporary Studies, 1976, and Thomas Kochan, Collective Bargaining and Industrial Relations. Another aspect of municipal finances is also important, the redistribution of costs (pensions) from the current generation to the next. This permitted an increase in union benefits without immediate growth in the budget.
did not necessarily recover. Social -- particularly demographic -- economic and political trends that had begun at an earlier time had caught up, and fiscal stability, much less growth, could no longer be taken for granted. The change in economic conditions was not limited to the largest cities, though there a crisis was most clear cut. By the end of the 1970's, another phenomenon had arisen -- the tax limitation bill. Both conditions, the communities' inability to pay and the communities' unwillingness to pay, severely impact the revenue sources of a local government and therefore the context of labor relations. The difference between the two conditions, one imposed unintentionally, the other by firm conviction, will be discussed at a later point.

Research on public sector unions began primarily during the "first generation" of unions. Economic constraint was not a critical point for discussion. Indeed, the courts had supported the academics acceptance of unconstrained funding of public employment. In Detroit, Rochester, New York, West Haven, Connecticut, and New Bedford, Massachusetts, the courts had ruled that a city's claim of inability to pay was not sufficient cause for limiting wage increases. Employees and the client of their services should not be forced to bear the burden of what was essentially a "political problem." Lack of funds was a "self-imposed inability"; cities could and would raise sufficient funds to provide fair wages for their employees. 38

38 Spero and Capozzola, The Urban Community And Its Unionized Bureaucracies.
The discussion of union objectives and strengths had been couched in terms of an assumed security of employment. The trade-off between employment and wages which had been the starting point for discussion of union objectives in the private sector had not been examined in depth, and prediction of union behavior under newly imposed economic constraints was rarely attempted. In general, sufficient time has not elapsed for accurate modeling to be developed. Even those who examined closely the crisis in New York City and explained union behavior after the fact, are waiting a longer time before attempting prediction of future events.

By 1975, it was no longer possible to talk about assured job security much less continued gains by unions in both membership and benefits in the public sector. In New York City, the most dramatic case of fiscal crisis, 60,000 public sector jobs were lost between 1976 and 1978. With limited revenues, gains in wages could not be filled through expansion, but required a reallocation of resources, either from other expenditure areas or from other employees. The large ratio of personnel to other costs, even higher relative to non-fixed costs, mandated that reallocation among expenditure area was limited. Under considerable distress, personnel reductions could not be avoided. What emerged was the existence of a trade-off between wage increases and employment in the public sector.

There are different views on the impact of municipal fiscal constraint on public sector labor relations. To some, the fiscal crisis

has signalled a transplant of the aberrant public sector labor relations structure back into the more general context of the competitive private sector structure. In this view, the monopoly of the public employee (and of the public official over service levels) has been undermined sufficiently that the special status accorded public sector labor relations, particularly the limits on striking, is no longer justified. (The advocacy of removal of no-strike laws comes largely out of a belief that (a) public employee strikes are not as costly to the public as once perceived, and (b) the strike alternatives created were biased, and only by reimposing this constraint, will an equitable balance result.) From this perspective, as public employees unions face the same economic constraints as in the competitive sector, the same variables affecting goals and power determination of private sector unions would pertain to public as well.

Others have perceived fiscal constraint as fundamentally altering the conditions under which collective bargaining took place but not to the extent that the market as determinate of wage and employment levels has pre-empted the political process of governmental decision-making. What has been perceived is a change in the structure and motivation of management, which in combination with the limits to fiscal expansion, has altered the power balance between management and employee. The public recognition of scarce resources would make it easier for the public official to reconcile managerial versus political goals, with


41 David Horton, "Economics, Politics, and Collective Bargaining," in Chickering, ed., Public Employee Unions, has identified a number of such effects.
the assumption that service level decisions might more readily affect considerations of productivity and need assessment than political pressure. In many of the most dramatic cases of fiscal crisis, the actors involved have expanded to include state and federal officials, as well as private, particularly bankers involved within the municipal bond market. It has been hypothesized that such interference from actors further removed from the local situation would weaken the union position as the desire for cooperative relations between city and union would not be of paramount importance to distant organizations, nor would the relations developed to maintain municipal peace be undisturbed. The more the belief in a mutual benefit for management and employees derived from generous settlements, the more profound a change in management structure would be perceived.

The political context of bargaining is theorized to change, as well as management motivation, under fiscal constraint. Where unions once made gains by increasing their share of an enlarging pie, under a limited revenue base, further gains are made at the expense of others, thus the theory that fiscal constraint alters the political environment from one of allocation to reallocation of resources. The union is therefore placed on the defensive and in competition with other interests. The distinction between public support for services versus employees (i.e., their benefit levels) is sharpened; questions of accountability and efficiency become of greater concern. If anything, access to political resources becomes more critical, for unions, at a time when traditional
resources may be in jeopardy, such as public support and cordial relations with management. With a fixed budget, costs have to be contained within. The result for employees is a choice between higher wages and fewer employees or vice versa. Either way the multiplication has to come out the same.

In this perspective, however, the peculiarities of government as employer and service provider remain. The demand for public labor might be shown to be less than totally inelastic, but a trade-off between employment and wages is still not a smooth curve. A reduction in employment occurs out of crisis, not from general economic flows. Due to the nature of service provision, personnel reductions are overly visible to the public eye and still face extreme difficulties in productivity/efficiency determination. The union can still try to influence the proportion of its budget to total revenue. The variables which play such a critical role in determination of union power and the "predictability" of a wage/employment trade-off are not reinstituted.

If a trade-off between wages and employment is now presumed to exist, the literature of industrial and public labor relations does offer some help in understanding and perhaps predicting union reaction. Insofar as private and public environmental contexts, actors, and relationships, share a similar system, the work of Dunlop, Ross, and others can be utilized. In the critical differences, the public literature particular to public sector relations does offer some insights. What is sought is a framework for predicting and explaining the outcome of a
trade-off between wages and employment, with the underlying assumption (and hope) that the decision would reflect in part the objectives of a union recognizing that these may be influenced by the particular power balance in existence at the critical moment and that the "union" is not a single entity but an organization.

Any purely economic considerations would be influenced by the perception and not necessarily the reality (a phenomenon not sufficiently appreciated in the private sector wage determination literature) of the nature of the economic constraint and its direct impact on the defined bargaining unit. Not only is the belief important but also the degree of uncertainty perceived. It might be suggested that in the immediate instance, when a union is confronted with a total budget for its membership, uncertainty would not rule and the direct relationship between wages and employment would be visible; however, this situation would be an artificial, not market, creation and not approximate with the competitive, long-term conditions which are the heart of models such as Dunlop's. If a union were to perceive a fundamental shift in the fiscal properties of local government, the concept of trade-offs between employment and wage increases would be evident, but impossible to predict. It is the belief here that fiscal constraint has not sufficiently altered the political nature of the budget process to render market-position considerations pertinent. The boundaries of the trade-off remain blurred and susceptible to the political, not economic, power of a union.
As Ross suggested, wage bill maximization or other economic calculations of membership income cannot be and therefore are not the key to understanding a union's behavior in general; in the public sector, where market forces are even further removed, they offer even less in predicting union reaction to trade-offs imposed under fiscal constraint. Instead, Ross offers the concept of a union as a separate entity from its membership, an organization with an interest of its own, and that interest being its own preservation. In this light, in order to understand union reaction, one has to approach the internal dynamics of union organization, its power structures between leader and membership, union and larger organizations, and union and management. The union leader is assumed to act in the interest of preserving the union entity (though others have suggested that this may not always be the case and may fluctuate with human nature). Preservation of the union can be extrapolated to mean preventing loss of power against management, competing unions, and loss of membership to a magnitude threatening survival. In order to predict reaction to constraints, the way in which the union was threatened would have to be determined. A bit of extrapolation from Ross's model also indicates that the location of power, and where it is potentially threatened, affects the outcome.

Under this model, the decision between wages and employment is essentially made by the union leader, who responds to the various pressures arising from the membership, the larger organization, and management, and it might be added, weighs the affect of either
alternative on the power of the union. Loss of membership through unemployment is weighed against loss of allegiance of the membership; the magnitude of unemployment, cohesiveness and strength of memberships' definition of union "delivery" (what it is and how much of it must be gained by the leader to maintain its hold over the membership), and the strength which is afforded by the size and cohesiveness of the membership in other union relationships would all affect the outcome; in other words, the determination of Shister's critical point whereby unions will make cost concessions. Affiliation with a larger organization might have influence on the decision, the degree of which depending on the degree of centralization (how much power is derived from the relationship being important in the consideration of such influence) and the strength of the position taken by the larger unit.

To Ross, the maintenance of friendly relations with management was also a critical concern, with an underlying assumption in his work that the mature union will recognize the value of such cooperation and work to maintain it. A wage reduction would presumably be taken, not to preserve employment, but to buy union security. The desirability of the friendly relationship with management is not adequately outlined by Ross, however, at least in this author's opinion. It might be predicted that cooperation is sought when other power resources are not available by the union, rather than when a state of maturity has been reached. Changes in management organization and motivation may alter the quality of relations without reference to union action, particularly due to the
political role of the employer and the effects of fiscal constraint on management flexibility. If management perceives the situation as one enabling greater managerial, rather than political, control, the maintenance of friendly relations may require substantial concession by the union. Certainly the quality of relations between unions and management will suffer consequences of fiscal constraint. In sum, it is predicted that the outcome of a trade-off will depend on which alternative threatens the security of the union, both internally and externally, the least.

As was mentioned in the framework for labor relations in the private sector, union power sources were not only utilized to obtain objectives, but influenced those objectives themselves. Margaret Levi, in analysis of police unions, determined the same relationship between power and goals in the public sector.\(^43\) She postulated that the goals of unions at the beginning are gaining recognition and the right to bargain. After this initial objective has been won, objectives can proceed to other priorities, such as wage gains or limiting management's ability to move personnel about within the work place. (Some have surmised that after these objectives have been fulfilled to a satisfactory level, others such as control over the work place or attention to the quality of work itself may become important.)\(^44\) Ross' institutional theory of the union, and the desire of the leadership to maintain its own power

\(^{43}\)Levi, Bureaucratic Insurgency

\(^{44}\)Kochan, Collective Bargaining and Industrial Relations, mentions such, as do many others concerned with the quality of work.
as well as the survival of the organization, heightens the importance of power to goal formulation (leaders will seek what can be achieved in order to save face). In this light, the outcome of an imposed trade-off may depend on whether a union's access to power is through different channels which could achieve different outcomes. In other words, it is possible that if a union can preserve its employment rather than wages, that option may be taken and assumed to be an objective.

What the public sector labor relations literature has added to prediction is a more detailed list of a union's power resources. Because the locus of collective bargaining is in the political process, rather than economic, power resources have a broader range. It can be predicted that included in the list of power resources in question will be the legal and statutory apparatus governing labor relations and public employment in general, the media and public support, and special political influence through an interest group of specific political actor or body, utilized particularly through pressures to create a multilateral bargaining system. Of greatest importance, however, may be the ability and the willingness of the union to severely disrupt services and municipal peace. Such ability is obviously related to public priorities among services and tolerance of their disruption; the willingness of a union is less easily discerned arising not only out of the degree of tolerance by the ruling powers in the community and the expected effect (particularly in the ability of the management to provide what is demanded), but also through relationships and conditions
within the union and its workplace. Other resources of influence would include those applicable to the private sector, particularly the competency of negotiators and relationships with affiliated organizations. It should be noted that public sector labor relations literature arose out of a time period when trade-offs were not relevant, and the critical sources and magnitudes of power were not necessarily defined so as to determine outcome under fiscal constraint.

The peculiarities of the public sector labor relations system leads to a possible alternative to all of the above; unions may use their power to prevent the generation of a trade-off at all, at least in the short run. Lobbying of the state legislature for more aid to municipalities is one such strategy, essentially desiring that politics of distribution be returned to the local level, and only at the state level would redistributive politics reign. Injunction against layoffs obtained from the courts, if successful, would similarly remove the imposition of a trade-off, but be more likely to merely postpone its arrival.

More fundamental, and based more clearly in the theory of collective bargaining, is the potential for the scope of bargaining to evolve. Walton and others have perceived the negotiation process as not necessarily conflictual. Walton identified four components to the negotiation process: distributive, the classic resolution of conflict; integrative,
where objectives are not in conflict; attitudinal, where the quality of the relationship between management and labor is affected, and intraorganizational, the negotiation that occurs within union and management structures. It is in the second, integrative bargaining, that some hope has been expressed for the generation of alternatives which eliminate the necessity of trade-offs, at least in employment and wages. The proposal for joint labor management committees or other such joint efforts at problem resolution, is an extension of this idea. One of the major issues that has been the focus of such proposals is an increase in (and definition of) productivity.

Broadening the scope of bargaining, however, is not necessarily easy or desirable. Much concern has put in the past on clearly defining the scope in public sector labor relations, primarily due to the problems of "illegal delegation of authority" in government admitting a special interest group. Because management serves the public, justification for preserving management prerogative has been accepted fairly consistently in the past. Where the line is drawn between union cooperation in generating alternatives and union interference has been an issue frequently resolvable only in court. The union may also perceive that entrance into this arena does not, or should not, serve its interest. As numerous union leaders have said, it is their problem how to find the money. Whether alternatives to the trade-off can be generated through this mechanism, may largely depend on how the quality of relationship between labor and management evolves, or is desired to evolve.
Certainly the literature indicates that a prediction of outcome of a choice between employment and wages cannot be made as a generalized principle. The determining variables are to be found in the reality and perception of the economic context, the political and public policy context, which despite a state legal structure, varies not only by town but for each type of union, and within the motivations and resource access of unions and management, which it is maintained are not set by generalized model but by the internal and external organization and relationships of the various actors. What is perhaps missing from the literature of collective bargaining and labor relations is analysis of the most basic element of the system, the relationship of the worker to his/her work and to the workplace. Though the technological component in the labor relationship was an integral part of some of the earlier writings (and certainly those of Marx and his successors), the "meaning of work" and therefore of the union has largely been ignored.

That the union has to "deliver" to maintain allegiance is fairly clear, but what "delivery" means is not well illuminated, particularly in a context such as immediate fiscal cutback. Higher wages and fringes has been the traditional call attached to the unionized worker, implying that work is not much more than income. This definition has been under increasing attack from many directions, including unions and political conservatives. Indeed, a study of worker attitudes in 1973 (commissioned under the conservative Nixon administration) concluded that work meant much more than income to the majority of American workers. 46

implication is that unions and management must come to expand the scope of the issues over which they negotiate. It also implies that trade-offs may not be perceived by the membership between employment and wages, but employment and other issues concerning work. In essence, this is as much a challenge to the theory of trade-offs as Ross to Dunlop, in perceiving union leadership to operating under a trade-off between union survival and power versus wages, not employment and wages.

What alternative concept of work means for the union, its goals and power, has not been studied since the advent of public sector unionization overturned the seemingly mistaken view that "public spirit" motivated the worker. That issue or others of similar nature has not been re-examined by the body of the labor relations field. It is postulated here that the meaning of work and union is far from irrelevant in its influence on membership objectives.
The Origins Of The Fiscal Constraint And Its Effect On Public Sector Labor Relations

It was mentioned at the outset of the preceding section that there are essentially two distinct conditions which impose radical constraints on public employment -- a community's inability to pay, such as in the New York City crisis, and a community's unwillingness to pay, such as in the tax limitation bill. Though the underlying and indirect causes may be similar, there is a qualitative difference in tone between the two which has import for the environment under which public sector labor relations are conducted.

It is at first relevant to recognize a few of the possible causes of unintentional fiscal constraint. Numerous authors have blamed the public employee unions for driving major cities such as Cleveland and New York to bankruptcy. Though other causes are as, if not more, relevant (particularly such non-economic influences as political pressuring for control by private business, general demographic trends, and poor management), the nature of public employment, and thus their representatives, may have impacts leading to fiscal crisis.

That market forces do not determine wages directly in the public sector was indicated previously. The alternative ways in which they may be determined, both under unionism and not, have significant consequences. Several theories relate urban fiscal crisis to lower productivity in the public employment (the nature of services render it difficult to determine productivity or efficiency, and it is generally presumed to be significantly lower). One theorist maintains that
wage rates in the low-productivity sector fluctuate with the technologically advanced sector. If the two are kept in balance and output increases, municipal government will experience rising employment and costs per employee; this with other factors will mean an unlimited rise in the cost of local government. The use of a "prevailing wage rate" in setting public employment wages might have such an effect. O'Connors has also argued that as the rationale for public employment must come out of social or political reasons, productivity cannot be a consideration in employment or wages. He views an increase in employment as arising out of pressures for services to reproduce capitalism. Those theorists that argue that management has electoral motives in increasing employment, perceive that, in opposition to what occurs under market forces, increase in price (wage) results in an increase in employment (the political clientele group is reduced if higher wages are accompanied by layoffs). Unions play a role in these factors, by increasing the pressure of management (and the state) to deliver higher wages in order to prevent disruption of a political environment. They also serve to institutionalize such things as comparable wages, and provide an organization for effective transference of demands. As Wellington and Winter have perceived, any inelasticity in demand for services enables unions to have greater power and increase wages without an equivalent balance in lower employment. The costs of government rise, management is under

pressure to continue providing services and employment, and frequently seeks ways of postponing payment (such as debt financing) as well as raising taxes. The result of the latter is the eventual threat of default.

