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Labor and Urban Crisis in Buffalo, New York: Building a High Road Infrastructure

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Keywords

ILR, Cornell University, collective bargaining, economic development, labor, union, market, management, partnership, job, coalition-building

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Labor and Urban Crisis in Buffalo, New York: Building a High Road Infrastructure

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Paper Presented to:
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Abstract

With inequality growing and competitive market forces on the march, can unions play a constructive role in solving the problems of capitalist economic development? Should they try? In this study of coalition building in Buffalo, New York we find that regular procedures of problem solving involving multiple coalition partners – what we call a high-road social infrastructure – have developed in the city. We discuss the progression of union approaches to economic development, including in-plant and regional labor-management partnership, community coalitions and the creation of labor-led nonprofit organizations. In response to long-term economic and social crisis, a group of union leaders has begun carrying out projects to help attract investment from outside the region and improve the quality of jobs in the region. Coalition-building, however, is hampered by uncertainty about the best union strategy, enmity from some business and political elites, and the scale of the region's long-term structural problems.

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Introduction

Over the past decade, union-driven regional coalition building has become a major issue in North American labor research. As unions construct local organizations and join community coalitions to win improvements in the quality of local jobs, they have moved beyond traditional roles of representation and collective bargaining. These new partnerships involve direct action on local issues, including workforce development and training, public subsidies (sometimes including accountability rules), transportation and other infrastructure needs and investment, real estate development and urban sprawl.¹ Although these initiatives are all works in progress, unions may be finding new vitality by promoting high road economic development.

This paper describes a shifting, fluid coalition of trade unionists, labor educators, business people and community groups in Buffalo, New York. Union leaders have played a growing role in dialogue to tackle the region's chronic crisis. With the help of labor educators, mostly based at Cornell's School of Industrial and Labor Relations (ILR), they have brought labor, management, and other community groups together to deal with the standard economic development issues, like worker training, improving the competitiveness of some of the region's largest employers and marketing the region. They have also waged a successful living wage campaign and helped create a union-driven economic development agency in the region. Together with labor educators, Buffalo's unions are building a high-road social infrastructure of nonprofit organizations and informal networks to sustain these efforts.

¹ Reynolds, David B. (2002). Taking the High Road: Communities Organize for Economic Change. Armonk, N.Y., M.E. Sharpe, Nissen, Bruce (2004). "The Effectiveness and Limits of Labor-Community Coalitions. Evidence from South Florida." Labor Studies Journal 29(1): Pp. 67-89., Ness, Immanuel and Stuart Eimer (2002). Central Labor Councils and the Renewal of American Unionism: Organizing for Justice in Our Communities. Armonk, N.Y., M.E. Sharpe. For an interesting European parallels, see Fricke, Werner and Peter Totterdill (2004). Action Research in Workplace Innovation and Regional Development. Philadelphia, John Benjamins. Doerre, Klaus, Birgit Beese and Berndt Roettger (2002). "The "New Economy." A New Model for Development Coalitions?" Concepts and Transformation 7(1): Pp. 57-71, van Klaveren, Maarten (2002). "The FNV "Indistribution" Project: Trade Union Learning in the Netherlands." Concepts and Transformation 7(2): Pp. 203-224.

Buffalo is a union town facing serious economic problems and lacking a clear overall public policy response. The tools of business unionism, wage negotiations and particularistic political action, no longer address the social and political challenges — job losses, fiscal crises of local government, racial and economic polarization — that the region now faces. As elsewhere, Greater Buffalo's unionists are locked in a debate over the path ahead, torn between consolidating existing accomplishments in old arenas (collective bargaining and politics) and initiating new forms of participation in broader policymaking arenas (local dialogue and community coalitions). Meanwhile, many employers still do not accept unions as a given, and a significant segment of management rejects cooperation with unions as counterproductive to creating a business-friendly economic climate. Labor and management approach local cooperation, not as two cohesive class-based blocs with clear strategies, but as a collection of individuals engaged in dialogue and tentative experimentation on an ad hoc basis. As an engine for economic growth, the region's established development structures and politics have proven unsuccessful. This lack of a robust urban development regime arguably creates opportunities for community-minded unions in Buffalo.

Buffalo's Crisis

Buffalo's economic fortunes have, over the past century, markedly changed. Located at the most important transport node between Midwestern farms, mines and factories and east coast consumer markets, Buffalo was once well situated for transit, commerce, and manufacturing industries.

Known as the Queen City of the Great Lakes, Buffalo was tied with San Francisco as the 10th largest city in the US, with 506,000 residents in the 1920 census. Its importance in transport, commerce and heavy industry, however, began to wane after World War II.²

² Goldman, Mark (1983). High Hopes: the Rise and Decline of Buffalo, New York. Albany: SUNY Press.

By the 1970s, Buffalo was beginning to suffer the effects of economic decline, as the waterfront commerce, aerospace, electronics and steel industries all faced collapse. From 1969 to 2003 manufacturing employment dropped in the metropolitan area from 180,000 to 88,000. Between 1970 and 1990, Erie County shed all but 3,100 out of nearly 29,000 jobs in primary metals, mainly steel. Since the mid 1980s, however, manufacturing employment has stabilized (Figure 1). The auto industry has provided some of this stability, as local auto parts plants have achieved enough investment to offset much of the loss of jobs to lean production, technological change and low-wage competition elsewhere.³ Dependence on outside investment (i.e., from Detroit-based automakers and lawmakers in Albany and Washington) has intensified, as many of the employers that have grown up in Buffalo (Trico Products, Buffalo China and Client Logic) have exited the region.

