Workforce Development at the Bottom of the Labor Market

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Reinventing Our Communities: Investing in Opportunity

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<tr>
<th>The Workforce Development System:</th>
<th>Intermediates between the supply and demand sides of the labor market</th>
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<td>Ensures investment in human capital</td>
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<td>Demand-driven, but makes industry- and occupation-specific investments</td>
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<td><strong>Low-Wage Worker Organizing</strong></td>
<td>Responds to low pay, labor-law violations and systematically insecure work</td>
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<td>Builds industry- and occupation-specific worker organizations</td>
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<td>Obtains increased pay and improved worker conditions, at the level of workplaces or public policy</td>
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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
• 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
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 creations professionalization and some job ladders – this changes the context for workforce development