Support for the property tax limitation bill may arise from the pressure of rising governmental costs in increasing citizens' tax burdens. It may also arise from perceived lack of productivity, perhaps inspired by the fact that the services provided do not reflect the full value of the worker because of time spent gathering votes, or for other reasons based in the technical context, as Katz has suggested, whereby larger bureaucracies have necessitated an increase in clerical and white collar workers who are not visible to the public yet increase the wage bill. 49 The imposed limitation on government spending may imply a "backlash" whereby citizens resent the "arrogance" and size of government and the intrusion on their social and political lives as well as economic welfare.50 Or it may be a response to the nature of the tax system, particularly in the property tax burden.51

The fundamental problem with a tax limitation initiative is that the statement which the public is making is unclear, and thus leaves management and employees in a position of uncertainty. The advent of such initiatives in a number of states, particularly California, has inspired considerable conjecture on the reasons the public supported


50 As Senator Jarvis has been known to say.

51 Frank Levy, "On Understanding Proposition 13," Public Interest (1979) and Robert Kuttner, Revolt Of The Haves, New York: Simon & Schuster, 1980, both provide primarily such an explanation for the Californian tax limitation amendment, Proposition 13.
such bills and the implications for public policy. The indeterminateness of the cause has been compounded by political posturing, particularly by those who seek a reduction in all government.

The tax limitation bill which passed in Massachusetts in November, 1980, Proposition 2½, suffers from the same uncertainty of cause. The bill limits the total property tax levy a municipal government can make. (It also, among other provisions, eliminates binding arbitration for police and fire disputes.)\(^{52}\) For some cities and towns this has meant considerable fiscal constraint. As in other states a number of reasons (and implications) for its passage have been given, both by "impartial" researchers, and by actors in the political context. A survey of voters taken at the time of the vote has recently been compiled and indicates that the majority of voters who supported the bill (a) did not necessarily seek a smaller government sector, (b) were somewhat dissatisfied with the property tax burden rather than taxes in general, and, the most consistent finding of all, (c) perceived inefficiency and corruption in government and thus believed that a tax limit would not affect the level of essential services.\(^{53}\) The survey also indicated that there was some misconception concerning the nature of the bill. The survey has not yet been published, and even when it is, it is unclear how these findings will alter the positions being held by various groups

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52 Further elaboration of the provisions of Proposition 2½ are made in the first section of Chapter Two.

at the moment.\textsuperscript{54}

The dominant union position denies that voters were reacting either against public employees or against public services. The claim is (1) that the voters did not understand the bill and its implications, and therefore once service cuts are made, the demand will be to remove the limitation, and (2) that there was dissatisfaction with the property tax and the state should increase its aid to local governments (shift the taxation system). Public officials in general have similarly illicited an outcry and demanded help from the state legislature. Their position has been somewhat similar to that of the unions, denying an "affront" to local government and its workers and administrators.

Some representatives of management (and some local officials), however, have perceived a mandate from the public to increase efficiency and through that mandate a shift in public support from public employees to public managers. Thus, through public pressure and the elimination of binding arbitration, plus the recognition of fiscal constraint, the balance of power has shifted significantly.

The ramifications for public sector labor relations are thus slightly different from those of an unintentional fiscal crisis. The power of unions may be similarly weakened in both cases through the inability of the union to increase the size of the revenue pool and thus have to compete with other unions and interests, the introduction of other actors into the bargaining setting, connections such

\textsuperscript{54}The positions held which follow were gathered from local newspaper reporting, interviews with union leaders, public officials, and their legal representatives.
as pension fund investments in city bonds which make default far more costly than loss of employment, and the pressures on management to increase efficiency. The purposeful imposition of such constraints makes the power shift more significant and of greater magnitude. Even those who maintain that the major thrust of such initiatives is against the property tax, rather than government, admit that some dissatisfaction by the public with government "efficiency" is evident. Every way in which unions were affected under general constraint becomes more critical. The pressures for services have collided with pressures against increased taxes, rendering the means to social peace and political popularity more difficult, as well as weakening union power. In relation to the trade-off between wages and employment, an imposed constraint through public conviction thus removes some of the institutional factors prohibiting direct links between employment and wages. The trade-off is therefore heightened.

Union power to affect the outcome is not only weakened but is also weakened in avoiding the imposition of such a trade-off. It is conceivable that the legal and institutional mechanism (such as court rulings against claims of inability to pay by governments and civil service restriction on layoffs) which were at times the last recourse to preventing employment effects of wage increases will begin to reflect the perceived public attitude and rule against the public employee.
There is perhaps another important impact of the publicly approved fiscal constraint, that on the attitude of the public employee. A vote for such limitation, may be perceived as an affront to the public worker as the provider of desired services. Even if it is believed that the voters were in error, or sought a shift in tax system, the fact that the public would risk impacts on public services might be perceived as further indication that the work of the public employee is not appreciated. Not only will this lessen the access to power through public support, but may increase whatever doubts were remaining that the public employee is a worker first, and public servant second. The reasons which led to unionization in the first place may more forcibly reassert themselves. The result may or may not be an increase in militancy, but certainly impacts will be felt on morale and the willingness of the public employee to "sacrifice" for the public.
CHAPTER II - THE CASE OF BELMONT

The Context - Labor Relations In Massachusetts

Full understanding of the events occurring in Belmont between town officials and unions in the period following the passage of Proposition 2 1/2 requires recognition of the environmental context under which the specific actors involved in the case operated. As the labor relations literature has consistently indicated, a local labor relations system such as in Belmont does not exist in a political or economic vacuum, but is greatly integrated with the patterns and structures of the state (and the nation), all of which help set the "rules" of relationships among the participants. Of particular importance to an understanding of the case are the statewide structures of the legal and institutional system, those of the actors and their peculiar characteristics (management, unions, and the public), and the general economic environment. The effect of the legal system is the most readily generalizable, due to its jurisdiction, and is a somewhat general reflection of the political climate and distribution of power; therefore, it is detailed in particular. It was also to play an important role in dictating the difference in choice of strategies available to the unions examined in Belmont's case. The technical or work context is also of relevance according to some theories of labor relations context; however, the relevant job characteristics of the different employee unions are quite specific and are discussed at a later point.
The Legal And Institutional System

Massachusetts was by no means unique to the expansion of public employee unionization during the 1960's and early 1970's. Between 1965 and 1975, the number of union locals representing state and municipal employees grew from 203 to 751 with more than a doubling in membership totals. The political environment was sufficiently supportive of public sector unionization to establish in 1965 a state statute (Chapter 149S) giving municipal employees the right to bargain about wages, hours, and terms and conditions of employment (state employees had been given the right to bargain with respect to work conditions but not wages in 1964). The 1965 legislation provided for disputes over the terms of collective bargaining to be carried out through mediation and fact-finding, but not through arbitration or other steps for final resolution; strikes and lockouts were prohibited.

In 1973, effective July of 1974, a new law, Chapter 150E, was enacted, extending full bargaining rights to state and municipal employees. As defined by the law, employers were now obligated to bargain with public employee unions over wages, hours, terms and conditions of work, and standards of productivity and performance. Negotiated agreements were permitted to prevail over any conflicting ordinance, by law, and statutory provision, a change from the 1965 legislation. Also provided by Chapter 150E was last-best offer

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1 Massachusetts Department of Labor and Industries, 1980.

2 According to David Downs, IBPO attorney and other labor attorneys, until recently, "standards of productivity" is frequently forgotten and is seldom incorporated into collective bargaining. In Downs' opinion, the attempt to productivity bargain is a "management ploy".
arbitration for police and fire employee disputes. In such binding arbitration, the arbitrator is required to choose between the package of final proposals made by the union and that of the town, presumably compelling both sides to come closer to each other to prevent a true win by the other side. Town and city managers began to perceive the procedure as biased towards unions during the first three years of the law, and attempted to prevent the renewal of the entire Chapter in 1977. After a gubernatorial veto and legislative override, Chapter 150E was renewed with binding arbitration, and prohibition of strikes has remained intact and in force until the events of November, 1980.

The guardian of the collective bargaining law is the Massachusetts Labor Relations Commission (MLRC), created in 1937 but endowed with greater powers in 1974. The Commission determines appropriate bargaining units and hears complaints of prohibited practice under the law filed by either unions or management. Through such hearings, the Commission has played a strong role not only in enforcing the rights of public employees to organize and bargain, but has also affected the substance of such negotiations and determined the boundaries of good faith (and thus fulfillment of the legal obligation) bargaining. Its powers to order relief if prohibited practice is determined include the issuance of cease and desist orders, reinstatement with back pay, and other compensatory awards.

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3 According to John Dunlop in a 1980 article in the Massachusetts Business and Economic Report (Fall 1980).
Like all law, the collective bargaining law is dependent upon the historic interpretation of its provisions, in this case through that of the rulings of the Commission and the courts. The ability of a union to control job security through negotiation has been eroded through a number of cases during the last six years. Most important of which is the Danvers case in 1977 which established that the determination of level of service was a "core governmental decision removed from terms and conditions of employment," and therefore not a mandatory subject of bargaining (mandatory means a subject in which formal impasse may be reached and unfair labor practice charged if a demand to bargain is refused). In the Newton School Committee case of 1978, the Commission upheld the Danvers finding but ruled that management was obligated to bargain over how a level of service reduction was to be reached -- through layoffs, attrition, work sharing, and other means -- and to bargain over the impact of the means of reduction on the work force. As shall be seen, some ambiguity is left between the two rulings and leaves room for divergent interpretation. Also important is the issue of minimum Manning clauses in contracts, which has been resolved in favor of firefighters (minimum Manning per vehicle and shift) is a mandatory subject of bargaining, but not for other personnel, particularly police. Minimum Manning can influence

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4 Town of Danvers, 3 MLC 1559 (1977).
5 Newton School Committee, 5 MLC 1016 (1978).
6 City of Newton, 2 MLC 1192 (H.O., 1975) and Town of Danvers, 3 MLC 1559 (1977).
the security of numbers of position, though not necessarily the particular personnel who hold them. All of the above imply that the right of a union to demand to negotiate over various issues determining job security is limited, and therefore that collective bargaining law itself does not mean that issues of employment level can be insulated from other contextual (and power) factors.

If the law under Chapter 150E enforced by the MLRC maintains the integrity of a negotiated contract, other institutions and legal organizations also have impact on the contents. Of predominant importance, particularly for employment/wage trade-off constraints, is the Civil Service Statute, Chapter 31, and its enforcer, the Civil Service Commission. These govern the rules of personnel movement, the hiring, promotion, transfer, discharge, and importantly, layoffs of municipal employees. The statute has a much older history than that of the collective bargaining, arising out of the reform movement of the turn of the century. Towns had the option, not the obligation, to adopt Civil Service regulation of their employees and therefore considerable variance is seen among towns in employee coverage, though police and fire personnel are commonly included under its domain.

Civil service regulation has considerable impact on job security and therefore, where it applies to unionized employees, such provisions governing personnel movement in, out, and within an organization, are frequently left to commission regulation rather than contract negotiation. The statute mandates that seniority, in conjunction with state
administered exams determines hiring and promotion eligibility, thus lessening the flexibility of management to change personnel. It also "stiffens" the means of personnel reduction. The statute not only mandates the procedure, such as appropriate notice and a seniority basis for order of layoffs, but also requires that, if appealed by the employee, a municipality must demonstrate that lack of work or lack of funds necessitates layoffs. The determination of lack of funds, i.e., the integrity of the local budget, is not specified by the law but is open to interpretation by the Commission. Civil service also offers an "explicit contract" (in contrast to the theory of implicit contracts that developed in the labor relations literature7) in the granting of reinstatement rights for five years following employee separation from his/her position. Civil Service regulation falls short of guaranteeing full job security, but does help to insulate employees from political and economic fluctuations.

Two other legislative bodies are worthy of mention, the Joint Labor Management Committee For Municipal Police And Fire (or the Dunlop Committee as it is commonly referred to due to John Dunlop's chairmanship and dominant role), and the State Board of Conciliation and Arbitration. The former was created in 1978 as a compromise solution to the conflict which had evolved between unions and town officials over binding arbitration and the renewal of Chapter 150E. The committee, composed of management and union representatives nominated by their

respective statewide organizations. It has oversight responsibility on all police and fire negotiations, and is able to utilize a number of dispute resolution tools including factfinding and various forms of final arbitration. It essentially coordinates dispute resolution between police and fire agreements within a community and among contiguous localities, and introduces a "balanced" state perspective on local collective agreements. The Committee may also refer a case to the Board for Conciliation and Arbitration, the more traditional body which conducts interest arbitration, both voluntary and last-best-offer (only for police and fire unless voluntarily agreed to by both management and unions) arbitration. Both the Committee and the Board serve to contain conflict and thus affect the range and magnitude of contract terms. Both also serve to introduce perspective (and comparability) beyond the particular locality in which negotiation impasse has been reached and perhaps enhances the communication of influence and political context of a larger environment.

Other laws and policies of state, local, and federal government also serve to affect the context of labor relations in a municipality, but because of their less direct bearing on the case to be discussed, and the complexity of determining impact, they are left undefined. The importance of delineating the above institutional and legal structures was in their very immediate and direct impact on the nature of constraints and resources available to unions in relation to management. At the same time that the collective bargaining law protects the right
of public employees to unionize and bargain, it limits the scope of those rights and bounds the range of negotiation. The line between management and union rights is clarified (though perhaps open to minor dispute) and therefore incorporated into attitudes and expectations, perhaps rendering it more difficult to challenge.

The legal and institutional structures serve a further purpose, of major relevance to the employment/wage trade-off. It is obvious that the provisions of the civil service statute stiffen the ability of management to implement personnel reductions, at least in the short run, and increase the costs. Seniority provisions likewise affect the ability of management to freely interchange workers for productivity considerations, as mentioned by Belfer and Bloom. 8

From the union perspective, civil service regulation provides some job security which is outside the collective bargaining process, and thus not directly connected to demand for other terms and conditions of employment muddling a trade-off. The law and its interpretation, however, serves to limit the extent to which job security issues not covered by civil service can be incorporated into direct provisions of the contract (whether or not traded off for wages or other benefits), and thus introduces the potential for such an employment/wage trade-off should other factors permit.

8 Nathan Belfer and Gordon Bloom("Unionism and the Marginal Productivity Theory" in Richard Lester and Joseph Shister, eds., Insights Into Labor Issues, 1949) discuss such provisions in their impact on private sector labor relations.
The Actors

Under the guide of home rule, towns and cities in Massachusetts are permitted considerable flexibility in the determination of management hierarchy, its power, and ultimately the distribution of power with labor. Some of the legal and institutional structures guiding labor relations are optional for a town or city, i.e., civil service coverage, through others, particularly the rulings under Chapter 150E, are not and serve to limit the flexibility of management to determine its relationship with employees. The concept of home rule also has the consequence of limiting the extent to which the structure of labor relations can be generalized across the state, even beyond the variance in local economic and political contexts. The degree of public involvement, either through direct participation or indirect political pressure, similarly varies with the particular characteristics of residents and government structure (formal and informal).

The structure in regards to unions is also fairly decentralized with considerable autonomy of local union units. There are approximately 165 local labor organizations representing 11,700 firefighters and 252 locals representing 12,200 police officers in the Commonwealth. Affiliation with state and national organizations does, however, have impact on local labor relations. There are differences in the degree of such centralization between fire and police unions. The International Association of Firefighters, AFL-CIO, with its statewide organization, the Massachusetts Professional Firefighters, represents almost all
unionized firefighter locals. Its powers at the state level are considerable, due to the concentration of power in one organization and one leader, Dusty Alward for many years, and have led to favorable legislation and (perhaps rulings, such as the minimum manning issue). It should be noted that though there is some influence from state to local, the predominant role of the MPF is to lobby the state legislature.

The police are less centralized, with the International Brotherhood of Police Officers being the largest, but by no means, only state and international affiliate. Much greater diversity exists in affiliation of local police units, and has had some impact on the ability of the police to successfully lobby for favorable legislation.

The Economic Context And Proposition 2

As a very general summary, the economy of Massachusetts has fared better than much of the nation in the past few years. As a consequence, unemployment levels have generally been lower than the national average, though there has been considerable diversity among sectors, due to shifts in the economic base. This has not meant, however, that real income for Massachusetts residents has been increasing; indeed, there is some evidence that even relative to the rest of the nation, real income has been falling.9

9A study led by Bennet Harrison of M.I.T., the New England Project, completed in 1980, has shown that due to lower wage levels and high cost of living, Massachusetts residents as a whole have lost real income compared to the national average.
Local conditions vary considerably, as is the nature of micro-
level economics. It can be said, however, that in general, the fiscal
health of most Massachusetts towns has not been enhanced during the
last five years. Also of importance is the heavy burden of property
tax on residents, unusual relative to the nation. The current conserva-
tive nature of state government has not served to alleviate such burden.