Population decline followed economic decline. After a peak of 580,000 in 1950, the city began to lose residents to the suburbs. By 1980 it was the nation's 58th largest city with 350,000 residents. The metropolitan region as a whole, although faring somewhat better, also declined: after a peak of 1.4 million in 1970, the population had slid to 1.2 million by 2000.⁴

Suburbanization has made the region highly unequal, placing native-born blacks, who comprise a third of the city's population, at a deep disadvantage. Blacks have a poverty rate of 36 percent, about 15 points higher than the city's population as a whole.⁵ Compared to the city, the suburbs are overwhelmingly white and have much lower unemployment rates (Table 1). Buffalo's whites are largely descended from the Poles, Italians, Irish and Germans, who migrated to the city during decades of industrial expansion. As they dispersed into the suburbs, urban neighborhoods

³ According to the US Census Bureau's *County Business Patterns* reports, the auto industry shed nearly 5,000 out of more than 16,000 jobs between 1970 and 1985. Between 1985 and 2000 the industry shrank much more slowly, from 11,600 to 10,400 jobs.

⁴ Statistical Abstract of the United States, various years.

⁵ Table three of Henry Louis 's Taylor's 1990 book, *African Americans and the Rise of Buffalo's Post-Industrial City* (Buffalo: Urban League) shows that the gap between black poverty and overall poverty was historically the largest in the US's major cities; only Miami had a greater gap.

lost that ethnic identity. African-American institutions, such as churches and community service organizations, by contrast, have retained their vitality, partly because of their struggles during the civil rights era.

Market-driven free enterprise has proven ineffective in addressing these problems. Abundant resources—miles of undeveloped waterfront, ample renewable energy, highly skilled labor force with a strong work ethic, distinguished institutions of higher education, exceptional arts and cultural institutions, and rich architectural assets—have not attracted sufficient private investment. Furthermore, Western New York's strategic geographic location as the second largest port of entry into the U.S. has failed to bring job-creating capital, even in this period of rapidly expanding international trade.

Meanwhile, local government is increasingly incapable of filling in the economic cracks. In Buffalo, the diminishing municipal tax base has led to chronic budget problems, fiscal insolvency and a 2003 takeover of municipal finances by a state-appointed control board. At the time, various commissions and suburban interests proposed “reforms” that would have effectively abolished the city government by merging it with the county government. Then, in early 2005, Erie County faced its own fiscal meltdown due to a taxpayer revolt against a proposed sales tax increase. The county's crisis resulted in the largest round of layoffs since the plant closures of the 1980s, a loss of as many as 2,000 jobs, or nearly 20% of the county workforce. The government's attempts to reduce costs, services and employees have met resistance from public sector unions and sparked controversy and consternation throughout the community.

Local business interests are represented by a pair of organizations. The Buffalo Niagara Partnership (BNP) carries out lobbying work and other business services, and the Buffalo Niagara Enterprise (BNE) markets the region as a globally competitive investment location. Participants in these organizations include managers at local firms (like the newspaper and two large banks) and those who are posted at local branch plants owned by global firms (like Quebecor World, GM and

Ford). The BNE sees itself as a “systems integrator” that connects potential investors with information and assists in the details of opening a new establishment. Although traditionally not accustomed to working with unions for economic development, some parts of organized business have begun to do so, based mainly on their experiences with in-firm partnership.

Portrait of a Union Town

Buffalo remains, after decades of deindustrialization and membership decline, a union town. In 2003, Buffalo’s union density was 25.3%, placing it at 13th among the U.S.’s 260 metropolitan areas, a drop of nearly 5% from the previous year.⁶ This figure was an all-time low for the city, whose union density has oscillated between 26 and 33 percent since the mid 1980s (Table 1).

The Central Labor Council (CLC), known as the Buffalo AFL-CIO Council, is the city’s umbrella organization for unions. Buffalo is also the center of an Area Labor Federation (ALF), a larger umbrella organization, led by the head of the local painters union. The ALF covers several counties in Western New York, from Lake Ontario to the Pennsylvania border, from Lake Erie to the western edge of Rochester. Because its staff is identical to that of the Buffalo CLC, it has limited activity aside from that of the CLC.

The most important unions are in health care, construction, transportation, manufacturing and public services. The chemical, textile and machinists unions have been hit especially hard by the restructuring of their industries in the past few years, while earlier crises decimated traditionally strong waterfront, milling, electronics and steel unions. Meanwhile, some construction, public service, transport and health care unions have experienced modest growth.

⁶ Hirsch, Barry and David Macpherson (2003). "Union Membership and Coverage Database from the Current Population Survey: Note." Industrial and Labor Relations Review 56(2): Pp. 349-354.

During the manufacturing boom of the early 20th century, the city's unions were nearly absent from heavy industry and made several unsuccessful attempts to organize outside their strongholds of construction, transportation and craft-based manufacturing (like printing). Lackawanna Steel moved its operations just south of Buffalo's city limits around the turn of the century, partly to escape unions, and, after a buyout by Bethlehem Steel, became the largest private employer in the region. Similarly, both GM and Ford established major facilities in Buffalo as strategies to reduce their dependence on powerful local unions in Michigan's vertically integrated auto plants. In the 1920s and 1930s, Ford, Bethlehem Steel, and others, spent lavishly to monitor, and at times brutally attack, labor organizers. In the 1930s and 40s, local CIO unions, including the United Auto Workers and the Steelworkers, armed with new labor laws and an alliance with local and national Democrats and the local Catholic Church, organized most of the heavy industry.⁷

In the post-war era, unions, more powerful and militant than ever, expanded beyond their craft and industrial bases. Cornell's new ILR School established an office in Buffalo to train both unionists and employers to deal with the then-new administrative procedures for worker representatives enshrined in the Wagner Act (1935) and Taft Hartley Act (1947). With the expansion of public services and the right to organize in state and local government (codified in 1967 by New York's Taylor law) public sector unions grew.

