

## Building the High Road in Metro Areas

### *Sectoral Training and Employment Projects*

Eric Parker and Joel Rogers

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The past two decades of corporate restructuring have dramatically transformed the nature of work and employment in ways that are generally unfavorable to workers. The weakening of internal job ladders, subcontracting of entry-level industry positions, and outsourcing and joint production of tasks involving more advanced occupational strata make initial firm attachment and subsequent advancement more difficult. Shorter job tenure and greater job churning in the broader economy result in more highly volatile labor market conditions for achieving work stability, benefit continuity, and upward mobility. While rumors of the “end of the job” that imply a “spot market” or “freelance” view of the labor market remain vastly premature and misleading, there is still little question that workers are less secure within individual firms and rightly less confident that continued employment within them will naturally lead to higher compensation.<sup>1</sup>

The conventional response to such restructuring is to improve education and training opportunities that help workers cope with recent labor market trends and meet employer demand for skills. As an ameliorative strategy for workers, the thought is that better-trained workers will be more secure ones. Even if they are not retained or advanced

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<sup>1</sup>For an overview, see Cappelli et al. (1997). On job tenure, see Farber (1997). On earnings instability, see Gottschalk and Moffitt (1994). On job instability and mobility, see Bernhardt, et al. (1998). On contingent work, see Houseman (1997).

by their present employer, they will more easily find advancement opportunities elsewhere. As an industrial strategy, the thought is that business is generally demanding increased skills that present training and other institutions are simply not providing. Meeting the demand would surely make the economy more productive and underwrite the plausibility of training as a boon to workers.

Although better education and training certainly wouldn't harm workers, their benefits are not sufficient to reverse recent labor market outcomes. Despite secular shifts in relative demand for more skilled workers, the pervasiveness of increased industry demand is questionable, and inequality and earnings declines have occurred even within highly educated strata. The dramatic increases in returns to schooling, evident over the past two decades in fact owes more to declines in the earnings of less educated workers than to increases in the earnings of more educated ones. Labor market interventions limited to the supply side of worker skill may indeed enable certain individuals to get ahead, but absent a happy Say's Law on human capital, they will do little or nothing to improve the quality of employment and advancement opportunities workers face on the demand side of the labor market. At present, these opportunities appear inadequate to ensure widespread opportunity for wage and earnings growth. Intensified competition between firms, institutional and political changes, and low-wage business strategies provide much of the explanation for stagnating wages and rising inequality. Without direct intervention on the demand side, these outcomes will remain well after any "skills mismatch" is resolved.<sup>2</sup>

The steps unions need to take to defend their members and expand their base in this situation are straightforward in theory if not in practice. Using all the tools at their disposal, they need to close off the low road, help pave the high road, and enable workers and firms to navigate from the first to the second. This means organizing more members and recovering some leverage over wage and other norms in the

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<sup>2</sup>For an overview of recent trends in income, see Gottschalk (1997). For the impact of supply-and-demand factors on wages, see Bound and Johnson (1992); Katz and Murphy (1992); and Autor, Katz, and Krueger (1997). For an overview of institutional factors, see DiNardo, Fortin, and Lemieux (1996), as well as Mishel, Bernstein, and Schmitt (1999).

economy. It means mobilizing labor's own capital in the form of pension assets to encourage higher standards of corporate practice. It means modernizing labor's political operations and making alliance with other voting constituencies to reclaim some political power, particularly at the state and local levels where much action is devolving. But it also means that unions need to insert themselves more directly into the process of industrial restructuring itself, to assert more control of the terms of trade in firm and regional labor markets, and to intervene on the demand side of the skill equation.

