Handbook of Local and Regional Development

Andy Pike, Andrés Rodríguez-Pose, John Tomaney

Labor and local and regional development

Publication details

Andrew Herod
Published online on: 12 Nov 2010

How to cite:
Andrew Herod. 12 Nov 2010, Labor and local and regional development from: Handbook of Local and Regional Development Routledge
Accessed on: 31 Oct 2023
Introduction

Workers have long organized themselves into various social, economic, cultural, and political groupings. Often, such entities have focused their attention most directly on what happens in the workplace and have sought to negotiate better wages and working conditions or to secure greater control over the production process. Workers’ organizations, though, have also played important roles beyond the workplace, as they have tried to improve workers’ lives as consumers and citizens and not just as producers. For instance, in 1895 members of the Christian socialist movement established the International Co-operative Alliance with the intent of setting up transnational cooperative trading associations (Gurney 1988), whilst labor unions and other worker organizations have also fought for things like public education and improved public health facilities. Importantly, both these types of activities – those focused specifically on the workplace and those beyond it – have had often dramatic impacts on patterns and processes of local and regional development. Thus, increases in wages can bring more money into an economy from outside. Equally, struggles to improve work’s qualitative dimensions, such as by reducing the number of working hours, can shape how local and regional economies function by giving workers more leisure time in which to spend their wages, thereby affecting how money circulates locally/regionally and what impact this will have on, say, the retail or entertainment sectors (see Pike et al. (2006) for an example from the UK). At the same time, workers’ organizations can play direct and active roles in encouraging or discouraging local and regional economic development beyond the workplace, as when they may throw their weight behind the construction of housing for workers or attempt to limit the redevelopment of particular urban areas which might result in the factories in which they work being replaced by high-end residential units.

Given, then, that workers’ organizations can shape local and regional development through their activities in both the workplace and beyond it, in this chapter I undertake two tasks. First, I provide a brief theoretical analysis of how the activities of workers’ organizations can be linked to the unfolding patterns and processes of local and regional development, particularly with regard to their proactive efforts to mold the economic landscape in particular ways. Second, I detail a number of case studies in
which such organizations have deliberately sought to shape the local and regional economic landscape through their activities. These examples are not meant to be an exhaustive account of all the ways in which workers and their organizations shape local and regional development but, rather, to be illustrative and to stimulate further thinking about labor’s role in making the economic landscape of capitalism and other political-economic systems.

Theorizing labor’s role in local and regional development

Workers are geographical creatures. They have a vested interest in ensuring that the economic landscape is made in some ways and not in others. As intimated above, much of this is done in an indirect way through their actions within the workplace. Hence, workers’ efforts to increase their wages will indirectly impact upon how the economic landscape evolves around their places of work, ensuring that it remains, they no doubt hope, one of prosperity rather than poverty. However, it is important to recognize that workers also play a role in shaping the broader economic landscape beyond the workplace, both proactively and reactively. Three important bodies of theory have emerged within the critical geographic literature in the past two decades or so which seek to link workers’ political and economic practices with the impacts of such actions on local and regional development patterns.

The first of these bodies revolves around the concept of what Harvey (1982) called “the spatial fix.” Largely developed out of his effort to spatialize Marx, Harvey suggested that if capital is to engage in accumulation successfully, then it has to ensure that there is a certain geographical configuration of infrastructure placed in the landscape. It is essential, he argued, that labor and raw materials are brought together at particular locations so that work can be done and surplus labor extracted from workers. This will generally require that factories or mines or other workplaces are situated in specific places, that workers are provided with housing sufficiently close to work (either directly by a firm, as with company housing, through the market, or by the state), that roads or other types of infrastructure are available to move goods and people around, and so forth. The realization of any surplus value generated, however, also requires investment in infrastructure. Often, this is the same infrastructure – roads can be used both for bringing raw materials to a site and for taking away finished products – but sometimes it requires different types of infrastructure, such as shops in which finished goods can be purchased. Thus, as Harvey (1982: 233) put it, collectively capital must invest in “factories, dams, offices, shops, warehouses, roads, railways, docks, power stations, water supply and sewage disposal systems, schools, hospitals, parks, cinemas, restaurants – the list is endless” so that the capitalist system is maintained.