By the late 1970s, some of the area's labor leaders began to consider new strategies to preserve jobs and membership. According to a 1976 study by a joint task force of local politicians, business leaders and trade unionists, the metropolitan area was, along with Detroit and Kansas City, one of the most strike-prone cities in the country.⁸ With support from the state and local government and local labor educators, labor officials led workplace change in the 1980s and early

⁷ McDonnell, James (1970). *The Rise of the CIO in Buffalo, New York, 1936-1942*. Department of History. Madison, University of Wisconsin.

⁸ Ahearn, Robert (1985). *The Emergence of Community Labor-Management Cooperation*. Industrial Democracy: Strategies for Community Revitalization. Warner Woodworth, Christopher Meek and William Foote Whyte, Eds. Beverly Hills: Sage.

90s that brought unprecedented growth to in-firm employee involvement and quality of work life programs.

Although Buffalo's unions were on the cutting edge of the quality of work life movement, they were slower to adopt the broader approaches associated with the "organizing model." The CLC did not adopt the AFL-CIO's "union cities" agenda during the mid-1990s, and Buffalo's unions have had very few of the organizing successes seen elsewhere since then. Its elected full-time president and two staff members have focused in recent years mainly on the political campaigns of their Democratic allies. In 2005, CLC leadership changed with the election of a new part-time president, the president of the musicians' union, who has participated in high-road activities during the 1990s, especially as a leader in the financial restructuring and revitalization of the Buffalo Philharmonic Orchestra. He has pledged to broaden the scope of the council's activity by hiring a new full-time organizer and expanding the CLC's role in community-based economic development initiatives.

Union Approaches to Economic Development

Outside the building trades' historic strategy of partnering with industry contractors to promote construction, the earliest economic development initiatives were based on the strong positions of unions inside large employers. Over time, the focus of cooperation broadened beyond the workplace. Unions have hoped to gain relevance to new kinds of work by addressing issues beyond those usually discussed in collective bargaining. This section describes the movement from workplace and regional labor-management partnership, to the creation of nonprofits to carry out economic development projects and activist mobilizations. Despite some shortcomings in the approach, Buffalo's unions – or, more precisely, certain union leaders – have built a comprehensive approach to economic development, including dialogue with business over economic development,

autonomous union-driven initiatives and contentious campaigns against low-road employers. This network, with its shared view of how the region could attract, retain, and improve jobs, forms the social foundations of the growing local high road social infrastructure.

In-plant labor-management partnership. Until the 1970s, most unions did not view themselves as having a role in economic development; they had grown by organizing workers in the expanding manufacturing and public sectors. This began to change with the establishment of the Buffalo Area Labor-Management Committee (BALMC). In the 1980s and 1990s, Cornell-based action researchers and labor educators provided training and technical assistance to in-plant cooperative efforts, which sought to strengthen the link between in-plant participation and job retention. Although most unions have broadened their focus, in-plant cooperation remains strong in most of the major plants that remain.

The Buffalo Area Labor-Management Committee was established in the mid-1970s by a working group, including the mayor, the county executive, the congressional delegation, five labor leaders and five management representatives. The county funded the project with \$30,000. BALMC organizers excluded the public sector, which they viewed as too “volatile and immature.” They focused on establishing labor-management committees and mediating strikes at local manufacturing plants. Functioning labor management committees emerged in dozens of companies, including several large ones. Sectoral committees attempted to make improvements in specific areas like the waterfront, which included the grain mills, resulting in more flexibility in work practices, a study of the port facilities in 1978 and some public dollars for new cranes. They also sought to consolidate the role of the county’s Industrial Development Agency, which shared both leadership and office space with the BALMC. The neighboring suburb of Tonawanda established its own ALMC, involving seven in-plant committees, to “[raise] the consciousness of local labor leaders.” BALMC attempted to resolve several protracted strikes and was instrumental in building a coalition

to assist 10,000 laid off workers from Bethlehem Steel after 1977.⁹ Despite some early successes, BALMC lost its funding and leadership and had withered away by the 1990s.

Cornell's Program on Employment and Work Systems (PEWS) took the approach further in the 1980s.¹⁰ At two troubled local automotive parts plants – Trico's windshield wiper plants and GM's plant in nearby Lockport – PEWS action researchers helped set up joint labor-management committees to find new efficiencies in order to prevent or slow outsourcing and offshoring. At the core of these efforts was a cost study team, which, unlike a traditional labor-management committee, addressed specific threats of job loss. In both cases, the teams slowed the loss of jobs by identifying alternative ways to cut costs, thus saving money without closing parts of plants or outsourcing. At the Lockport plant, the team saved 35 jobs by identifying \$1.2 million in waste and saving the company more money than outsourcing would have. At Trico, the stakes were considerably higher: the company was shifting 1,300 out of 2,400 jobs to a pair of plants in Matamoros and Brownsville. After a public outcry, the state government funded PEWS to work with union leaders, engineers and managers to find an alternative to the plant closure. Trico management reluctantly allowed the team to conduct its inquiry, and then largely ignored its proposals (although it reduced the number of immediate layoffs to 300). Despite these efforts, the layoffs came: Trico closed its last Buffalo factory in 2003, and employment at the GM, now Delphi, Lockport plant continues to slide under competitive pressures and new technology in auto manufacturing.

