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Baseball Strike Again on the Horizon - Salary Arbitration Still the Key

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SPORT AND SOCIETY FOR ARETE
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Barring an eleventh hour settlement, today will mark the beginning of the fifth strike and eighth work stoppage in major league baseball over the past quarter century. At stake in this struggle is whether or not after twenty years the owners will be able to reverse the power flow into the hands of the players. The rise of the Major League Baseball Players Association under the skillful leadership of Marvin Miller, coupled with some astoundingly inept moves by ownership precipitated a power shift in baseball from management to labor.

The key events in this development were the Curt Flood suit challenging the reserve clause, the incorporation of an independent arbitrator into the bargaining process for baseball, the Messersmith-MacNally decision which finally ended the reserve clause, and the beginning of salary arbitration.

In all the previous strikes and lockouts at some point the owners divided, and the commissioner stepped in to bring pressure to settle. In almost every case the players were the winners in these settlements. This time there is no commissioner, and this time the owners seem unified.

The issues are relatively simple and the reason for the strike is even simpler. The players have no choice, they must strike. If they do not, the owners will simply declare an impasse in negotiations sometime during the winter and then unilaterally impose a salary cap, effectively ending free agency.

The other issue is salary arbitration. Owners say it must end. That it is killing them. That small market teams are suffering major losses. But Financial World magazine reports that both San Diego and Pittsburgh turned a four million dollar profit in 1993, and at most only five teams lost money. Earlier in the week the claim by owners was that 19 teams including the Dodgers were losing money. That number has been lowered to twelve or fourteen, and either is absurd.

In fact almost every economic indicator shows that money is being made by ownership. No one has gone out of business over finances, and selling franchises remains immensely profitable. There are those who would point out that in the free market, small markets that can not survive should be replaced by new markets that are profitable. No city has an absolute right to a major league baseball franchise.

What we have here is a struggle within an extremely lucrative industry over the destination of profits; a struggle between the rich and the even richer. For nearly a century owners monopolized profits and power within baseball. For the past two decades the balance has been shifting. At this point there is simply no reason why the players should agree to give up their new found power, and the only way for them to retain it is to go on strike to preclude ownership from imposing a salary cap. If they do not they will lose all they have gained since the arrival of Marvin Miller.

It would appear that there is only one area in which there is room for negotiation, and that is salary arbitration. This has been the single most important factor in driving up salaries, and it is possible that the players could agree to some changes in the system that would reduce the upward pressures on salaries. The players of course are likely to do this only if they are convinced that there is a financial crisis in baseball.

As to the prospects of a settlement the initial signs are not good. The decision by the owners to withhold their August 1 payment to the pension fund angered the players, as does the unwillingness of the owners to take part in the negotiating sessions. From the owners perspective it may be now or never, if they hope to retrieve lost power. And perhaps as important as anything, it is well documented that Donald Fehr, the executive director of the Players Association, and Richard Ravitch, the chief negotiator for the owners, have developed a personal animosity over the past few years, and both have gigantic egos.

So the strike could be a long one unless player unity breaks down, and it could without Marvin Miller's leadership; or unless owner unity breaks down. There is a clear division between small market and big market owners, and the latter will lose a great deal of money in the strike. In addition it is a fairly well documented fact that baseball owners generally do not like one another, and even more importantly, they do not trust one another. But at this point they may dislike the players enough to overcome their internal divisions. If that is the case, you should start preparing for spring training.

On Sport and Society this is Dick Crepeau reminding you that you don't have to be a good sport to be a bad loser.

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