

New Labor Organizations in the U.S. and Their Networks

Summary

Authors (in order of authorship)

- Koshi ENDO Professor, School of Business Administration, Meiji University
Introduction and Chapter 5
- Miki TSUTSUI Associate Professor, Faculty of Life-long Learning and Career Studies, Hosei University
Chapter 1 (parts other than those written by Yamazaki), Chapter 3, Chapter 4
- Ken YAMAZAKI Deputy Senior Research Officer, JILPT
Chapter 1 (“1” and “Conclusion”), Chapter 2, Summary and Policy Implications
- Toru SHINODA Professor, Graduate School of Social Sciences, Waseda University

Research Period

June 2011 – March 2012 (on-site survey period: November 2010, January and August 2011)

Background and objectives

In the United States, collective bargaining between labor unions and employers has established working conditions and work rules, and at the same time has provided an influenced wage growth, maintenance of social security systems, as medical insurance and pension systems, and the provision of vocational training in the labor market including no union members. However, such functions of labor unions have been declining since the 1980s.

Since the 1990s, the United States has witnessed the establishment and prosperity of a wide variety of new labor organizations that seek to improve employees’ working and living conditions through a diverse range of activities, such as worker education and training, job placement services, living support, and rights advocacy. Some of these organizations are entirely new entities that keep some distance from conventional labor unions, while others are entities that have been established by

existing unions or in whose management unions are involved. Some new labor organizations have been established by employers' associations or administrative agencies. Still others have been established jointly by multiple such associations and agencies. In many cases, these new organizations have formed and are utilizing a closely knit network. The objective of our research is to examine the overview of the structures and activities of these new labor organizations based mainly on interview surveys, and reflect on their significance for modern American society. We seek to provide clues for resolving issues faced by Japanese society, by raising awareness about the new labor organizations.

Method and outline of the research

The research was mainly conducted by visiting targeted labor organizations and having an interview for around two hours each.

Items for an interview are as follows:

1) Outline of the organization

- What triggered the establishment
- Year of establishment
- Objective
- Principles
- Organization code
- Structure and hierarchy (types of meetings and participants, top-down system or bottom-up system)
- Number of members
- Scope of members
- Membership fees and collection method
- Staff members (who to join and where to move, full-time staff, unpaid staff, external collaborators)

2) Details of the activities

- Details of the activities (related and not related to labor issues)
- Needs for the activities
- Annual schedule
- Self-evaluation of the activities
- Connection with other organizations (nationwide organizations, communities, companies, employers' federations, the administration)

3) Budget


- Annual budget (income and expenditures) and the breakdown thereof
- Means to secure budget (income sources and means to collect donations)
- Matters to restrict the execution of the budget

4) Others

- Changes before and after the Lehman Shock
- Present challenges and future directions

The major point of the research is to what extent newly established labor organizations can substitute the adjustment functions of conventional collective bargaining between labor unions and employers that had worked to raise wages, advocate workers’ rights, and provide mutual aid through the enhancement and maintenance of social security systems, including medical insurance and pension systems, and the creation of vocational training. From such viewpoint and based on the results of the interview surveys, we classify these new organizations into four categories in terms of their characteristics as follows: (1) “internally-oriented approach,” (2) “internally-oriented approach with an external perspective,” (3) “externally-oriented approach with an internal perspective” and (4) “externally-oriented approach.” Furthermore, we establish another new category, “intermediary support organization” as an organization to connect these new labor organizations. Table 1 on the following page shows surveyed organizations based on the abovementioned five categories.

Table 1 List of Organizations Surveyed

 Shaded area indicates that the relevant definition does not apply.

			Internally-oriented approach	Internally-oriented approach with an external perspective	Externally-oriented approach with an internal perspective	Externally-oriented approach	Intermediary support	Collective bargaining (including non-legal bargaining)	Lobbying concerning systems and policies	Advocacy	Training and lifetime learning	Workforce intermediary	Mutual aid (medical insurance or pensions)
Unions, etc.	IBEW/NECA JATC	Apprenticeship training center						✓			✓		
	AFL-CIO Michigan	AFL-CIO Michigan branch							✓				
	AFL-CIO National Worker Center Coordinator	Labor union national center											
	Laborers’ International Union of North America (LIUNA)	Labor union						✓	✓	✓	✓		✓
	United Food and Commercial Workers (UFCW) Detroit	Labor union						✓	✓	✓			✓
	Blue Green Alliance	Labor union, nature preservation organization, alliance of companies							✓		✓		
	Working America	AFL-CIO-affiliated NPO								✓			✓
	Working for America Institute	AFL-CIO-affiliated organization promoting labor-management cooperation										✓	
Vocational training organizations, etc.	Wisconsin Regional Training Partnership (WRTP)	Vocational training and job placement agency NPO									✓	✓	
	CAEL (The Council for Adult & Experiential Learning)	Vocational training NPO									✓		
	Michigan Works! Association (SCMW)	Public vocational training and job placement agency									✓	✓	
	JVS (Jewish Vocational Service) Boston	Vocational training NPO								✓	✓		