Labor-management partnership continued to spread throughout Western New York's industrial landscape after the 1980s. The United Auto Workers with both GM and Ford pioneered extensive joint training programs, established under the terms of firm-level national bargaining, to support in-plant worker participation. Various locals and Buffalo-based Region 9 of the UAW joined with local auto plant management and Cornell ILR's Institute for Industry Studies

⁹ *ibid.*

¹⁰ Klingel, Sally and Ann Martin (1988). *A Fighting Chance*. Ithaca, ILR Press.

(established in 1986) to create industry education programs. IIS trained thousands of autoworkers on the economics of the industry, providing a forum for discussing local union and management strategies and facilitating employee involvement in workplace change.¹¹ The homegrown solutions that emerged in the plants were shared through an organization formed specifically to promote best practices among local unions and managers. The Western New York Employee Involvement Council thrived for over a decade as a professional organization of unionists and managers from the public and private sectors, as well as educators from ILR. Hundreds of union officials, union members, human resource managers and educators attended quarterly dinner program meetings and semiannual conferences featuring national speakers as well as local workshops.

A 2000 study by ILR researchers found that labor-management relations in the region had become quite harmonious. Fifteen case studies found labor-management partnership firmly established in some of the region's largest private employers in services and manufacturing. At American Axle's Tonawanda Forge, UAW and Machinists' union officials and managers collaborated to revitalize a former GM plant. In addition to winning investment and expanding employment in the plant, the union proposed a new machining plant in Cheektowaga, which would save the company transport costs and create 120 new jobs, albeit at a lower wage than at the forge. At GM's engine plant, UAW officials worked with management to find efficiencies and attract enough investment to make it the world's largest engine factory, measured by production volume. Seven craft unions at the local Quebecor World printing plant faced the loss of a major contract, the printing of Readers' Digest, to a non-union competitor. They worked with management to negotiate and implement various "high performance" work practices. New investment and orders led to the recall of over 400 laid off workers and a plant expansion creating 350 additional jobs. Other tales of labor-management collaboration included Outokompu American Brass, Empire

¹¹ Ferman, Louis A., Michele Hoyman, Joel Cutcher-Gershenfeld, and Ernest J. Savoie, Eds. Joint Training Programs: A Union-Management Approach to Preparing Workers for the Future, Ithaca, NY: Cornell University ILR Press, 1991.

Specialty Steel, Honeywell, Kaleida Health, Catholic Health System, General Mills, TOPS markets, the Buffalo Philharmonic Orchestra and several large construction projects.¹²

In-plant partnership may have provided some stability in Buffalo's manufacturing industries in the 1990s, but it also had limitations. Despite positive labor relations, firms continued to exit, and job losses in manufacturing continued to outweigh gains. Low-cost competition may have stimulated cooperation, but it also forced plant closures, putting unions in some very difficult situations. The cost of doing business was a concern bigger than the workplace: it involved broader local issues like the labor market, energy costs, taxes, and, most importantly, the intensification of price-based competition. Furthermore, as the unionized sector shrank, the community's problems, such as the extreme inequality between blacks and whites, the fiscal crisis of local government and the reluctance of transnational firms to set up shop in Buffalo, were beyond the reach of in-plant partners. As deindustrialization progressed and the non-union sector expanded, unions began to broaden their vision.

Economic Development Group, Inc. (EDG). The EDG dates to 1999 when union officials met to devise a response to the Buffalo Niagara Enterprise, then a newly formed project of local business people and politicians to attract private investment to the region. The founding meetings of EDG, facilitated by Cornell ILR educators, generated consensus on a vision for the region's future and on practical economic strategies that unions could pursue to realize their vision. EDG has become a nonprofit organization with broad support from local unions, dedicated to supporting and generating new community based economic development projects.

Rather than limiting its attention to outside investors or individual employers, the Economic Development Group has attempted to focus on local community-based development. EDG

¹² Fleron, Lou Jean, Howard Stanger and Eileen Patton (2000). Champions at Work: Employment, Workplace Practices and Labor-Management Relations in Western New York. Buffalo, ILR Great Lakes Region.

currently has a paid staff of one. The executive director is a professional organizer and grant writer, whose primary job is to launch projects. A board of 25-30 trade unionists meets quarterly to govern EDG's initiatives. These projects involve ambitious goals and some require several years of proposing, planning and coalition building before implementation.