There are several important issues which emerge from such a conceptualization. First, the form of the economic landscape is seen to be both a reflection of, but also constitutive of, the capitalist accumulation process – the demands of securing and realizing profit require a certain physical configuration of the landscape, whilst this configuration shapes how accumulation processes unfold, as goods, capital, information, and workers flow between particular places along the networks emplaced in the landscape. There is, in other words, a socio-spatial dialectic (Soja 1980) at play. Second, it is important to bear in mind that there may be significant divisions within collective capital – one group may wish for one particular type of spatial fix, whereas another may wish for a different type, such that the actual economic landscapes which eventually materialize are the result of struggle. Third, not only is there a synchronous socio-spatial dialectic at work but there is also a diachronic one, for landscapes have certain
path dependences to them. Thus, the landscapes which facilitated accumulation at one historical moment increasingly come to limit its possibilities as the social relations of capitalist accumulation change, although this varies from place to place and over time, given that the rate at which capitalism’s social relations develop will vary historically and geographically. Fourth, and perhaps most significant for our purposes here, although Harvey outlined an important way of thinking about how patterns of local and regional development are related to the internal machinations of capitalist accumulation, he did not have a particularly active conception of labor in this process – workers appeared more or less simply as factors of production. In response, a number of writers (e.g., Herod 2001) began to explore how workers – either individually or as part of a collective entity like a labor union – similarly seek to place in the landscape their own spatial fixes, fixes which they see as important for their own ability to reproduce themselves socially and biologically on a daily or generational basis. Specifically, such writers argued that workers struggle over the geographical location of work and over the location of those other things (businesses, schools, roads, recreation facilities, and so forth) which allow them to live their lives and which have tangible impacts upon local and regional development patterns. As with capital, though, different segments within the working class and its organizations of collective representation might prefer quite different spatial fixes to be implemented in the landscape. Equally, the landscapes which facilitated their self-reproduction at one historical moment may not at later moments, a fact which leads workers to seek to rework the economic landscape. Through their struggles over the economic landscape’s form, then, workers and their organizations shape patterns of local/regional development.

If the spatial fix is one concept which helps link the political and economic activities of workers and their organizations to how patterns of local and regional development are generated, a second – closely related – one is that of what Cox and Mair (1988) have called “local dependence.” Specifically, Cox and Mair suggest that social actors are differentially tied to various places through capital investments and other economic bonds, kinship ties, political relationships, and the like. At the same time, they have disparate abilities to move elsewhere. Thus, whereas some capital is quite flighty, that with large amounts of investment fixed in particular places (like utility companies) or with significant ties to particular places (such as a reliance on highly trained labor that is only available in certain places) is less so. Likewise, whereas young workers with few responsibilities may readily pick up and move elsewhere, older workers who own houses they may not easily be able to sell or who may find it hard at their stage in life to find another job are more fixed in place. These considerations mean that certain firms and individuals are more dependent upon the continued economic vitality of the communities in which they live and/or are invested than are others. The result, Cox and Mair argue, is that they are much more likely to engage in boosterist local politics than are those firms and individuals who can more easily move on somewhere else should the local or regional economy begin to sag. Equally, they may be more likely to seek to reduce their own local dependence by externalizing it, through, for instance, drawing down their investments in their own fixed capital and using rented factories or office buildings (if they are firms) or seeking to sell their homes and move into rented accommodation in the same community (if they are workers). Consequently, those workers who are relatively spatially fixed in particular places often work hand-in-hand with local capitalists to ensure that investment is brought to their community, forming business coalitions to stimulate and/or continue local and regional development efforts. This means that whereas sometimes workers may mobilize around their class interests, at other times they may defend their territorial ones, with
their choice dramatically shaping local/ regional development patterns.

