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**ILR Review**

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Volume 65 | Number 3

Article 13

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June 2012

# Banded Together: Economic Democratization in the Brass Valley

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## Banded Together: Economic Democratization in the Brass Valley

approach provides a new and promising alternative way to analyze systematically these interlinkages. Perhaps more important, his approach shows how the politics of reform in one legal domain are connected to—and constrained by—those in the others.

Cioffi's approach stands opposed to the more prevalent framework of corporate governance as a nexus of contracts. This latter framework conceives of corporate governance as a series of principal-agent problems and was long dominant in legal theories of corporate governance. While it remains prominent, in the last decade more political conceptions of corporate governance have been gaining ground: in legal studies, through the work of people such as Mark Roe, and, in political science, through work such as the book of Peter Gourevitch and James Shinn, *Political Power and Corporate Control* (Princeton, NJ: Princeton University Press, 2007). Cioffi's book shares the concern with political coalitions, which are the focus of the Gourevitch and Shinn book. But Cioffi makes a sustained and very important (and thoroughly convincing) argument that each country is not characterized by relatively stable pro or anti-reform coalitions, as Gourevitch and Shinn suggest. Instead, he argues that coalitions among the key actors involved in corporate governance reform—management, workers, and owners—shift from issue to issue across the nexus of laws and over (sometimes short) periods of time.

This argument necessitates the kind of careful case study and process tracing analysis that constitutes the empirical contributions of the book. Thus Cioffi's research design of a paired comparison between the United States and Germany—two nations also viewed in most of the literature as opposed ideal-types of corporate governance—is well conceived and justified by his theoretical aims. In this respect, it is also a nice complement to the quasi-large-n approach of the highly regarded Gourevitch and Shinn book. Indeed, I think Cioffi's book should stand alongside it as one of the most important monographs by political scientists on corporate governance. Aside from its theoretical contributions, the book contributes extensive and rich new empirical material to the literature, and the work on the Sarbanes-Oxley reform may be some of the best and most thorough on this topic anywhere.

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*Banded Together: Economic Democratization in the Brass Valley.* By Jeremy Brecher. Champaign, IL: University of Illinois Press, 2011. 280 pp. ISBN 978-0-252-03612-5, \$75.00 (Cloth); ISBN 978-0-252-07806-4, \$27.00 (Paperback).

The Naugatuck Valley straddles parts of Litchfield, New Haven, and Fairfield counties in western Connecticut. Fairfield County, one of the richest counties in the United States, also contains Bridgeport, a city of 140,000 devastated by factory closures beginning in the 1970s. This is a familiar story to historians, demographers, economists, and sociologists who, sadly, have developed a cottage industry examining the detritus of deindustrialization. Nevertheless, using numerous interviews with community activists and trade unionists, Jeremy Brecher has produced an important book for everyone interested in how factory workers, who have been negatively impacted by plant closings and job loss, and their organizations, churches, and community groups can organize and create alternative economic models to fight this dislocation.

Brecher employs his knowledge of labor history and a great capacity for listening to his interviewees' to tell the story of the Naugatuck Valley Project's (NVP) success in keeping open nearly a dozen industrial plants and eventually starting new employee-owned businesses. In Brecher's words, "This book focuses on three elements essential both for local action and for a democratic vision: grassroots organization, democratically controlled enterprises, and supportive public policies" (p. xxi). Central to the narrative is NVP's role in confronting the effects of desertion by long-time employers, who took their profits and exited blue-collar communities. "Good jobs were replaced, first by no jobs, then by not-so-good jobs" (p. 10). Brecher describes how this process led to the deterioration of community institutions and intergenerational family networks as young people moved away to seek work.

Deindustrialization destroyed a legacy of community building in the Naugatuck Valley and in working-class America. The book's approach to understanding the complexities of rapid employment loss is rare in the plant-closing literature: *Banded Together* shows why it matters to look at factory closings in a larger social context and why responses to these closings need to be community-based and region-wide. It should be required reading for current and would-be urban planners, labor leaders, and community economic development practitioners.

Brecher probes how the NVP gained broad-based community support in its attempts to keep plants open. Those losing their jobs had an immediate and personal concern, "but most were motivated by values that were deeply embedded in the valley—indeed deeply rooted in the traditions of the American working class." These included notions of helping one's neighbors in need, values of solidarity, and a belief "that people should have the right to participate in the decisions that affect their lives" (p. 33). The heart of the organizing involved education and persuasion to convince community members that the distant and seemingly anonymous decisions made by big capital were open to challenge.

The book reveals how treacherous the way forward is when establishing islands of worker-run enterprises amid the larger, unforgiving global economy. Employers, banks, and financial holding companies cared little that brass companies traced their Naugatuck Valley roots back to 1802. Nor did they care that numerous generations of workers had poured their lives into metalworking and mold making. Readers get a look at what happens when unionists become embroiled in the awkward, gut-wrenching process of deciding whether to slash their own wages and benefits to make a potential factory purchase work. Who keeps their job? Does seniority still prevail? How can an antiquated factory in Waterbury compete with a new one somewhere in China with easy access to the U.S. marketplace, thanks to various free trade agreements?

