

Reconstructing Construction Unionism: Beyond Top Down and Bottom Up

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The decline of the U.S. labor movement is an often told tale. The stabilization and slow improvement of the position of the building trades, the labor movement in the construction sector, is less well known. Membership fell from the mid-1970s to the late 1990s, from 1.6 million in 1977 to 906,000 1992. Membership rose to 1.305 million in 2001 during a construction boom, declined as low as 1.110 million and, as a new boom in commercial and industrial construction commences, has risen to 1.232 million in 2007. Given current projections for energy, petrochemical, and public works construction, and the consequent demand for trades workers, construction union membership will be constrained mostly by their ability to bring new workers into their apprenticeship programs over the next four years.

This growth in membership has been paralleled by the building trades' increasing ability to protect wages and benefits. Paralleling blue collar trends, real construction wages declined from about \$22 per hour in 1973 to slightly about \$17 per hour in 1994 (Dong et. al, 2008). The construction boom of the late 1990s increased wages to \$19.50 but wages then declined to \$18.00 per hour in the early 2000s, only beginning to increase in the last several years. While union wages followed the overall decline in wages from the 1970s to the 1990s, wage and benefit increases have exceeded ranged from 3.8 to 4.5 percent annually since 1998 (CLRC, various). In contrast with the balance of the industry, which has seen steady decline in pension and health coverage, the union sector has maintained these benefits while increasing membership.

The Building Trades success in rebuilding their membership and improving their market position reflects years of efforts to rebuild membership, recover market share in existing markets and move into new markets. The better-known tactics: salting, stripping, COMET and comprehensive campaigns, have utilized adversarial approaches that undercut the open shop and its institutions. Less well known are the building trades experiments with cooperative strategies: strategic partnerships, joint labor-management efforts and new forms of labor agreements, or the restructuring of the building trades unions to adapt to changes in construction markets.

From the vantage point of 2008, it is apparent that this quarter century of

experimentation has not resulted in a single successful path for reorganizing construction. Rather, these different approaches are complimentary and must be used in concert. Stripping away experienced workers from the open shop and initiating legal actions against open shop firms and organizations complements efforts to encourage existing contractors to expand and developing strategic partnerships with owners. Change in the geographic area of locals and the administrative structure of locals and regions is also needed to support bargaining and to gain efficiencies in organizational administration.

Although it is not certain that the building trades will in improving their position in construction, they have created a foundation of knowledge, tactics and reputation that they can build on in reasserting their role in the construction sector. In order to understand the context in which the building trades operate, we begin with a discussion of the unique characteristics of the sector and the decline of unions in construction before turning to the methods being used to increase union membership.

The Construction Sector:

Unions in the construction sector face fundamentally different issues in reorganizing workers and increasing market representation from those in the balance of the economy. Construction is radically fragmented by industry and occupation, work is occupationally structured, jobs are temporary as is attachment to any given employer, demand and work are deeply cyclical, there is easy movement between employers including between union and open shop employment, immigrants comprise a rapidly increasing proportion of the labor force, opposition to unions comes not only from construction employers but also from large construction users.

Construction is a sector which encompasses several distinct industries. While all parts of construction are devoted to the building structures B except those which specialize in tearing them down -- there are marked differences in the work, technology, financing and labor forces between the industries within the sector. Perhaps the most obvious division is between the residential and light commercial industry and the balance of construction; but there are meaningful differences between the heavy and highway industry, which is largely dependent on public works spending, and the industrial and heavy commercial industry.

The occupational structuring of work also makes construction different from other industries. Although not as transient as in the past, construction workers are more defined by their occupation than their employer. Skills are specific to a trade and once workers have

acquired substantial skills within a trade, they usually do not move between to another trade. Most firms are also occupationally structured, providing a specific type of service such as electrical, heating or plumbing and pipefitting. Even general contractors seldom employ more than the structural trades such as carpenter, ironworker laborer and bricklayer and may obtain these trades by subcontracting to specialty employers.

Construction is unique among the organized industries in being dominated by small employers and establishments. There are well-known large employers such as Bovis, Skanska and KBR, but the majority of construction employers are small. For example, only half of the employees of industrial building contractors are employed by firms with 250 or more employees. In electrical subcontracting, 16 percent of employees work for firms with 250 or more employees, only 12 firms have 1,000 or more employees. One reason for smallness is that, parallel to employees, employees are specialized by trade and type of work. Most employees are employed by specialty trade contractors, such as electrical, HVAC and pipefitting and these employers tend to specialize in particular types of construction: residential, industrial, heavy and highway. Relatively few firms employ several trades, this is most common among general contractors who often employ architectural craft workers such as carpenters, laborers, ironworkers and bricklayers. Even here, it is becoming more common to use firms that specialize in particular types of work rather than have a full set of trades under one employers roof.