The third way in which workers and their organizations have been theorized to play a significant role in shaping patterns of local and regional development is through the practice of seeking deliberately to mold the built environment for purposes of transforming social relations – that is to say, through engaging in spatial engineering for social engineering purposes. Thus, workers and their organizations have often attempted to establish various communities which reflect their social values, and in the nineteenth and twentieth centuries many unions went about building utopian communities of one sort or another. In the case of New York City’s garment workers in the 1920s, for instance, the union built worker cooperative housing with the goal of creating a “workers’ city” which would both give them greater security against being evicted by their landlords but also represented in bricks and mortar their vision of a more emancipatory built environment (Vural 1994). Likewise, in Berlin after the Second World War unions built some 10 per cent of all housing constructed in the city in some years, with goals similar to those of the New York garment workers (Homann and Scarpa 1983). Their objective in all of this has been to put “social thought in three dimensions” (Fishman 1977: 7), to create built environments which are, perhaps, more emancipatory than those within which they would otherwise find themselves.

Some diverse examples of labor shaping local and regional development

Having outlined some of the theoretical issues concerning labor’s shaping of local and regional development, in this section I present several case studies intended to give a flavor of how workers and their organizations have actually made the economic landscape in particular ways. At a very local scale, one example of a union having a significant impact on local development patterns is that of the International Ladies’ Garment Workers’ Union (ILGWU) in New York City. Faced with the loss of jobs in the industry in the 1970s and 1980s as a result of building owners transforming their manufacturing lofts into office space for the service-sector firms which were increasingly looking for cheap space in Manhattan’s Garment District, the union sought to limit conversions as a way to preserve manufacturing space (Herod 1991). Through lobbying the city government, in the early 1980s the union was successful in having established a Special Garment Center District preservation zone in which building owners’ abilities to rezone and convert their lofts would be restricted. The result was that space was saved for apparel manufacture that otherwise would have been converted into office space, such that garment manufacturers were able to weather some of the pressures they were facing. Through its ability to shape zoning patterns, then, the ILGWU was able to impact upon local development patterns not just in midtown Manhattan (location of the special district) but also elsewhere, as service-sector office users, denied locations in the garment district, were forced to look for space in other parts of the city.

If the ILGWU’s activities in New York City represent a very local intervention into the dynamics of urban real estate, the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO) has more broadly played important roles in shaping the urban fabric. One way in which this has been the case is through the housing policies pursued by various unions, which in the early post-war period encouraged both suburbanization and urban redevelopment as a solution to union workers’ housing needs (Parson 1982, 1984; Botein 2007). Other examples are those of the AFL-CIO’s Building Investment Trust, a real estate fund established in 1988 and worth some $2.1 billion as of 2009, and its Housing Investment Trust, first established as the Mortgage Investment Trust in 1965.
and which by its own reckoning has financed close to 500 housing projects, creating or preserving more than 80,000 homes. During the first decade of the 2000s, the HIT committed some $2.6 billion to finance the development and/or preservation of over 33,000 housing units, with such investments generating over 22,000 union construction jobs and leveraging some $1 billion in additional investment capital for community development. Two notable projects have been the Chicago Community Investment Plan, a $500 million initiative announced in 2005 to help the city address housing and community development needs, and the HIT’s Gulf Coast Revitalization Program to rebuild communities impacted by Hurricane Katrina (AFL-CIO 2009; see also Hebb and Beeferman 2009).

The US, though, is not the only place in which the AFL-CIO has been involved in building housing and local communities. Hence, beginning in the 1960s the Federation began using some of its constituent members’ pension funds, together with US government monies, to construct housing and other types of infrastructure and make small loans to workers in Latin America and the Caribbean (Herod 2001). Such activities were part of a broader campaign designed to limit the appeal of communism to workers in the countries in which they were located, based upon the belief that improving workers’ material conditions would make them less susceptible to communist ideology. In Brazil, for instance, a 448-unit housing complex was constructed in São Paulo and schools and community centers in a number of rural communities, whereas in Colombia low-cost worker housing projects were built in 15 cities throughout the country. Similar such projects were completed in many other countries in the hemisphere, with important impacts on local and regional economies. Likewise, other countries’ labor movements played roles in shaping economic development in developing countries as a way to hinder communism’s spread (Weiler 1988). Such examples show not only how unions shape local and regional development but also how they may work simultaneously at different geographical scales to do so—hence, US unions building housing in Latin America worked both transnationally but also at the scale of the neighborhoods impacted by such projects.