The provision of cheap power was an early goal of EDG organizers. The first full-time coordinator was an IBEW member, who worked at a local electric utility. He argued to his employer that economic development initiatives in the city of Buffalo served the company's interest because they allowed the firm to use existing infrastructure. He calculated that, after decades of population decline, the city's unused power infrastructure could serve two to three hundred thousand additional residents at no additional cost to the company. If new customers used an existing house that already had a meter and was connected to the electricity grid, as opposed to building more in the sprawling suburbs, the benefits to the company's bottom line should be self-evident. Unfortunately, the company sent him back to his job as an electrician after a short period of working on company time as EDG coordinator.¹³

Other EDG leaders have also worked in a multi-year relicensing process to assure the flow of low-cost electricity to the region's large high-road employers, beginning formally in 2002 (and informally much earlier). A 50-year license to operate a power plant just downstream from Niagara Falls expires in 2007. Under the old license, the New York Power Authority (NYPA), the operator of the plant, was required to set aside fixed amounts of low-priced electricity to local employers. The chief beneficiaries of this arrangement were 100 companies, employing 50,000 employees, which received discounted power (initially, in the 1960s, to compensate for the power shortage brought on by the destruction of an earlier power plant in a rockslide). For large employers, the savings run into the millions of dollars. When NYPA announced that it had spent \$30 million on legal fees to relicense the much smaller St. Lawrence dam, an opportunity opened up. By shifting to

¹³ Wilcox, Phil. Highlights of the value to Niagara Mohawk. Report, dated June 18, 2002. Buffalo.

a consensus model of relicensing – with the support of the licensing agency, the Federal Energy Regulatory Commission – NYPA will have resources, in theory, to divert to brownfields cleanup, recreation areas and other local needs. Unions, especially the UAW, were interested from the beginning in keeping the cheap power, to prevent increases in production costs that could stifle future corporate investment. Environmentalists, county and municipal governments, Indian tribes, business interests and unions entered the process. The area director of the United Auto Workers and chairman of the board of EDG is the co-chairman of the Western New York Relicensing Consensus Committee, and other EDG activists serve on several sub-committees. Several years into the process, it seems likely that the coalition will succeed in retaining cheap power and diverting resources to community development projects.¹⁴

A second project addresses energy issues through a new downtown heating scheme. District Energy, unlike the relicensing initiative, is organized solely by the EDG. In April 2001, the Buffalo city government announced its intention to develop a district energy system modeled on a new biomass heat plant in St. Paul, Minnesota and facilities common in European cities. The city council named EDG as the developer of choice for the project, which seeks to reduce heating costs and pollution while creating quality jobs. Organizers estimate that the new heat will reduce costs by as much as 40% for downtown businesses, hospitals, government agencies, the public schools and housing projects. Local farmers will produce energy crops to fuel the plant, which will pollute less than the current system. The new facility will create a handful of skilled jobs downtown employed by a new nonprofit corporation founded by the EDG. Despite some early difficulties in finding a company to provide technical expertise, the project raised \$27 million by issuing bonds, and EDG will be operating phase one with the existing district energy loop later this year.

Training has also been on the EDG agenda. The local building trades unions had welcomed a major opportunity in a new billion-dollar state-funded reconstruction project for Buffalo Public

¹⁴ See the incredibly detailed project website <http://niagara.nypa.gov/>.

Schools. Under the Project Labor Agreement (PLA), hiring rules would secure well-paying jobs for local union members and also require racial and gender diversity, not only on the site, but also in their overall membership. The PLA mandated contributions from contractors on the project into a preapprenticeship program that would bring minority youth into building trades' apprenticeship programs. After a high-profile start, the complexity of the training system proved to be beyond the capability of the building trades alone to implement.

EDG took over the management of the preapprenticeship funding attached to the school PLA, and redesigned and renamed the effort the Buffalo-Niagara Jobs Initiative (BNJI). Rather than focusing exclusively on labor force needs in construction, the BNJI works as a network, connecting training providers to trainees in minority communities (mainly black and Latino), in response to broader labor market demands. Construction trade unions provide on the job training for those trainees tracked into urban residential housing rehabilitation, some of whom will go on to union apprenticeship programs, others into higher education, or residential construction jobs. It remains contested whether the initiative will supply workers to nonunion employers or cooperate with business organizations like the Associated Builders and Contractors (ABC). Antipathy to unionism, which, in the ABC's case, is anchored in the organization's constitution, creates real difficulties for dialog.

The EDG is a growing nonprofit organization with considerable potential to improve training, urban housing and energy provision. In 2005, it plans to hire four additional staff, to manage the projects and conduct training. Additional people will work as apprentices in residential rehabilitation and on the district energy project. Of the projects discussed here that comprise Buffalo's expanding high-road social infrastructure, the EDG is the most thoroughly union-driven one. Although its leaders are among the most effective and respected local union officials, who also occupy leadership positions within the traditional union structures, EDG operates with some distance or independence from both the CLC and the ALF. The EDG has relied on very little

union funding for support. Instead, EDG activists and organizers create self-sustaining projects and view their own volunteer activities as an investment of social capital in the wider community.

The Champions Network. While the EDG is undertaking these direct development projects, they also follow a “two-lane high road” strategy that includes continuing collaboration with willing progressive employers in the region.¹⁵ The Champions Network emerged from the above-mentioned report on labor-management relations, *Champions at Work*, and exists as an informal network organized around specific development projects. Staff of the local Cornell ILR office and two recently retired union officials provide organizational support to the network, which is directed by a volunteer steering committee of labor and management representatives.