On November 4, 1980, the future fiscal health of many towns and
cities of the state was substantially affected. Proposition 2½
passed with a substantial majority, for a variety of possible reasons
but not the least including the heavy burden of property taxes. The
bill, a statutory provision in contrast to the constitutional amendment
passed in California under Proposition 13, limits property taxes to
2½ percent of the municipality's full and fair cash value of property;
for those under the 2½ percent levy, the percentage in 1979 becomes the
limit. Municipalities over the limit are required to reduce their
current levy by 15 percent per year until 2½ percent is reached. The
bill also reduces the Motor Vehicle Excise rate from $66.00 to $25.00
per $1,000.00 of assessed value, a 62 percent reduction. School fiscal
autonomy was abolished, unfunded state mandates prohibited, governmental
assessments on municipalities limited, and tenants were permitted to
deduct half of their rent from taxable state income. Compulsory and
binding arbitration for police and fire personnel was repealed, a
victory after long battle for town management over unions.
The fiscal impact of the bill is considerable. Property taxes represent on the average 60 percent of total municipal revenues (higher in smaller towns); the excise tax a considerably smaller proportion but nonetheless important. It has been estimated that for fiscal year 1981 (the property tax provisions of the bill become effective July 1, 1981), 153 towns and cities would be affected by the property tax limit and lose a total of $347 million in revenues. Through the excise tax reduction, effective January 1, 1981, and affecting all towns and cities, the total loss through FY 82 is predicted to be $225 million. The impact of the other provisions has yet to be determined.
The Context - The Town of Belmont

As is necessary to understand the general environment of labor relations in the state for explanation of local systems, it is also important to appreciate the particular local structures of government and history of labor relations as they affect a specific situation. The behavior of the police and fire unions in response to town officials in Belmont between November, 1980, and March, 1981, arose out of a historical as well as contemporary context. The quality of relations between town officials and unions, and the outcome of the power struggle which was to arise out of the passage of Proposition 2 1/2 were all tainted with the history of relations in the past, the management structure, the union membership, and the town characteristics. Some conditions were indeed altered under the current context, and in their relative change had impact on union and management behavior; however, union objectives and the factors which led to their formulation were not created at the moment but reflected much deeper roots within the town, as well as without. Therefore, prior to relating the events of the critical time period, a background on Belmont and the history of labor relations is provided.
Background And History

Belmont is a residential community eight miles west of Boston. It is a town known for its wealth, stability, and fiscal and political conservatism. Eighty-eight percent of its land is residential; the largest employer is a hospital. The average income of its residents is $14,900.00, 138 percent of the state average per capita income (1977 data). The current population is 27,700, 1,000 fewer residents than in 1960. The town has been, and to a great extent continues to be, predominately "Yankee." The late 1960's did see a small influx of the more well-to-do working class from Cambridge, Somerville, and other surrounding towns into Belmont, particularly the Waverly Square area. The historic conservatism has not been changed, however; in the November 1980 elections, more than 60 percent of the voters voted for Reagan, 58 percent for Proposition 2½.

The structure of government is a representional town meeting with executive authority vested in the Board of Selectmen. Town meeting,

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10 Information on Belmont was gathered through review of town records, annual reports from 1965 through 1980, the town newspapers, the Belmont Citizen and Belmont Herald, union contracts and records, and particularly from interviews with town and union officials and their legal representatives. Much of the information on the structure of government and perspectives of management was provided by Mary Lucci, a colleague at M.I.T., and to whom I owe a great debt. Without her help and motivation, the project of understanding Belmont would have been infinitely more difficult and less agreeable.
held annually, usually in April (though special sessions may be called throughout the year), is the legislative forum for authorizing budgets, policies and amendments to the Town's by-laws. The agenda is set prior to the meeting by the Selectmen. The budget process, which is based on a fiscal year extending from July 1 to June 30, begins with guidelines established by the Selectmen being passed to town departments for detailed formulation. The departmental budgets are then returned to the Selectmen and a special committee -- the Warrant Committee -- for review. Disagreements which are not resolved among the parties beforehand are discussed publicly at the town meeting.

The Board of Selectmen -- comprised of two members and a chairperson elected for 3-year terms -- is charged with the day-to-day operations of the town. Open meetings are commonly held once a week; certain matters, particularly those relating to personnel or collective bargaining, may be discussed in private, or executive sessions. The Selectmen generally have much greater access to information than the average citizen or town meeting representative and therefore have considerable influence over both the specifics of government operations and general policy. The authority of the Selectmen is somewhat constrained, however, by the annual budget totals set at town meeting, and the existence of several commissions and departments headed by elected officials which do not fall under the direct control of the Board. These include the library, housing authority, school committee,
health department, cemeteries, sewers and water. Personnel matters and collective bargaining, apart from the school system, are within the exclusive domain of the Selectmen.

The town budget has grown from $3.5 million in 1955 to $10.5 million in 1970 to $21.6 million in 1979. Since 1965 the growth has approximated a steady $1 million per year. The tax rate per $ thousand has increased from $23 in 1968, the year of 100 percent reevaluation, to $53.75 in 1975 to $67.00 in 1979. This increase was less gradual, with several substantial jumps clustered around several years of similar rates.\textsuperscript{11} The majority of the Town's income comes from real estate taxes -- 70.5 percent in 1979. The motor vehicle excise accounts for only 4.9 percent (the distribution is not unusual for a town of Belmont's size but is considerably different from the larger and older cities, such as Boston). State aid provides 12.9 percent and local receipts another 10.8 percent. Of the $21.6 million total budget for 1979, more than half (60 percent) was appropriated for wages and salaries of the town's employees. The largest portion of this was, by far, for school personnel, followed by police and fire. The latter two account for roughly 15 percent of the total budget (16 percent if all expenditures are included). Pension costs take 5 percent of the budget, not unusual for a town of Belmont's size and wealth.

\textsuperscript{11} Belmont's 1980 tax rate was below the state average; the full value tax rate (assessment ratio times rate) for the town was $37.00 compared to a $40.00 rate for towns of comparable population.
The Board of Selectmen have played the role of both the town managers and the keepers of fiscal austerity since the 40-year period of J. Watson Flett's membership (and chairmanship for much of that time) on the Board between 1924 and 1963. Flett essentially ruled the town by himself with considerable attention to the efficiency of government. 12 His fiscal policy was severe; many of the town's capital projects were paid for in cash during that period. The current Selectmen are known for their professionalism and careful financial policies. According to the town labor counsel, Belmont is the best fiscally managed town in the state, and it has one of the four triple A bond ratings among Massachusetts towns.

In recent years, the Selectmen have perceived a loss of power brought about by increased state mandated programs, the unions, and the growth of the school budget. Much of this perceived loss of control affects fiscal management, particularly critical for the Belmont Selectmen due to their pride in maintaining the tradition of fiscal austerity set by Flett. There is a greater issue, however, in that with increasing independence of the budget from the authority of the Selectmen, control over government operations is also disbursed and their sole authority appears to be eroded. 13 Because of the decentralized nature of labor relations, compared to the externally imposed state programs and

12 Interview with Chip O'Hare, Selectmen, conducted by Mary Lucci in March, 1981.

13 Ibid.
autonomy of the school committee, the Selectmen's perception of a power loss was to have greater effect on the status of the unions after the passage of Proposition 2 1/2. A power struggle of sorts had already emerged from the historical context.

**Labor Relations**

Public employee unionization in Belmont followed on the tail of the national boom in public sector union growth. The firefighters organized first, in 1966, becoming a local of the International Firefighters Association, AFL-CIO. The American Federation of State, County, and Municipal Employees (AFSCME), AFL-CIO, followed, organizing custodians, highway, recreation, and cemetery workers. Police were organized in 1971 as an independent association; in 1973, they joined the International Brotherhood of Police Officers as two locals, one of patrolmen, one for superiors. The remainder of town employees unionized in late 1972, early 1973. Professional librarians are represented by the Belmont Librarians Association, municipal light department workers by the International Brotherhood of Electrical Workers, and clerical, secretarial, foremen, and assistant department heads are organized under the Belmont Administrative and Clerical Association. Together, these seven unions represent roughly 300 of the 312 town employees. Police and fire membership are by far the largest, accounting for nearly half of all town employees. The two unions are also the strongest in the town. Each union bargains separately with the Selectmen through a bargaining committee. Generally,
contracts are for two-year terms, commencing July 1 of even-numbered years.

The nature of the relationship between the town and its employees has evolved considerably since the 1960's. Prior to unionization, wages, benefits, and working conditions were set entirely by the Selectmen. Employee leadership would go up to the town hall, "hat in hand", and be given whatever the Selectmen deemed appropriate. Employees were "at the mercy", of the Selectmen, outcomes were frequently dependent upon the personal inclinations of particular individuals. Work hours and to a lesser extent, wages, did improve somewhat over time, keeping pace with conditions throughout the state. Public sentiment towards reduction in work hours was particularly strong, which inspired shorter work weeks even prior to unionization. Employees had no input into the terms and conditions of work, however, and their status relative to the private sector was considerably low.

Unionization in the beginning of the decade meant a transformation from an informal to a formal relationship between employer and employee over the conditions and terms of work. The first contracts were negotiated under the old state statute (Chapter 149S). Procedures were formalized, and some gains in wages and benefits were made. The general perception, however, was that the statute lacked sufficient "bite" to redress the previously unequitable status of employee to employer.

14 Both Chief Shea (former superior officer's union president) and Roy Sacco, president of the firefighters, used similar terminology when discussing this time period.
Negotiations were still fairly unstructured, carried out between a Selectman and a union leader, without the involvement of professionals. The language of first contracts were based on union "boiler plates" and formed the basis for future negotiations; the real power of the language, however, was not yet in place.

Further rounds of collective bargaining brought increasing professionalism to the negotiation process. The 1973 town annual report mentions the need for a professional labor negotiator. The Board of Selectmen felt that their initial response to unionization had been naive, that all but two of the employee unions had used professional negotiators in the FY 74 negotiations, and that the cost of a professional's salary would be more than made up by the savings to the town.

A full-time labor consultant, Alan Drachman, was hired for the first time by the town in 1974. The firefighters had engaged the services of a labor attorney, John Hiatt, who has remained the firefighters representative; the police hired a negotiator provided by the IBPO.

1974 was also the first year under the new comprehensive labor relations law, Chapter 150E, which permitted binding arbitration for impasse resolution in police and fire negotiations. No longer were issues of wage and working conditions a matter for informal discussion.

The quality of labor relations has varied during this period and among different unions. In general, a certain respect held by both fire and police for the Selectmen (the current situation aside). The firefighters, affiliated with a strong state-wide organization,
are perhaps the most forceful union and have resorted to outside intervention in the negotiations with greater frequency. They have gone to factfinding twice, last-best-offer arbitration once. The latter occurred during the first year of Chapter 150E; the town's last offer was awarded, though firefighter sentiment indicates that the evolution of the process resulted in an acceptable resolution for both parties. In 1976, the issue of minimum manning for firefighters came to a height, as the town was attempting to eliminate the clause which had been in the contract since 1972. It was resolved through the decision in the Danvers case, and minimum manning per vehicle and shift has remained -- though contested -- since.

The police, in contrast, have had a history of settling contracts with less struggle. Only in the 1980 contract negotiations did they seek external help. In part, this may be attributed to the secondary role relative to the firefighters. According to Hiatt, the firefighters bargain with the Town first and are the most aggressive.

While the unions generally perceive relations with management to be fairly good -- though dependent upon the authority granted them in state law -- the management perspective is different. The inclusion of a special section on collective bargaining in the annual reports since 1976 has reflected a growing concern with labor relations. The reports have indicated in particular a complaint that state legislation has resulted in the loss of management control and caused the town considerable financial expense. The passage of binding arbitration
for police and fire in 1973 and its renewal in 1977 were not popular with the town officials. The 1976 annual report registered considerable hope that the act not be renewed, stating that "the Town of Belmont labor costs have increased more than they would have had binding arbitration not existed". The creation of the Joint Labor Management Committee was similarly disfavored. The state also passed certain acts which could be adopted by municipalities; their existence and adoption by surrounding towns frequently led to pressures for their adoption in Belmont. The police incentive bill (Quinn Bill), providing wage increases for educational improvement was one such act passed in 1971 (and adopted in Belmont), as was another enabling towns to pay more than 50 percent of employee insurance costs which led to protracted negotiations in 1976. The annual report of that year made the statement that no matter how successful the negotiations (in preventing an increase in the town's payment) were, the matter would continue to be an issue as long as other towns increased the proportion of premium paid.

Civil Service regulation has also been of growing (disfavorable) concern. On the wave of the reform movement, Belmont adopted Civil Service control over the police chief in the early 1900's and over the fire chief in 1938; the police and fire department coverage soon followed. In the 1950's, laborers were also put under Civil Service status. The town's union contracts specifically defer to the Civil Service regulations. Recently, the town officials have expressed their displeasure
with the system. In 1978, there was an unsuccessful attempt to remove
town employees from its coverage. This spring, a town vote removed
the 82 laborer-service employees but failed to remove the police and
fire chief from Civil Service regulation. An act to eliminate coverage
for the entire police and fire departments is on the Warrant for the
April town meeting, and being contested by the unions.

Besides expressing displeasure at state interference with local
labor relations, the town has attempted to regain some of its lost
status vis à vis the unions in more direct ways. In 1979, a new labor
counsel was hired, out of a concern that relations between the union
and management negotiator had gotten too familiar (collusive perhaps).
The town sought a more aggressive negotiator to represent their interests
with greater attention.15

Bargaining over contract terms begins in Belmont in March, prior
to the annual town meeting where the budget is set. Bargaining commit-
tees of each union meet with the Selectmen and/or the town labor counsel.
Though the negotiations must commence prior to the town meeting, it
is not stipulated that resolve be reached by that time; frequently,
negotiations continue on past the expiration date of the old contract.

The scope of contracts and bargaining for police and fire was
basically set with the initial contracts within the state statute.
Major provisions include: a no-strike agreement; an established grievance
procedure; compensation; benefit; work hours provisions; an agreement

15Joan Garland, executive administrator to the Selectmen, April 1981.
that matters of promotions, seniority, discharge, and removal be regulated by Civil Service regulations; and a town's right clause. The focus of negotiation demands has been -- until the recent situation -- primarily on economic issues, wages and benefits. The unions have pushed for wage increases, clothing allowances, overtime and extra-duty payments, night shift differentials payment, vacation time, and such things as educational allowances and EMT payments. Work schedules have also been important issues. Shift hours and work week schedules, as well as total hours worked, have been redefined under collective bargaining.

Issues of internal operation of the departments have primarily centered around the order in which personnel are given extra-duty, overtime, and shift assignments. The union demand was essentially for formalization of procedure. The grievance procedure, the creation of which was, and continues to be, a key benefit derived from unionization, is a concern but primarily in guarding the existing provisions. The firefighters' contract does include certain provisions concerning internal organization not covered in the police contract. A table of organization, specifying the number of firefighters, number of superiors, and manning for apparatus has been included since 1972. Minimum manning per shift is also stipulated in the contract. The firefighters gain if such provisions not only reflect greater power but also provide considerable security to its employees and access to other forms of protection. The police have no such provisions, nor are they mandatory
subjects of bargaining, though minimum manning is for firefighters. No other provisions for control over internal management or organization are included in the contents except perhaps for a joint safety committee in the police, nor has there been any interest or attempt to discuss such issues by the unions.

As the unions were demanding increased wages and benefits, fewer working hours, and greater clarification of internal procedures, the town management was striving to keep costs down. The fiscal austerity of the Selectmen, continued fairly consistently since Flett, mandated an attitude of conservatism; it should be noted, however, that fiscal constraint was a matter of policy, not necessarily dictated by economic reality. Several strategies were feasible for constraining the wage bill; limiting employment, limiting wage and benefit increases, or manipulation of such matters as shift differentials, and differentials in pay based on tenure. In 1970, the town annual report recorded the attempt by the town to keep the work force at a minimum and approach a no-hire, no-fire policy to keep expenditures from rising. Indeed, police and fire employment have not increased to any great extent since; nor have hours of work been reduced. Pay differentials have increased in both unions, between ranks (from 13 percent in 1974 to 15 percent in 1980) in both unions, and between new hires and older personnel in the police. (The police differentials are substantially larger than fire.)

A key strategy used by the town to maintain labor peace is parity of wage and benefits among the different unions. The town has
an explicit policy of attempting to maintain such parity, particularly between police and fire, and has been able to do so except in the 1974 negotiations when the firefighters won an increase through arbitration.\textsuperscript{16}

Comparability with other similar towns is also used to help determine an appropriate level of wages; both town and unions conduct wage and benefit surveys to this effect, though its actual influence on negotiations, except when brought to the state mediation bodies, is questionable.

Management has also attempted to limit the scope of clauses which hinder personnel movement. The minimum manning and table of organization in the firefighter's contract has been an issue at each round of negotiations. Grievance procedures have similarly been the target of management representatives, in the attempt to limit the scope.