Because construction projects are inherently temporary, and depending on success in bidding, work varies considerably between employers, the workforce has to be mobile between projects and often between employers. Historically, this bound both worker and contractor to unions. Unions served as labor market intermediaries, providing a clearinghouse for labor to contractors and serving as a guarantor of conditions for craft workers. In combination with employer associations, the union provided health and welfare benefits to a mobile labor force. But mobility also made relations between unions and employers less stable than in other industries. Employers who could find sufficient pools of non-union labor could easily become open shop employers despite a long relationship with the union.

A final characteristic of construction is the depth of cyclicity of work and employment. Construction is very sensitive to demand conditions and interest rates. When demand is weak, construction employment declines rapidly; when demand is strong there is more work than the existing work force can complete in the desired time.

The characteristics of construction underlay the unique industrial relations system that

arose in construction after World War II. Weil (2005) suggests seven key characteristics:

- Hiring arrangements where labor unions held control over the pool of available workers for job assignment through hiring halls or related arrangements;
- Provision of entry skills and standards (apprenticeship) and ongoing skill enhancement (journeymen training) via labor-management programs administered at the relevant trade and geographic level;
- Wage, benefit, and working condition agreements spanning a designated geographic area, typically at a local (metropolitan or sub-metropolitan) area;
- Formalized labor-management dispute resolution mechanisms to resolve conflicts arising at the workplace in the conduct of work, safety and health problems and the ongoing administration of contracts;
- Formalized labor-management dispute resolution mechanisms to resolve conflicts arising between trades and contractors regarding the assignment of work (i.e. resolving jurisdictional disputes);
- Joint labor-management financing and administration of apprenticeship and journeymen training through multi-employer organizations;
- Joint labor-management financing and administration of health and pension benefits through multi-employer funds.

While this system of industrial relations proved effective in maintaining the union role in construction into the 1970s, changes in construction markets, labor law, and owners attitudes toward construction labor and the established industrial relations system worked to undermine unions' position in construction labor markets.

Important underpinnings of union construction have been mutual support between building trades unions and limitations on signatory employers' ability to also operate as an open shop employer. Until the 1970s, as union members could honor pickets and refuse to work on projects employing non-union workers in other trades. It was not possible to build with mixed union and non-union crews; control of labor in critical trades by unions limited the open shop's opportunities in other trades where they had a presence. Also, labor law restricted signatory employers' ability to operate open shop subsidiaries through corporate alter egos. The open shop had a difficult time gaining a foothold and experience in more complex forms of construction, the presence of the open shop outside of residential was limited to the South. The *Peter Kiewit & Sons*, and *DeKlewa & Sons* decisions by the U.S. Supreme Court fundamentally changed the legal environment, making mixed sites possible by the presence of a neutral gate and allowing construction employers to establish open shop subsidiaries. Such subsidiaries could draw on the knowledge and experience of the contractors' professional staff, reducing the hurdle

to operate effectively.

Legal changes of themselves would not have caused the rapid decline in union membership that occurred in the 1970s and 1980s. The locus of construction shifted from the well-organized downtowns into suburbs and more rural areas and, because much of it was residential, light commercial and low rise, became simpler. This offered opportunities for open shop contractors to use less skilled non-union labor. Larger owners also supported the development of the open shop through the Business Round Table. Larger industrial uses such as petrochemical developed the capacity of the open shop by having new open shop contractors= work on a project and then bring in union contractors to make repairs. Over time, the open shop developed the capacity needed to handle the work on its own.

The move to the open shop was accelerated by the recessions of the early 1970s and the 1979-1982 recession. Both had a large impact on construction. As often happens in time of slack work, many union members struck their card in their shoe and worked for open shop contractors. However, as work on the union side recovered more slowly than that in the open shop, many workers remained with open shop contractors. This provided the open shop with a considerably greater capacity than they otherwise would have been able to achieve (Allen, 1988).

Finally, the labor relations system itself limited the ability of the union sector to respond to change. Both construction workers and employers are, in Selig Perlman=s terms, job consciousness and view work opportunities as inherently limited. This view, which is consonant with the highly cyclic dynamics of work and employment within construction, leads those within the industry to hold work and employment opportunities very tightly. Union members are often unwilling to take in new members or expand apprenticeship programs because of concerns about unemployment during cyclic downturns. Similarly, employers do not favor unions organizing new employers if the new employers will enter markets staked out by current signatory employers. This protection of employment opportunities has limited unions= ability to expand in times of secular employment growth. The orientation toward protection of employment opportunities for current members leads the union sector to handle periods of high labor demand through extended working hours and, if needed, with temporary union memberships. These approaches protect current members income and employment opportunities, but at the cost of greatly limiting the growth of union capacity and creating a partially trained labor force for the open shop.