As Brecher summarizes the case of Seymour Specialty Wire, he makes it clear that workers and their allies could make "the right" decisions, and still remain relatively powerless to affect the negative impact of larger market forces on their company. "They might hold the title to their factory, but its survival continued to be affected by the price of copper in Chile, the rate of interest in Japan, and the investment decisions of a company in Finland" (p. 48). Despite these long odds, NVP built broad-based coalitions while participants learned the intricacies of employee stock option plans and leveraged buyouts.

At Bridgeport Brass and Seymour Wire and dozens of threatened companies, NVP and its allies developed successful buyout strategies. They mobilized community support and negotiated with the previous owners. Bridgeport Brass ran as a democratic enterprise for seven years, long enough for many of the company's high seniority workers to retire with benefits. Workers also ran Seymour Specialty Wire for seven years before a broader crisis in the industry forced the company to close. Having been involved in something like this in Springfield, Massachusetts, I can attest to how time-consuming even the most basic due diligence is. Being engaged in so many efforts surely overtaxed the NVP's resources, yet they persevered. The organization's insistence on worker and community participation allowed them to build dynamic community alliances intent on empowering valley residents to make serious economic development decisions for themselves.

As the wave of closings continued, Century Brass received the NVP's attention in 1986. The story bleeds into the larger question of state policy at a time of widespread economic dislocation. While corporations made unfettered decisions to decimate blue-collar communities, state legislatures fiddled in endless debates over whether to require early warning legislation to alert workers to possible job loss and whether to help workers in their efforts to preserve jobs. All too often, as Brecher determines in the Century Brass case, the eventual closing was a "monument to a public policy that subsidized entrepreneurs ostensibly to save jobs but regards public oversight of those so subsidized as an interference with the free market system" (p. 81).

Here's where it gets tricky for public policy and for workers, too. The closing of Century Brass, or the other closings that the NVP wrestled with, could have served in the author's words as an "industrial hospice"; public policy could have focused on saving jobs where possible and at the same time easing the transition for workers whose jobs could not be saved. Sadly and gallingly, policy "provided incentives for the owners to milk the company for private gain" (p. 81). In this volatile climate, questions of whether to use pension funds to finance plant acquisitions and just how much to subtract from workers' hard-won union

contracts to make Wall Street and other potential investors believe that the numbers looked good required deep soul searching.

In addition to its efforts to keep factories open, NVP established Valley Care Cooperative (VCC), an employee-owned home care company, which provided high-quality, low-cost health care to Medicare/Medicaid patients and employed more than eighty people. The core of Valley Care's mission was "both to create a worker-owned company and to ensure a high level of worker participation in it" (p. 121). Workers participated on committees that reviewed personnel policies and monitored the quality and effectiveness of care. Just as efforts to make factories work ran into the problems caused by larger market forces, so too did Valley Care's efforts bump up against the vagaries of state and federal health care policies. A better fate awaited NVP's effort to establish a housing cooperative.

Despite the fits and starts detailed throughout *Banded Together*, the book offers readers a way to begin to imagine alternatives to the growing inequality and powerlessness that workers across the United States wrestle with on a daily basis. Brecher concludes by placing a challenge in front of everyone concerned with the creation of a more equitable economy. Economic change, he suggests, "that does not include a dimension of democratization from below is likely in the end to leave ordinary people and communities powerless, whatever arrangements are made at higher levels" (p. 202). Excluding these people and their communities is a recipe for more of the devastation and dislocation we all can see if we have our eyes open and our ears ready to listen while traveling the interstates.

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*The Caring Self: The Work Experiences of Home Care Aides.* By Clare L. Stacey. Ithaca, NY: ILR Press (an imprint of Cornell University Press), 2011. 216 pp. ISBN 978-0-8014-4985-7, \$65.00 (Cloth); ISBN 978-0-8014-7699-0, \$19.95 (Paperback).

Home health workers constitute a large and growing workforce in the United States and currently total more than 2.3 million workers—more than four times the number of auto-workers, steelworkers, and machine workers combined. A large number of workers in the care workforce are classified as personal care aides (PCAs)—those who provide home-based custodial care for persons needing assistance with activities of daily life. As the population ages, demand for personal care aides is expected to grow by 71% between 2010 and 2020, placing it third on the list of U.S. occupations projected to add the most new jobs in the next ten years.

Despite the size and importance of this workforce and its skyrocketing growth projections, personal care work is a marginalized profession in terms of both monetary reward and social status. Care in the home has historically been done by women, as unpaid homemakers or as low-wage servants or, earlier, as slaves. This legacy is reflected in the current demographics of paid personal care aides who are overwhelmingly women (88%), disproportionately nonwhite (49%), and foreign born (22%). The legacy is also seen in the substandard remuneration in care jobs. The median hourly wage for personal care aides is \$9.44 (compared with \$16.27 for all U.S. workers), and nearly a third of those in the PCA workforce are uninsured (compared with 18% of all U.S. workers). Given the low wages and lack of benefits, it should come as no surprise that more than half the PCAs in the United States receive some form of public assistance, such as Medicaid, cash welfare payments, or food stamps (PHI, *Caring in America*, 2011). Equally unsurprising, very few PCAs are represented by a union.

Beyond these broad descriptive strokes, we know little about this burgeoning workforce. But thanks to Clare Stacey's terrific new book, *The Caring Self*, we are beginning to learn. In *The Caring Self*, Stacey relates the experiences of 33 PCAs whose lives on and off the job she documents by interviews and observation. The aggregate portrait is at the same time poignant and inspiring; because it points out the fragility of our system of care in the United States, it is also terrifying.