	Michigan Human Resource Development Inc. (MHRDI)	Vocational training NPO								✓		
Worker centers	ROC (Restaurant Opportunities Centers)	Occupation-specific workers center					✓	✓	✓	✓	✓	✓
	DWU (The National Domestic Workers United)	Occupation-specific workers center					✓	✓	✓	✓		✓
	New York Taxi Workers Alliance	Occupation-specific workers center						✓	✓			✓
	Work Place Project	Community-specific workers center						✓	✓			
	Washtenaw County Worker's Center	Community-specific workers center							✓	✓		
	New Labor	Community-specific workers center							✓			
Advocacy groups, etc.	Industrial Area Foundation (IAF)	Intermediary support organization										
	Jobs with Justice Boston	Intermediary support organization										
	WIRE-Net	Regional promotion support organization								✓	✓	
	Make the Road NY	Advocacy group						✓	✓			
	The Sugar Law Center	Advocacy law firm							✓			
	Interfaith Worker Justice	Christian rights advocacy group							✓			
	Freelancers Union	Mutual aid NPO							✓			✓
	Cooperative Home Care Associates (CHCA)	Worker-owned nursing care service company						✓	✓		✓	✓
	Southeast Michigan COSH (SEMCOSH)	Occupational safety and health NPO								✓		
	Center on Wisconsin Strategy (COWS)	Think tank										
	City University of New York	Labor center										
	Rutgers, The State University of New Jersey	Labor center										

Composition of this paper

This paper consists of the Preface, Chapters 1 to 6, and Summary and Policy Implications.

The Preface shows the objective and method of the research and Chapter 1 outlines the basics of various laws that determine the environment for the activities of new labor organizations. Chapter 2 analyses the current status of labor-management relationship in America based on the examination of the 30 labor organizations on which we conducted interview surveys.

Chapters 3 to 5 analyses part of the organizations examined in Chapter 2 that provide vocational training and job placement services or carry out rights advocacy activities, etc. Chapter 3 introduces diversity of and challenges for organizations that provide vocational training and job placement services as workforce intermediaries. Chapter 4 took up two “externally-oriented” organizations, which have strengthened their cohesion and achieved development with mutual aid as their principle of organization, and describe their activities, including networking. Chapter 5 mainly analyzes the functions and composition of the members of worker centers, which had not been generally regarded as unions due to legal restrictions of the collective bargaining system under which labor unions and employers coordinate their interests.

Chapter 6 considers how the emergence of new labor organizations should be perceived in political and social history of the United States.

The last part of this paper, the Summary and Policy Implications summarizes the overall paper and provides clues for Japan.

Chapter-by-Chapter Summary

In Chapter 1, we tried to provide an overview of the legal and institutional environments in which labor organizations operate and the history of the organizations. We examined basic matters regarding various laws that determine the operating environment of diverse labor organizations we took up in our report and the flow of funds. Those laws were divided into five categories: (A) laws in the field of labor-management relationships; (B) laws in the fields of vocational training and job placement; (C) laws in the fields of social welfare and community development; (D) laws enacted under the Obama administration; (E) the Internal Revenue Code. We explained the outline of (A) to (D) in terms of what kind of funds can be used for labor organizations' activities and what rules govern the activities, reaching back to the New Deal era in the 1930s. The National Labor Relations Act (NLRA) merely gives the definition of unions eligible to engage in legal collective bargaining, rather than providing a legal basis thereof. The labor organizations taken up in our report, including unions, owe their legal basis only to the tax code of (E) the Internal Revenue Code. In Chapter 1, we explained the legal systems of vocational training, job placement, social security and mutual aid based on the NLRA, which governs union-employer collective bargaining. We also made it clear that just as labor unions and employers undergo changes, legal systems covering workers outside the scope of collective bargaining are also changing.