To obtain rewards for training, workers need to build the high road with new technologies, work systems, and skills, and to bargaining over the resulting gains. If the "union premium" in organized firms is to survive competition, those firms need to be more productive than their lower-wage nonunion rivals. Retention of the existing union base preserves the leverage that is needed to organize new workers and minimizes the number of additional members that are needed to maintain or expand market share. More broadly, if the economy as a whole is to move toward more high-road production and service delivery, unions need to take explicit leadership of the restructuring process. Although many allies in this fight can be found, no major institution approaches labor's congruent capacity and interest in waging it. An industrial strategy that benefits workers would generally make the process of new organizing and political and other alliance building much easier.<sup>3</sup>

The question is, how might this be done? While there are many parts to a complete answer, we believe one especially promising one is the growing number of labor-led sectoral training and employment projects, which provide a base for further capacity building and experimentation. These initiatives typically coordinate workforce development activity across groups of firms with convergent skill needs in regional labor markets. They seek to bring greater transparency to the regional labor market within their sectors, to enhance employment and training opportunities, to build a presence within area firms to advance

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<sup>3</sup>For more on this general view, see Rogers (1990, 1992, 1993, 1993a, 1995, 1996, 1996a, 1997, 1997a), Dresser and Rogers (1998, forthcoming), and Rathke and Rogers (1996). For implications for organization and representation, see also Heckscher (1988); Cobble (1991); and Herzenberg, Alic, and Wial (1998).

workers within and between them, and to work with firms to improve their performance.<sup>4</sup>

The labor movement's potential to play such a role may be most evident where state or local structures of the AFL-CIO have become vehicles for affiliates to achieve bargaining, organizing, and public-policy objectives in their areas. In the case of Wisconsin, the state AFL-CIO has developed a comprehensive strategy for industrial unions to improve the livelihoods of working families. A central component of the strategy is the formation of the Wisconsin Regional Training Partnership (WRTP) that builds the capacity of affiliates to retain and develop the current member base. The other component is the development of an organizing campaign that builds the capacity of affiliates to increase the union content of finished products, either by retaining work in-house, upgrading union suppliers, or organizing nonunion shops. Now the state federation is working with affiliates in a wide range of other sectors to develop comprehensive strategies for regaining their respective market shares or entering markets in which unions do not already have a presence.

This chapter first examines the case of the WRTP. It then considers the possibilities and actual experience, first in Milwaukee and then more generally, of building such institutions of high-road industrial governance in sectors other than manufacturing. It concludes with speculation on the promise of such models and their links to other aspects of labor's revitalization program.

## **High-Road Partnerships**

The origins of the WRTP lay in the deep manufacturing recession that devastated the Midwest in the 1980s. Milwaukee County lost about one-third of its durable goods manufacturing jobs between 1979 and 1987. As the region recovered from the debacle, the more advanced firms encountered a skills shortage associated with adoption of new products, technologies, and work processes. Some firms embarked on "low-road" strategies that involved relocating to low-

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<sup>4</sup>For examples, see Baugh and Hilton (1997), Benner (1996), Carre and Joshi (1997), Dresser and Rogers (1997), Kazis (1998), and Seigel and Kwass (1995).

wage havens within the United States or abroad or extracting concessions from their unions. But others sought to reposition themselves for more advanced production and worked with their unions to upgrade the skills of an age-compressed workforce. They received assistance from the Wisconsin State AFL-CIO that gained the relevant expertise in workforce development policy based on its leadership in the formation of a one-stop assistance center for dislocated workers. The dislocated worker center began to assist employers, unions, and local technical colleges with the creation of workplace learning centers. This network would later become the foundation for building the WRTP.

A prominent Republican business leader who chaired a governor's commission on workforce development and the president of the state federation invited the Center on Wisconsin Strategy (COWS) to recommend strategies for reviving manufacturing in 1991. COWS proposed a jointly governed consortium of employers and unions to support family-sustaining jobs in a new business environment. After some protracted shuttle diplomacy among and between area firms and unions, COWS obtained final approval of an organizational charter the following year. An interim steering committee sponsored a founding conference that established working groups of charter member firms and unions to build consensus on recommendations for action by the end of 1993.<sup>5</sup>

WRTP has since formed partnerships with numerous public-sector agencies and educational institutions to assist member firms and unions with the adoption of new technologies and work processes; worker education and training programs; and future workforce programs involving dislocated, low-income, and young workers. The partnership has grown from an experiment with a handful of workplaces into an association of sixty-three members employing roughly sixty thousand workers in the greater Milwaukee area or one-quarter of the area's industrial workforce. Improvements in quality, cycle time, productivity, and inventory management have resulted in a net

