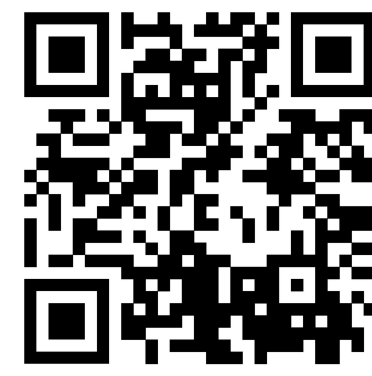


Lack of Public Sphere and Employee Autonomy at E-J



How Corporate Paternalism and Welfare Capitalism Undermined Employee Freedom and the American Free Market

Margalit Frank

KEY WORDS

Welfare Capitalism: When a company provides benefits to employees to limit unionization.
Corporate Paternalism: When a company acts as a guardian for employees
Public Sphere: Space where citizens form opinion free from authority

Company Towns

Major feature of industrialized America.

Provided a town like feel for jobs that took place in more desolate areas (coal mining).

Mainly characterized by one company owning most or all of the stores in a town, as well as employing most or all of the people in a town.

Endicott-Johnson Shoe Company

One of the more unique examples of a company town was the Endicott Johnson Shoe Company (E-J).

E-J was founded by Henry Endicott and George F. Johnson in 1890.

George F. Johnson was a major pioneer of welfare capitalism and expanded the companies already paternalistic ideals.

George F Johnson encouraged existing employees to recruit their family from overseas to work at E-J.

Around 33% of employees were European immigrants by 1922.

E-J became the world's capital for shoe production, as they supplied foot wear for much of the American army during WWII.

E-J was one of few company towns to never have a workers' union.

Benefits at E-J

The benefits offered by Endicott Johnson were arguably far better than the large of other industrial areas in America. Benefits at other companies were typically limited to wages and the occasional employee club.

Employee Benefits Included...

- Full coverage healthcare
- Dental care
- Housing
- Surgical care
- Psych healthcare
- Tuition coverage
- Meals
- Employee clubs

Communal Donations...

- Public parks
- Public pools
- Libraries
- Churches
- Schools
- Carousels

Benefits offered through welfare capitalism aimed to reduce unionization, while most companies failed to prevent the formation of unions.

However, E-J never unionized.

