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# Labor and Regional Development in the U.S.A.: Building a High Road Infrastructure in Buffalo, New York

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# Labor and Regional Development in the U.S.A.: Building a High Road Infrastructure in Buffalo, New York

## **Abstract**

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## **Keywords**

Coalition building, trade unions, Buffalo, New York, United States, university-community relations, ILR, Cornell University, worker representatives, labor, problem, social infrastructure

## **Comments**

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# Labor and regional development in the U.S.A.: Building a high road infrastructure in Buffalo, New York\*

Ian Greer, Lou Jean Fleron

In a country where worker representatives lack broadly institutionalized roles as “social partners,” how can they play a constructive role in solving the problems of regional development? In Buffalo, New York, regularized, labor-inclusive procedures of problem solving involving multiple coalition partners – what we call a high-road social infrastructure – has emerged. Socially engaged researchers and educators have played a role in spreading lessons and organizing dialogue. Despite the emergence of regional cooperation, however, successful development politics are hampered by many of the same problems seen in European regions, including uncertainty about the best union strategy, hostility from business and political elites and the enormity of the region’s long-term structural problems.

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Over the past decade, union-inclusive regional coalition building has become a major theme in North American and European labor research. As unions have created projects, coalitions and other organizational structures to take on local employment problems, they have moved beyond their traditional roles of in-firm worker 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. While the European literature has stressed the role of action researchers and dialogue (Fricke/Hofmaier 2004) and changes in economic structure (Doerre/Beese/Roettger 2002), the American literature has stressed changes in local union strategies (Reynolds 2002; Ness/Eimer 2001). Systematic transatlantic comparisons of these projects have yet to be made.

Despite certain commonalities, labor in the U.S. and Europe operate within different institutional frameworks. Sectoral pattern bargaining in most U.S. industries fell victim to global competition through the 1980s. Since then, unions have generally negotiated and organized on a workplace-by-workplace or firm-by-firm basis. Unionized employers face competition from a “nonunion” sector, where workers lack any collective representation. Far from the legally sanctioned forms of industrial citizenship seen in Europe, workers in nonunion establishments have little prospect of establishing workplace or sector-level representation. As a result, union density in the U.S. is 12.5%, well below most European countries, and dropping.<sup>1</sup> The lack of a major socialist or labor party limits the possibilities for government intervention to compensate. Compared to broad union structures, worker rights in the firm, high union density and the political influence of European unions, U.S. unions should be relatively handicapped in regional dialogue.

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<sup>1</sup> A 2004 poll found that 53% of employed New Yorkers said they would join a union if it were available at their workplace, in line with most national poll numbers, suggesting that unavailability of unions, rather than anti-union worker attitudes, is the cause of low union membership. (New York Empire State Poll, ILR Survey Research Institute, Cornell University, Copyright @ 2004.)

U.S. unions, however, are having some success in building power and compensating for their traditional weakness. Studies of “union revitalization” have documented some of these success stories (Kelly and Frege 2004; Hurd, Milkman and Turner 2003). This paper describes one local effort to revitalize labor’s local influence: a coalition of trade unionists, political figures, business people, educators, researchers and community groups in Buffalo, New York. In Buffalo, union leaders play a growing role tackling the region’s chronic social, political and economic crises. With the help of educators and researchers, mostly based at Cornell University School of Industrial and Labor Relations (ILR), they have brought labor, management, and other community groups together to deal with 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 organized successful campaigns to fight wage dumping in the public sector and helped create a union-driven economic development organization in the region. Together with Cornell ILR staff, Buffalo’s unions are building a high-road social infrastructure of nonprofit organizations and informal networks to sustain these efforts. This infrastructure has a self-sustaining character that attracts community support and overcomes some of the institutional limitations of worker representation in the U.S.

Buffalo is a union town facing severe economic decline 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 on a tentative, experimental

and ad hoc basis. Because much of the same could be said about many cities in the U.S. and Europe, we conclude that considerable untapped potential exists for transatlantic learning.

### **A union town in crisis**

Buffalo's economic fortunes have, over the past century, dramatically changed. Located at the most important transport node between Midwestern farms, mines and factories and east coast consumer markets, Buffalo was once a critical hub for transit, commerce and manufacturing industries. Known as the Queen City of the Great Lakes, Buffalo was tied with San Francisco as the 10<sup>th</sup> largest city in the US, with 506,000 residents in the 1920 U.S. census. Its importance in transport, commerce and heavy industry, however, began to wane after World War II (Goldman 1983).