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<sup>5</sup>For more on the development of the WRTP, see Neuenfeldt and Parker (1994) and Parker and Rogers (1996). The data reported below come from the WRTP (1998a and 1998b).

increase of roughly six thousand jobs among member firms since 1994. Both management and labor representatives generally report better labor-management relations in shops in which the nonsupervisory workforce is represented by industrial unions. Member wages are robust, averaging \$17.37 for skilled trades workers and \$14.60 for production workers. And of standing importance to building labor-community alliances, these gains are achieved in a diverse workforce: 16 percent African American, 7 percent Latino, and 25 percent female.

### Modernization

The WRTP encompasses larger companies making finished products and a growing number of smaller suppliers. Most of these smaller shops depend on the larger ones for at least part of their business. At least 90 percent of sales of member companies with fewer than 500 employees are to other manufacturers. The larger firms have the capacity to exert pressure on many of their suppliers to adopt the advanced industry practices they have already implemented in-house. The WRTP provides a vehicle for them to achieve supply chain optimization.

The WRTP has formed an alliance with the Wisconsin Manufacturing Extension Program whose mission is to assist smaller-to-medium-sized enterprises (less than 500 employees) with modernization. The modernization service assists smaller shops with assessments of their business operations and plans for improving them. The consultants WRTP has assigned to union shops worked with two-dozen shops in 1999 and completed the implementation of modernization plans in eight of them. The program helped prevent two plant closings involving 1,200 family-supporting jobs. Almost all members now have a functioning joint steering committee to guide modernization in their workplaces. Over the past few years nearly all have designed and engineered new products, and four in five have made major investments in new machinery and equipment. Their new production systems are increasingly based on cellular plant layouts and self-directed teams, with workers increasingly responsible for improving product quality, shortening cycle time, increasing productivity, and reducing inventory cost.

## Worker Training

Much of the original emphasis of the WRTP has been on the development of jointly administered training programs for incumbent workers. By 1999 the estimated level of employer investment averaged \$678 per frontline worker for a total of nearly \$21 million. About six thousand nonsupervisory workers obtained education and training services through a combination of workplace learning centers, technical college courses, tuition reimbursement programs, and apprenticeships. People of color accounted for one-fourth of the total.

Most members either have or plan to create an on-site learning center. The centers are generally run by a combination of technical college instructors and in-house personnel. Taken together, employers spend about \$2.4 million on their learning centers per year, and about twenty-four hundred workers participate on an annual basis. In addition, roughly 80 percent of member firms contract with local technical colleges for more specialized courses. All members have at least a tuition reimbursement program for twenty-one hundred workers to further their education on their own time. Finally, half the members are revitalizing their apprenticeship programs in the skilled trades, and journey-level workers may go on to complete their degrees. The result is a substantial increase in the number of incumbent workers with an associate or bachelor degree.

A critical mass of employers investing in skill upgrading has enhanced the upward mobility and career security of workers. Higher skills facilitate the transition to high-performance organizations and enable workers to succeed within them, and the transferability of skills allows workers to find new employment whenever they need to. Along with the dislocated worker center and local technical college, the WRTP is conducting a demonstration project to retrain at least 150 unemployed or at-risk workers for higher-skill jobs such as CNC machinist or maintenance mechanic. The demonstration project features a Spanish track for concurrent instruction in communication and technical skills for a rapidly growing immigrant workforce.

## Future Workforce

The revival of manufacturing employment and retirement of a highly age-compressed workforce has elevated the importance of the future

workforce in recent years. Despite the recent influx of new workers, the average worker is still 43 years old with 18 years of seniority. WRTP has developed future workforce programs involving unemployed, low-income, and young workers. Unions have begun to participate in selecting job candidates in almost two-thirds of the companies and in conducting employee orientation in more half of them. More recently, they have begun working with management to formalize mentoring networks on the shop floor.