The unions have made gains in what they demanded. Wage increases granted police and fire employees have varied between 5--8\% per year since 1971. Benefits have increased in both magnitude and scope, particularly for clothing allowances, educational allowances, and longevity payments. Vacation time, holidays, overtime pay and grievance procedures have not substantially changed in either department since the first contracts. Police and fire wages have increased roughly 65 percent since 1970. Compared to other towns, Belmont's employee compensation for fire and police is fairly generous. Wage packages

\textsuperscript{16}Ibid.
are close to, if not above, those in the surrounding towns. Relative to the total town budget, expenditures on wages and salaries (which includes benefits except pensions) for both police and fire have not changed substantially. In 1955, salaries and wages for both departments represented 11 percent of the total budget. In 1968, the percent rose to 13 percent and remained there for most of the seventies. In 1979, public safety wages and salaries accounted for 15 percent of the total budget. Salaries and wages were 91 percent of the police department appropriations in 1979; 97 percent of the fire department's. It is fairly clear that the economic gains made by the unions were funded through a revenue expansion, not reallocation of a fixed budget. Given the ability of Belmont residents to pay, such expansion was not necessarily disputed by others besides the Selectmen. In sum, Belmont appears as a wealthy, stable community where considerable emphasis is placed on order and maintenance of the status quo. The town is tightly run by Selectmen who take pride in professional management and fiscal conservatism, and who have little inclination to disburse power to other interests. It is their perception that local autonomy and their authority over it have been eroded in the last decade; their aspiration to regain control as the center of political and fiscal power is not lessened, however. The policy of fiscal austerity followed by the Selectmen is a matter of choice, not need, and it is unlikely that the financial stability under which Belmont currently operates will be substantially threatened in the future.
The beginnings of public employee unionization did not inspire great concern; only with the increase in union power, brought about by state legislation and through the accumulation of tradition, did the town begin to perceive a "problem". The police and fire soon emerged as the strongest unions in the town, a none-too-surprising occurrence, given the state legislation favoring police and fire, the greater cohesion among the membership, and the particulars of public safety provision. The unions used their power to obtain much of what was sought, primarily increased wages and benefits, shorter work hours, and formalization of grievance procedures. Some security of job was provided by civil service status. The town expanded its budget to fund the union gains, and no threat of loss of employment was evident. Neither police nor fire perceived an environment of hostility with management prior to the summer of 1980.

The negotiations for the 1980-82 contracts did depart from the norm in several ways worth mentioning. For one, there was a new town labor counsel, Robert Crowe, hired to be aggressive in pursuit of the Selectmen's interests. A wage increase of 7 and 8 percent (1981 and 1982) was granted, but no increase in benefits. The firefighters and other unions except the patrolmen settled relatively easily. The patrolmen, however, sought a larger increase taking negotiations into October. A petition with the Joint Labor Management Committee was filed, a first for the police, but settlement on the 7 and 8 percent wage package was reached prior to its acceptance. (David Downs, attorney
with the IBPO, joined Ed Colman during the summer and provided legal assistance.) Also during this time period, Police Chief Kiley was in the process of retiring; Robert Shea, the president of the Superior Officers local, was the prime candidate for his replacement, and though he bargained over the new contract for the union, he was said to have kept a low profile. His promotion entailed a transition from labor to management, and put his interests in questionable status.

Of more importance, in retrospect, was Crowe's success during the negotiations in strengthening the town's rights clause in both Police and Fire contracts. The clause for both prior to 1980 had been somewhat ambiguous in the exact rights of management to control personnel within each department. The Police contract clause received the greatest alteration, as it was not greatly contested by the union or the negotiator. The following was added: "It is agreed that management officials of the Town shall at all times retain the right to direct employees, to hire, promote, transfer, assign and retain employees, within the Police Department ... to relieve employees from duties because of lack of work or for other legitimate reasons, to maintain the efficiency of the operations entrusted to them, to determine the methods, means, and personnel by which such operations are to be conducted and to take whatever actions may be necessary to carry out the mission of the Police Department." The language was more hotly contested in firefighter negotiations and resulted in a weaker, through ambiguity, version.
The firefighters' contract was amended as follows: "Subject to the provisions of this Agreement, the employer reserves and retains all the regular and customary rights and prerogatives of municipal management, including, for example, the right to determine the means, methods, and personnel by which its operation are to be conducted; to determine the mission of the (Fire) Department and the methods and means necessary to fulfill that mission; and the taking of all necessary actions to carry out its mission in emergencies." During the firefighters' negotiation, the town also attempted to delete the table of organization for the department, the minimum manning articles, and redefine the grievance procedure, none of which were gained by the town.

It is interesting to question the reasons that the changes in the management clauses were not more hotly disputed by the unions. David Downs, the IBOP attorney who only became involved in Belmont late in the summer negotiations, believed that the police union had made a mistake in accepting the change, particularly as nothing was gained in exchange. His explanation was that locals in general tend to be more concerned with their immediate economic gains and sometimes overlook aspects of bargaining postures which have great potential for affecting other conditions of work.17 As was to come to light later in the case, there was a more fundamental issue at heart; neither fire nor police union membership really believed that the union had the right to affect basic decisions concerning either the organization of a

17David Downs, March 1981.
department or, ultimately, the level of personnel. The distinction between management and union rights was fairly clear to the union members, and though they were to contest management decisions, they never fundamentally believed in their right to share in the making of them. It was the union's attorneys who maintained the right of labor to affect the actual decision of management, not just its impact, and therefore the difference in the contract clause changes between police and fire is explained more by the absence of an attorney representing the Police in the negotiations than by differences between unions.

The significance of the change in language was not to become clearly evident until after the passage of Proposition 2½. The ability of the Selectmen to lay off police personnel "for legitimate reasons", had been clearly spelled out. That of the firefighters was less clear, particularly in view of the continuation of minimum manning and the table of organization, though nonetheless strengthened relative to that in previous years.

**Belmont And Proposition 2½**

On November 4, 1980, the majority of Belmont residents voted for Proposition 2½, as did those of the state. The Board of Selectmen and the public employees unions had waged an active campaign against the bill, both parties stressing the possible impact on service levels, and probable layoffs. The town newspapers reported the possibility that ten police officers would be laid off should the bill pass. Nonetheless, the 60 percent of the Belmont voters approved the bill.
The impact of $2{\frac{1}{2}}$ on Belmont is considerably less severe than in many of its surrounding towns. Though the property tax represented 70 percent of town revenues, the levy was not far from the $2{\frac{1}{2}}$ percent limit. It was originally estimated that it would take the town one year to reach $2{\frac{1}{2}}$, with a loss of $2.5$ million. The town has since petitioned the State Board of Revenue and Taxation for an increase in its tax assessment ratio to reflect inflation (Belmont had reached 100 percent evaluation in 1979, and thus sought to update its rate). If granted, which is extremely likely, the increased ratio will more than make up for any loss through the tax percent limit. Revenues from property taxes would be no less in FY 82 than for FY 81.

There was a direct and immediate impact of the bill on 1981 revenues, however, through the loss in motor vehicle excise revenues totalling $800,000.00. Because the town had already set its tax rate for the year, and because the excise tax reduction was effective in January of 1981, the operating (non-fixed cost) town budget was to suffer a 4.2 percent loss. The town also expected to face future deficits, despite an increase in assessment ratio, through the continued loss of excise tax revenue, inflation, and the bargained wage increase.

The town did have at this time considerable reserves of money. A total of $1,000,000.00 was available as certified free cash and $500,000.00 was in the Reserve Fund, a fund established to cover unforeseen emergencies. Due to the destruction of a local school building through fire, an insurance payment of $225,000.00 was also available.
and as yet undesignated. The available monies were clearly sufficient
to cover the immediate shortage, and their existence have had considerable
impact on the negotiations which followed. The Selectmen have main-
tained throughout their prerogative in reserving these funds and
compensating for the $800,000.00 in other ways.

A Selectman also indicated that more was at stake. The process
of coping with Proposition 2½ was seen by the Selectmen as "an oppor-
tunity to make fundamental changes in the management of the Town which
had been needed ... and were otherwise impossible, and "a substantial
opportunity to regain lost power".18 There is some indication that
management felt that problems of productivity existed in some of the
town departments, and that layoffs would not necessarily have an impact
on service levels, particularly in police and fire. The 2½ "crisis"
therefore became a means of increasing efficiency under the guise of
fiscal constraint. The opportunity to regain the integrity of the
Selectmen's authority had appeared to have arrived. It should also be
noted that Bob Crowe saw a similar opportunity, not loss, in the passage
of Proposition 2½; it meant a redressing of the previously unbalanced
power distribution between management and unions, in favor of manage-
ment.19

The Selectmen moved quickly after the election. The Board, the
town treasurer and the town accountant met the following Saturday to
discuss strategies. On November 10, the Selectmen issued two executive

18 Chip O'Hare, in interview conducted by Mary Lucci, 3/81.
orders prohibiting new hires or changes in classification, overtime, and capital expenditures, and suspended all free services—rubbish collection, ambulance, fuse changes, lock outs, and highway department services.

By late November the decision had been made to split the $800,000.00 loss evenly between the school department and the rest of the town budget, reflecting the general distribution of budget appropriations. The Selectmen informed each department that net savings of 4.2 percent to 4.5 percent would have to be made across the board, either through cuts or institution of fees. The board held budget meetings in closed session—claiming the relevancy of budget discussions to collective bargaining issues—to determine the nature of budget savings within each department. A letter dated November 19 from Bob Crowe, the town labor counsel hired in 1979, was sent to police and fire union presidents and department chiefs mentioning that lay-offs were being considered and offering to bargain over impact of layoff, or other alternative means of service level reduction.

Both David Downs, attorney for the two police locals, and John Hiatt, attorney for the firefighters, responded affirmatively to Bob Crowe's offer to bargain. At the same time, they each began what was to be a sustained battle over the definition of the "duty to bargain" over reductions in service levels. Downs and Hiatt both maintained that the town had the duty to bargain over the decision on how reductions in service were to be effective—essentially the decision to lay off;
Crowe refuted such a definition, stating that the determination of means of reduction was a core governmental decision and thus within management's prerogative. Though the issue was never resolved in the Belmont case, and though it had little direct significance in the final outcome, the discrepancy in interpretation of the law reflects the leeway within legal definitions, open to resolution through power struggle.

After the preliminary correspondence, Crowe set up an informational meeting to which all union officials were invited. At the meeting, held on December 10, Crowe and the town accountant presented the town's financial statements and the expected losses from 2½. Proposed cuts in departmental budgets which the Selectmen had generated were also presented. Crowe indicated that the Selectmen would be meeting with department heads over the next two weeks to determine the manner of reductions. Following the meeting, both attorneys sent to Crowe formal requests to bargain over the issues the Town had raised.

During December, the local newspaper was carrying considerable coverage of Proposition 2½ and its likely impacts. An article on the 11th mentioned that the town officials agreed that the brunt of cuts would be felt in the larger departments such as highway, police, fire, and schools. Trade-offs, i.e., foregoing all or part of negotiated raises and benefits were suggested by the officials, though the chairman of the Board expressed the expectation that unions would not agree to such tradeoffs.²⁰

²⁰Belmont Citizen, December 11, 1980.
On January 8, Bob Crowe met with police and fire union representatives individually and presented them with a statement. The Board of Selectmen had held twelve special meetings to consider the loss of the motor vehicle excise tax revenue and, based on its thorough review, the "Board had approved the following economy measures", including the layoff of eight firefighters and eight police officers (one position vacant due to the discharge of an officer was not to be filled) effective February 1. Five of the eight firefighters were civil service tenured; none of the police officers were but were all to become eligible on February 10, nine days after the proposed layoffs. The layoff of firefighters was expected to save $52,726.00. The ambulance was also to be transferred from the police department to reduce the need for further layoffs. The eight police layoffs and the single vacancy not filled would save $59,441.00. Each person was to receive two weeks vacation pay and two weeks severance pay, not incorporated in the savings calculations. The police and fire cost reductions represented roughly one-fourth of the $408,000.00 to be covered by the excise tax loss.

Layoffs in other departments were not proposed as savings were to be achieved in other ways. AFSCME had had three highway laborers laid off in November, and the positions of three members who had retired were not to be filled. In BACA, five vacancies due to retirement or resignation were not to be filled, two full-time vacancies would be filled by part-time workers and one new part-time position would be left vacant. Several fees had been instituted for town services and
existing rates and fees raised, plus other cuts made in the smaller departments.

The most common expression heard in response to the announcement of lay-offs from union officials, members, and townspeople was shock. The front page of the Belmont Citizen on January 15 carried pictures of the sixteen men and the caption, "The Proposition 2½ Hit List". A considerable media campaign by the police and fire was waged against the layoffs with leaflet drops, extensive newspaper coverage in Belmont and the statewide papers, and television coverage by WBZ.

On January 19, 500 citizens attended the regularly scheduled Board of Selectmen's meeting (the average attendance is under ten people) to protest the layoffs. On January 26, 350 citizens showed up for the Selectmen's meeting. In response to a resident's comment, "Why can't we suffer in areas that aren't life threatening?", Board Chairman Flewelling said, "We have (already) cut to the bone in other departments."21 Notwithstanding public sentiment, the Selectmen voted to implement the layoffs.

21Belmont Citizen, January 29, 1981
The Police And Their Union

The single police station in Belmont is located directly across from Town Hall. All personnel relevant to the police department are headquartered in the somewhat historic building. The number of police officers has remained constant at 64 since 1970, when a new shift schedule required the addition of seven personnel. As with the firefighters, employment is stable; turnover for reasons other than retirement is rare. Also similar to the firefighters, many of the officers, particularly the younger ones, are not residents of Belmont; as some suggest, the value of land in the town is high and housing not inexpensive. Base pay for a patrolman is roughly $15,500.00 per year.

Though the majority of police officers serve as uniformed patrolmen, whose duties include street patrol by foot and vehicle, and manning the desk, there are several divisions in the department where the nature of work is substantially different. These include the detective, juvenile, and traffic bureaus. Personnel within these divisions are designated as inspectors. It is within the police chief's prerogative to make assignments to such bureaus, though the procedure has some relation to tenure on the force. One member, Charlie Wright, patrolmen's local president in January 1981, runs a counselling and referral program out of the Health Department for police officers suffering from stress and abuse of alcohol. Officers are also distinguished by rank, with 48 patrolmen and 15 superior officers. Pay differentials among ranks and between new hires and more senior officers tend to be substantially greater than those found in the fire department.
Two IBPO locals represent the police department personnel: Local 449 of the patrolmen and Local 521 of the superior officers. All officers except the Chief are union members. Union representation is a fairly recent phenomenon, beginning in 1973, though the IBPO affiliation was preceded by a police association which did sign a contract in 1971. According to one officer, Charlie Wright, major gains under the union have been formalization and enforcement of the grievance procedure and the broadening and deepening of benefits. The IBPO provides the local with access to their, and NAGE's (National Association of Government Employees), legal staff. In the summer of 1980, David Downs, IBPO attorney, was sent to Belmont to aid the locals' negotiator, Ed Colman, in the bargaining over the new contract. Downs continued to represent the police locals during the post-2½ negotiations.

The passage of Proposition 2½ was a surprise to the police department. According to Wright and Police Chief Shea, who was president of Local 521 during the summer negotiations, most public employees believed that the bill would not pass, "not in Massachusetts". Despite the close proximity to November 4 of the settlement date for the new contract, no concern during the negotiations was paid to potential impacts on police personnel as witnessed by the acceptance of the Town's rights clause amendment.

With the passage of Proposition 2½ and the Selectmen's aggressive stand in budget cutting, the union was put on the defensive. Under the leadership of David Downs and the bargaining committee, the locals reacted with three implements — the legal system, the media, and the
unity of the membership itself. On February 2, 1981, after considerable negotiation between the union and the Town and within the union itself, the police officers signed an agreement to reduce their negotiated wage increase by 3 percent to a total of 5 percent (representing roughly a $700.00 loss to each officer) effective July 1 in return for a guarantee that the eight most junior officers would not be terminated at least through June 30, 1981.

There are a number of factors relevant to the police unions' access to power which had impact on the course of events which led to the February agreement. For one, the powers of the contract to prevent layoffs had been severely limited by the amendment to the management rights provision during the summer negotiations. The access to the statutory law was similarly limited by the ambiguity of previous rulings, as witnessed in the continued debate between Downs and Crowe over the scope of bargaining. The lack of civil service status also eliminated a channel to institutional power which the firefighters, in contrast, could utilize.

There were also factors affecting the internal dynamics of the union and thus the cohesion and strength of the union during the post-2½ negotiation period. A change in leadership of the patrolmen's local occurred in December. Phil Leblanc, who had been president during the previous year, stepped down (according to him, it was out of a tradition of rotating leadership, rather than due to the context) and Charlie Wright was elected. Bob Shea, the president of the superiors
but also the incoming police chief had a dual role during the negotiations. Most importantly, he was throughout the relevant period in the process of developing a reorganization plan for the department, which was to affect at least 23 police officers. The plan was initiated during the summer of 1980 but did not play a significant role in the outcome of the negotiation process until January. All of the above had considerable effect in setting the options available and desirable to the police local and are found intertwined with the events detailed below.