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. Dependence on outside investment (i.e., from Detroit-based automakers and lawmakers in Albany and Washington) has intensified, as many important employers that have grown up in Buffalo (Trico Products, Buffalo China and Client Logic) have exited the region.

Population decline and suburbanization followed economic decline. After a peak of 580,000 residents in 1950, the city began to lose population to the suburbs. By 1980 Buffalo was the nation's 58<sup>th</sup> 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.

Deindustrialization and suburbanization have contributed to polarization and segregation, mainly along racial lines. According to one study, native-born blacks, who comprise a third of the city's population, had a poverty rate of 36 percent, about 15 points higher than the city's population as a whole (Taylor 1990). African-American institutions, such as churches and commu-

nity service organizations have retained their vitality, partly because of their struggles during the civil rights era and partly because of the devolution of government programs to meet the needs of impoverished communities (Naison 1990). Buffalo's whites are largely descended from the Poles, Italians, Irish and Germans, who migrated to the city during the decades of industrial expansion. Their flight to racially homogenous suburbs with lower unemployment rates has exacerbated this polarization.

Market-driven free enterprise has proven ineffective in addressing these problems. Abundant resources – miles of undeveloped waterfront, ample renewable energy, a 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 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, which contains Buffalo and most of its suburbs, faced its own fiscal meltdown, setting off a taxpayer revolt against a proposed sales tax increase. The county government's crisis resulted in the loss of nearly 2,000 jobs, or 20% of the county workforce, the largest round of local layoffs since the plant closures of the 1980s. 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 only slowly beginning to see the benefits of regional dialogue. 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 is a public/private partnership that sees itself as a “systems integrator,” connecting potential investors with information and assisting in the details of opening a new establishment. Although traditionally not accustomed to working with unions for economic development, these organizations have begun to do so, based mainly on their experiences with in-firm partnership and some of the more recent projects described below.

Buffalo remains, after decades of deindustrialization and membership decline, a union town. The city’s umbrella organization for unions is known as the Buffalo AFL-CIO Council (sometimes referred to as the Central Labor Council or CLC). In 2003, Buffalo’s union density was 25.3%, placing it at 13<sup>th</sup> among the United States’ 260 metropolitan areas, a drop of nearly 5% from the previous year and an all-time low for the city, whose union density had oscillated between 26 and 33 percent since the mid 1980s. 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. Along with locals in some of the region’s larger factories, these are the region’s most powerful unions.

Before the 1970s, the labor scene in Buffalo was very different. During the manufacturing boom of the early 20<sup>th</sup> 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). In the 1920s and 1930s, companies like Ford, Bethlehem Steel, and others, spent lavishly to monitor, and at times brutally attack, labor organizers. In the 1930s and 40s, local CIO unions like the Steelworkers and the United Auto Workers organized most of the heavy industry, armed with new labor laws and an alliance with local and national Democrats and the local Catholic Church (McDonnell 1970). Public sector unions grew rapidly due to the post-war expansion of public services and the right to organize in state and local government (codified in 1967 by New York State’s Taylor law). 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 (Ahearn 1985).

In response to deindustrialization, union strategies began to change. Buffalo's unions played a pioneering role in labor-management partnership, especially in their manufacturing and construction strongholds. With support from local government and researcher-educators, union officials led workplace change in the 1980s and early 90s. These strategies brought unprecedented growth to in-firm employee involvement and quality of work life programs. Local unions, however, were slower to adopt the new organizing and coalition-building approaches that emerged in the 1990s. The local AFL-CIO council did not adopt the national AFL-CIO's "union cities" agenda of the mid-1990s, and Buffalo's unions have had very few of the organizing successes seen elsewhere. Labor-community coalition work operated primarily outside of the official local structures of the council. Multi-union organizations formed to foster labor-community ties around economic justice and workplace safety concerns. Buffalo's unionists also helped to initiate the massive national "solidarity day" protests of the 1980s against Reagan's policies. In 2005, the CLC leadership changed, and the new president, a longtime supporter of high-road activities, has pledged to hire a new full-time organizer and expand the CLC's role in community-based economic development initiatives.