The employment and training program has placed nearly five hundred central city residents into family-supporting jobs over the last three years. The average starting wage of more than \$10 per hour plus benefits far exceeds the rest of the workforce development system in the region. The participants increase their individual earnings from an average of about \$9,000 per year to \$23,000 after their first year on the job. The employment retention rate is nearly 70 percent. Now the challenge is to scale up. A Jobs 2000 Campaign is designed to place five hundred residents this year alone. Residents are recruited from a growing network of job centers, welfare-to-work agencies, community and faith-based organizations, community development corporations, and the like. Over 90 percent of the participants are people of color. Half the participants have not completed high school. Their average household income is roughly \$12,000 per year.

The program provides a viable alternative to staffing service agencies. Several member companies are converting temporary jobs back into permanent union-represented jobs. Savings on billing rates, finder's fees, and other costs associated with high turnover staffing arrangements (for example, lower quality and productivity) offset the cost of union wages and benefits. The workers get better jobs, the companies get employees, and the unions get more members. It would take the labor movement roughly \$100,000 on average to recruit 100 workers, the number of new members that unions are likely to gain from the conversion of temp jobs in 2000.

The program also provides a vehicle for current union members to participate in selecting, orientating, and mentoring new members. The membership is becoming increasingly diverse. The most dramatic example is the transformation of a suburban plant from an all-white workforce to one in which people of color make up 30 percent. The ability to recruit and retain a qualified workforce under tight labor mar-



ket conditions has enabled the firm and union to bring in a new product line, increase employment and union membership, and enhance the job security of senior members. The first two African Americans have been elected to union leadership in the history of the plant.<sup>6</sup>

### Expansion

WRTP has completed a needs assessment survey of 448 shops to document the opportunity for expansion. Taken together, these shops account for 80 percent of union shops in the state. They employ a total of 134,000 employees, including 95,000 (better than 70 percent) in skilled trades or production jobs. Currently the number one barrier to job growth is the difficulty in finding qualified workers under tight labor market conditions. More than half the shops report a need for assistance with the recruitment and retention of new employees. An even larger number need assistance with upgrading the skills of incumbent workers.

To develop an effective response to these needs, WRTP convened a forum for member companies and unions to discuss the skills shortage with state and local officials. The governor appointed the business and labor co-chairs of WRTP to lead a task force on the future of technical education and training in the state. Most of the budget and policy recommendations are currently being implemented. The \$40 million package includes a workforce attachment and advancement fund to help low-wage workers achieve upward mobility, a new scholarship fund for youth to attend their local technical colleges, the expansion of local youth apprenticeship initiatives, the expansion of manufacturing extension programs, and other related efforts. WRTP is now working with local workforce development agencies and educational institutions to expand the partnership in manufacturing and replicate it in other sectors.

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<sup>6</sup>WRTP is increasingly involved with school-to-work programs to prepare youth for high-tech workplaces as well. Half of the membership provides youth apprenticeships or other work-based training to high school students. Members assist schools with the revival of technical education programs, offer professional development opportunities to teachers, and provide mentors at the work site for students. The graduates obtain high-wage production jobs, traditional apprenticeships, advanced standing in technical colleges, and admission into the university system.

## Industry Strategies

The success in retaining and building the industrial union base has renewed enough confidence in the future of manufacturing to inspire new organizing in the state. The same affiliates that are involved in the WRTP have typically participated in a new coordinated multi-union campaign to organize suppliers. The state federation has developed the campaign to help affiliates become much more proactive in governing supplier relationships in the region. A handful of local unions have already begun to extend the scope of their collective-bargaining agreement and partnership with employers to take a more proactive role in sourcing decisions. Workers on the shop floor are increasingly engaged in coordinating production with their peers in supplier firms and participating directly in supplier development and assistance. The objective of local labor leaders is to establish criteria for outsourcing decisions that enable them to keep work in-house, to utilize unionized suppliers, or ultimately, to leverage nonunion shops.