The process leading to the agreement began with the attempt by Downs to avoid the certainty of layoffs through bargaining over the decision. The November 20th letter from Downs to Crowe (in response to Crowe's initial offer to bargain over impact) stated the union's position that the issue of layoffs as a means of reducing the level of service was a mandatory subject of collective bargaining, and therefore it was requested that no action be taken by the town prior to bargaining. Crowe responded to Downs on the following day, disagreeing with the police attorney's legal argument, citing the Newton School Committee case. In Crowe's view, the town was only obligated to bargain over the impact of reductions in service, not a decision to implement layoffs. He also referred to the town's rights clause in the 1980-82 contract as providing for management prerogative in discharging officers. This issue -- the scope of bargaining -- was never to be litigated or resolved in the police negotiations. A
letter dated December 2 followed, inviting the union leaders to the informational meeting on the 10th.

Following the meeting, where financial information was provided by Crowe and the town accountant, and where Downs and John Hiatt, the firefighters' attorney, made preliminary contact, Downs wrote to Crowe requesting further financial information, and formally demanded to commence bargaining "as regards all mandatory subjects of bargaining". These mandatory subjects, in Downs' view, "include(d) but are not limited to the decision as to whether or not the lay off of any member of the two bargaining units is necessary or the method to be utilized in reducing the level of law enforcement services". Downs also expressed concern over the shortage of time in which to generate alternatives to layoffs prior to the January 1 deadline Crowe had indicated.

During December, the town newspaper reported that morale was low among town employees due to the threat of layoffs. It was also reported that the Selectmen agreed that the major burden of budget cuts would fall on the larger departments, including the police and fire. The possibility of tradeoffs was mentioned officially for the first time. The leadership of the patrolmen's local was also transferred to Charlie Wright during December.

On January 8th, Crowe met with Downs and locals' officials. It was at this meeting that the typed statement of proposed budget cuts and layoffs of eight patrolmen was presented. At the meeting, Crowe indicated that the decision was not final and would await generation
of alternatives by the unions, though his position that management had the right to make layoff determination was not altered.

The reported reaction in the police department was "shock, anger, disbelief."^22 Downs felt personally that the final decision had been made, notwithstanding Crowe's contention that alternatives from the unions were being awaited, and registered offense. A number of different issues arose out of the reported reactions from the union members. Considerable concern was held for the officers to be layed off, particularly as many were married and carrying mortgages and "would not survive." The men themselves expressed not only economic worry, but considerable distress over the loss of what they considered to be good jobs. One mentioned the rewards of "helping people." Many registered the fact that police work had been a career option for them, sought after in part for its security.

The impact on the department as a whole was also of importance for the remaining officers, according to reports. Wright perceived the layoffs of the junior men as a loss of young blood, particularly critical as the remaining force would consist of officers who had served 12-15 years when "police stress" and the "I don't give a damn" attitude was in the greatest prevalence. The loss of eight men was believed to affect the safety of the remaining patrolmen. Claims were also made that the layoffs would endanger town residents. It was

^22Belmont Citizen, January 15, 1981

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here that a disparity between management and employee attitude became
evident, though not a critical issue in the negotiation process. The
town Selectmen and other officials, including incoming Chief Shea,
publicly and privately stated that they expected no loss of quality of
service from the possible layoffs.

Considerable anger was made manifest over the effective date of
the proposed layoffs. The patrolmen were under probationary status
with the Civil Service and would be eligible for tenure rights, in-
cluding the right to a hearing prior to layoff, nine days after the
proposed layoff date. As one officer put it, "they've cut off our
umbilical cord ... our lifeline." 23 The town responded to this
complaint by offering the same recall rights which civil service
tenure would have provided; they did not offer, however, the right to
a hearing.

The eight men to be layed off, Wright, and Downs, met following
the meeting with Crowe to discuss strategy. Wright made it publicly
known that all legal avenues would be pursued to block the layoffs,
though none were instigated at that point in time. Wright was also
reported to have hinted that it was unlikely that the union would
consider giving up its negotiated wage increase in order to save the
jobs, citing a number of occasions in the past where IBPO members had
made "give-backs" and suffered job loss anyway. 24

23 Belmont Citizen, January 15, 1981
24 Ibid.
One strategy did emerge -- the attempt to enlist public support as a means to influence management. The union actively sought media coverage. Through personal contact, a television station reporter was brought into the town and instigated considerable press and t.v. coverage of the Belmont situation, not only in the town, but throughout the state. Some coordination with the firefighters was made over the media campaign, though the latter were not as aggressive in seeking out the media. A door-to-door leaflet drop was also made, the sum of which all helped to heighten public awareness and support for public employees, which was expected to increase the power advantage of the police.

The first negotiation session between the local and Crowe was set for January 15 to begin "impact bargaining".

The bargaining committee for Local 449 formed for the layoff negotiations included Wright, Downs, and in a break in tradition, a junior officer, included out of relevance for the situation. The list generated by the Selectmen of potential layoffs made it clear that superior officers were not affected and the local dropped out of negotiations. Two sets of proposed had been generated, primarily by Downs, to be presented to Crowe. (Under normal contract bargaining, the procedure prior to negotiation generally begins with solicitations for proposals from the membership at large which are then refined by the committee prior to presentation at the bargaining table. The procedure followed here departed from the normal due to the time shortage, the financial complexity of town records, and the presence of an attorney, as opposed to a negotiator.) The first set proposed to
match the savings from layoffs was as follows: (1) apply $59,440.00 of the $250,000.00 insurance premium rebate received by the town due to a recent destruction by fire of a school, or (2) apply $59,440.00 of the town's free cash, estimated at $1,029,393.00. The town rejected both.

The second set, proposed at the same meeting, was as follows: (1) lay off five civilian dispatcher/clerks ($11,132.00) (not union members); (2) keep ambulance service in the police department, with the recently added service fee; (3) offer an incentive for early retirement within the Police Department and throughout local government, the amount of which was to be negotiated; (4) a combination of: eight officers slated for layoff would forgo the EMT payment of $300.00 each; eliminate summertime employees; eliminate civilian clerks for the remainder of the year; one less tenant; eliminate the sergeant currently on leave of absence; eliminate school traffic supervisors; the total of which would save $81,462.00 for the remainder of the fiscal year. The union, backed by the IBPO, in response to the concern over Civil Service tenure eligibility, also offered to give up $10,000.00 in holiday pay and donate $2,000.00 to allow the eight policemen to continue on the town payroll through February 30.

All the union proposals were rejected. Crowe gave as reasons for the rejection of the two sets of proposals the lack of sufficient savings: "they (the union) offered no money savings alternatives such as cuts on fringe benefits." "The layoffs will save $60,000.00 this
year and $170,000.00 next year; what they offered was a drop in the bucket."
The proposal to keep the officers on beyond the February 10 tenure eligibility date was rejected, according to Crowe, because it was not ratified by the union membership and because it was made before the union realized that the town was offering reinstatement rights to the junior officers.25

Four days later, on January 19, 500 citizens attended the regularly scheduled Selectmen's meeting to oppose the layoffs. The meeting was noteworthy in the "veiled challenge" made to the unions. Board of Selectmen Chairman Flewelling issued "a challenge to the unions to help us cope with these difficult problems and for your cooperation to help us save these jobs. And I ask, who has done the most to save these jobs -- the town of Belmont or the unions." Flewelling denied, however, that he was specifically asking the unions to give up the negotiated pay increase. Downs reported to the press that he found the "challenge" to be a "sneaky trick," "It smacks of union busting .. It seems to be shifting the blame onto us that now somehow the unions failed." Wright concurred and labeled the statement a "management ploy."26

On January 21, Crowe approached the local and made his "final offer" -- that the union give up half (4 percent of the 8 percent) of its negotiated increase for FY 1982 in return for an agreement that no officers would be layed off prior to June 30; should more than four be

25Belmont Citizen, January 22, 1981.
26Ibid.
layed off after July 1, the increase would be reinstated. Bargaining for the 1982-84 contract would not be affected by the give-back. Downs signed an agreement with Crowe that the bargaining committee would make a good faith effort to obtain membership ratification of the proposal on January 22.

The town would save $43,000.00 in FY 82 from the wage increase cut, in contrast to the $59,000.00 saved in FY 81 (and $170,000.00 yearly thereafter) from implementation of layoffs. It is not clear why the town was willing to so substantially alter the amount of savings it was requesting. One factor may have been the revised estimate of property tax loss (or lack thereof) from the raising of the assessment ratio. Another may have been the realization of the substantial costs that would be incurred in unemployment compensation from the layoffs. The change in fiscal demand calls into question, however, the real motivation behind the Selectmen's actions and how it came to be influenced through the course of testing their power, relative to the unions and the town at large. It is clear that at no point was the town in dire fiscal straits and unable to cover the lost excise tax revenue through the utilization of reserves. All union actors involved feel strongly -- in retrospect -- that the Selectmen were attempting more than mere financial savings by initiating the layoff action. 27

A formal meeting of the Local 449 membership was called on January 25 to vote on the town's proposal. After considerable debate, the

27 Downs, Sacco, Wright have all indicated that they do not understand what was motivating the Selectmen.
local voted 18-12 to table the motion until the end of February, effectively rejecting it, given the January 26 deadline imposed by Crowe. Charlie Wright resigned as president of the local following the vote, believing the proposal to be a fair one and saying that he "could not represent men whose attitudes totally differed from (his) own." 28 Later interviews revealed that Wright had not perceived the monetary loss as significant, in contrast to others such as Phil LeBlanc, the local's president during the previous year, who already believed the 8 percent wage increase to be insufficient in light of inflation, and placed much higher value on the loss of the money through the proposal. LeBlanc has said the proposal was unfair. 29

Several reasons are offered for the outcome of the vote. The local paper reported that some members had not voted, feeling that it would have caused "hard feelings either way." Others had opposed it believing that the union should not be asked to "subsidize" the public service jobs, and some feeling that insufficient time had been given to consider the proposal. 30 Wright, in retrospect, felt that those who had opposed it were motivated not out of greed, but out of a strong unionism and belief in not opening up a contract that had been negotiated. One officer, slated to be laid off, said in a newspaper interview that though he was upset to lose his job, "I'd rather lose my

28Belmont Herald, January 29, 1981, and in interview with Wright, April, 1981.

29Phil LeBlanc, April, 1981.

30Belmont Citizen, January 29, 1981.
job before I'd see my Brother officers lose something from the Town. "31
A certain element of disbelief, or feeling that the town was bluffing, was also said to be prevalent.

According to Downs, the IBPO played a fairly neutral role in the membership's consideration of wage increase cut proposal. A representative of the union had come to the Local meeting and stated the International's policy that contracts not be opened. Downs had reiterated that position but had also told the local membership that the IBPO would support the local no matter what position they took. Downs attempted to remain neutral once the proposal had been presented. Crowe claimed that the bargaining committee had gone back on its word and charged it with bad faith bargaining.

The January 26 Selectmen's meeting was attended by 350 townspeople. The Selectmen, saying its was the most painful decision they had yet made on the Board, voted unanimously to lay off eight firefighters and seven police officers. One officer was on leave of absence already. He was not to return but was not considered a direct layoff. Preceding the Board's vote, a closed-door hearing on the layoffs in the fire department, as required by Civil Service regulations, was held. The town's hearing officer had found that there was "just cause" for the layoffs. Any belief in a management bluff was dispelled.

In response to the Selectmen's vote, Downs began to set the legal strategy in motion. He filed and received a temporary restraining

31 Ibid.
order from the Middlesex Court on January 28 prohibiting the town from implementing the layoffs. Downs filed the following actions: Complaint of prohibitive practice with the Labor Relations Commission, on the theory that the town had bargained in bad faith by (1) having made a unilateral decision to lay off without bargaining with the union (the disputed issue of scope of bargaining) and (2) surface bargaining, meaning that their minds had been made up and they were unwilling to reconsider during the negotiations; a grievance under contract over the right of management to lay off, claiming that "legitimate cause for discharge" was not proven; a petition to determine impasse over bargaining with the JLMC; and a complaint with the Civil Service Commission, claiming that the junior officers slated for layoff were in fact tenured and had the right of hearing. The IBPO was also challenging the constitutionality of Proposition 2½ in the Superior Court along with three other unions.

The viability of the legal arguments was never very strong, either in perception or reality. Downs believed (and still maintains) that the town did have the legal duty to bargain over the decision, not just the impact, of layoffs, but whether the Labor Relations Commission would so rule was never a surety. It should be noted that Charlie Wright came to believe that indeed, the union did not have the right to bargain over the decision, that it was a clear management prerogative to determine the nature of service reduction. By Down's own
admission, the grievance under contract was a weak argument, given the language in the management right's clause. The referral to the JLMC would have resulted in a delay, but the outcome of their review was not predictable. The constitutionality issue in the superior court would have taken considerable time to be heard, whatever the ruling. The receipt of a temporary restraining order was a slightly hopeful sign, however, that there was some recourse to the legal system.

During the days in between the first and last vote by the union over the proposal, there were several important dynamics occurring within the department. Incoming Police Chief Shea made clear to the men what the impacts of the layoffs would be on the organization of the department. He had developed a reorganization plan previously with the possibility of layoffs in mind (although a reorganization was not necessarily contingent on the loss of men). Shea had made it clear publicly and to the department that his first priority was maintaining the level of uniformed street patrol. With a loss of patrolmen, this policy would necessitate the reassignment of traffic and juvenile detective inspectors back into uniform and onto the street. As the inspectors generally had seniority, they would bump regular patrolmen on the day shift to the night shift, to cover the loss of the junior men. Such reorganization would affect more than a third of the department and include superior officers as well as patrolmen. It should also be recognized that the layoffs would affect the partnership relationships.32

Considerable dissension was evident within the department. The vote to table the proposal was not unanimous. There were obvious differences of opinion between the leadership, as Wright's perception of the proposal as "fair" and LeBlanc's as "unfair" indicated. According to Wright, the majority of the junior patrolmen to be laid off were not happy with their prospects, and approached him for advice on how to convince the rest of the department to accept the agreement.

The management perspective was clearly in support of the proposal, including Shea. It should be remembered that Shea had risen up out of the ranks of the union membership. He had also worked for the IBPO prior to coming to Belmont, and thus had good union credentials. There is some indication also that the department as a whole looked forward to his leadership as Kiley had not "done much for the department," and might have wished to maintain good relations with their new boss.33

LeBlanc approached Lt. Roche (Shea's replacement as president of the superior's union) and asked if the fourteen superior officers would be willing to forego part of their wage increase and share in the effort to save the jobs. Though at first resistant, the members agreed and the wage increase cut was reduced to 3 percent for all police officers. According to Roche, the superior officers agreed to share in the reduction because "the feelings we have for each other in the department transcends any feelings about the unions,34 and that apart from putting fellow officers out of work, the layoffs increased the risk to the

33Charlie Wright, March 1981.

34Belmont Citizen, February 5, 1981.
officers on the street. Downs added as an explanation that there was some fear that the Quinn Bill (educational allowances and incentives) would be removed, and that several of the superiors were themselves junior officers and possibly in line for layoff if more were to occur.

On Friday at 3:00 p.m., the Middlesex Court dissolved a court order restraining the layoffs. At 4:00 p.m., the union voted unanimously to accept a 3 percent cut in their negotiated pay increase in return for the assurance that no layoffs would occur at least until June 30, 1981. All legal actions filed by Downs were also withdrawn, and thus their outcome was never determined. LeBlanc stated that the union had been waiting to see what legal avenues brought; Wright thought the vote had little to do with the court decision, but reflected the police officers' unselfishness.

The union had regained its unity and maintained a "cooperative relationship with management. There was some expectation that the latter would be beneficial in the long run, particularly come July when new budget cuts might be necessitated. The police also gained the approval and support of the public, as service level was to be maintained despite cuts in cost. Shea, a few days later, implemented part of the reorganization plan aimed at increasing efficiency. Two weeks later, it was abandoned and the reassigned men returned to their previous jobs. According to Wright, morale in the department had never been higher.

The police are also watching the outcome of the firefighters case closely. Should they win their case with the Civil Service, and regain their lost members without a cut in pay, "trouble at Town Hall" from the police will ensue.
The Firefighters And Their Union

The 74 firefighters of Belmont are divided among three fire stations "strategically located" about the town. The largest station, where Fire Chief and union president are headquartered, is down the hill from the Town Hall and Police Station. The station was completely renovated in 1979. The number of firefighters has increased from 68 to 74 between 1966 and 1980, a reflection of a reduction in hours per week from 56 in 1966 to 42 in 1974. During the 1970's, the number of ranking personnel was increased so that each piece of apparatus is headed by an officer; there are currently four deputy fire chiefs, three captains, thirteen lieutenants, and 54 firefighters, plus the support staff. The duties of the fire department are generally shared among the men; in contrast to the police, the various positions do not vary substantially in nature of work -- fires are fought as a team, and in the absence of calls, firefighters are on duty at the station.