### **Unions, researchers and the emergence of a development coalition**

Outside the building trades' historic strategy of working with industry contractors to promote construction, the earliest economic development initiatives were based on unions' strong positions 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. 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. Activists in this network have a shared view of how the region could attract, retain and improve jobs and 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 government 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 (including 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 (Ahearn 1985). 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. At two troubled local automotive parts suppliers – 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 Maquiladora plants in Matamoros, Mexico and its sister border city, Brownsville, Texas. After a public outcry, the state government funded PEWS researchers 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) (Klingel/Martin 1988). Despite these efforts, the layoffs eventually came: Trico closed its last Buffalo factory in 2003, and employment at the GM, now Delphi, 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 local UAW affiliates joined with local plant managers and Cornell ILR's Institute for Industry Studies (IIS) established in 1986 to create industry education programs. IIS trained thousands of auto-workers on the economics of the industry, providing a forum for discussing local union and management strategies and facilitating employee involvement in workplace change (Ferman et al. 1991). 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 Cornell 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 Cornell 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 and Buffalo Gear and Axle, UAW and Machinists union officials and managers collaborated to revitalize former GM plants. In addition to winning investment and expanding employment in the plants, 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 rate. 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 Specialty Steel, Honeywell, Kaleida Health, Catholic Health System, General Mills, TOPS markets, the Buffalo Philharmonic Orchestra and several large construction projects (Fleron/Stanger/Patton 2000).

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 exceed 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 involves issues larger than the workplace, 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 formation of the Buffalo Niagara Enterprise by local businesspeople and politicians. The founding meetings of EDG, facilitated by 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 EDG has attempted to focus on local community-based development. EDG currently has a paid staff of two. 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 a member of the electricians' union, the International Brotherhood of Electrical Workers, 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 (Wilcox 2002). Unfortunately, the company sent him back to his job as an

electrician after a short period of working on company time as EDG coordinator.

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 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, also chairman of the board of EDG, is the co-chairman of the Western New York Relicensing Consensus Committee. 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 (New York Power Authority 2005).

A second project addresses energy issues through a new downtown heating scheme, which seeks to reduce heating costs and pollution while creating quality jobs. 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. 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 Schools. Under the Project Labor Agreement (PLA),<sup>2</sup> 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, redesigned the project, and renamed it 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 con-

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<sup>2</sup> PLAs are agreements between a group of local construction craft unions and the organizers of a construction project, such as a general contractor, construction manager or developer. They mandate a unified set of rules for contractors and unions on a large project over a variable range of issues, including hiring procedures, dispute resolution, health and safety and training. They are most common on large, publicly owned projects.

tested 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 obvious difficulties for dialogue.

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 the AFL-CIO council and has relied on very little union funding for support. Instead, EDG activists and organizers create projects funded by grants, public funds and bonds and driven by their own volunteer activities, which they view 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 (Fleron and Applegate 2004). 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. Researchers and educators at the local 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 almost all of the region's private sector unions. 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 had contributed to improved company performance. The report presented its argument – that the strength of the region’s unions could create advantages for new investors – in a glossy, accessible format (Fleron/Stanger/Patton 2000). The marketers of the region used the report in the years following to make a case to potential investors nervous about the region’s high union density.

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 that local government

was the biggest impediment to job retention.<sup>3</sup> Opinions about the best solutions diverged: while union leaders favored more 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.

Organizers 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 prominent labor leaders, such as the union leaders involved in high-road projects in San Jose, Milwaukee and Pittsburgh. The conference 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 organized 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 met with heads of the region’s local authorities responsible for economic development incentives (the Industrial Development Agencies) about directions for reforms. 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

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<sup>3</sup> The reason for this consensus critical of the local government mainly flowed more from the specifics of Buffalo’s local politics than from a neoliberal skepticism of government per se. Buffalo’s government faces constant accusations of mismanagement from across the political spectrum. Low expectations are confirmed by the government fiscal crises generated by declining population, deindustrialization and populist tax revolts.

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 labor and community activists) 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 an in-firm organization devoted to implementing lean production, known as the Lean Implementation Network. While the production concepts have a controversial history within the labor movement, UAW officials have come to view their implementation as essential to the struggle for investment from the Big Three domestic auto companies.