In Chapter 2, we first explained the New Deal industrial relations system and the community organizing model. Then, we divided the surveyed organizations into four categories: "internally-oriented organizations," "internally oriented organizations with an external perspective," "externally-oriented organizations with an internal perspective" and "externally-oriented organizations" based on Kaufman's (2003) classification. The industrial relations system refers to the theoretical framework used to analyze a social system as a system involving three main actors—workers, employers and government. It does not necessarily refer to union-employer relations. However, as Dunlop (1958) and Kochan, et al. (1986) placed emphasis on collective bargaining as the basis of the industrial relations system, the approach of attaching importance to unions eligible to engage in legal collective bargaining while ignoring non-eligible unions has been perpetuated for a long time.

However, the change undergone by the New Deal industrial relations system has narrowed the scope of collective bargaining and its spillover effects, and this led to the expansion of the presence of new organizations, including unions as broadly defined, since the 1990s. New organizations' activities are based on the community organizing model. This model, created by Saul Alinsky, covers

not only the union-employer relationship but also various community issues, including job creation, the living environment, vocational training, human rights and education. It is very similar to the externally-oriented approach as defined by Camplin and Knoedler (2003), who argued that “external” elements include: (i) relations with the cultural and historical circumstances of society; (ii) patterns of economic behavior related to cultural, legal and social backgrounds, rather than universal laws of nature; (iii) markets with legal and cultural arrangements characterized by relationships of conflict, power and inequality; (iv) appropriate economic policy implemented by the government as an integral part of the economy to ensure that the economy works in the interest of all members of society.

Then, we pointed out that the four categories of organizations have formed a closely-knit network through such activities as long-term human development and personnel exchanges and presented a theory concerning a new industrial relations system. We argued that a new industrial relations system should adapt to the changing market trends and the transformation of the internal and external labor markets, noting that each of the four categories of labor organizations are “complex pieces placed so as to complete a puzzle that is the labor market.” If our argument is true, the role of the conventional union-employer collective bargaining in the industrial relations system will inevitably decline although it is unlikely to be reduced to zero.

In Chapter 3 “Vocational Training and Job Placement — Diversity and Conflict of Labor Mediation Organizations,” we explained the diversity of workforce intermediaries which implement vocational training and job placement and described the challenges they face in the overall legal and institutional environments. As examples, we took up three types of organization — a public workforce intermediary agency, an operator of the labor-management joint apprenticeship training system and an NPO. All of them perform workforce intermediary functions on a region-by-region or industry-by-industry basis, rather than on a company-by-company within the confine of business unionism, but they cater to different types of entities representing workers and employers. As no single workforce intermediary organization can deal with all relevant entities, an increasingly diverse range of organizations will likely emerge. The challenges include 1) a pro-vocational training inclination that constitutes the premise of relevant (federal) laws and institutions, 2) difficulty establishing systems for inviting job applications, providing training and offering mediation service through cooperation with the public education system, 3) the industrial policy that gives little consideration to the interests of small businesses and local communities. In many cases, we observed problems created by these challenges.

In chapter 4 “Activities and Networking of Labor Organizations Centering on Mutual aid,” we examined the cases of Freelancers Union and Cooperative Home Care Associates (CHCA), which have strengthened their cohesion with mutual aid between workers as their principle of organization.

Paying attention to the fact that these organizations have rarely been studied in Japan in contrast to the attention they attracted in the United States, we also reviewed past studies, such as social enterprise studies.

Freelancers Union and the CHCA are similar in terms of the target of organizing and the principal means of mutual aid and the object of advocacy. But there are some differences. While it is easy for members of the CHCA, a workers' cooperative, to develop a sense of community because business interests and mutual aid are closely related to each other within the organization, it is difficult for members of the Freelancers to do so. Therefore, the Freelancers Union is conducting various initiatives to foster a sense of community. Their greatest difference lies in the approach to social networking. The CHCA is highly likely to strengthen its relationship with users' (consumers') groups and local residents' groups, rather than with labor organizations. But the Freelancers Union is highly likely to enhance its relationship with occupational organizations, including labor unions.

The comparison between the two organizations reminds us of the risk that our perspective will become narrow if we look at labor organizations' social networking activity only from the labor-centric (production-centric) viewpoint. When we speak of "labor organizations," what we actually mean is "labor- and life-support organizations and social networking thereof."