Taken together, these factors combined to reduce union=s role in the growing construction market of the 1980s and 1990s. While construction spending rose by 370 percent in current dollars between 1990 and 2005, and construction employment by 57 percent, union membership stagnated and declined over the twenty years (Economic Report of the President, 2007, Table B-

14).

New Strategies for Building Membership and Recovering Market Share

The seriousness of the decline in the trades was recognized by union officers, employers and, particularly as the decline continued after the end of the 1979-1982 recession. The response came in many different forms, there was considerable experimentation. We have chosen to divide these approaches into three categories: adversarial, cooperative, and restructuring, we develop each individually before discussing how they are used together to increase membership and promote market share recovery. Our discussion is not exhaustive but touches on the dominant approaches that have emerged over the last twenty years.

Adversarial Strategies:

Adversarial strategies are the highest profile approach to increasing union presence and they have played a central role in stabilizing and growth of the building trades. Organizing workers has not played a key role in the building trades organizing strategies prior to the 1990s. The transitory nature of projects and the labor force and the variability of employment at any given employer made getting employers to sign collective agreements and the creation of employer side bargaining organizations far more important than direct organization of workers. The control of skilled labor required employers to come to the union to obtain the workers they required. Workers were bound to the unions by training and benefit programs, employers by their need for workers. This difference between construction unions and other unions is embodied in labor law, in no other industry are unions permitted to sign *Pre-hire@* agreements with employers, agreements that set forth the terms and conditions of employment before workers are hired and without a vote for collective representation.

The historical craft strategy did not continue to work well in an environment in which open shop contractors had access to sufficient numbers of skilled and semiskilled workers. As documented by Northrup (, open shop work structure was considerably different from that used in the union construction. Rather than using small crews of highly trained self-directing workers, the open shop used relatively few highly skilled workers as foremen and many lesser skilled workers. Employers were able to obtain sufficient numbers of skilled workers by employing former union members and doing some training, and recruited their workers with few or any skills from among manual workers and increasingly immigrants. The altered work structure freed many employers from having to deal with the unions to obtain and unions had little leverage to compel employers to sign collective agreements.

A response to the decline in union membership were efforts to organize the workers of open shop

employers, particular skilled workers, either at their current employer or to bring them over to union employers. COMET, Construction Organizing Membership Education Training, is likely the best known of the bottom up organizing methods used by the building trades. It began in the late 1980s as a response to the deep declines in membership, power, and compensation that had occurred since the early 1970s. The key to understanding COMET is how it combined organizing and membership education. Local members had to be educated to build support for taking in new members. Construction unions serve as hiring halls, and after the long waits to referrals that occurred in the 1970s and 1980s, local members saw any move to let in new people as creating a longer wait for obtaining employment for themselves. Building trades union had a variety of ways to limit membership, from accepting only small numbers of new apprentices to requiring large initiation fees, to having multiple classes of members which effectively restricting jobs longtime members. The International unions had little to no power to change these local union policies, so each local union had to be convinced, a slow process that remains incomplete.

Organizing in the COMET years was not really about signing up new employers, although it did happen. The main tools in the COMET toolbox were salting and stripping. Salting was allowing union members to work for nonunion contractors. The stated goal was to learn about the contractor and his workforce with the aim of taking concerted activity on behalf of the salt, and on behalf of workers who were interested in being represented by the union. Of course, the nonunion contractor was usually very unhappy with this situation, and frequently took action against the salt that would violate labor laws, leaving the company ensnared in unfair labor practices. Stripping was a term for individual recruitment. A union organizer, sometimes by salting and sometimes by work site visits, identified nonunion workers who would like to join the union. The organizer then works with the union to take the worker in, usually done at a time of full employment so the recruit can go right to work. Again, it could lead to organizing a company if it was done right, by taking a significant percentage of the workforce and preventing a contractor from completing contracted jobs. Again, this was not the usual result. Stripping off the most capable employees allowed the union to meet job calls and weakened the nonunion. It is likely most new building trades members in the period under discussion joined the union in this way, not by signing the company and assuredly not by an NLRB election. The use of unfair labor practice charges as part of salting and stripping has been limited by decisions by the NLRB which have limited salts rights to be considered as employees and the amount of back pay they can receive.