Since 1972, the union contract has included a minimum Manning clause, both per shift and per piece of equipment. A Table of Organization was introduced at the same time, listing the number of officers and firefighters per engine company. Both minimum Manning and the table of organization have been clauses which the town has attempted to eliminate with each contract negotiation, never successfully. Base wage for a firefighter is roughly $16,700.00; generally, the differentials between night shift/day shift, new and older employees, are considerably smaller than in the Police Department.
The firefighters union, Local 1637 of the IAFF, AFL-CIO, representing all firefighters except the Chief, is commonly accepted as the strongest trade union in the town. The union history of the department began back in the 1940's when a form of union was created. After a few years of existence, it was dropped until 1966, when the Belmont firefighters joined the International. The first contracts were oral agreements; gains which had been made were finally formalized in the first written contract signed in 1972. Rosario Sacco, ex-member of the teamsters and current member of the executive board of the Professional Firefighters of Massachusetts (the statewide organization of the IAFF), has been the local's president for ten years since the push of the younger men formed the current union. In his eyes, the benefits of unionization have been primarily the increased benefits -- holidays, personal days, vacation scheduling (the coincidence of the primary vacation period with the public schools' summer vacation) -- and the "unity of the membership." It was the latter which he feels sold the union to the employees. Jonathan Hiatt, labor attorney, was hired by the union in 1974 and has remained the local's legal representative since.

The passage of Proposition 2½ was as much a surprise to the firefighters as the other town employees. The spring negotiations over the 1980-82 contract were relatively uneventful and the contract was signed by the end of the summer. The town attempted, as usual, to remove the minimum staffing clauses and failed. A paragraph was added to the town's rights clause, the importance of which is in dispute.
Crowe believes the new language provides the same management leeway as with the police, despite the different wording; Hiatt believes the paragraph did nothing to alter the previous intent.

The strategy and tactics of the firefighters local in response to the passage of Proposition 2½ and the Selectmen's "Axe" differed considerably from that of the police, as did the outcome. The union voted to reject the town's last offer in January. On February 1, eight firefighters were laid off, though five of which have since been ordered reinstated by the Civil Service Commission.

There are several differences between the firefighters and police in their status which have considerable relevance to the nature of the negotiations following the passage of Proposition 2½. For one, the management "right to discharge for lack of work or other legitimate reasons" found in the police union contracts is missing from the firefighters. There is also a minimum manning per shift and per vehicle clause in the contract and a table of organization -- no such provisions cover the police. Five of the eight firefighters slated to be laid off had Civil Service tenure, and thus had rights to hearing before the town and appeal to the Commission, during which the town has to demonstrate the necessity of layoffs for reasons of lack of work or lack of money.

The firefighters have only one local, and leadership remained stable not only during the negotiations but had been centralized in the hands of Sacco for considerable time. The strength of the firefighters union was also perceived to be greater than that of the police,
which Sacco attributes to their affiliation with the IAFF and PFM, the cohesion of the numbers (team spirit), and the history of strong unionism. There is also a difference in tone of relations with management, at least from the town's perspective. Though the employees generally feel that the firefighters and police have made roughly the same gains since unionization (except in the 1974 larger wage increase and the inclusion of minimum manning), town officials perceive the firefighters as better off, and there is perhaps less sympathy for the firefighters in their economic status than for the police. The union feels, however, that relations have generally been good with the Selectmen, and they have never arbitrated a grievance prior to this year, though such action has occurred in contract negotiation. The course of events which led to a different outcome from that of the police was influenced considerably by these factors and their implications for union power.

The story of the firefighters begins in a similar vein with that of the police, a challenge to the management right to layoff. John Hiatt responded to Robert Crowe's letter of November 19 notifying Local 1637 that layoffs were being contemplated in much the same way as Downs had for the police. Hiatt's letter, sent five days later than Downs', stated the Union's desire to negotiate not only over impact but also the decision to reduce level of services or effectuate layoffs. He stressed that the union did not waive the right to claim that any of the proposed changes were proscribed by the terms of the collective bargaining agreement. Crowe's response was the invitation to the informational
meeting of December 10. At that meeting, Hiatt requested that the union be given the opportunity to be part of the Selectmen's decision-making process which was to occur in the ensuing two weeks and for the union to have "the right to negotiate on the question of whether layoffs will result before the decision is made." Hiatt claims that Crowe rejected such request, stating the Town would only discuss the impact of layoffs. A letter from Hiatt to Crowe followed the next day, reiterating the union's position that it had a right to bargain over the decision, and also requesting financial information. No official contact between the union and town occurred until January 8, 1981.

Crowe met with Hiatt and Sacco on the 8th and presented the town's list of proposed cuts. The fire department was to suffer the layoff of eight firefighters; the ambulance was to be transferred from the police so that further personnel layoffs would not have to be made. The five Civil Service tenured firefighters were the only ones with such status to be slated for layoff in the town. Crowe, Hiatt and Sacco set up a meeting for January 19th to begin bargaining.

The *Belmont Citizen* reported "plummeting morale" in the fire department following the announcement of impending layoffs. Considerable questioning of fiscal need for the layoffs was registered: "they want to know why they were the first in the state to be layed off," "Belmont has surplus funds but it was the first to react (to Proposition 2½)," "I didn't think Belmont was that bad off." Many of the firefighters slated for layoff had family tradition of firefighting, and had believed
the job to be "secure, as well as rewarding." A captain expressed the opinion that those to be dismissed represented "the backbone of the department," that the department required a mix of youth and experience, which would be lost as those to be laid off were primarily young. The union response was not as yet determined, according to Sacco, though legal action was being considered.35

The impact of the layoffs would not have the same effect on the organization of the department as it would in the police case. As there were not different divisions in the department, the membership was generally a single pool, drawn out at specific instances to answer calls. The layoffs would affect the overall safety of the department personnel (or so it was claimed) in lessening the pool available for back-up, but specific jobs were not to be altered.

Chief Murphy declined comment on the layoffs and the potential impact on the remaining personnel. Management in general maintained the same stance as with the police; the layoffs would not affect the quality of service or the safety of the town.

The police had by this time begun their media campaign to enlist the support of town residents against the layoffs. The fire department did not seek out such publicization, though once in Belmont, they willingly responded to reporters' requests for interviews and helped in the leaflet drops. Sacco has stated that he does not believe in "trial by press," nor does he like sensationalism. The support of the town

35Belmont Citizen, January 15, 1981.
was not an irrelevant consideration for the firefighters, however, and it has been said that the union would go to town if further cuts, particularly the closing of a fire station, were attempted. The issue of the town's safety was the primary thrust of the media campaign, as well as the injustice to the members laid off.

On the 19th, the town and Local 1637 met for what was supposed to be the first bargaining session. Hiatt presented a letter to Crowe, reiterating the union's position that the decision to reduce the level of service, to effectuate layoffs and the impact were all mandatory subjects of bargaining, and requested further information in order to carry out bargaining responsibilities under Chapter 150E. In response to Hiatt's expressed dissatisfaction with the pre-made decision, Crowe informed Hiatt that the final decision had not yet been made vis á vis the layoffs. Crowe agreed to provide further fiscal information, but the scope of bargaining issue was not resolved. The town requested a date for subsequent bargaining session; Hiatt responded that the union was not prepared to set a date as it had to have time to review the information it was to receive.

The town later accused Local 1637 of stalling, citing the events at the above and subsequent meetings. Crowe believes that the union strategy was to refuse to bargain over impact, in order to prevent any "impact," i.e., the layoffs. The union defends itself by stating that it has always requested and reviewed the town's financial documents prior to negotiation, and that delays in setting bargaining dates were due to circumstance, not strategy.
The firefighters attended the Selectmen's meeting on January 19 as well as police personnel and 500 citizens. During the meeting, two Cambridge firefighters, residents of Belmont, brought up the issue of a threat to mutual aid contracts from possible layoffs. Mutual aid is a reciprocal contract among towns whereby the fire department of one town will come to the aid of that in another in case of need. Dusty Alward, president of PFM, had indicated by way of the press that he was considering prohibiting any local from coming to the aid of a community where layoffs had been effected. Such a policy has not as yet "come into" being, including in Belmont, but it has considerable power as a threat. Should mutual aid contracts not be honored, severe implications for town safety would emerge.

Hiatt and Crowe exchanged letters and a telephone call on January 20th. Crowe informed Hiatt of the intent to reach a decision by January 26th; Hiatt declared this unacceptable. Crowe wrote that the Town was "disappointed in the union's refusal to bargain over impact" and that the refusal to set a date and time for bargaining was evidence of a lack of good faith bargaining. Hiatt refuted these charges, and questioned Crowe's change of stance from the December 2 letter in which he had offered to bargain over impact and alternatives to layoffs. On January 22, by phone, Hiatt and Crowe set up a meeting for the next day, in response to the rumored proposal of a wage increase cut from the town to the police.

In response to Flewelling's "challenge" to the unions to come up
with ways to save the jobs, Sacco was quoted as saying "It was uncalled for; we don't get paid to run the town. It's their job ... It was unfair (to expect the union to be responsible for alternative proposals)." \(^36\)

At the meeting of January 23, the town indicated that it had revised its estimates of the financial impact of \(2\frac{1}{2}\), stating that the primary loss would be through excise tax revenues, not the overall property tax limitation. The Town's plea of financial distress was thus weakened. Crowe informed Hiatt and Sacco of the offer made to the police, and made a similar proposal to Local 1637 -- reduce the negotiated wage increase for FY 81 to 4 percent. Also requested was an extension of the vacation schedule by two weeks on either end, meaning that some firefighters would be on vacation while public schools were still in session. This has major importance to the firefighters, and lessened the attractiveness of the proposal considerably. Crowe was told that the proposal would have to be brought to the union membership and could not be voted on for three days. He responded for the town by saying that the union had until the Selectmen's meeting on the 26th.

Crowe called Hiatt Monday afternoon prior to the Selectmen's meeting and offered to set up another bargaining session on the 28th, but said the town refused to postpone its decision. Crowe indicated that the town would not only bargain over impact of layoffs but also alternatives. Hiatt agreed to meet with Crowe, although he expressed concern that any bargaining would be meaningless after the Selectmen had already voted.

\(^{36}\)Belmont Citizen, January 22, 1981.
The town's proposal was taken to the full union membership on Tuesday, the 27th, following the Selectmen's meeting of the 26th where the vote to implement layoffs had been made. The Selectmen had made it clear that they were not bluffing. One firefighter, the most senior, was not to be discharged until March 20, as he was currently absent. Sacco had made his opinion of the proposal clear -- it was unfair, but the membership had to be the ones to decide. The vote was unanimous to table the proposal. According to Sacco, "the union membership didn't want to interfere with the contract." The union also had a number of options still available. A meeting with Crowe had already been arranged for the next day, during which alternative proposals could be offered. Though a hearing had been held in the town under Civil Service regulation over the layoff of the firefighters and a decision made in favor of management "just cause," there remained a right of appeal to the Civil Service Commission itself, a body outside of Belmont.

At the meeting, held on the 28th, Hiatt reiterated his concern that bargaining was fruitless after the fact. However, the town requested the union's proposals of means by which to cover the fire department's share of revenue shortfall ($52,000.00) and six were presented: (1) appropriation of $52,000.00 from the Town's free cash; (2) appropriation of the same amount from the reserve fund; (3) use of anticipated monies unexpended by June 30, based on proportion of expended monies as of December 31, 1980 (i.e., the appropriated budget exceeded the amount spent);
(4) fees to be assessed for certain specified services provided by the fire department which had historically been free (ambulance, lockouts); (5) lump sum payments to be offered as incentives for early retirement for firefighters; (6) submission of the underlying dispute to binding interest arbitration. The town rejected all proposals, except the early retirement incentive, on which they requested specific data. Hiatt responded that the membership would have to be polled to determine the exact number of employees who would be induced to retire; the town then retracted any interest in the idea and declared the proposal invalid. Crowe declared the parties to be at impasse. Hiatt said he had another proposal, that a study committee comprised of fiscal experts be formed to seek solutions. This also was rejected and the meeting was adjourned.

The police meanwhile took their second vote on the proposal, and with the help of the superior officers, accepted the wage increase cut. The Selectmen contacted the firefighters after the police vote and re-offered the proposal. A meeting of the membership was called.

According to Sacco, who claims to have stepped aside and let the membership decide the issue, five of the seven firefighters to be laid off stood up at the meeting and told the membership not to open the contract, that their jobs would not be worth returning to if the terms were renegotiated. The membership, in response to the five firefighters slated to be laid off, voted unanimously against the proposal.

The lack of true financial need justifying the layoffs was stated as a critical point. The firefighters had calculated the cost of layoffs that would be incurred, which considerably reduced the savings to
the town. Unemployment compensation (which the town pays directly, having a pay-as-you-go policy) and the payment of overtime, which would be incurred in order to maintain the minimum manning per shift as stipulated in the contract, would reduce the savings to less than half. This argument was in fact the key one used in the Civil Service hearings. Sacco questioned financial need if the town could afford to pay the full police membership through June 30, as the savings from the wage cut would not be realized until FY 81. Considerable anger was registered over the Selectmen's decision in fact of surplus monies. Sacco did indicate that perhaps if Belmont had been in the same fiscal straights as Somerville or Chelsea (both towns under severe fiscal impact from the bill), the "story might have been different." In a later interview, Sacco reiterated the importance of the vacation schedule change, and stated that perhaps if the town's proposal had been only a wage cut, it might have gone through.

Various other reasons have been offered for the decision. Both Hiatt and Sacco mentioned the strong union history of the department and the fact that good trade unionism required leaving the contract unopened. This was and remains the statewide policy of the PFM. Taking the wage increase cut was also viewed as subsidizing the residents, the union employees taking the burden of 2\%. Hiatt had at one point asked the Selectmen if they would give up 4 percent of their private sector income to cover the revenue loss. The union was also

37 Roy Sacco, March 1981.
suspicious that if a cut was taken, they would never regain what was lost. As one firefighter slated to be laid off said, "We feel that the union has fought hard to get where they are. Start giving up things now and you never know what could happen next year." All were the same issues facing the police, but because of a stronger "union" policy and perspective pushed by Hiatt and Sacco, had more impact. Sacco believes that the firefighters are closer, having more camaraderie than the police, particularly as there is only one union, and are better unionists in general. It should also be remembered that leadership was very much in the hands of Sacco, who found conflict with the proposal and good unionism. Hiatt, also believing in not opening the contract, had been the local's attorney for a long time and delivered considerable benefits to the membership.

As previously mentioned, relative to what would have happened in the police department, little rearrangement of personnel occurred due to firefighter layoffs. Minimum manning was not affected, as any deficiencies are made up through overtime, thus safety was not directly affected. The nature of the work and lack of variety in types of jobs meant that no personal interests, such as a stake in a special position, were threatened.

The legal apparatus was set in motion following the first vote of the local, taking similar form to that begun by Downs for the police (which were all withdrawn with the police settlement). Greater hope for favorable decisions was evident, however, due to the language of
the contract and to the Civil Service tenure status of most of the
firefighters. A grievance against contract was filed with Chief Murphy
alleging violations of the parties' collective bargaining agreement.
Chief Murphy found the grievance justified on the ground that the
layoffs violated the preamble as well as the Table of Organization,
compensation plans, and the work schedule (minimum manning). The grie-
vance is currently with the Selectmen and about to go into arbitration.

A complaint of prohibitive practice was filed with the Massachusetts
Labor Relations Commission on January 29. The union claimed that the
town had altered conditions of employment when it announced layoffs
on January 6th and had not provided the union with the opportunity to
bargain on issues involving the determination of reduction of services
(essentially using the legal theory that the scope of mandatory bargaining
included the decision as well as impact). The charge also called the
town for engaging in surface bargaining. The complaint was dismissed
by the MLRC on March 11 with the following justifications: the town had
given sufficient opportunity to bargain over its proposed layoff plan;
that it had demonstrated willingness to bargain over alternatives as
well as impact; that the town did not have the legal obligation to bargain
over transfers of funds; and that no evidence of bad faith bargaining
was evident on the part of the town. The affidavits from the town
had all claimed that the union had stalled the negotiations, and had
shown bad faith bargaining in their insistence on bargaining over the
decision. Sacco viewed the finding as a refutation of the right of the
union to have input in decisions of the town. He also admitted that, indeed, he had not felt that they did have such right over "management" policy but had agreed to file the complaint anyway. The union behavior is thus even more clearly a matter of response, than of action.

The main thrust and power of the legal strategy was with the Civil Service Commission. Hiatt appealed the decision of the Town's hearing officer (finding "just cause" for the layoffs) to the full Commission, using the argument that the town had not shown lack of funds or lack of work, the two conditions necessary for layoffs under Civil Service regulations. The Commission ruled for the union on March 26, and ordered the firefighters reinstated. Its finding was that the town, rather than "suffering from any 'lack of money,' had ample money, but simply choose not to expend it." The net savings from the layoff of the five tenured employees (including unemployment compensation and overtime costs) would only amount to $13,000.00, a figure which could be covered by the interest accrued on the Reserve Fund. "Meeting shortfalls in revenue is a legitimate and proper use of reserve fund monies." The town was considerably distressed over the finding, seeing a breach of home rule rights in the determination that reserve funds had to be used. Crowe has appealed the decision, and the firefighters were not immediately reinstated. On April 16, the union sought a court order to force the town to reinstate the men, and won.

An injunction against the town was also sought on January 30, but it was turned down. Similarly, Hiatt has filed a case against the
constitutionality of Proposition 2\(\frac{1}{2}\) with little success. He believes that the courts will not act on the issue until lack of money is found as a justification for layoffs, thereby interfering with collective bargaining; federal law prohibits any state legislation from such interference.