Published in 2000, the *Champions* report assessed labor-management relations in the region using case studies of successful workplace-level partnership and original sample survey data. The survey was based on a randomly selected sample of private sector employers from the eight counties of Western New York and, because of the smaller available number, the total universe of private sector unions in the region utilizing the NYS Department of Labor database. The employers were large and small, in a wide range of sectors, unionized and non-unionized. Over two thirds of employers reported that they had a higher quality workforce in Western New York than elsewhere. They also reported a much higher use of high performance work practices, like teams, quality circles, job rotation and peer reviews than national surveys. Local unionized employers were shown to have low turnover, a high level of skill and experience and, in three quarters of the cases, “professional” or “harmonious” labor-management relations. More than half of both managers and unionists reported in the survey that labor-management relations were improving, and half of those said that the improvement contributed to improved company performance. The report presented its

¹⁵ Fleron, Lou Jean, and Ron Applegate. Building a Two-Lane High Road: Unions and Economic Development in Western New York. *Perspectives on Work, The Magazine of the IRRRA*, Volume 8, No. 1, Summer 2004.

argument – that the strength of the region’s unions could create advantages for new investors – was published in a glossy, accessible format. The BNE and other marketers of the region used the report to make a case to potential investors nervous about the region’s high union density.¹⁶

The report’s fifteen case studies were based on extensive taped and transcribed interviews with business owners, human resource managers and union officials undertaken by a team of experienced labor and management volunteers under the direction of Cornell ILR researchers. The interview process and supplemental research to complete the case studies created relationships among the employer, union and university participants, forming the basis of the Champions Network. Since the region’s delegation to the state legislature funded the report, it was released at a public event attended by civic, business and union leaders.

In 2003-2004 ILR staff led a series of focus groups under the banner of the Champions Network, first with labor, then with management, then a combined group. Participants reported on their opinions about the impediments to economic development, and ILR staff presented the results to the combined group. They found considerable agreement. Union leaders and managers shared a willingness to promote the region as a high road economy (by approaching government officials, community organizations and potential investors) and reported high road labor-management relations at their own workplaces. Unionists and managers shared the perceptions that the current regional development strategies were not “high road,” the quality of the workforce was the region’s most important asset and local government was the biggest impediment to job retention. Opinions about the best solutions diverged some: while union leaders favored capital investment, employers stressed government reform. Over a third of business leaders admitted difficulties creating jobs for disadvantaged communities, while nearly two-thirds of union leaders saw major flaws in their own outreach and public relations.

¹⁶ Fleron, Stanger, et al. 2000.

They followed these discussions with a conference on high road economic development. It included a broad spectrum of the local polity. About 45% of attendees were unionists, 30% came from community groups and 25% were managers. The program featured such distinguished speakers as Amy Dean, founding director of Working Partnerships USA; Bruce Colburn, co-founder of Sustainable Milwaukee; Tom Croft, executive director of the Steel Valley Authority and the Heartland Labor Capital Network; and Morton Bahr, President of the Communications Workers of America. It prompted further debate and enthusiasm and strengthened relationships with community organizations beyond labor and management.

Based on the focus groups and the discussions at the “high road conference,” the Champions Network established three task forces. One committee, headed by an official from the communications union CWA and a manager from a health insurer, concerns economic development policy. They have consulted with heads of the region’s Industrial Development Agencies about how to improve economic development incentives. A second project, chaired by a local beverage distributor and the head of the teachers union, promotes voter registration and civic involvement, and uses the workplace as a forum to get out the vote and focus political attention on the shared needs of companies and workers. The third task force, on “regional image,” is co-chaired by a retired representative from the clerical union OPEIU and a manager from a large telecommunications firm. Their primary activity is to support the “Believe in Buffalo Niagara” campaign, launched by a local physician, to collect 100,000 signatures on a letter touting the region’s virtues and dynamism. Once collected, organizers plan to send the letter to several hundred consultants and CEOs responsible for investment decisions, and to get supporting letters from high-level government officials, such as the two U.S. senators. This project has broad support: local unions, businesses, schools and civil society organizations (ranging from realtors and the BNE to unions and the Coalition for Economic Justice) have provided website and design services and turned out volunteers for signature gathering.

The Champions Network continues to publicize examples of high road job creation and retention through local in-plant partnership and issues an annual “Champions @ Work Award.” The first recipient, in June 2004, was the local Ford Stamping Plant and UAW Local 897, whose jointly led production improvements brought representatives from all of Ford’s North American plants to the area for a meeting of the Lean Implementation Network.

As a network of unionists and business leaders, the Champions Network allows labor officials and activists to contribute to discussions about the future of the region. Its latest project, an economic development trade show planned for 2006, is driven by the regional chapter of the National Electrical Contractors Association. The Champions Network has an educational role, teaching the business community the value of organized labor in the community and promoting a better understanding of mutual concerns. This has led, for example, to BNE officials referring investors worried about local unions directly to union leaders involved in EDG and the Network. Champions may eventually influence policymaking, change the priorities of politicians and improve the way government handles subsidies. For participants, these activities are, in themselves, a contribution to the region’s quality of life.

Broad, local labor-management partnership, however, is unlikely to change the fundamental aversion of global or national investors to highly unionized regions. This criticism, however, applies to any policy to attract private sector jobs through outside capital investment. Since the key decision-makers are elsewhere – in corporate headquarters, global consulting firms and financial centers – their investment choices often disregard local concerns and follow the low-road competitive model. Perhaps more promising in the long run, the network is exploring opportunities for locally controlled capital development in the region.

Coalition for Economic Justice (CEJ). Alongside the dialogue between labor and business leaders, another channel of influence has created: an organization devoted to mobilization and social justice.

CEJ originally formed in the 1980s to fight the loss of Trico jobs to Mexico and later affiliated with Jobs with Justice. It organizes community support for union struggles, workers rights and progressive public policies like the living wage. Governed by a board of union and religious leaders, it is staffed by dynamic young leaders who connect the labor movement with the region's forces of political progressivism.