Unions emphasized stripping journeymen rather than apprentices or lesser skilled open shop workers. Stripping off of skilled workers is advantageous to the union employer and hurts the open shop employer more than stripping less skilled workers. Unions were also confronted with difficult issues of where to place less skilled workers in their apprenticeship programs. Some

unions have tried to evaluate stripped workers and place them in appropriate classes to provide a full set of the skills expected of journeymen, but this approach has proven difficult to implement in many cases. There is often considerable tension between organizers and apprenticeship trainers as the former want to take in large numbers of open shop workers, while the latter believe the organizers often recruit workers who do not have the requisite skills and abilities to qualify for the apprenticeship program. Some local unions oppose organizing for reasons including that it interferes with the running the annual apprenticeship contest.

The building trades also developed expertise with comprehensive campaigns against specific open shop contractors and open shop organizations. Comprehensive campaigns were pioneered by other unions, such as the Amalgamated Clothing and Textile Workers and its campaign against J. P. Stevens, they have proven particularly effective in construction.

The SMWIA ran a creative campaign against Comfort Systems USA. Comfort Systems was a consolidator that was created in the 1990s by using stock deals to buy 125 local HVAC companies. It had some \$1.6 billion in revenues in 2000, and about 10,000 workers, some 30% of which were represented by unions. The company faced severe financial stress, from huge stock decline, large amounts of debt, and loans from bankers that it could not pay back. The SMWIA undertook shareholder actions, worker actions, customer actions, banker actions, etc. Most other consolidators were in the same boat, a product of a bad business model, and then declared bankruptcy. Yet Comfort System instead sold all its union companies, which accounted for 35% of workforce, 43% of revenues, 74% of operating income. The buyer was an all union construction company called Emcor, which paid \$186 million for the shops. Comfort Systems had paid some \$264 million, plus about 4.8 million shares of stock worth at the time \$86 million. Emcor's stock went up 28% after the deal, and 400% since.

The Building Trades Department ran a campaign against the Associated Builders and Contractors (ABC). First, the Department collected all the enrollment records on the group's apprenticeship program. The resulting report showed that of the nation's 80 ABC chapters, only six sponsored an apprenticeship program that graduated over half of its apprentices. By contrast, 20 ABC chapters either failed to sponsor a program or failed to enroll apprentices in the program it did sponsor, while another 25 ABC chapters had graduation rates below 25%. The combined figures for all of the ABC found enrolled 24,663 apprentices in the five years between 1995 and 1999, or 4,933 a year, and of these only 7,154 of these apprentices, leaving the ABC with a nationwide graduation rate of only 29%. That the ABC could graduate only an average of 1,431 apprentices a year during the greatest construction boom of our generation demonstrates nonunion sector's failure to make training a priority. The BCTD also collected the tax returns of all 80 plus ABC chapters and some 50 plus affiliated local training trusts for a period of several years each. Reports showed how money was transferred from the trusts to the chapters under a

variety of ways salaries, rents, service fees, many of which were obviously excessive. This showed one reason they continued to sponsor such poorly performing programs, the money. Multiple BCTD complaints to the IRS and the U.S. DOL lead to government field investigations and substantial public relations problems for the ABC.

This type of comprehensive campaign is a new step for construction unions. For many years, the open shop has waged effective political and legal campaigns against prevailing wage laws and other institutions that support the construction unions. Although a regular topic of complaint by union leaders, little was done to place the ABC and similar organizations in the position of playing defense. Yet many open shop employers and organizations are vulnerable because of violations of employment law with respect to benefit payments, use of independent contractors, and workers compensation fraud to name a few issues. Increased efforts to bring these matters to light and prosecute them diverts the open shop from attacking unions, ties up resources, levels the playing field and opens a possibility of some implicit agreement to maintain the status quo with respect to labor law.

2. Cooperative Strategies with Construction Employers and Owners

Cooperative strategies have always been a part of the tool kit of construction unions, the division between employee, manager and owner is narrower in construction than most industries. Because of their small size, construction managers are accessible to employees and there are multiple points of contact between managers and union members. Movement from employee to manager or owner, and back are common in the industry. Many new firms are begun by craftworkers and older firms often bring managers up from the trades. Construction union members regularly fill many of the lower level managerial positions, such as foreman and supervisor and members may be called on to serve as estimators and in other professional jobs. Some unions, such as the International Brotherhood of Electrical Workers, provide training to members who want to start new firms.