Loyalty at E-J

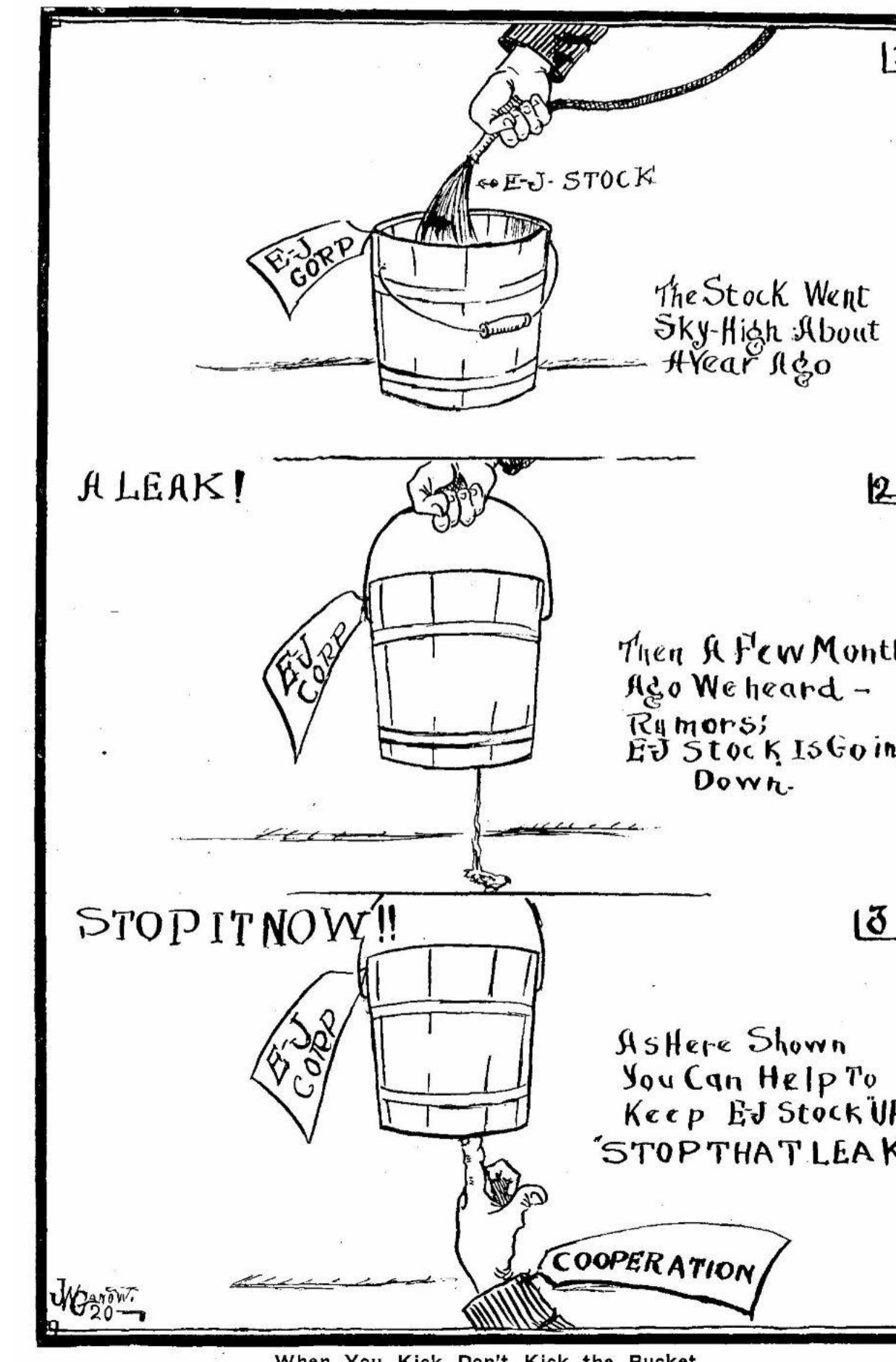
Slogans on the importance of loyalty were common at E-J.

Loyalty was a characteristic of the broader "Happy Family" trope pushed by E-J.

Once a worker was hired, they became a part of the "family" and must display their loyalty to the family.

Dr. Zahavi from SUNY Albany highlights the idea of a **negotiated loyalty**: while the Company asks for loyal employees, the employees expect certain benefits in return.

However, some thought that asking loyalty of the employees was going to far, as they were already working for the Company.



“Workers worked hard [...] we shouldn’t have to be grateful to somebody for whom we work, for whom we’re making money”
– Bob Johnston, local union organizer

“We are going to have Unions, and feeling power, they are going to try to use it, just the same as Organizations of Capitalists, feeling power, try to use it for their selfish advantage. This is the condition that we are trying to prevent”
– GFJ in a speech to workers

Unionization at EJ

Multiple attempts by union organizers at E-J

Unions were discouraged by GFJ

Because the Company provided so much, the employees shouldn’t unionize.

