

Workforce Development at the Bottom of the Labor Market

Marc Doussard,
University of Illinois, Urbana-
Champaign

*Reinventing Our
Communities: Investing in
Opportunity*

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Workforce
Development
and
Community
Organizing:
Common
Goals

**The
Workforce
Development
System:**

Intermediates between the
supply and demand sides
of the labor market

Ensures investment in
human capital

Demand-driven, but makes
industry- and occupation-
specific investments

Workforce Development and Community Organizing: Common Goals

Low-Wage Worker Organizing

Responds to low pay, labor-law violations and systematically insecure work

Builds industry- and occupation-specific worker organizations

Obtains increased pay and improved worker conditions, at the level of workplaces or public policy

The bottom of the labor market

A Key Problem

- *Degraded Work*: Low wages, rampant law-breaking and systematic intimidation by employers

Characteristics

- Widespread
- Difficult to measure
- Concentrated in decentralized industries

The Community Organizing Response

Community and Labor Organizing

- The main response to degraded work occurs outside of public programs
- *Worker Centers* intermediate between employers and workers in low-wage industries
- *Community-Labor Coalitions* develop policy responses

Organizing Impacts Workforce Development

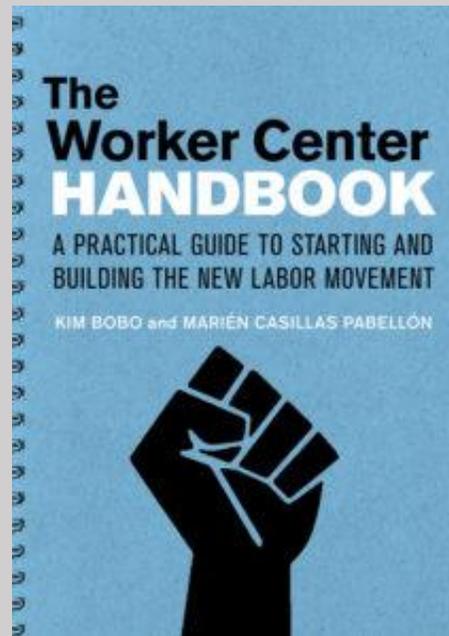
- Organizing *directly* achieves workforce development goals
- Organizing leads to policy changes that *indirectly* support workforce development goals



- Basics on worker centers
 - National networks of worker organizations
 - More than 130 total affiliates
 - Major networks: National Day Laborer Organizing Network, Interfaith Worker Justice, Restaurant Opportunity Centers United, National Black Worker Center Project
- Worker centers continue to grow
 - They focus on industries, occupations, neighborhoods or populations of workers
 - Like workforce development, they engage the supply and demand side of the labor market



NDLON
NATIONAL DAY LABORER
ORGANIZING NETWORK





Albany Park Workers Center
**Grand Opening
Celebration**



Meet our members, Learn about opportunities to hire workers and enjoy refreshments as we celebrate International Women's Day and the Launch of our Living-wage hiring program for domestic workers.



Tuesday March 8, 2016
10:30 a.m. to 1 p.m.
3416 W. Bryn Mawr



- An Example: The Albany Park Worker Center
 - Founded in 2003 on the Northwest Side of Chicago
 - Began by organizing street-corner day laborers
 - Now a standing organization with offices, services and membership in a citywide network
 - Services construction and cleaning workers and employers, and the neighborhood
 - Works as an intermediary
 - Provides training
 - Certifies skills
 - Identifies occupational pathways