Small firm size has also necessitated the development of cooperative institutions linking firms to other firms and unions. Unions bargain with employer associations, but also interact with these associations in the joint administration of training programs and benefit funds. Few construction firms are sufficiently large to provide training, pensions or health insurance on their own and worker mobility between firms limits the value of firm specific services. Instead, such services are provided through Taft Hartley joint labor-management trusts and are funded with fixed charges per hour worked. These trusts are overseen by representatives of employers and unions and require ongoing contact and cooperation between the parties.

Cooperative efforts between labor and management are then embedded in the structure of the

employment relationship. This has provided a base on which new cooperative institutions to promote union construction industry have been developed.

Formal Labor-Management Cooperation as a Method of Regaining Market Share

One of the earlier forms of cooperative program intended to regain market share were industry promotion funds. Financed by a payment per hour worked, these funds allowed signatory contractors to submit proposals for subsidies to help win projects. The proposals were selected by a joint labor-management board. The funds, which are a limited form of cooperative program, have had some success in preserving work for union construction and stabilizing employment.

More ambitious are ongoing labor-management efforts to promote union construction. Tri-con, in Peoria Illinois, is one of the most advanced of these efforts. Early in its development as a labor-management effort to regain the construction market, Tri-Con established that construction users were uninterested in whether work was done union or open shop. Rather, they were concerned with the perceived value of the project. The members of Tri-Con created a construction organization and trademark, Better-Bilt, which provided access to a full range of construction services including architects, financing, construction law, and, of course, construction. Although organized around a labor-management cooperative relationship, marketing and an evolving reputation have made Better-Bilt a recognized brand for high quality reasonably priced construction. Part of its success has been establishing internal systems for maintaining quality and limiting conflict between parties in the organization. Using the Better-Bilt name, Tri-Con has been successful in regaining market share in its region.

The efforts of the Quad City Labor-Management Cooperation Committee in Iowa and Illinois came out of the rapid decline in the construction unions and contractors in the early and mid-1980s. Over time, the unions and contractors have learned to handle internal differences and focus on providing the construction user with a better value proposition than the open shop. The committee has funded a full time executive to promote union construction and to serve as a first line mediator of project disputes. The labor management committee has also adopted a standard umbrella agreement that assures the construction owner against labor shortages or other factors that may disrupt the project. Again, these efforts have been used to rebuild the presence of union construction in the Quad City Area

There has been considerable movement in the joint apprenticeship organizations in many trades to modernize training, take advantage of new learning technologies and to upgrade the construction labor force even after completion of apprenticeship training. For example, the United Association of Plumbers and Pipefitters and the Mechanical Contractors Association have

built a series of new training centers around the country with video links so that, when appropriate, skills can be taught from the national training center. The U.S. and MCA are also seeking ways of merging the apprenticeship training with college education so as to provide members with the opportunity to earn degrees in construction management and other related studies.

The Iron Workers union has built on their capacity in training members to obtain voluntary recognition from the largest iron work firm in the high plains and southwest. The critical shortage of craftworkers has been paralleled by a critical shortage of supervisors. The Iron Workers agreed to train existing members as supervisors to run this firm's rod tying crews in return for recognition. The members going through this program will be trained in Spanish as well as in supervisory skills, the union will gain at least 2000 members.

Improving the Value Proposition for Owners

Owners, the individuals and firms that pay for buildings, have formerly only had arms length relations with the construction industry. When there was work to be done, projects were put out to bid and owners, with the aid of their construction departments, would evaluate the bid. This limited the degree to which unions and unionized employers could influence owners' decisions.

Over the last twenty years, there has been an increasingly conscious effort to become involved in owners' decisions about projects earlier in the process. Some examples of this are regional efforts to work with owners to standardize drug and safety training and establish multi-owner/multi-employer skill testing. There are several efforts in the Midwest to create common safety standards compatible with the OSHA 40 hour standards and common drug testing. In Michigan, the large owners and the trades developed a modular distance learning program, Safe-To-Work, that qualified workers for most projects in the state. Such programs provide savings as employees do not have to recertify for each new job. Finding common drug testing standards has proven more elusive as many owners want their own programs but the economies of joint programs are attractive and may bring owners around. Another example of this has been a public multi-owner/multi-employer skills testing. Prior to the development of these public tests, workers demonstrated mastery of appropriate skills at each employment site where this was required. This carried with it time and cost expenses and was often duplicative between sites. The Boilermakers have implemented public testing in some areas of the country where members demonstrate their skills in a public site where employer and owner representatives can attend. Passing these tests qualifies the employee to work on attending owners projects for a set period, often three years. As these are done on weekends, there is minimal cost to employers or owners.