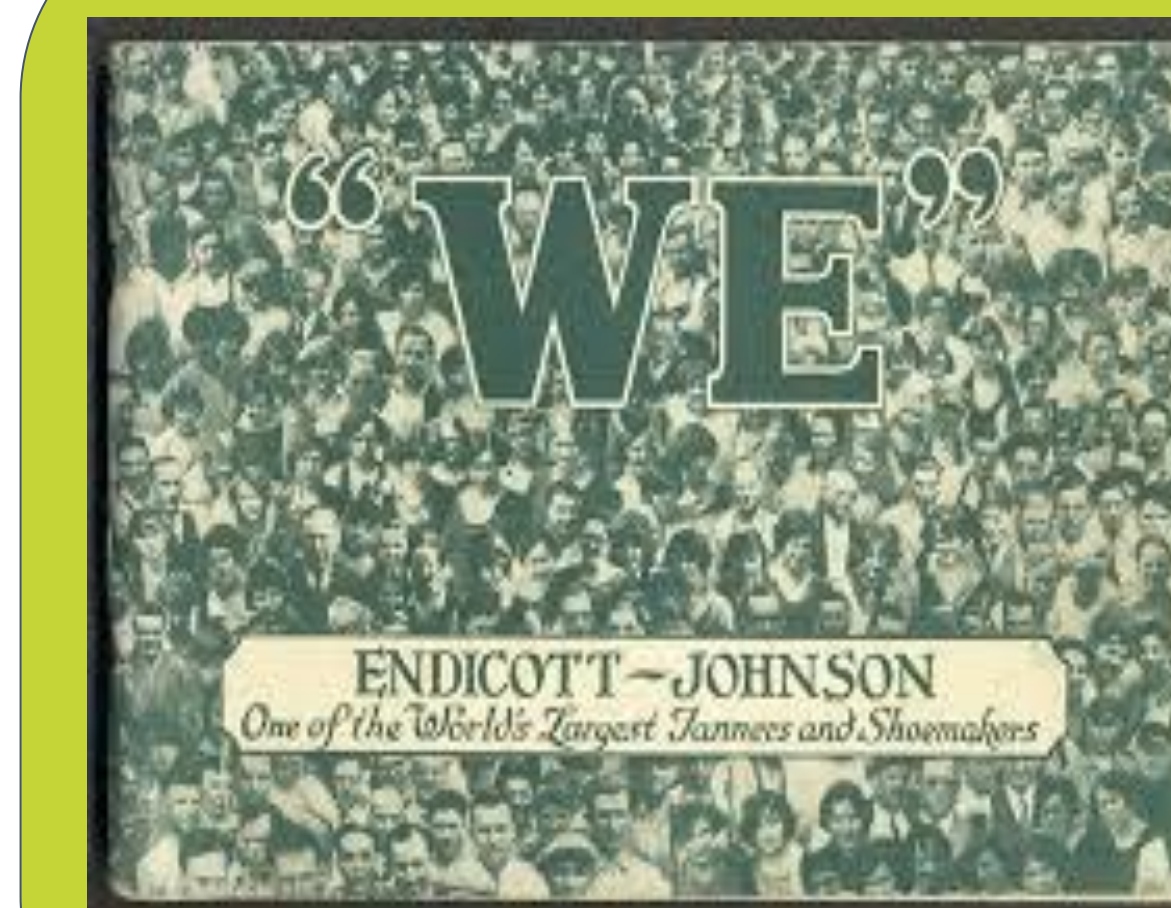
Idolization of GFJ

George F. Johnson was the main face of authority

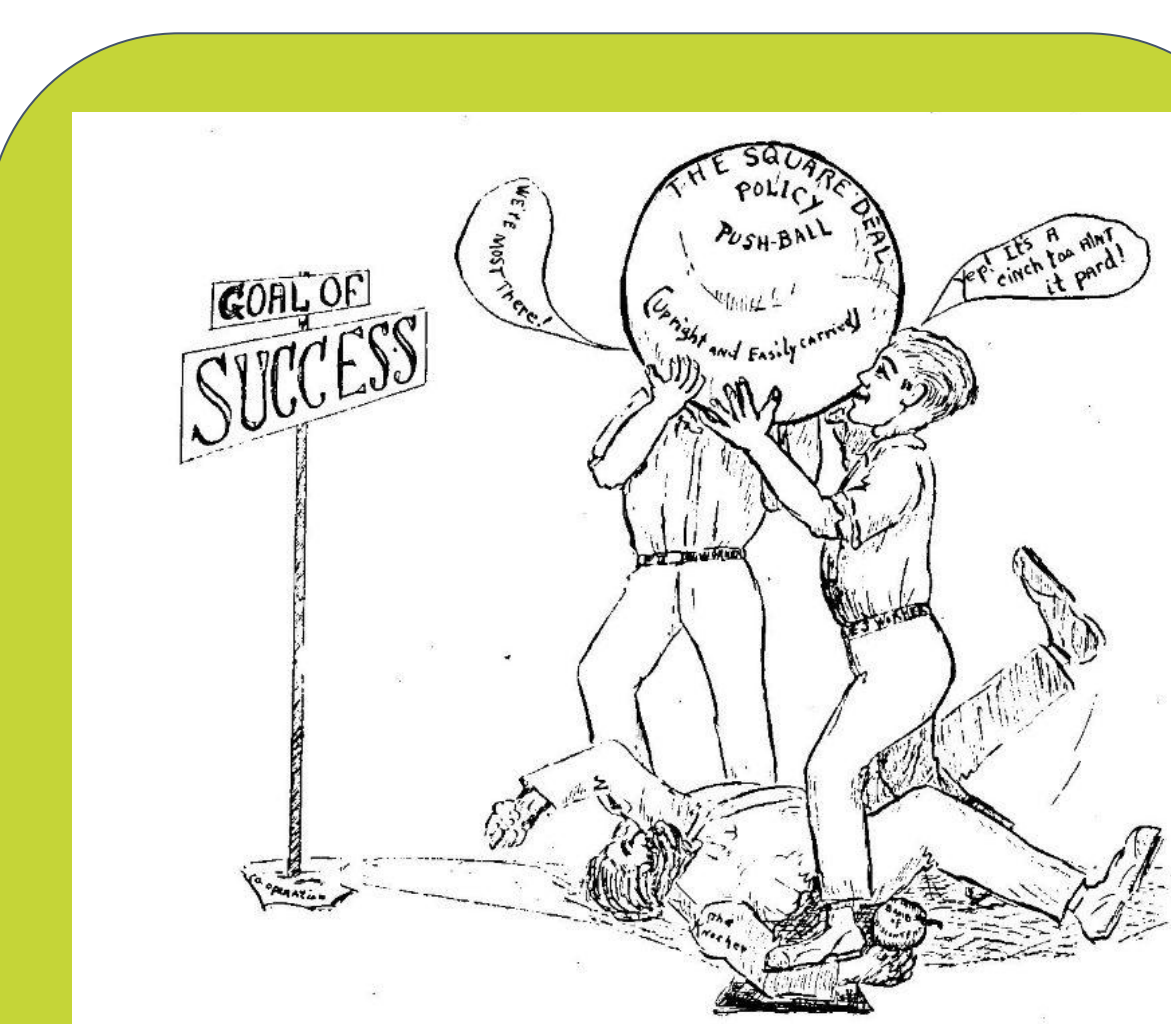
Pioneered paternalism at E-J

Looked up to as a role model or father figure by all employees.

GFJ day, all employees would have a parade celebrating him.



Post card produced by E-J, emphasis on togetherness through the use of "we"



Cartoon published in Workers' Review

Lack of Public Sphere

Public sphere: A space where citizens can come together and form a public opinion free of authoritarian influence.

At E-J, a public sphere would mean employees could have a non-work space where they could form opinions free of influence from management. Almost all spaces and events where employees gathered were facilitated and hosted by E-J, making it difficult to form an opinion free of influence.

While the local Binghamton area did have access to public news sources and outside information, much of these sources were flooded with E-J propaganda. Due to idolization of GFJ, many viewed E-J as the most reliable source of information.

A public sphere is a necessary component of democratic countries as it ensures the existence of the people's voice. In this case, the lack of public sphere at E-J is a marker of the absence of employee power and voice/autonomy.

Managers and higher ups at E-J were told to observe employees and their loyalty to the Company.

At one point the employees of E-J requested and put together a magazine written by employees for employees. However, what was published was closely monitored by the management at E-J.

“It must be a medium for frank, candid and free discussion [...] don’t write when you are cross and ugly. Don’t write in an unreasonable critical or supercritical frame of mind. Don’t nag and scold”
– George F. Johnson on the front page of the Workers’ Review Magazine

American Free Market

Ability to market labor to other employers/Market competition.

Non-coercive employment relationships.

Objective information on all employers to make an informed decision is necessary.

Transparency in compensation and benefits.

E-J did not embody these ideals.

Limited outside competition prevented employees from evaluating other options.

E-J had a monopoly on employment, illusion that there are no other options.

Emphasis on loyalty and dependency on the Company coerced employees into staying.

Dependency on the employer undermined the bargaining power of the employees.