In recent years, CEJ and its Workers Rights Board (WRB) have supported local and national struggles, including several local strikes. Grievances from local hospitals and from national targets Wal-Mart and textile services firm Cintas were aired in the first WRB reception in 2004. They have also assisted in rally turnout, most recently, for city workers, nurses and Adelphia workers. They also supported workers at an Oregon dairy farm owned by Buffalo-based Sorrento Lactalis. The WRB awarded Sorrento the "Grinch of the Year" award for refusing to negotiate with workers.

The CEJ led the living wage campaign by building broad support for the measure and getting help from community organizations and local union activists. In 1999, the city council passed an ordinance mandating that government contractors pay a living wage (now \$9.03 an hour with health insurance or \$10.15 without). Because of fiscal problems, however, the city never enforced the ordinance. CEJ sued the city and was successful in amending the legislation in 2003 to grant enforcement powers to a Living Wage Commission made up of nine community representatives, from union, business, religious, community organizations and Cornell ILR. With research assistance from an internship program for law students from the University of Buffalo and pro bono attorneys, the Commission has won wage increases for well over 100 workers of contractors at city owned parking lots through voluntary compliance agreements with employers. In the process, the Commission is systematically reviewing all city contracts for compliance and promoting good government practices by improving contracting procedures within the city administration.

CEJ is part of a larger movement in Buffalo's labor community to build coalitions around broad social goods. Other labor-led community coalitions have had profound impacts on work and economic justice in the region. An occupational health and safety group dating back to the early 1970s, WNYCOSH was the product of mass mobilization against workplace hazards. With broad union support, it continues to be a vital force for education, technical assistance and policy advocacy. WNYCOSH works closely with Cornell ILR safety and health programs and with CEJ in organizing against sweatshops, for increased minimum wage, and other economic reforms.

Unlike the other economic development initiatives, which have a strong labor-management partnership element, the CEJ confronts low-road employers in a public and visible way. In the minds of union leaders, CEJ fits into the overall scheme of labor's local development initiatives, because strike support, living wage enforcement and mobilizations around plant closures also aim to preserve good jobs. It operates alongside, and in cooperation with, other active coalitions in the region, including WNYCOSH, Champions and others. In addition, it links local activists to national campaigns, such as Cintas and Sorrento. CEJ is an example of social movement unionism, in the sense that it mobilizes broad community support for the struggles of workers, through rally turnout, policy advocacy and grassroots forms of policy implementation. Nevertheless, its semi-independence from traditional union structures has made some more conservative union leaders ambivalent about CEJ, as some are skeptical of social movement unionism in general.

Assessment

Greater Buffalo unionists have set up the EDG and CEJ, engendered the Champions' Network, helped steer the NYPA relicensing project, and promoted early childhood education, as they often

put it in interviews, in order “to be part of the solution” to the region’s problems. These union leaders are trying to create a high road economy through job retention, economic development and training projects, while blocking the low road by punishing union-busting employers. Their path is marked by modest successes. They pragmatically mix labor-management partnership, social dialogue and social movement unionism, and apply the method that fits the issue at hand. Their main ideology is that unions must develop broader, deeper and more positive relationships with their communities; that experimenting with new forms of progressive strategy is currently desirable, even necessary; and that dialogue with all the relevant stakeholders can be helpful. The approach is comprehensive in its tactics and expansive in its social goals.

What can we say about results? How do unions become recognized as part of the solution to a region’s problems? How do we appraise the value of a “high-road social infrastructure?” How do these initiatives affect labor’s power? Although the answers will become clearer as the projects ramp up, the case of Buffalo shows a clear trajectory of innovation.

Traditional union strategies, including aggressive political action, collective bargaining and organizing, cannot alone solve the new manifestations of age-old problems related to job loss, declining wages and limited economic opportunity, primarily because the workers facing these problems are outside the orbit of union influence. Initiatives like those in Buffalo – including most of the innovative work done elsewhere by Central Labor Councils – has had few returns in terms of membership and collective bargaining gains. The underlying values of the labor movement and the dedication that drives labor activists, however, remain powerful forces that motivate people to break free and innovate, to work on a more economically just society. Rather than extending collective bargaining or legal protections to selected groups of workers, these initiatives have the potential to reshape the policy agendas of America’s cities and revive activist energies in unions.

The current debates within the national AFL-CIO over organizing versus political action, or bureaucracy versus democracy, or mergers versus self-determination, do not address the issue at

stake here. How do innovative union leaders experimenting and searching for alternatives deal with uncertainty? Unionists like those in Buffalo's development coalition, have decided to experiment with new forms, to push until it becomes whatever it is to be. Uncertainty is built in to innovation. The alternative, of capturing and controlling activist energy before it exists, will stifle any revival of unions as a movement. The labor movement needs rational structures, but it should also avoid the mistakes of the past, when organizational rigidity made it impossible to respond to the needs of the new workforce. AFL leaders once thought that the CIO was not really trade unionism. Similarly, the paths union activists blaze today for high road economic development set the stage for union renewal in cities everywhere.

The answer may lie in a new definition of power, in which broad, community-based dialog, framed by strong principles, takes center stage. The message and image problems of the Democratic Party, widely analyzed since November 2004, are similar to the message and image problems of the labor movement. "They're always against something," is a phrase often applied to both. The labor movement is paying dearly for the public perception that they are against business (whether it is the non-union minority contractor or Wal-Mart), against trade, against school choice, and, of course, the list could go on. Granted, social and economic justice requires struggle against exploitation, inequality, greed and corruption, here and all around the world. But the labor movement also has to be *for* something, especially in the neighborhoods where they can exercise the most influence. In Western New York, the value-driven energy of optimistic union officials and activists has burst out of the existing structures to create new labor-directed projects, such as EDG, CEJ, BNJI, Living Wage and the Champions Network. Not only have unions devised answers to some of Buffalo's problems, but they have also established projects to implement their vision.