Organized labor has also played a significant role in shaping patterns of local and regional development in Eastern Europe during both the communist and post-communist period. Hence, under communism the role of labor unions was to serve as “transmission belts” of the economy, which is to say that they were supposed to be the social entities who made sure that the production quotas determined by central economic planners were achieved. Although there was some variation in how this was done—unions in countries like East Germany and the Czech Republic, which had industrialized before 1945, were generally less authoritarian than were those in countries like Bulgaria and Romania, which largely industrialized after the Second World War (Herod 1998)—the unions generally served to mobilize/discipline the workforce to fulfill quotas and engage in “socialist emulation.” Equally, unions served as conduits through which workers might acquire consumer goods (TVs, cars) or gain access to economic and social benefits (vacations at union-owned resorts, coupon books for rationed food, etc.). Consequently, unions—even as arms of the state—were central actors in processes of economic development. Significantly, though, they have also been key participants in the transformation of the region’s economic landscape associated with what has come to be called “the transition.” Hence, many unions assumed enthusiastic roles in processes of enterprise privatization and were active advocates of economic restructuring in the early 1990s, in the belief that privatization, the introduction of market reforms, encouragement of an entrepreneurial system and culture, and the restructuring of enterprises was required to kick-start local and regional
economies after almost half a century of central planning. Indeed, in Poland Solidarność (Solidarity) was a major advocate of neoliberal policies in the 1980s (Ost 1989) and many others across the region took similar stances – one adviser to the Czech national labor federation ČMKOS, for instance, suggested that unemployment in the early 1990s in the Czech Republic was too low and that “[a]n increase [in it] would be healthy,” since this would likely bring higher productivity and thus, perhaps, higher wages for those workers who remained employed. At the same time, numerous Western labor organizations, from the AFL-CIO to entities like the International Metalworkers’ Federation and the German metalworkers’ union IG Metall, ran training seminars and otherwise worked with new and reformed unions in the region to help them reimage themselves along Western lines (Herod 1998, 2001). The result of these activities has been that unions both within Eastern Europe and from beyond it have contributed in myriad ways to the processes of local and regional development which continue to unfold.

Unions have played similar roles in shaping patterns of local and regional development in other parts of the world, as in Mexico. In this case, they have done so as part of a corporatist arrangement with the Partido Revolucionario Institucional (PRI – Institutional Revolutionary Party), which ruled Mexico for much of the twentieth century. Thus, the Confederación de Trabajadores de México (CTM – Confederation of Mexican Workers) was for many years a central pillar in corporatist politics in Mexico and played important roles in designing industrial policy (including the creation of import substitution industrialization programs and, later, the Border Industrialization Program which encouraged establishment of the maquiladora plants that have industrialized Mexico’s northern border). Likewise, in Germany and Scandinavia the idea of “co-determination,” in which unions and workers participate in decisions concerning how work should be organized and in long-term planning for companies and plants in particular communities, is central to how industrial relations work and has important impacts upon local/regional economies – in the 1970s, for instance, Scandinavian unions began initiating research projects aimed at developing alternative technologies for use in manufacturing (Bansler 1989; Lundin 2005) so as to help reduce negative impacts on the local environment and give workers more influence over how the work process is structured. Equally, in countries like China unions have not only been involved in shaping industrial policy but also in establishing and running businesses themselves. Hence, according to the All-China Federation of Trade Unions, by the late 1990s Chinese unions had set up 120,000 enterprises and operated more than 100 Sino-foreign joint ventures and overseas-based businesses, with such trade union-run enterprises employing 980,000 workers and generating approximately one-third of union incomes through the profits they earned (ACFTU 1999). More recently, entities like the Shanghai Federation of Trade Unions have established employment agencies for migrant workers and those workers laid off by the restructuring of state enterprises, whilst other unions have made small business loans to migrant workers looking to start businesses (China Daily 2009). Certainly, the fact that the official unions in China are presently arms of the state means that these practices raise significant questions concerning where labor organizations end and the state begins. At the same time, though, should such organizations gain greater autonomy as a result of growing worker pressure, then they will have considerable influence, as independent unions, on local and regional development patterns.

