



# The Economics of Occupation

MALIHA SAFRI

**T**he oldest meaning of “occupy,” (or *occupare* coming from Latin), is “to take possession or seize,” and historically came to be linked to martial occupation, carrying a negative connotation that countries seek to avoid today even as they undertake it.<sup>1</sup> In the late fourteenth century, with the rise of craft and merchant guilds and their elaborate classification of work categories, occupation took on the meaning which is generally the first that comes to mind today: “employment,” or “what one does for work.”

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*Maliha Safri is an assistant professor in the economics department at Drew University, and has taught and published on political economy. Her most recent article was published in the Middle East Journal, “The Transformation of the Afghan Refugee: 1979-2009.” Safri has also been involved with aiding worker cooperatives in the New Jersey and New York metropolitan area.*

True to its etymology, Occupy Wall Street (OWS) assumed both sides of the meaning of the word: to take up the space, and to do work. Of course their squatting and claims over the space received more than ample media, police, and judicial attention. Perhaps less-reported are the various working committees of OWS: the library which organized and ran a free book-lending service, the kitchen committee which produced and distributed up to 4000 meals a day on peak protest days, the education and empowerment committee which organized and distributed well-attended lectures and daily free classes (one on popular economics at OWS NY which I co-taught every week), the facilitation committee which trained people in the art of running meetings, the press committee which handled the hundreds of reporters and media demands, the comfort committee that produced

and distributed clean laundry and arranged beds and showers, the structure group that organized the eventual spokes council decision-making structure for the entire occupation, the technology committee that produced the infrastructure for communication, the janitorial committee charged with clean-up, and dozens of more committees. The architecture of OWS speaks to at least one of the movement’s basic points: how society can and does organize partial production and distribution of goods and services outside market mechanisms.

This is not unique to OWS. Historically, U.S. occupations have been associated with the tradition of sit-down strikes in factories: 1936 began with a momentous factory occupation and ended with an even bigger one. In January of 1936, 10,000 workers in Akron, Ohio, occupied factories from three distinct tire firms

(Firestone and Rubber Co., Goodyear, and BF Goodrich), bringing national attention to Akron, as well as shifting the entire tire industry decisively towards unionization. But by the end of the year, the epic Flint autoworker sit-down strike would overshadow even Akron in the history books. In Flint, Michigan, GM's workers staged a 44 day occupation of factories despite a massive police assault. Within a month, GM, at that time the largest manufacturing firm in the world, was forced to recognize a unionized workforce. In 1937, some 400,000 workers participated in factory occupations (Green 1998). Between 1936 and 1939, U.S. workers occupied 583 plants, threatening massive disruptions for their employers and ultimately, their hegemonic position in the bargaining process (Ness 2011).

In many of these occupied plants, "strikers formed a 'new and special kind of community'," where there was a strong "feeling of solidarity" (Fine 1969). The Flint occupied plants each formed a little government, electing a mayor and strike committee that ultimately sought the consent of strikers for virtually all decisions. Committees were routinely established in occupied plants for food, recreation, information, education, postal service, sanitation, patrol and

security, contact with the outside, and for their own "kangaroo courts" in which workers were sentenced for failing to report to assigned duties on the above mentioned committees (Fine 1969). The number of "sit-downers" fluctuated, but always coordinated closely with workers outside the plant who picketed, collected funds, and enlisted sympathy for the cause. In that, occupations (in factories and OWS) can be seen as constituted by layers of direct occupiers and those that sustain the occupation without living there.

Ultimately, the sit-down tactic (rather than a conventional picket strike) was adopted widely in that time, not for ideological reasons, but because the technique proved itself effective in forcing employers to the bargaining table. Occupied plants, as in Flint, were chosen strategically, and actually brought production to a halt across the spectrum of corporate holdings because the occupiers chose key plants that produced critical elements in the entire supply chain of parts. Rather than risk the removal of the equipment from strike to strike-free plants, workers chose occupation as a tool which "neutralized the arsenal of weapons" available to GM and other corporations (Fine 1969).

The tactic was so powerful, (Flint and other police forces flip-flopped on intervention since the strikers were not clearly breaking the law), that it had to be made explicitly illegal to prevent its deployment. The question was pushed to the Supreme Court, which ultimately sided against the workers. In 1939's *National Labor Relations Board vs. Fansteel Metallurgical Corporation*, the NLRB lost the right to force firms to rehire workers after a sit-down strike and factory occupation, if the NLRB had found that the factory had precipitated the strike and was at fault. Despite the fact that Fansteel had engaged in a string of illegal tactics to prevent unionization, the Supreme Court had ruled it was illegal for the workers to wage a factory occupation to achieve their demands, and essentially banned the use of the tactic. The Supreme Court weakened the National Labor Relations Act, by "elevating the property rights of employers over the organizing abilities of workers. This was a judicially imposed choice not mandated by the N.L.R.A." (Casebeer 2007). The openness to occupation tactics granted by the legislative act on labor relations was ultimately closed by the judicial branch in the U.S.

More recently, workplace occupations have resurged outside the U.S. In Argentina (after

2001) and Brazil (continuously since 1980), workers continue to come together in groups, often owed millions in unpaid wages by employers, occupy their former factories or farms, resist eviction often with the aid of entire neighborhoods in which they were located, and reinstate production under worker control, management, and ownership. Both the Recovered Factory Movement in Argentina and the Movimento Sem Terra (landless rural worker movement)<sup>2</sup> in Brazil share a motto: “Occupy, Resist, and Produce.” Neighborhoods provided immense material and moral support, turning out in mass numbers to prevent police eviction efforts, aiding in the sale of goods produced in the occupied factories, and so on. Again, one can identify the direct and indirect layers of support that contribute to the success or failure of an occupation.

While workplace occupations have the obvious economic effects of ceasing line production, (and then reinstating it in the case of Argentinian and Brazilian recovered factories, clinics, hospitals, hotels, and farms), occupation sites also require economic infrastructure. They are not (only) political events with economic causes or consequences, but also methods of allocating scarce resources to given ends. The organization-

al solutions act as a running thread across Tahrir Square, Occupy Wall Street, South American recovered farms and factories and U.S. occupied plants. Despite the differences in political targets and constituencies, they all embody collectively organized production and distribution. Paying attention to the economics in and of these organizations and events might shed light on how to sustain them.

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#### NOTES

1. On the 10 year anniversary of U.S. entry into Afghanistan (October 6, 2011), Afghans marched through the streets of Kabul holding signs saying “No to Occupation,” while American news outlets such as MSNBC put “Occupation” in skeptical quote marks as they reported on the protests.
2. See Hidalgo et al. (2010) for a discussion of the economic determinants of land occupations in contemporary Brazil.

#### REFERENCES AND FURTHER READING

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