The firefighters' union had therefore maintained the integrity of their negotiated contract and still retained the majority of their membership (the three non-tenured members are indeed without jobs). The deciding issue as of this point in time was their access to an institution outside the jurisdiction of collective bargaining, the Civil Service Commission. The union lost a battle under the collective bargaining law -- the complaint of prohibitive practice. Their argument for the integrity of the contract -- the grievance that the layoffs violated provisions of the contract itself -- is as yet undetermined. The decision to reject the town's proposal was, however, a decision made within the context of unionism, and has received the support of the majority of unions around the state.

The fire personnel have retained their positions, and their vacation schedule and wage increase is intact. Morale in the department is reputed to be up, particularly after the Civil Service Commission's ruling. Relations with the town have suffered somewhat, particularly because of the police decision, and it is unclear what the impact of the current decision will have on future relations with management, or what will happen after July 1.
CHAPTER III. BELMONT AND THE EMPLOYMENT/WAGE TRADE-OFF

What happened in Belmont

In response to the question of what had happened in Belmont during January, patrolmen's union president Eagan responded that the police membership had acted out of humanitarian consideration for the junior patrolmen and concern for the safety of police officers and the town in taking the town's last proposal. Roy Sacco, president of the firefighters local responded that it was not the duty of public employees to subsidize the citizens of the town and state and that good trade unionism mandated that a negotiated contract not be opened up. In reality, the outcome of the imposed trade-off between wage increases and employment levels was not so easily derived, but rather involved a major portion of the labor relations system. Incorporated in the final outcome were the complex relationships among economic, political, and technological contexts and the organization power resources, and objectives of the two unions.

The trade-off between employment and wages imposed in Belmont does not fit in the classic economic model operating in the private sector which Dunlop described. There, the decision between the two options, a wage reduction or unemployment, would have been partially determined by the degree of competitiveness of labor (police and fire personnel), product (the public safety services), and employer, and the relative advantage that each factor had in the broader market. The unions, if able to obtain with certainty, all relevant economic information concerning the long term competitiveness of their labor and the product, would have determined which option

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maximized a particular goal of the members and leaders. The outcome between fire and police would have varied with the relative magnitudes of factors in Dunlop's model as well as the particularities of union definition of membership and nature of its objectives.

Instead, in Belmont, neither the appropriate information was attainable nor were decisions of ultimate trade-offs between employment and wages under market control. The nature of the constraint on municipal revenues was essentially political, as was the peculiar budget constraint which each union faced (there is no indication that the means by which the Selectmen opted to trim the budget were other than political, though a concern with productivity--unmeasurable--was evident). Uncertainty over the duration of the revenue constraint was high and the nature of ultimate impacts of wages level was indeterminate. It was clear that neither union had expected the passage of Proposition 2½ and both believed that some action (either by the town or the state) would alter the current situation. The fiscal health of Belmont was not in jeopardy. The impacts of Proposition 2½ were minimal, relative to other towns in the metropolitan area, of which both unions were acutely aware. No danger of default or any severe economic constraint was in the foreseeable future.

Police and fire both faced the same relative competitiveness for their jobs in terms of other employees, substitution of private sector employees was equally unlikely (contracting of police and fire services is rarely, if ever, a municipal option), personnel versus total costs were equal in both, and the demand, at least in terms of that discernible from public voice in the media and at town meetings, was equal. Neither the future demand for their services, nor the employment levels required for those services could
be determined. Both unions faced equal and insurmountable uncertainty as to their real economic power and context.

The trade-off was imposed by management; neither union had offered a reduction in base pay as an alternative to layoffs during the negotiations. It was direct and immediate, and pre-calculated, though future trade-offs were not. It is therefore possible that a very simple economic calculation could have been performed for wage bill maximization or other such economic goal for the five months before new conditions would reign. There is no indication that this was done by either union, or even considered as a possible means of determining outcome. It is also relevant that the proposals did not have just economic impacts; formal (vacation schedules) and informal (job position) benefits were integral parts of the trade-offs and could not be calculated by mathematical formulation.

As the decision to impose a trade-off was not based on laws of supply and demand, and neither were the limits of the choice, unions decisions between the two alternatives had to lie in factors other than those which Dunlop predicted to be relevant. The Selectmen's decision had been essentially political, placing the trade-off issue firmly in the political process.

The political context, both within the town and in the state (with the elimination of binding arbitration) had shifted the distribution of power more towards management, which inspired greater struggle for control. The behavior of management in its relations with the unions was altered by Proposition 2½ (and to some extent, prior to November with the hiring of Bob Crowe). From both union and management perspectives, the negotiations were heavily tainted with struggles for power. The Selectmen had perceived
a shift in power away from the unions with the passage of 2½ and the introduction of stronger management rights' clauses in the police and fire contracts and "friendly relations" were no longer necessary for attainment of objectives. The objectives of management were also more clearly defined as control not only over the fiscal but the functional operations of the towns. It was also relevant that in Belmont, the Selectmen, chose to conduct budget revisions behind closed doors, asserting their autonomy from the political process and closing the door to multilateral bargaining.

The unions were aware of a power struggle: the choice of layoffs in the strongest unions without real financial justification was not believed to be a coincidence. It is also relevant to both unions and management that the proposed layoffs were the first in the state under 2½. In general, relations between town and police and fire were of the same quality. There is some indication that those with the police were more cordial, and less 'hostility' toward the police is evident in Town Hall. The order in which unions were approached with the offer of a wage cut is not coincidental. The Selectmen and Crowe were aware of the stronger history and current trade unionism of the firefighters.

None of the above serves to explain why the police and fire unions arrived at different conclusions. The economic conditions facing the unions were predominately equal; the differences in relationship with management were not sufficiently significant to be the explanatory variable. The trade-off decision was to be conducted in a setting of power struggle, and the political resources of the two unions were considerably different.

Both police and fire locals are affiliated with state and national organizations. Because of considerable local autonomy, neither derived con-
siderable power in the immediate situation from the affiliation, though influence was evident, particularly for the firefighters. The MPF and IAFF are recognized as powerful organizations, more so than the IBPO; both are more active at the state level, lobbying for legislation, and currently for state aid to municipalities, than locally. Both took strong positions against reopening contracts. Influence from the IBPO to the police unions was carried through their attorney, David Downs. The pressure to conform to state policy was not large, however; Downs informed the local that the IBPO would support whichever decision they made. For the firefighters, there was a personal connection with the MPF through Sacco's membership on the executive board, and it is probable that he was susceptible to pressure to conform to statewide policy. The MPF is also more feared on the state level, and has had considerable success in obtaining favorable legislation and decisions in the courts. More legal and political power was therefore derived from the affiliation for the firefighters than for the police.

The public was also utilized as a source of political power, as indicated by the media campaign, both in Belmont and in the metropolitan area, and the leaflet drop. Differences in support from residents between fire and police did not seem evident; it was generally clear that residents desired the maintenance of service levels in both. It was also obvious to both unions that public support would change with the outcome of the trade-off, which the police hope to utilize in the next round of layoffs, should it arise. The influence on the Selectmen of public support for the employees in eliminating the trade-off was evidently not considerable however, it did serve to reinforce "public spirit" attitudes in the membership and mitigate some of the lost 'dignity' from the vote on Proposition 2½. Both union
leaders continue to believe that the public desires the same level of service, and voted for the bill through ignorance and property tax revolt, rather than as an attack on the union employees.

It might be noted that management may have been affected by public support for the employees in altering their initial stance and proposing the trade-off. Likewise, other institutional considerations, such as those suggested by Reder\(^2\) and O'Connor\(^3\) may have played a role. It is conceivable that the degree of public and union opposition were sufficiently threatening to favorability of the public to the Selectmen that they found a means of containing such conflict, by, in part, putting focus on the unions, rather than themselves, through proposing the alternative to layoffs. The firefighters were to bear the brunt of the Selectmen's decision in lost support from the public. The time for union access to such influence had passed with the imposition of the trade-off the Selectmen were not induced to remove it. It was probably as clear to the Selectmen as to the unions that strikes or other militant action would not occur, and thus the town officials never really risked public peace.

There were differences in access to legal and institutional structures relevant to public employment. In general, the firefighters had considerably more access to the legal system as a source of security for jobs. Most critical was that power embodied through the Civil Service Commission, the

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\(^2\)Melvin Reder, "The Theory of Employment and Wages in the Public Sector", in Danieal Hamermesh, ed. Labor into Public and Non-Profit Sector.

\(^3\)James O'Connor, The Fiscal Crisis of the State.
greatest power perceived by Sacco. The police, due to the lack of tenure of the patrolmen slated for layoff, did not have equal access. The differences in the management rights clauses, less clearly defined for the firefighters, and more importantly, the manning clause included in the fire but not in the police contracts, also increased the ability of the firefighters to resolve the dilemma outside of bargaining.

The above sources of power were used in the attempt to eliminate the imposed trade-off. The legal system, the contracts themselves, public support, were all utilized to attempt to remove the issue, with different success. State lobbying through the affiliates can also be viewed as the attempt to eliminate the financial constraint. The strategy of both Downs and Hiatt was to demand to discuss the decision to layoff, rather than the exact terms of a trade-off. The failure of the police to avoid the trade-off. The failure of the police to avoid the trade-off certainly had an impact on the decision to accept the proposal. This in itself does not fully explain their action, relative to the firefighters or other unions in the state. Downs still had three petitions pending a hearing at the time of the injunction request was dismissed. That no one had much faith in a favorable decision—and that the union president at the time had come to believe that indeed, one of them, the grievance under contract for failure to bargain over the decision to layoff, was illegitimate—exacerbated the constraints the patrolmen were facing. It does not bear on the superior officer's agreement to share in the wage cut. The firefighters at the time of the police decision had greater access to the legal machinery that might enforce security of the jobs, but the outcome of the petitions were by no means certain. Sacco had as little faith as Wright in both the legitimacy and the viability
of the grievance petition. Civil Service was the major hope, but it should be remembered that the hearing held at the local level had ruled that the town did have just cause for layoff of tenured personnel. The risk was better for firefighters but not sufficiently so to warrant a conclusion that the difference in decision lay solely in the access to the legal system.

There is insufficient evidence that any of these external sources of power or influences on union objectives were the determinate of the outcome in the trade-off offered by the Selectmen. Certainly the economic factors were irrelevant to the context of the case, as the power of the unions did not lie in their competitive status, nor that of managements. Other factors were roughly equal between the town unions and thus do not in themselves explain the variation in outcome. The firefighters were seen to have greater access to power through the legal system and their statewide affiliation. The uncertainty of the former, and questionable influence of the latter, render these factors as lacking in potential for determination of outcome. Particularly in light of Sacco's perception of the situation, these factors seem less than totally convincing in explaining the firefighters rejection of the proposal. More importantly, the relative absence of these sources of power do not fully explain why the police deviated so widely from their own tradition and that of the firefighters. The explanatory power for the different outcomes between police and fire unions lies in the unions as organizations—their histories, multiple actors and interests, and that in turn, it is hypothesized, is partially determined by the nature of the work and organization of the workplace (the technical context, according to Dunlop). Closer examination of the internal dynamics of the two unions is re-
In some respects, police and fire unions were quite similar. No threat of rival unions was evident, nor of non-union workers being utilized. Neither union was facing a loss of membership of a magnitude which would in itself affect the viability of the union. Relative to other unions in the town, the membership of police and fire were both more cohesive and exhibited greater "public spirit". Apart from those factors, internal organization and nature of jobs were significantly different.

The history of the police union is shorter than that of the firefighters, the origins of the bargaining unit beginning in 1970, rather than in the 1960's. Traditionally the police union was weaker relative to the firefighter, and if any patterns were followed, it was the police following the firefighters. Leadership role has not been as dominant among the police; it is the policy of both locals to rotate the presidency. During the cutback negotiations, three different presidents led the patrolmen's local, with obvious differences in attitude. The role of Shea as the superior officer's president but incoming Police Chief calls into question his values as unionist versus management in leading the bargaining. Downs was also new to the unions and did not have a history with the locals.

The police department is represented by two locals who bargain separately, though usually with the same negotiator and similar outcomes. The membership is divided through this separation but also in the organization of the department. There are a number of different divisions--detective, traffic, juvenile--whose jobs differ from the patrolmen's, and are generally thought to be more "cushy" in terms of routine, endangerment of life, and visibility to the public. The magnitude of payment differentials is much
higher than that in the fire department, between night and day shifts, among ranks, and between new hires and more senior personnel. Though all police personnel are based in the same building, and as a group share the similar socialization process on the job and from training, the work of the patrolmen, the majority of the officers, entails certain particular characteristics which set it apart both from other police jobs and from that of the firefighters.

The nature of police work has been the source of numerous works, which illuminate its special characteristics. Lipsky most recently has looked at the nature of the job as part of "street-level bureaucracy". Important characteristics include the critical role of the partnership for the patrolmen. Work is carried out away from the body of the personnel department, either alone or with a permanent partner. Contact with the public is considerable, and most importantly, carried out on a personal level away from supervision and group support. This "workplace" organization permits considerable discretion in policy, as does the difficulty of definition of objectives and their achievement. More important to this argument is the fact that the patrolmen do not operate as group, though personal relationships are critical, they are more between partners than between all members. The safety of a patrolman in times of danger depends not so much on the resources of the entire department, but on the back-up from the partner or a few other officers. Despite the dramatics of the infrequent dangerous encounter, particularly rare in the quiet town of Belmont, the majority of the

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4Michael Lipsky, Street Level Bureaucracy.
work is routine and somewhat boring. In response, the routine which a police officer develops and his personal method of carrying out duties becomes critically important. The end result is considerable attachment to the properties of a particular job, both for patrolmen and in the other divisions, and a sense of the importance of individual, rather than group relationships. Public support is also more critical to the effective carrying out of the police mandate.

The purpose of police work has also had particular significance for the history of unionism. Because the police are charged with maintenance of law and order (social peace), tolerance by the public and government for unionization was much harder to come by. Employees themselves are put in a contradictory position, whereby militant or aggressive action is difficult to justify, when in their normal duties, police must contain such actions. There is some evidence that the "public spirit" motives of recruits are stronger than in the firefighters. All serve to create internal conflicts between the police officer as a public servant and as an employee.

In contrast, the firefighters local is older, more connected with a strong trade union history. There is a single unit for all personnel which has been dominated by the single leadership of Roy Sacco, a strong unionist by history and value. Legal representation had been provided by the same person, an attorney, whereas the police had used a negotiator only, until 1980. There are fewer divisions among the personnel in the department. Though there are three stations, thus splitting the body up geographically, within each station work is carried out as a team. Differentials in pay are considerably lower than in the police in all categories. The safety of firefighters during periods of endangerment is conditioned on numbers, rather
than individual back-up; the firefighters face danger, and the public, as a group.

The work is also considerably different. The range of duties is much smaller. More importantly, daily work is carried out at the station, away from visibility of the public. Though there is considerable idle time, that time can be spent among fellow workers and is less restricted as to its nature. Personal definition of the duties of the job are much less common. In sum, the firefighters relate to each as a group, susceptibility to public and its support is considerably less, and the jobs are not endowed with personal properties as with patrolmen.

The firefighters have faced much less resistance in the attempts to organize, both from membership and from the public. Their purpose is not so critically related to public order, and thus militant action is not a contradiction with the nature of the work. The long history of firefighting unionism has also meant that the distinctions between public servant and employee have not been so hard to make.

The sum of all this has dual significance in the case. The organization of the union--its history, and the relationship of its members to the workplace, for one, affect the degree of cohesion and solidarity; the greater the sense of group membership, and the less this conflicts with perceived purpose of work, the greater the concept of unionism over its membership, and thus the greater influence over others. For another, the trade-off offered the police and fire unions meant different things to each. The loss of eight patrolmen to the union membership had considerably more impact than that to the firefighters. According to Shea's reorganization plan, twenty-three officers were to be affected by the layoffs. Officers in detective
and juvenile services were to be transferred back into uniforms and onto the street, and because they had seniority, men on the day shift were bumped to night. This disrupted not only partnerships, but by nature of the personal properties with which jobs were endowed, the officers' relationship to his work. It is significant that Shea implemented a reorganization of the department after the cutback negotiations, but it was eliminated within two weeks and officers returned to their original duties. The trade-off that was perceived by the police membership was not so much a choice of wage versus employment, but wage versus security of position.

The impact of layoff in the fire department was limited almost entirely to the men themselves. No reorganization was to be affected by their loss, and no change in the properties of the job critical to its desirability. Though some loss of safety from smaller numbers might have been evident, the affect of this was insignificant relative to the total number of personnel. Though social relationships were to be affected, a threat to the critical partnership relationship was not relevant. What was important was that not only did the town's final offer include a wage reduction, but a reorganization of the vacation schedule. The schedule was of considerable importance to the membership and one of the major benefits won by the union. The trade-off facing the firefighters was between benefits and wages and employment, the benefit component being more critical than the employment.