The AFL-CIO has traditionally utilized political action as the major means to address issues beyond the workplace. In recent years, however, political action has had only a limited payoff for organized labor nationwide. In cities like Buffalo, combining political action with new

community initiatives has drawn public attention to the plight of low-wage workers far beyond the reach of normal unionism. Local coalitions for a living wage, for occupational health and safety improvements, and for cheap, clean power have done, through direct intervention, what traditional approaches could not have accomplished. Rather than merely winning political access, these initiatives have put unions in a position to participate in governance, including policy formation and implementation.

Traditionally, the organizational framework of unions was given by the political system and the legal framework of organizing and collective bargaining. Employers and politicians were the most important allies or adversaries (depending on the situation). By constructing a high-road infrastructure, unions alter the terrain on which they operate. Through deep coalition building (in Buffalo, around energy, childcare, living wage issues or job creation) they create new alliances with community groups that provide a power resource beyond political and bargaining power. By working on new kinds of policies and creating new projects to implement them, they strengthen the community's capacity to deal with problems. By getting attention for their efforts from the local media, they shift the debate over how best to cope with the region's economic development problems. This new form of power is a power *to*, rather than a power *over*.

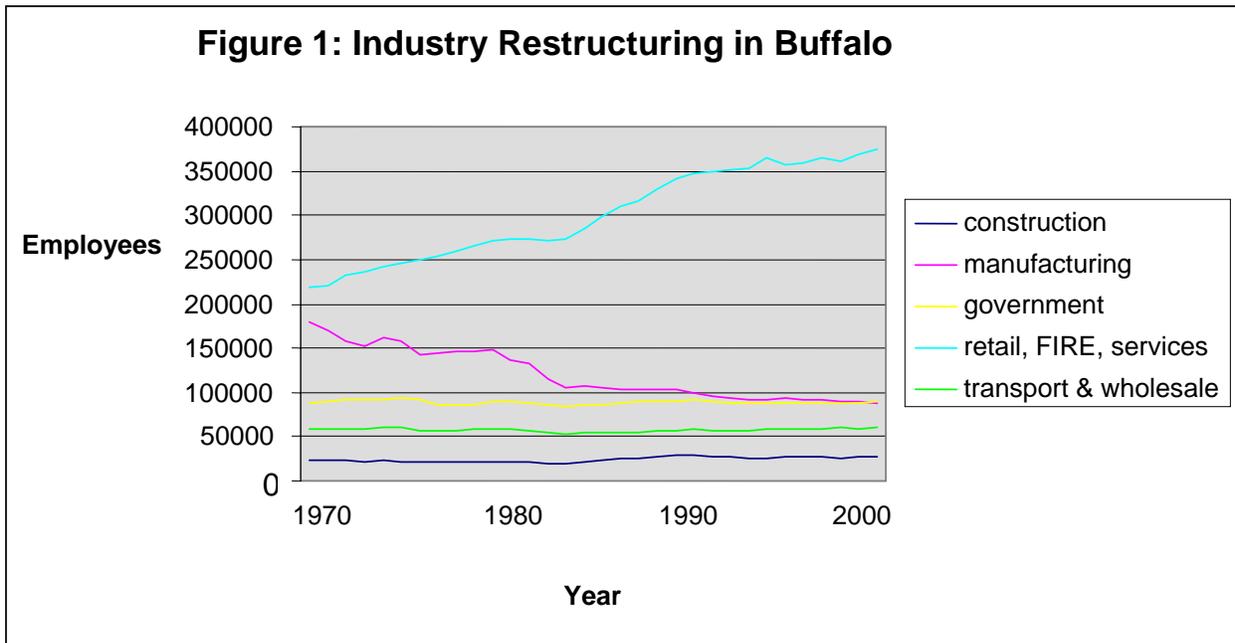


Table 1. Economic change in Buffalo and the surrounding area.

	Union Density Buffalo- Niagara Falls msa (percent)	Employment Buffalo- Niagara Falls msa (thousands)	Unemployment Buffalo- Niagara Falls msa (percent)	Unemployment, Buffalo city (percent)
1986	33.3	481.1		
1987	31.7	482		
1988	33.3	539.2		
1989	28.8	562		
1990	28.3	508	6.6	10.2
1991	32.1	496.6	7.2	11.5
1992	28.9	518.4	8.7	13.8
1993	29.2	538.1	7.6	12.1
1994	28.7	522.1	7.3	11.5
1995	26.1	471.8	6.3	10.2
1996	26.7	461.3	6	9.5
1997	27.7	518.5	5.9	9.2
1998	26.5	510.1	6.2	9.7
1999	27.3	521.2	6.4	10
2000	31.1	497.8	7	9.5
2001	32.3	491.2	6.7	8.8
2002	30.2	494.3	7	11
2003	25.3	499.6	6.7	10.5
2004	23.2	505.4	7.8	12.3

Sources: metropolitan employment levels and union density come from Hirsch & McPherson's website, www.unionstats.com. Unemployment figures for the city and region come from the Department of Labor's monthly estimates for January of each year, downloaded from www.dol.gov.