Project Labor Agreements:

The increasing use of Project Labor Agreements (PLA) by unions and joint labor-management reflects another approach cooperative approach to establishing better relations with owners. A PLA is a pre-hire, collective bargaining agreement, which governs the terms and conditions of employment on a construction project. PLAs are normally used on large projects of long duration. The advantages of PLAs for contractors and construction users are that they are assured a timely supply of labor, no strike no lockout provisions assure that jurisdictional and contract issues will not interfere with the project, and to varying degrees the PLA will reconcile sometimes disparate provisions of local collective bargaining agreements across the trades. With a PLA, a project manager need be concerned primarily with one unified agreement rather than as many as fifteen local agreements. PLAs may also contain direct concessions from the local agreement, but this is not assured. For unions, PLAs are a guarantee that collectively-bargaining terms and conditions of employment will be enforced on a project. When working on a covered project, all contractors agree to abide by the terms of the PLA as well as any provisions of local agreements that are specifically referred to in the PLA or not otherwise limited by the PLA. As a practical matter this means that all contractors agree to use union referral mechanisms (e.g. hiring halls), pay union scale, contribute to jointly-administered (i.e. union sector) benefit programs and, in general, operate as union contractors while on a project whether they are usually union contractors or not.

PLAs are particularly attractive to owners on time sensitive projects, in periods in which there is a shortage of labor, or when there is concern about the effect of increases in the price of labor on construction costs. Although PLAs historically have been between owners and building trades unions, they are often used by labor-management committees as part of a package to attract owners to build union. An advantage of having the PLA jointly developed by a labor-management committee is that the owner will likely be familiarized about its advantages by a construction manager or general contractor early in the development of a project.

PLAs with public bodies have proven particularly important to the building trades. While PLAs are sometimes used on relatively small projects, such as school reconstruction, their use on very large public projects such as the Boston Thoroughway and prospectively, the thirty billion dollar Alaska Gas Pipeline project, assure that these projects are built under collectively bargained wage and working condition standards and that signatory contractors will not be disadvantaged in the bidding process by adhering to these standards.

Strategic Engagement with Owner Associations

The Building Trades have also undertaken strategic initiatives with owners. In part because of a critical shortage of skilled craft labor, energy companies have been engaged in joint meetings

with unions and employers on issues of mutual concern for more than a decade. More recently, the building trades have been engaging the Construction Users Round Table (CURT) in discussions. CURT, an organization of large industrial owners, is a spin off of the Business Round Table, an organization which was deeply involved in the promotion of the open shop beginning in the 1970s. Problems with the open shops ability to provide a sufficiently skilled labor force pushed CURT to meet with the construction unions to find means of working together. This relationship has been fraught with problems, CURT is explicitly double breasted and has apparently been reluctant to make commitments to use union contractors in return for increases in the size of the union labor force or other changes. Despite such limitations, this is a new relationship and one that contrasts strongly with the solidly anti-union approach taken by the Business Round Table.

Restructuring the Trades:

Although the construction industry is sometimes viewed as the industry time forgot (LePatner, 2007), there has been considerable change in the structure of employment, in firm structures and relations, in technology and in markets over the last fifty years. Technological change has both reduced the skill needed for some types of work, while allowing the introduction of products and methods requiring new skills.

Enlarging Administrative Units to Better Reflect Labor Markets:

Construction has always been a footloose industry consisting of regional and national as well as local markets. The extent of local markets has increased with the rise in individual mobility. While once construction workers might not work more than fifty miles from their home, today workers will regularly drive seventy or one hundred miles to a work site every day. For example, while once Saint Petersburg and Tampa Florida were separate construction labor markets, increased mobility and a bridge across Tampa Bay has combined them into a single market.

These redefined markets have posed challenges for union administrative structures developed when markets were far more local. The Tampa contractor who wins a bid on work in St. Petersburg will, for many trades, find a different local, and possibly different contract, than he is used to dealing with and a limited ability to take his existing workforce across the bridge. This disadvantages union contractors. The existence of many small locals within a single labor market is also disadvantageous as pension and health funds are organized by local and small funds cannot take advantage of economies of scale in their operation.

There is a steady movement toward the creation of union and employer institutions that are more

congruent with emerging labor markets, the form varies by union. The most dramatic of these is the consolidation of the Brotherhood of Carpenters structure into regions. The Carpenters have created geographically large regions, for example all of New England, and placed operational control of union activities in the regional director and staff. Further, in order to reduce local political influence over staff, business agents are employed by the region and are appointed rather than elected. This regional structure allows contractors to be bid work throughout the region and carry their workforce with them. It also allows the allocation of resources, such as staff, to areas where it is needed. Although the locals remain, and continue to elect their officers, much of the bargaining and other functions are now located in the region. (Any other unions that have done this)

Among the other building trades, only the painters have taken as bold steps toward restructuring, but most have moved in this direction. There has been considerable consolidation of locals so that locals better correspond to labor markets, typically through the merger of smaller locals into larger locals. For example, all of the Operating Engineers locals in Ohio were consolidated into a single local; OE locals in Michigan have been consolidated into two locals, one serving the eastern part of the state, the other serving the balance of the state. These consolidations are less common in larger metropolitan areas where large locals maintain sufficient financial and political power to resist efforts of the international toward merger.