Thus the town's offer of an alternative to layoffs stimulated a different response from police and firefighters because of differences in power from external forces, but from the membership itself, and in the alternative perceptions of what the trade-off really was. Not only did the proposal call into question the nature of work to police and firefighters, but
also the relationship of the union to the membership. What emerged during the cutback negotiations was the existence of a concept of union with its own interest, separate from the membership, despite the fact that the personnel component were one and the same.

Because the firefighters had access to legal recourse protecting job security, a trade-off never fully emerged between wages and employment in the bargaining context. The union provided its membership with this resource, and though its ultimate effectiveness was uncertain, the union had been successful in the past in not only obtaining wage gains, but also critical benefits and job security through the minimum manning clause. Furthermore, the state-wide union organization provided lobbying power with the hope that state aid would eliminate the need for trade-offs. The union bettered the risk that the local was taking in opting to reject the proposal. Chances were better for favorable ruling from the courts, and because of the locals historic power in bargaining, loss of cooperative relationships with management was not an undue threat (the firefighters had willingly threatened this relationship at least three times previously in seeking outside intervention in collective bargaining impasses).

The stakes were also considerably lower due to lesser impact of layoffs on the remaining membership, a factor rising out of the fundamental characteristics of firefighting jobs. The loss of the vacation benefit also paralleled the union interest. It had been won through bargaining and it was a useful instrument in rallying support for rejection of the proposal. Group cohesiveness was not threatened either; the firefighters slated to be laid off had supported the union and not asked for reprieve from the membership at large. In essence, the interests of the union and the membership
were not in conflict and no challenge to allegiance emerged. The traditional call of solidarity and good unionism could be used to support the memberships' individual interests. The reaction by other unions outside of Belmont in support of the firefighters helped to mitigate whatever ill feelings were issuing from town residents. That the firefighter rarely confronts the citizen except as a group helped maintain solidarity.

The police formally rejected the union with the consciousness that in opting to open the contract, they were going against the tide of unionism. In actuality, the lack of power behind the union forced its objectives to be different, and though "unionism" was rejected, the viability of the local as representative of the police personnel was upheld. The union did not provide adequate political or legal power to eliminate the need for a trade-off. Neither in the courts or at the bargaining table was it perceived that the union could win in the immediate situation or in the long run (the failure of the police union to win a larger wage increase than the firefighters was the 180-82 contract negotiations was a recent memory). Once the union had lost the initial battle (to eliminate the constraint), its interests had to become subserviant to those of the membership, and it was there that the concept of "unionism" conflicted with the memberships concept of work. What the police wanted was not just job security but preservation of individual positions and only through preservation of the former could the union serve the strongest interests of the membership at large. The objectives of the union had to be altered in order to preserve its viability. Internal dissension both from the officers to be laid off and from other members, would not only result in rejection of the formal concept of unions, but also in the viability of a union at all.
In the face of no alternative, the police union opted to accept the proposal which not only restored group cohesion (and thus union viability and power) but also offered another source of political power. In absence of other influence, unions gains were more likely to be made through cooperative relationships with the Selectmen. It is openly admitted that the police expect better treatment than the firefighters in the next negotiations. and preservation of job security through such cordiality. The police also enhanced their position relative to the public, as witnessed in numerous editorials in the local papers applauding the police union action. Not only was this increased political leverage, but it was also important to the daily work of the patrolman. Public support and cooperation with management in general are higher priorities for the police because of the interrelationship between police and citizens in the maintenance of public peace. In essence, then, the union took the rational choice which preserved its viability with the membership and within the town.
Belmont and Labor Relations Theory

A variety of different factors emerged out of the Belmont case, not the least of which questions the existence of a trade-off and if so, between what. Before attempting to relate what happened to what might have been predicted through the literature of public and private labor relations, and to synthesize the conclusions to be drawn out of the case, it is important to note a few key conditions which make the Belmont trade-off different not only from other experiences which Massachusetts towns and cities might have, but also from a general context of economic constraint.

Perhaps the most obvious is the lack of real constraint in Belmont. The impacts of Proposition 2½ were minimal on municipal revenues, both in the immediate and the predicted long run. The magnitude of the wage reduction and the layoffs was therefore not extremely large, certainly compared to those in New York City, for instance, but neither were they particularly necessary. The trade-off was also specifically imposed by management, and required the reopening of a negotiated contract. The political ramifications were thus increased. These peculiarities of the Belmont case had significance not only on the actors, but also in the potential for generalizing what happened there to other cities and conditions.

It has already been discussed that Dunlop's early economic behavior of a rational union was irrelevant to the Belmont case. Not only did a trade-off in this sense not exist (in absence of the competitive links between wage rates and employment levels), but the uncertainty under which the constraint was imposed rendered such determination impossible. It is also felt that Ross sufficiently identified the problems with the model to question its validity even under the ideal conditions.
In his own theory, Ross defined the union as an institution with its own interests in survival. He placed primary responsibility for preservation of the union with the leadership. In the Belmont case, such a role is not abundantly clear. Certainly the confusion of leadership in the patrolmen's union (and the future Police Chief's role in the superior's) made a dominance of leadership difficult. It can be seen that in each union, leadership did strive to influence the membership, particularly Sacco in the fire department, but there was a confusion in the case which makes identification of such a role more complicated—the difference between what the unions themselves perceived as "good unionism" and maintenance of the integrity of the union through its contract, and the actual survival of an entity under which workers were organized. As was evident in the police union, following the course of unionism might have meant the destruction of whatever cohesion and bargaining advantage the union had. Had the trade-off not been imposed in mid-contract, and thus required a challenge to a symbol of union strength, such a confusion between concept and practicality might not have arisen; however, Ross was perhaps unclear about what precisely a union was.

In his discussion of specific trade-off situations where wage reductions were being asked by the employer of the employee in return for maintenance (but level undetermined) of employment, Ross indicated that a wage cut might be taken not to preserve employment, but the relationship with management, as part of ensuring the survival of a union. Ross implies that cooperation is generally beneficial, once the younger stages of union formation have been passed. Cordial relations with management (and with the public) were an outcome of the police decision, and perhaps an objective. The firefighters were bound by no such goal, however, and it might be sur-
mised that cooperation was only chosen by the police out of lack of alternative means of influencing management, and even at that, only part of the determining factors. Certainly cooperation (and public support) would aid in the work of the police officer.

Ross was important in identifying the organizational component of unions, the nature of the decision-making process as being a political process of sorts, rather than the rational economic actor of Dunlop. He indicated that membership and leadership preferences might not coincide or necessarily be in the best interests of the union in light of management and other pressures. The membership itself is not broken down (except by employed and unemployed), however, and Ross offers little clue as to its interests beyond the general income goals of higher wages and employment. Thus; Ross would not have predicted that perhaps the greatest threat to the police union rose out of an entirely non-economic interest.

The existence of trade-off in the general sense between employment and wages was not denied by Ross; he merely stated that considerable indeterminateness lay in the relationship and it was irrelevant in the formulation of union objectives. By skipping to the public labor relations literature, the issue of the existence of a trade-off at all is brought up. Despite a number of theorists who desired a replanting of public employment wage and employment determinations into the private competitive market (presumably through lifting the strike prohibition), many still maintain that such critical outcomes arise from the political process, not the economic. There may be ultimate bounds through the limits to which a government can and will tax its public; the importance to union behavior prior to the mid-1970's was that such boundaries were not visible, placing the determination
of wage and employment almost entirely in the political context. The source of union power was therefore political, and the literature dealt primarily with ways in which union and management worked to increase wages and employment at the same time. The issue of trade-offs between both was not real, either in context or in formulation of union objectives.

The existence of fiscal constraint makes those upper bounds visible, and alters the relationship between union and management. Increased costs can no longer be passed onto the public and the institutional and political reasons by which union and management could pursue the same ends are severely restricted. The union, with a fixed municipal revenue, has to operate in competition with other interests to determine the shape of constraint under which it will be put. The process is still political, as balances of power will determine the size of the constraint and whether trade-offs in the immediate (not Dunlopian) sense will have to be made.

In Belmont, the first strategies of the unions were therefore predictable; they attempted to eliminate the presence of a trade-off. The literature had identified the means by which such could be done—the sources of power and influence which a union might be able to utilize, primarily legal, institutional (in terms of visible structures), affiliations, and different interests within the local political context. The latter was not as influential as they had been previously, primarily because management perceived a shift in the balance of power and attempted to centralize and contain the political arena. The differences between the unions emerged in their different access to external power, primarily the legal system.

When such efforts failed, however, in the case of the firefighters at least in not removing all uncertainty, the public sector labor relations
literature had little to offer in terms of how a union will cope with a trade-off. Such trade-offs were not relevant for much of the history of public employee unionization, the only theories that had developed about the interests of such employees were seemingly invalidated with the press for higher wages and the willingness to challenge the role as public servant. One then is seemingly forced to return to private sector literature with its greater concern with the internal dynamics of unions in their contexts, at least since Ross.

Those theorists however, do not totally explain the different outcomes between police and fire. Authors such as Shister had indicated that there was a critical point beyond which unions would make cost concessions. Ross had implied that such a point was where the viability of the union was threatened. The magnitude of the layoffs did not in themselves pose such a threat, and in the lack of rival unions (or comparison with other unions), the wage reduction had less significance. Cooperative relations with management had been significantly altered through a perceived shift in power, and the terms under which management offered cooperation had great cost, at least to the symbolic power of the unions. The pressure from the state and international affiliations was not so much to not take a wage reduction, but not to open the contract.

What seemed to emerge in the police situation was a conflict between the interests of "unionism" and those of the membership. This distinction is made by Ross in his institutional theory, but he does not provide adequate indication of where either interest is derived. It is only by looking at a segment of Dunlop's framework (developed after his initial economic model), which is frequently ignored, the technical context, and the history
of public sector unions, that such motivations are explained and the real trade-off defined. As was detailed in the previous section the nature of police and firefighting work are different in the impacts on group solidarity. From the histories of the unions also emerge significant differences, particularly in the resistance from society and from the membership in accepting unionization. The nature of the work reveals that certain aspects are particularly sensitive to pressure, in the police case, the organization of the department in terms of job positions. The history of unionization indicates that considerable conflict was evident in acceptance by the police of their status as employees, rather than public servants. The latter has implications for the strength of the concept of unionism among the police force, and perhaps also explains why the political context favored firefighters over police, in terms of minimum manning being a mandatory rather than permissible subject of bargaining only for firefighters.

The power of the unions, both in the ability to influence others, and to influence the membership, was different and affected the formulation of objectives. As was seen through the nature of the work, the trade-offs imposed different types of costs, not in employment versus wage per se, but in their affects on working conditions. Thus not only was the police union less powerful but the costs of one alternative, the layoffs, was much higher.

There was another point which may have had influence and that was the interrelationship between the public and the work of the police. Support of the community is important for carrying out of police duties, the maintenance of order, if not law. Such support is less critical for the firefighters, both because their contact is more limited. The implication was that for police, not only did acceptance of the proposal provide what they
hoped to be was power for future negotiations, but it also enhanced the achievement of their work.

Thus, in order to identify the specific threat to the union, and thus the nature of the means by which it could be preserved, knowledge of the technical context as well as the meaning of "union" given the history and power was necessary, neither of which can be said to have been critically identified in the literature. What had been predicted was (a) from Ross, the necessity of looking into the union as an organization and the nature of the internal dynamics as they related to the external world. (b) also from Ross, the importance of survival to the organization, (c) the importance of power, in influencing goals as well as providing the ability to obtain them, as described by Levi and others, and (d) the range of power resources in the public sector beyond the economic which are available for union utilization, including those derived from mutual interest between management and employees.

The question remains of what can be generalized from Belmont to the broader context in terms of whether union goal formulation includes a trade-off between wages and employment and if so, what the determining factors are for a choice between the two. Public and private sector relations are fundamentally different in one respect; under market competition, a trade-off between wage and employment level is inherently part of the context and cannot be escaped in the long run. It is likely that Ross is correct in indicating that the links are sufficiently unclear at the local level, and that other factors dictate that absolute wage level is not critical so that the trade-off is essentially irrelevant to the nature of union demands at the bargaining table. In the public sector, the links between the two are
even further removed, and the environmental context itself does not contain a specific trade-off between wage and employment. The determination of the level of each is essentially a political and social decision, (though the overall economic context is obviously not totally irrelevant). The impact of wage level on employment therefore cannot be incorporated into the decision area of a public sector union. A trade-off between the two is always specifically imposed. The answer to what Ross was essentially concerned—the incorporation of a trade-off in determining the wage demand of a union—is negative, and thus concurs with him but for different reasons which lie in the nature of government as employer.

The imposition of fiscal constraint does not alter the nature of decision-making in the public sector, and thus concern with eventual unemployment will not be part of the determination of wage demand by a union. The imposition of specific trade-off however, as is likely to occur under fiscal constraints creates a different question—that of outcome, and was the motivation for looking at the Belmont police and fire unions. The Belmont situation is unique in some ways which make the findings from the case irrelevant to the broader question. The unions, and the town, were faced with a luxury which is abnormal to the conditions associated with fiscal crisis; the relatively minor wage reduction could prevent all layoffs. This meant that considerations such as job change could become important. To many other unions, the magnitude of the layoffs proposed (and required by real fiscal distress) is such that any wage reduction would be drastic and not necessarily eliminate major layoffs. The options would be more limited and thus the choice clearer.

The Belmont case is not totally irrelevant in some important respects.
For one, it reflected the change in power distribution between management and union that arose out of fiscal constraint, both through the nature of its imposition (public vote) and in justification for taking firm control and affecting changes. Such a shift in the balance of power (no matter how that balance was perceived before) is not unique to Belmont or Massachusetts. For unions, this means that whatever relationships had been developed with management will be disrupted, and negotiations will be even further thrust into a context of struggle for control. For another, the case highlighted the need to expand the boundaries of where the important determinates might be, with both actors and institutions. Not only was the external legal system critical, but the state government was looked to as a means of eliminating the imposition of the trade-off. (Through state aid to municipalities). In the New York City fiscal crisis, the role of other actors, particularly the bankers and state and federal government, was critical to affecting the options within which unions could move. The introduction of other actors can help or hinder a union's position; certainly relief from fiscal stress alleviates the magnitude of trade-offs, but frequently only with large concessions demanded of unions.

The most significant factor to be learned from the Belmont case is the importance, and difficulty, of determining what the imposed trade-off really means. Wages and employment, the obvious trade-off, may not reflect the real costs perceived by the unions. The impact of layoffs on internal organization such as that in the police union, may not be the relevant factor in the other situations (particularly under greater fiscal constraint when such affects will arise no matter which alternative is chosen); however, other such unforeseen impacts may play as a critical role. Certainly in
New York, the impact of city default on the viability of the unions' pension funds was a significant consideration in the unions' decision to make cost concessions, apart from unemployment considerations. If anything, the importance of such other trade-offs render generalization more difficult; the outcome cannot be predicted in absence of understanding the full costs of loss of wages or membership.

Certainly the above finding also includes the necessity of determining how a concept of union differs from the reality of a local organization, particularly in relation to the motivation for survival. The trade-off may call into question issues of symbolic power of unions (such as the integrity of the union contract and the relative height of wages) which may deviate from the such power in reality.

Other issues with broader significance arose out of exploration of the Belmont case. One is the significance of the meaning of work beyond that as a source of income. Quality of work life has become of greater concern in the last decade, but it has been attacked at times as a luxury and not relevant in relation to the more critical issues of income. The Belmont situation does not negate the importance of "bread-and-butter" issues (in part because of the lack of real fiscal distress), but it does indicate that concern for the nature of work and workplace organization is broader, and more fundamental, that might be perceived, even under cutback situations.

An initial expectation which motivated this study was that the fiscal constraint imposed on municipalities would lead to an expansion in the scope of bargaining. Though the Belmont unions each generated alternatives to eliminate the need for layoffs, neither placed much significance on such alternatives, except in the use of other municipal funds to cover the layoffs.
In Walton's terms, "integrative" bargaining never really occurred. That mutually acceptable alternatives were never generated was in part a result of the union's suspension of the fiscal need and of the heightened power struggle under which the negotiations occurred. But it is also relevant that the unions did not challenge the line between managerial and employee perogatives. Though the attorneys both believed in the right of the union to bargain over critical decisions affecting the work place, both unions accepted managements rights to determine both the level and the means of services provision.

That the scope of bargaining was not expanded in Belmont has several implications, particularly for those who seek a resolution to the fiscal crisis through management/union cooperation, cooperation advocated to increase worker productivity as well as to generate alternatives less injurious than layoffs or wage reductions. For one, the suspension of lack of fiscal distress, which is not unique to Belmont, meant that the cutback process was perceived as struggle for control. The impetus to act in cooperative spirit was lessened, and, as the fiscal constraint was not expected to be permanent, no real need to generate alternatives other than transferring funds was perceived as necessary. Belief in real fiscal distress is thus critical though it should be obvious that belief itself is dependent upon trust, as is cooperation. For another, the unions did not really feel that it was their right, or their responsibility to generate alternatives. In the latter case, only if unions perceive that real decision-making power had been extended, with they respond to an invitation to partake in the responsibilities of management. It is interesting to wonder whether with increased layoffs and clearer definition of the public employee as a worker, not as a public servant, whether the desire to be involved in management decisions will increase.
BIBLIOGRAPHY


