

American economic development essay example

[Business](#), [Marketing](#)



Labor was forced to organize nationally in the US due to the changes in the structure of business. In the early 1800s the industrial revolution was at its peak and factory products were in high demand. Farmers adopted the sole proprietorship business structures where they produced, processed and sold their products individually. A case in point is textiles which were in great demand across the world. The overwhelming demand for textiles led to a high demand of labor in the cotton industries and the textile mills. In order to reap maximally from the textiles business, mill owners acquired cheap labor from within the US and reinforced it with imported labor (Dulles & Dubofsky, 68). The hard times in Europe coupled with the Potato Famine of the 1840s forced many German and Irish immigrants into the US especially into New England where they supplied cheap labor to textile mills.

There was increased mechanization in fields such as printing and in the textile industry through the development of new presses and power looms respectively. Mechanization changed the structure of business by reducing employer reliance on employees. The manufacturing processes were made easier and the manufacturers were able to produce larger quantities of higher quality products and hence sustain the market demands at low production costs. Mass production capabilities gave the manufacturers more power and control over labor unions that were agitating for better working conditions and increased wages. The result was the formation of more labor unions. Between the year 1863 and 1864 the number of trade unions increased from 79 to 270! (Dulles & Dubofsky, 75) Even then the structure of business had evolved and it was increasing impossible for laborers to maintain their push for higher wages or their general status.

Landowners among other employers were moving away from sole proprietorship types of business structures and forming partnerships. Textile millers, shoe makers, tool makers and other types of manufacturers formed businesses as families or in groups (Zieger, 12). This way they were able to pool resources together, consult extensively and thus they were in a better position to quell the rising trade unionism. The consolidation of capital dictated that labor be organized along larger geographical areas. Among the 270 labor unions to be existence in 1864, 32 of them recruited members from across the country in a bid to gain more power over the increasing partnerships by business owners (Zieger, 19). The American Miners' Association and the National Iron Molders' Union stand as leading examples of national trade unions established to counter strong oppressive business partnerships.

The evidence presented in this texts makes this argument convincing. This is because the changes in business structures were supported by several factors among them industrialization which allowed for mass production. There was also an insatiable demand for products and better products for that matter. This compelled producers to form strategic business partnerships in order to produce for US market and export to the western countries (Zieger, 21). For instance the cotton growers partnered to form large textile industries rather than produce individually. This enabled them to acquire new textile machinery and produce higher quality textiles. Moreover, business structures had an influence on labor organization because businesses were lead by visionary, ruthless and ambitious business leaders and financiers such as E. J. Harriman, Jay Gould, James Hill among

others (Dulles & Dubofsky, 85).

The emergence of corporations as acceptable forms of business organizations compelled labor and trade unions to reorganize. Under the leadership of men such as Andrew Carnegie, a steel mogul and John D. Rockefeller an oil merchant, mergers and business consolidations gained root. These business structures had more financial muscle to weather the efforts by labor unions to agitate for better pay and fewer working hours (Dulles & Dubofsky, 1987). The new business structures therefore compelled for constant remodeling and reorganization of labor unions.

References

Dulles, Foster R, and Melvyn Dubofsky. Labor in America: A History. Arlington Heights, Ill: Harlan Davidson, 1984. Print.

Zieger, Robert: American Workers, American Unions. The Johns Hopkins University Press, 1994. Print