Changing Members Attitudes:

There has been ongoing discussion within some parts of the union sector about members' attitudes toward the job, employer and customer. At issue is engaging line employees in improving efficiency and performance in construction and addressing some cultural norms that impede high levels of performance. Some of this, paralleling the UAWs efforts with its paid education leave program, is about educating union members about the position of the employer and the industry. Some is about redefining the relationship between the craftworker and the owner and owner representatives. The IBEW has developed a code of excellence for its members that addresses issues of timeliness, productivity and behavior on the job and is starting down the road of screening applicants to the apprenticeship program for work motivation and attitude. Others, such as Mark Breslin, have developed and promote programs for improving administration of locals, setting clearer goals for members, and signing up open shop contractors on the basis of a union value proposition. Programs work on issues of inclusiveness and diversity, a critical issue for unions as the construction labor force bringing in new immigrant groups

This effort may be viewed as a mirror of the initial effort toward changes in the structure of work in manufacturing sector forty years ago. The effort in manufacturing lead, over time to new

work structures, such as the GM production system, with its lean managerial structure and the downward evolution of responsibility and control of production. Although the union work structure provides more autonomy and control over work than the existed in manufacturing, the current discussions are almost entirely focused on employee change rather than on analyzing the relationship between employers and employees, determining how this causes inefficiencies and conflict, and then developing methods of improving performance.

Adapting Occupations to Meet the Challenge of Residential Construction

Unions have also been adapting their occupational categories to changes in the demand for skills. Residential construction has been the fastest growing segment of the construction sector for the last decade. While housing accounted for 45 percent of construction in 1995, in 2006, it accounted for 55 percent of all construction expenditures (U.S. Census, 2007). Although building trades unions had some role in the residential housing industry in the past, particularly in larger cities where unions were strong, their role in the current housing market has been limited. This reflects, in large part, the focus of unions on the better paid and more skilled industries within construction such as heavy and highway, heavy commercial and industrial construction. Skills and compensation have been structured for these markets.

Most of the unions that potentially have a role in residential construction have been moving toward creating occupations and training programs intended to make it possible for them to compete in the residential market. For example, the IBEW and NECA have developed a three-year residential wireman apprenticeship. This apprenticeship does not provide the full range of skills as the inside wireman apprenticeship, but also does not take five years. Graduates of the program are prepared to work in residential and light commercial construction under residential collective bargaining agreements. In some areas the United Association of Plumbers has taken a different approach in having a residential training program rather than an apprenticeship. Those who go into this program are trained, relatively rapidly, for residential and light commercial work and work under a different agreement than members who are working in heavy commercial and industrial work. Although their pay is lower than other members, they carry full health and pension benefits, making their work considerably more attractive than working for the open shop. The U.A. has promoted its residential program in the state of Michigan by offering extended warranties on new construction done by signatory contractors. The residential work force can upgrade over time into the better paid parts of the trade, but residential work provides a port of entry for workers into the union. The Sheet Metal workers in Toronto have taken yet another approach in developing a piece work system for residential and light commercial. This substantially reduces the cost of union labor while allowing members to maintain their income. There is not a separate training program for residential apprentices under this system.

Both the United Brotherhood of Carpenters and the Laborers have approached the residential market with a new occupation, homebuilder. This occupation includes virtually all of the skills needed for residential construction. A single crew can pour foundations, do framing, dry walling, roofing, finish carpentry, heating, electric and plumbing. This approach has been particularly successful in western Pennsylvania where the UBC currently commands 40 percent of the residential market. This wall to wall approach creates jurisdictional issues with other trades, but given the lack of union engagement in residential, this has not become an issue between the UBC and the building trades. Although they have not created new occupations, the Roofers have *de facto* recognized residential roofing as a distinct trade in their organizing residential roofers in Las Vegas and other areas.