Wisconsin is one of a handful of sites for coordinated organizing campaigns that is supported nationwide by the AFL-CIO. The national AFL-CIO, state federation, and participating affiliates all have representatives on a steering committee that oversees research, education, and other assistance that builds the capacity of industrial unions to recapture the market share lost to outsourcing. Local labor leaders immediately recognize the serious threat of nonunion suppliers to the employment security and bargaining power of their members. The strategic focus of the campaign is on a small number of supplier industries that are responsible for taking most of the work out of the larger union-represented assembly plants and first-tier suppliers in the state over the last decade.

The state federation has gradually developed a comprehensive strategy for building the capacity of affiliates to improve the livelihoods of working families in the state. The WRTP builds their capacity to retain and develop good jobs, to transform bad jobs into good jobs, and to offer access to better jobs. The organizing campaign builds their capacity to strategically target shops for extending worker voice down the supply chain to key industries. The legislative and political program is being designed for local unions to block the low road, build

the high road, and move firms from one to the other. The final piece is a resource center drawing upon a variety of allies to provide the necessary research and education for affiliates to advance their bargaining, organizing, and public policy agendas in the state.

The industrial sector has become a model for every sector of the labor movement in the state. Every major affiliate has requested assistance from the state federation with the development of strategies for their respective sectors. The WRTP has already begun to assist affiliates and their employers with development of high-road partnerships in the communication, construction, healthcare, hospitality, and transportation sectors. Other sectors are likely to follow in the near future. In many cases there are already examples of new initiatives in other metro areas. What they all have in common is an ability of worker organizations to establish labor market intermediaries that unite the employment and training needs of communities with the workforce development needs of employers and unions.

#### HOSPITALITY

The San Francisco Hotels Partnership Project resembles the WRTP in many respects.<sup>7</sup> HERE (Hotel Employees and Restaurant Employees International Union) Local 2 started the project with a dozen major first-class hotels in the market to improve the quality of employment and customer service. They developed strategies for achieving mutual objectives such as an industrywide curriculum for core skills, cross-classification procedures, and the revival of a hiring hall. The first phase has delivered 100 hours of on-the-job and classroom training in team-building and communication skills to more than 1,600 of the 5,000 workers covered by the partnership. The core curriculum may underwrite the reclassification of jobs and the transfer, rotation, and promotion of workers to combine the stability workers want with the flexibility management wants. Additional training is provided in the core job clusters of the industry, including housekeeping and food and beverage departments. Funding comes from a combination of the multi-

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<sup>7</sup>The following section draws upon Parker and Rogers (forthcoming) and references cited above in note 5.

employer bargaining agreement and the state's employment and training fund. While upgrading standards among the large share of properties under contract, the union has obtained card check agreements from new targets and a local ordinance requiring such agreements from publicly subsidized firms such as convention hotels.

#### HEALTH CARE

In New York, Local 1199, now affiliated with Service Employees International Union (SEIU), has negotiated a multi-employer fund to support mobility within and between hospitals, nursing homes, and other facilities. The progression of proficiency and certification standards in the sector provides clear pathways for workers to advance their careers on an incremental basis. In the context of enormous restructuring brought about by managed care and fiscal austerity, the ability to obtain additional skills and move into new jobs helps workers adjust to volatile conditions. Through joint committees at the work site, the union has been able to shape the reorganization of service delivery systems, including the redesign of work on the inside and the creation of outplacement centers on the outside, in exchange for a commitment to employment security for much of the workforce. Although workers with the least seniority may lose their current jobs, they have the right to further training, income maintenance, and transfers to other facilities under contract. The demonstrated ability of the union to impact the restructuring of the industry and support worker adjustment to inevitable dislocation has become a major selling point for future organizing in the region.