In Chapter 5 "Worker Centers and Advocacy Groups," we looked at worker centers and worker rights advocacy groups which are not eligible or have no intention to engage in legal collective bargaining but organize workers. We divided them into two categories — community-specific worker centers and occupation-specific worker centers. Community-specific worker centers' major activities include: 1) giving English lessons to members, 2) educating members about matters related workers' rights advocacy such as immigration, labor and anti-discrimination laws and occupational accident compensation 3) pointing out illegal practices used by employers against members and demanding employers' compliance with laws, 4) providing legal aid when members ask for legal relief in cases of unpaid wages and unfair dismissal and 5) engaging in de facto collective bargaining not based on law. Meanwhile, occupation-specific worker centers place emphasis on 3) demanding employers' compliance with laws, 4) mutual aid and 5) de facto collective bargaining. Occupation-specific worker centers have formed a nationwide network by strengthening cooperation with other similar types of worker centers and relevant organizations and have concluded a partnership agreement with the American Federation of Labor and Congress of Industrial Organization (AFL-CIO). The relevant organizations include Interfaith Worker Justice (IWJ), with which Japanese people are presumably not familiar. Regarding worker rights advocacy groups, we took up the cases of two organizations whose primary objective is to provide legal aid.

In chapter 6, we discussed the findings of our research in relation to the U.S. socio-economic history. First, we divided the U.S. labor movement into social unionism and business unionism and

described the history of conflict between the two. We argued that outside the scope of the bipolar conflict, an alternative theory centering on issues related to the South and black workers has been revived. While we admitted that the new organizations covered by our survey are operating in the context of social unionism, we pointed out that the alternative theory has become a strong magnet in times of crisis, thereby exerting its own influences on the course of the labor movement. We also pointed to the possibility that while the alternative theory may “act as a driving force for social unionism in the U.S. labor movement, it may also eventually cause it to stall or decline.”

Policy Implications

As policy implications, we cited industrial relations system and policy formulation, workforce intermediaries and mutual aid, and other implications.

In the section of industrial relations system and policy formulation, as we presented in Chapter 2, “A new industrial relations system needs to respond to changes in market trends and changes in both of the internal and external labor markets. Organizations classified into four categories are to be ‘the complex pieces placed so as to complete a puzzle that is the labor market.’ If it happens, the range covered by conventional collective bargaining between labor unions and employers may not disappear but will be narrowed significantly, and its roles in industrial relations system will inevitably diminish.” In such cases, it would be effective to encourage participation of diversified actors in policy formulation, not limited to conventional labor unions, employers, and company employees with stable and long-term jobs, but also involving non-typical workers and their families, schools, teachers, local residents and other people in communities, small and medium-sized business owners, corporate stakeholders, organizations providing vocational training and job placement services, vocational training NPOs, worker-owned companies, mutual aid organizations and intermediary support organizations—entities that previously did not necessarily focus on labor issues. For that purpose, it is indispensable to foster personnel who play the central roles in each organization and to promote collaboration among organizations, and universities and administrative agencies are required to function as a supportive body.

In the section of workforce intermediaries, we identified the challenges faced by the United States as follows: 1) a pro-vocational training inclination that constitutes the premise of relevant (federal) laws and institutions, 2) difficulty of creating solicitation, education/training and job placement programs through close collaboration with the public education system and 3) the industrial policy that gives little consideration to the interests of small businesses and local communities. Then we pointed out that it is necessary to watch how meticulously and efficiently the United States deal with these challenges, while satisfying beneficiaries’ demand, and to examine past experiences accumulated by local communities that has been proactively participating in these challenges while adjusting interests of respective parties so as to ascertain whether they are also

applicable in Japan.

With respect to mutual aid, we suggested the importance of encouraging the establishment of mutual aid organizations that provide workers with opportunities to join medical insurance and pension plans and create places to which they can belong. Furthermore, it will be necessary to recognize nursing care service as being a “work as a source of dignity” and add both workers and service recipients as actors in the process of policy formulation. We need to discuss how to reflect the viewpoints of citizens, such as small business owners, those involved in education, and local residents, not only those of workers, in policy formulation, beyond the framework of the relations between labor unions and employers.

As other implications, we pointed out that the important thing to do is to encourage proactive and vigorous participation by diversified actors, such as workers and their families, local residents, employers, schools and vocational training organizations, and to coordinate their interests in order to respond to changes in market trends and their surrounding environment. For ensuring the effectiveness of such efforts, it is necessary to cultivate the ability to connect different organizations, engage in direct dialogue with actors and successfully keep them highly motivated to participate.