Although union efforts to establish themselves in the housing market will be slowed by the sharp downturn in new home construction, it offers more than an increase in membership. First, it establishes labor standards in a construction industry which has had been low paid and ill benefitted. Second, residential has been an important point of entry for new construction firms. As they develop knowledge and expertise in residential construction, these firms can move into light commercial and the survivors may over time move into more skilled and demanding parts of construction. By forgoing involvement in the residential sector, unions have ceded this source of new firms to the open shop and suffered consequences as light commercial construction has been increasingly dominated by the open shop. Re-engagement may benefit the union part of the industry both by increasing the number of new union firms, and by reducing the opportunities available to the open shop.

Organizing immigrant workers without regard to legal status.

Construction is a port of entry for documented and undocumented immigrant workers. This is reflected in the rapid increase in the Hispanic role in the construction industry. While Hispanics comprised XX percent of the construction labor force in 1990, in 2006 it comprised YYY percent. Many of the immigrant workers in construction are undocumented and vulnerable to exploitation such as low pay wages, not being paid at all, not receiving benefits and not having the protections provided by social insurance such as workers compensation and unemployment insurance. Undocumented workers are particularly common in residential construction, but substantial numbers are present even in the most skilled parts of the trades.

Immigrant workers and undocumented immigrants in particular poses a difficult issue for the building trades. Some trades, such as roofing, painting and drywalling, have been adversely affected by the inflow of large numbers of undocumented immigrants. The rapids decline of some union trades in the South and Southwest, such as the virtual extinction of the Carpenters= local in Houston, can be attributed to competition from open shop firms using undocumented

laborers.

There is agreement across the trades that current immigrants need to be provided a path to citizenship, but there are considerable differences between the trades on what to do before passage of comprehensive immigration reform. Building trades unions that are more affected by immigration, Carpenters, Laborers, and Roofers for example, have implemented programs to organize construction workers without regard to their immigration status. The roofers have gone as far as providing personal identifiers to members other than social security numbers so that the undocumented can participate in health and welfare programs. Similarly, these organizations have not limited entrance to their apprenticeship programs to those with documentation. In contrast, other unions, often those which are less affected by undocumented workers, have implicitly excluded undocumented workers because of the difficulty in entering them in programs that require extensive documentation.

Even those unions which actively recruit immigrants face issues in retaining these workers in their ranks. Employers may be reluctant to take on undocumented workers, particularly as states and localities pass laws penalizing those employing undocumented workers. Even if one employer is willing to hire undocumented workers, other union employers may not and this restricts workers' ability to maintain employment. Open shop employers have proven willing to have workers deported rather than recognize unions supported by undocumented construction workers.

How These Programs Work Together

We have discussed adversarial, cooperative and restructuring efforts as distinct and any times they have been pursued in individually. Experience has shown that these efforts work best when they are combined into a single effort. Reducing the capacity of the open shop by stripping off it more capable workers while increasing the flexibility of signatory contractors and actively recruiting and supporting new contractors are both needed to improve a market share.

Decreasing the capacity of the open shop does not truly benefit the union sector absent increased capacity to handle additional work. Absent such capacity, new open shop contractors will enter the market and there will be no gain in market share. Similarly,

Although these three groupings are presented as distinct approaches, they are complimentary and no one strategy is likely to be successful of itself. For example, adversarial strategies such as stripping the most able workers away from open shop contractors compliments unions' efforts to offer owners guarantees of adequate skilled labor forces and their efforts to better assess new members' skills and place them in the appropriate training programs to quickly move them to journeyman status. Similarly, increasing the number of employees going through apprenticeship

programs and stripping qualified craftworkers from open shop contractors is unlikely to increase the union share if signatory contractors are unwilling to bid for work beyond their normal projects.

It is Not a Sure Thing

Although the Building Trades have developed a series of approaches, which, used together, may well be provide the foundation for reorganizing the industry; this is not a sure thing. Many factors could slow or prevent unions from regaining market share. First, these strategies are complex and require more than typical skill to implement. Whether it is possible to marshal such human resources on a country wide basis is not certain. Second, these strategies go against many of the long held approaches of the leaders and members of the unionized industry. It has not been common to take in large number of new members. Working both harder and smarter is not always appreciated by the membership. Making change may be harder in the good times, such as the present, than when problems of employment and downward pressure on wages force everyone to think about what has not been going well.

Current economic conditions, strong demand for inadequate supplies of skilled over the next five or more years, creates the opportunity for the Building Trades to regain their market position of a quarter century ago. To do this, they will need to take the strategies that have been developed over the period of decline and implement them on a national scale. This will stress the resources and culture of these organizations and their members, particularly as the historic response and human response to tight labor markets has been to delay difficult issues and enjoy a period of prosperity. The Building Trades also face the issue of developing a strategy toward the large numbers of immigrant workers in the construction trades.

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