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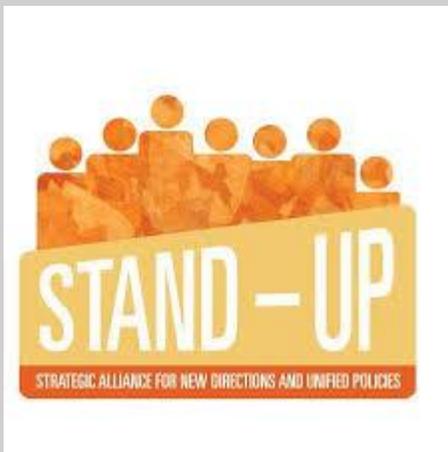
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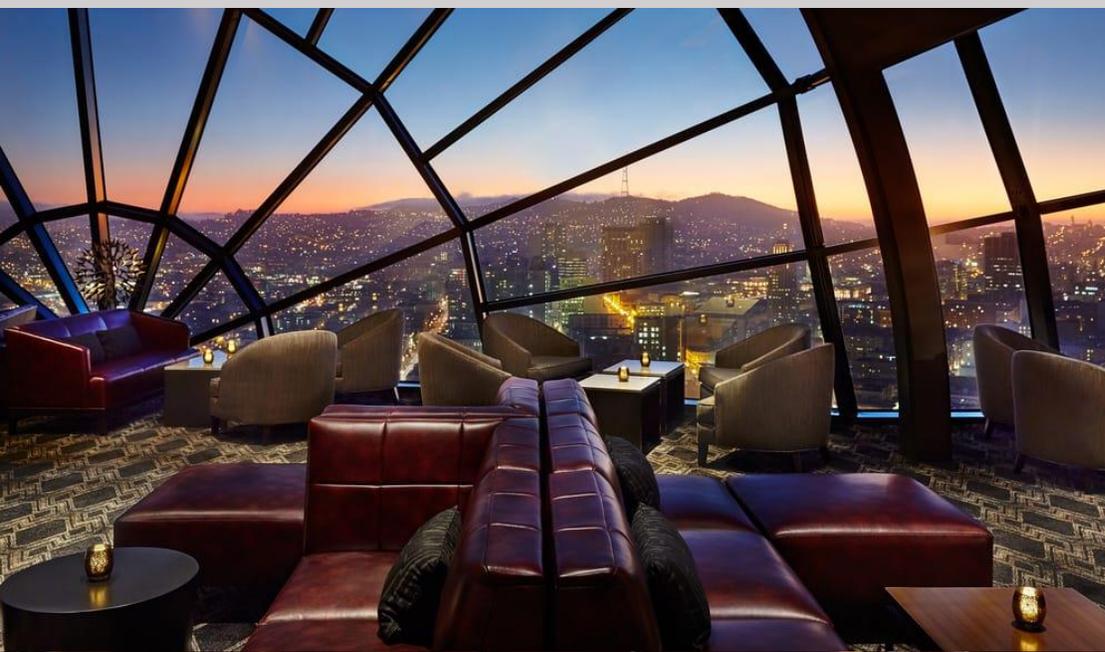
- Supply-side activities
 - Screens workers for skills
 - Sets occupational hiring standards (wages, job length, working conditions)
 - Determines daily priority for workers
 - Provides job training and credentialing
- Demand-side activities
 - Certifies law-abiding construction contractors
 - Protests and leads legal action against legal violations
- Intermediates between workers and employers daily



- Basics on community-labor coalitions
 - Regionally based coalitions of unions and community organizations
 - Many coalitions now have standing policy organizations
 - Organize responses at the level of workplaces, firms, industries and public policy
- Community-labor coalitions are changing public policy
 - Minimum wage
 - Wage theft
 - Paid sick time
 - Predictable scheduling



- Public policy changes directly influence workforce development
 - 31 states and 40+ cities have minimum wages over the national (\$7.25)
 - Many have minimum wage *double* the U.S. rate
 - Dozens of cities and states have (increasingly strict) wage theft laws
 - Earned sick time, fair scheduling and other legislation improves job quality
 - New policy areas continue to emerge (universal pre-K pilot in New York, basic income pilots in Chicago and Stockton, free community college and free state university pilots)
- All of these measures directly impact pay and working conditions
- New policy directions impact households' ability to get and maintain training and work



- The *indirect* impact of these changes may be more significant
- Research shows that employers respond to labor mandates by professionalizing and organizing work to increase productivity
- In response to the minimum wage, firms (Schmitt, 2013; Lester, 2018; Reich et al 2017):
 - Substitute high-productivity jobs for low ones
 - Hire older and more experienced workers
 - Expect greater productivity through workers
 - Recoup costs through increased productivity and diminished turnover
- San Francisco restaurant managers now demand resumes, references, prior experience, skill in selling high-margin items (Lester, 2018)

Conclusions

Direct impacts

- The direct impacts of organizing accomplish some goals typical of workforce development programs

Indirect impacts

- Public policy changes create more of the industries and employers the workforce development system engages
- Assisting employers in responding to changes is a real opportunity
- Raising wages and working conditions creates professionalization and some job ladders – this changes the context for workforce development