Finally, unions have impacted upon local and regional development directly through their collective bargaining activities. Although there are literally millions of examples of this,
a particularly pertinent one involves the International Longshoremen’s Association (ILA), which represents dockworkers in East Coast ports in the United States. Beginning in the 1950s, shipping companies began to deploy containers – essentially, large metal boxes – as a means to transport goods. The result was that much of the labor-intensive work of loading and unloading ships which, out of necessity, had historically been done at the waterfront could now be done at inland warehouses – whereas previously every piece of cargo had to be handled on the piers, now only the containers themselves did. In response to fears of job losses, however, the ILA successfully negotiated a series of work-preservation rules, one of the principal ones being an agreement that any container packing or unpacking work which would otherwise have been done at warehouses located within 50 miles of ports in which it represented dockers had to be done instead within these ports – this rule, in other words, forced work which might have migrated inland to remain at the waterfront whilst it also forced work that had already been shifted inland to be brought back to the piers, with all of the resultant impacts on local and regional work patterns (Herod 2001). At the same time, though, the union also successfully forced the employers to agree to a reworking of the scale at which collective bargaining took place in the industry. In particular, whereas traditionally bargaining had occurred on a port-by-port basis – New York employers negotiated with New York dockers, Philadelphia employers with Philadelphia dockers, etc. – the ILA’s national leadership sought to develop a national, coastwide contract as a way of presenting a unified face to those employers who operated out of multiple ports along the coast. Perhaps the most significant impact of this new system on local and regional economies was that it augured the beginning of a national wage rate based upon conditions in New York (where dockers’ wages were highest), which dramatically increased the amount of money cycling into waterfront communities from Maine to Texas.

Concluding comments

Putting all of this together, it is obvious that workers can have dramatic impacts upon local and regional economic development in a number of ways. First, they can help bring capital into their locality or region from outside through successfully negotiating higher wages and/or securing employer agreement that more investment being expended on their workplaces. This can help buoy the local/regional economy, which can have various multiplier effects, and can also have significant impacts upon how work is structured – for instance, new investment may be in the form of improved workplace technologies which can perhaps enhance efficiency (hence bringing more factory orders to a region). Second, they can dramatically shape patterns of local and regional development by themselves moving into or out of particular localities or regions – if a region cannot produce a labor force in situ through natural increase, for instance, then insufficient labor migration may starve it of workers whereas too much may swamp it, with all of the consequences for patterns of local and regional development of either alternative. Third, workers can shape local and regional economies through the impact that their own actions have on the actions of other social actors. Hence, if workers become too powerful in particular places they may encourage capital to flee their regions. Likewise, the local and/or national state may seek to rein in workers’ economic and political power in such situations, for fear that without so doing they may be unable to attract capital or that accumulation may be affected. Finally, workers can dramatically shape local/regional economies through directly intervening to shape the physical layout of the built environment as they seek to secure the particular spatial fixes they feel
are necessary to ensure their own social and biological reproduction.

References


Further reading

Cravey, A. (1998) “Cowboys and dinosaurs: Mexican labor unions and the state,” in A. Herod (ed.) Organizing the Landscape: Labor Unionism in Geographical Perspective, Minneapolis: University of Minnesota Press, 75–98. (Documents the role played by unions in shaping industrial policy in Mexico and how more recent neoliberal policies have transformed the geography of industrial development in the country.)


—— (2010) “Spatial engineering for social engineering in company towns,” in A. Vergara and O. Dinius (eds) Between Managerial Ideologies and Workers’ Power: Twentieth-Century Company Towns in the Americas, Athens, GA: University of Georgia Press, in press. (Examines how spatial engineering has been conducted for purposes of social engineering, from the scale of individual workplaces all the way up to entire landscapes.)


Peck, J. (1996) Work-Place: The Social Regulation of Labor Markets, New York: Guilford. (Shows how labor markets are spatially regulated and how workers’ organizations can shape how they operate, thereby influencing patterns of development.)

Waterman, P. and Wills, J. (eds) (2001) Place, Space and the New Labour Internationalisms, Oxford: Blackwell. (This edited collection contains several chapters which highlight how unions shape local and regional development.)

Wills, J. (2001) “Community unionism and trade union renewal in the UK: Moving beyond the fragments at last?,” Transactions of the Institute of British Geographers, 26.4: 465–483. (Examines how community unionism can impact upon local economies.)