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 expo 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. Because of dialogue organized by the Champions Network, economic development officials have begun referring investors worried about local unions directly to local union leaders. 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. 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. This criticism, of course, applies to any policy to attract private sector jobs through outside capital investment. Perhaps more promising in the long run, activists have begun discussing 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 emerged, namely 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, its young, dynamic staff connects 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. The first WRB reception, in 2004, aired grievances from local hospitals, Wal-Mart and the textile services firm Cintas. They have assisted in rally turnout, most recently, for city workers, nurses and Adelphia telecommunications workers. They also supported striking 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's leaders drove the living wage campaign by building broad support for the measure and getting help from 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).<sup>4</sup> 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

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<sup>4</sup> Local living wage ordinances have, since the mid 1990s, spread throughout the U.S. City and county governments, at the urging of coalitions of unions and other community groups, legislate wage minimums for subcontracted public service work, an issue of increasing importance with growing privatization of government services in the U.S.

organizations and Cornell ILR. With assistance from University of Buffalo law student interns and pro bono attorneys, the commission has won wage increases for over 120 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 pressuring the city administration to make contracting procedures more transparent.

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, WNY-COSH, 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 aim to preserve good jobs. It operates alongside other active coalitions in the region, including WNYCOSH, the Champions Network 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.

**Global pressures, local responses**

Greater Buffalo's unionists have set up the EDG and CEJ, engendered the Champions' Network, and helped steer the NYPA relicensing project, 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 assumptions are 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 in a way that we think is relevant to the European context.

Reading the literature on union-led regional development coalitions in Europe suggests to us that a vast, untapped potential exists for transatlantic mutual learning. The most obvious commonality is the broadening of participation to include not only in-plant projects, but also to address the regional context. This makes sense, given the local embeddedness of most production and the multi-layered character of governance in Europe (Fricke and Totterdill 2004).

A second common trend involves the change in this regional context. Globalization has radically transformed regions that are heavily dependent on manufacturing employment by creating lower-wage exit options and price competition pushing them toward this low road. Whether or not regional policy faces a sort of market-driven convergence, it is true that the race for capital has forced local policymakers to think about what sorts of policies might attract investment from the outside. Skill availability, physical infrastructure, energy costs and the regional marketing apparatus can all play an important role in U.S. and European regions. This has created opportunities for unions

to participate, as Dörre, Beese and Röttger (2002), van Klaveren (2002) and Praetorius (1999) show. These policies, however, seem to be reaction to global pressures; we see little evidence that the initiatives have re-asserted local control over local economies or created a bulwark against the threats of globalization and deunionization.

As a result, it is often unclear how this participation affects broader social goods, such as civic participation, decent wages and environmental quality. Dörre et al. argue that dialogue, whatever its social benefits, does not overcome the basic problem, that the German model of industrial citizenship has severe difficulties in newly created workplaces. Van Klaveren, by contrast, shows that, by helping to develop a new sector, unions in a pair of regions can win a workplace presence and attract hundreds of new members. Buffalo's projects come closer to Dörre et al.'s findings than to van Klaveren's in terms of the payoff for industrial democracy and unionism. Nevertheless, all of these projects may have a broader affect on unions, such as an improvement in image or moral authority that cannot be causally linked to enhanced union presence in new workplaces or success in the global market for investment capital. Systematic comparative research would help to sort out the question of what local unions (and others) might gain from regional dialog, if not only jobs and to identify the conditions of success.

What, then, can we say about the effect of dialogue in Buffalo? 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.

In the U.S. a debate over how best to revitalize the labor movement has been underway for some time. Most of this debate has concerned the relative priority of various sources of power – the political sphere, organizing new workplaces and promoting members participation (Greenhouse 2005). To us, it seems doubtful that these alone could provide solutions to the ongoing problems of job loss, declining wages and limited economic opportunity. Workers facing these problems are well outside the orbit of union influence and are, for the most part, not in any union's strategic organizing plan. Initia-

tives like those in Buffalo – including most of the innovative work done elsewhere at the regional level – had few returns in terms of membership and collective bargaining gains (Greer/Byrd/Fleron 2006). 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.

This debate is closely related to one over how U.S. national politics have swung so far to the right. 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. Granted, social and economic justice requires contentious struggle against exploitation, inequality, greed and corruption; 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.

The answer may therefore require a new definition of power, in which broad, community-based dialogue, framed by strong moral principles, takes center stage. Traditionally, employers and politicians were the most important allies or adversaries (depending on the situation), and unions operated primarily within the rules of collective bargaining and the nation-state. By constructing a high-road infrastructure, unions are now acting on the regional terrain and identifying it as a valid arena of action. Through deep coalition building (in Buffalo, around energy, living wage issues or job creation) they create new alliances with community groups and others 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 real 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.



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