#### TECHNOLOGY

In technology Communications Workers of America (CWA) has experimented with the development of employment centers in Cleveland, Los Angeles, Seattle, and elsewhere. The union leverages supplier networks of the traditional phone companies to reemploy dislocated workers in emerging jobs in the sector. The prohibition of prehire agreements outside the building trades effectively requires the centers to compete on the open market based on the quality of their workers. They run a newly developed apprenticeship program to qualify their

current members and community residents for various kinds of technical work in a rapidly growing field. As in the building trades, the union provides training, employment stability, and continuous benefits for workers who move from one job to the next. The potential for this strategy is evident in northern Jersey where an International Brotherhood of Electrical Workers (IBEW) local has a more established training center, apprenticeship program, and hiring hall. Under tight labor market conditions, the union no longer has to organize the hard way, signing up workers and filing for elections one employer at a time. As employers began to approach the union about signing onto the labor agreement, the number of contractors supplied by the hiring hall increased from 20 to more than 120 in just the last few years. Union leaders believe they would double their share of the market overnight if they could expand the training center fast enough. This is clearly one of a growing number of instances in which employment and training programs could have an immediate impact on labor market organization.

#### TEMP WORK

Labor is also beginning to organize around temporary work and staffing service agencies. The labor council in Hackensack, New Jersey, sponsors the Bergen Task Force on Temporary Work to improve conditions in the industry. The task force has produced a "Guide to Best Practice Agencies" to help workers get better jobs, employers get better workers, and temp agencies to fulfill their promise of helping meet the needs of both parties in the new economy. The guide has been taken up by a coalition of similar projects around the country for implementation in their labor market areas. The nonprofit arm of the labor council in Silicon Valley, Working Partnerships USA, has conducted extensive research on the industry and just started a pilot project to dispatch temporary workers to public-sector employers in the region. A critical mass of agreements with employers would enable the nonprofit to reach scale, compete on the open market, and perhaps bring for-profit agencies to the bargaining table. A number of affiliates subjected to widespread adoption of contingent work arrangements are supporting the effort.

## CHILD CARE

In Philadelphia, Childspace Cooperative Development Inc. (CCDI) and the National Union of Hospitals and Health Care Employees, AFSCME (American Federation of State, County and Municipal Employees) have joined forces to improve the quality of jobs and quality of care in the area. Childspace supports two employee-owned child care centers with about thirty-five workers each. These centers pay a 25 percent premium over the average wage, offer better benefits than the industry does generally, and provide worker voice and training. With 50 percent lower turnover, they are able to recoup their investment in workers and provide greater continuity and quality of care for low- and moderate-income families. In response to unfavorable policy developments and lower-cost competition, CCDI formed an alliance with Local 1199, a large affiliate of AFSCME, to organize the market. The union is organizing the workers while CCDI is organizing the employers to negotiate an industrywide agreement and provide technical assistance to support higher standards. The strategy is to form a partnership between employers, workers, family providers, and parents to raise the level of public investment in the quality of care and employment in the industry with public resources eventually conditioned on certification of the skills and working conditions of providers.

## COMMUNITY-LED EFFORTS

Finally, at least some community and faith-based organizations, principally ACORN (Association of Community Organizations for Reform Now) and IAF (Industrial Areas Foundation), have used their political power to establish themselves as labor-market intermediaries working with area businesses and the public sector to impose conditions on work and increase job access and training for their memberships.<sup>8</sup> ACORN has long operated community-based hiring halls that channel members into industries it simultaneously pressures for greater public accountability. IAF's Project QUEST in San Antonio is an in-

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<sup>8</sup>For more general reviews of the role in community-based organizations engaged in workforce development, see Clark and Dawson (1995) and Harrison and Weiss (1998).

tegrated program of employment-linked training and support for hundreds of low-income community residents. Area employers in lead sectors, including finance and health care, agree to give their living-wage jobs to residents who demonstrate specified skills. Community organizations and area technical colleges then work together to identify candidates for the reserved positions, train them to the required competencies, and support them during the training period with integrated income and other supports. Both ACORN and IAF have been leaders in the “living wage” campaigns, which over the past few years have spread to more than forty sites around the country and have imposed general area wage norms or conditions on public contracting.

## Implications

Most of these projects are not yet at the scale that is needed to fundamentally alter employment relations within their target industry, much less change the terms of regional labor market administration. But their growing number and diversity suggests that worker-unfriendly changes in employment relations are creating a new demand for worker support systems that operate on at least a multi-employer basis, clarify the terms of labor-market demand, assist workers in gaining job access and advancement, and set higher standards for firm conduct. This demand is real, manifest, and widely felt among very large portions of the working population.

Unions are uniquely positioned to satisfy this demand (albeit often through structures differing from their conventional ones) given their defining pro-worker institutional interests, knowledge of industry practice, political and economic power, and cross-firm reach in the economy. Those unions or regional labor bodies that have made the effort can point to concrete gains for their members and improved relations with employers and the community. More broadly, their efforts have moved them from being increasingly marginalized subjects of industrial restructuring to visible authors of a new economy exhibiting greater fairness in the distribution of opportunity and reward. Both directly through this work and through how it is seen, unions secure increased capacity and better market and political conditions for organizing new members.

These new labor market institutions are most naturally organized on a sector within regional economies. Such organization provides

more or less obvious economies of scale and scope in the delivery of training and modernization assistance, interfirm learning and collective industry capacity for upgrading, and enhanced career opportunities for workers. Of no small political or welfare importance, it also potentially improves the performance of public institutions. For public-training providers, for example, it improves the flow and quality of information on skill needs while again permitting the efficiencies that come from the articulation of industrywide rather than firm-specific training demand. For private industry councils and emerging workforce investment boards, it provides a natural and more representative foundation for their mandated private-sector representation. For any public intervention in regional industrial policy, such organization provides private leverage on public dollars.

Labor movements always struggle between the competing needs to serve their present members and to make a contribution to the general welfare of the sort that will make them attractive to current nonmembers and secure the social cachet and political support they always need to advance in a competitive capitalist economy. The high-road regional partnerships described here offer a possible resolution to that tension by providing manifest benefit to current members and manifest gains to the broader community.

That they are largely occurring in metropolitan areas is not an accident and provides natural linkage to other aspects of the "New Voices" effort at labor revitalization. To a degree long neglected within the labor movement, union membership remains heavily concentrated in metropolitan areas. Just four such regions (Los Angeles, New York, Chicago, Detroit) account for about a quarter of all private-sector membership, and only forty regions account for fully half. These regions yield local union densities well above national averages and provide the critical mass and leverage needed for successful new organizing. Moreover, to the extent we have high-road production in the United States, it is disproportionately concentrated in such urban areas.<sup>9</sup> Putting these facts together, it is no surprise that all the most

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<sup>9</sup>The links among union density, metro regions, and high-riding are mutual. Denser populations are easier to organize, organization demands the high road, the richer tax base and "agglomeration" effects associated with population and firm density facilitate the high road being taken, and so on. For more on their interactions and evidence of the relative high-road character of U.S. metro areas, see Luria and Rogers (1999).



advanced union efforts to build high-road partnerships have been metropolitan.

What is less commonly appreciated is that metro reconstruction holds the key to national economic reconstruction. Despite their present neglect, metro regions provide the natural pillars of a high-road national economy. And despite continued sprawl and suburbanization, cities and their immediate surroundings of largely working-class suburbs still contain well over half the general population, while producing an even greater share of national wealth. Turn around production and economic policy within those regions and you turn around the country.

The opportunity all this describes for labor is large. To connect the dots: The places of labor's greatest residual strength also happen to be the places most critical to reordering our economy and holding the greatest immediate potential for modeling the high road. The labor markets within them, which are almost infinitely more immobile and spatially bounded than the product and capital flows of the firms that draw upon them, substantially determine regional patterns of production. Asserting control over the terms of those markets and their administration, which can in fact be done as the examples here show, thus gains labor critical leverage in the real economy where it probably counts the most. Finally, such labor-market interventions would give labor a popular visible role in economic stewardship and therefore all the gains to be had in political and other support without the risk of membership resentment. The reason for the absence of resentment is that the interests of current union members in this area, such as labor-market transparency, training opportunities, industrial upgrading, career paths and mobility, and compensation for greater productivity, are virtually identical to the interests of workers generally. Building high-road regional partnerships in metro regions is thus not an extravagance, much less a distraction from other critical elements in labor's revitalization. On the contrary, as a natural starting point in the long fight to improve the economy's performance for workers, it is a natural way of reconciling the imperatives of membership service and movement growth.