

Social Capital and Labor Unions in the United States*

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ABSTRACT: This study explores the connection between social capital and social unionism. More specifically, a US construction union engages and leverages labor-management-community relationships to design and implement a mutually beneficial program that addresses its Green construction sector. This research was made possible by funds from the Fulbright (Specialist) Scholars Program and Senshu University's Center for Social Capital Studies.

“When it comes to leadership, not acting due to a lack of information is an error of ignorance... but knowing and, then, not doing the right thing is a crime of arrogance.”

—Dr. John S. Gaal, MCCTE—

Overview of Social Capital

A number of subject matter experts suggest that “social capital is the glue that holds the otherwise centrifugal structures of the market together” (Sirianni and Friedland, ND). And, that high trust societies tend to develop greater social capital. Needless to say, there are many definitions for the term social capital. Following are a few appropriate examples proffered by some of the experts mentioned above:

- 1) Social capital is the relationships between individuals and organizations that facilitate action and thereby create value (Alder and Kwon as cited in Claridge, 2004);
- 2) Social capital refers to those stocks of social trusts, norms, and networks that people can draw upon to resolve common problems (Sirianni and Friedland);
- 3) Social capital is about the value of social networks, bonding and bridging between diverse people, with norms of reciprocity (Dekker and Uslander as cited in Claridge).

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With regards to aspects of bridging and bonding...bridging is focused on external relationships while bonding is focused on internal relationships (Oh and Woolcocks cited in Claridge); and

- 4) "Social capital is the goodwill available to individuals and groups, it is based on:
 - a. Individual actors within a social network setting;
 - b. Resources must be available and exchanged; and
 - c. These resources must result in positive outcomes" (Avery and Swafford, 2009, pp. 9-10).

Equally important, there are many forms of social capitalism. Below are a few examples:

- 1) Congregation-based: empowers disadvantaged communities, lays effective claim to resources, and holds elected officials accountable (Sirianni and Friedland, ND). Please note that social unionism relies on grassroots participation and provides means for organizing non-traditional groups;
- 2) Civic Environmentalism: enhance awareness among the general public and within key civic, political, and business institutions and utilize this as a basis for an action agenda entailing specific institutional commitments and new forms of voluntarism often in response to deficiencies in regulatory approaches (Sirianni and Friedland);
- 3) Participatory School Reform: allows for public problem solving and democratic participation by providing the venue to network the community of actors who can support the change process while enhancing the educational experiences of children (Sirianni and Friedland). In fact, Whalen (2010) proclaims that the Economic Development Group of Western New York created an opportunity for low-income residents to participate in remodeling a school for the start a charter school; and
- 4) Social unionism: engages labor and the community for purposes of influencing economic development activities focused on retaining and expanding family-supporting jobs. Jacobs (as cited in Whalen, p. 542) defines, "...union's social engagement...as union concern for social issues beyond the immediate workplace."

Overall Concerns

The first concern is that there has been a decline in social capital in the US over the past decade although participation at the local levels has modestly increased (Putnam as cited in Claridge, 2004). Secondly, in today's economic environment, competing claims on public resources warrant a more targeted approach in order to avoid supporting social capital that is exclusivist (Putnam as cited in Claridge). Baines (2010) proclaims that neoliberalism is pushing unions towards the social unionism model. For instance, in Canada, this model has been primarily adopted in the non-profit sector...wherein, these workplaces are predominantly female and concerns go beyond wages and working conditions to include social services, child care, etc. (Baines). Finally, some experts attribute the television as the main culprit in the breakdown of the traditional family unit. To this end, its introduction (in the late 1940s) coincides with the

decline in social capital mentioned above (Putnam as cited in Claridge).

Specific Concerns

From an industry specific standpoint, a study of US automotive and electronics industries found that strong relationships—those built on trust and cooperation—with suppliers improved supply chain performance (Avery and Swafford, 2009). Accordingly, the service supply chain is a network of organizations with the following characteristics:

- 1) Customers and suppliers serve a dual role: They are sources of inputs and outputs;
- 2) Utilization of capacity is limited to present customer demand: Unused capacity is lost forever;
- 3) Every customer has unique needs: Customization introduces uncertainty into the processes; and
- 4) Services tend to be more labor intensive than manufacturing: Automation is difficult to introduce (Avery and Swafford).

Herein, the lessons learned were as follows:

- 1) Social capital is more important to the overall performance of small business supply firms than larger ones because “smaller firms tend to have fewer resources than larger firms” and, thusly, they must “rely on resources obtained through their networks”;
- 2) Older service supply chain firms tend to have stronger social capital than smaller firms just due to “the fact that they have been in existence longer”; and
- 3) “Service firms tend to use their networks of friends...to obtain information, customers, suppliers, and resources” (Avery and Swafford, 2009, pp. 12 & 14).

A US Union-based Application: The Green Construction Corps

This section will provide a brief description of how one US union applies the concepts of social capitalism in the construction industry. The St. Louis Carpenters’ Union (STL-CU) is the labor sponsor of the St. Louis Carpenters Joint Apprenticeship Program (CJAP). US Department of Labor (US-DOL) federal guidelines require registered apprenticeship programs (RAPs) be made-up of boards that further the best interests of the industry. Therefore, an equal number of board seats are allotted to management and labor representatives. The CJAP is the largest federally approved apprenticeship program in the state of Missouri.

In the US construction industry, a “perfect storm” developed with the predicted shortage of skilled workers, the downturn in the economy largely due to a faulty housing mortgage system, high unemployment, available federal stimulus funds, etc. Nagashima (2010) notes that social capital is the integration of civic involvement (CI), economic development (ED), and public welfare (PW). Accordingly, King (as cited in Whalen, 2010, pp. 540-541) asserts, “... unions must represent the interests of all workers, not simply members.” Therefore, on behalf of the CJAP, the CU connected for-profits, non-profits, and private and public entities—based on relationships over the years—to create a solution that allowed all parties to win. The key

stakeholders were as follows:

- 1) The Urban League of St. Louis (UL): This non-profit group works with inner-city families (mainly African-Americans) by providing assistance in education, housing, employment and community outreach (See integration components above: CI, PW);
- 2) Habitat for Humanity St. Louis (HfH): This non-profit group builds homes for economically disadvantaged families in the inner-city (CI, PW);
- 3) Mineral Area College (MAC): This public community college allowed trainees an opportunity to earn college credit—many for the first time—during the proposed project (CI, ED);
- 4) Union building contractor: Legacy is a private, for-profit, minority-owned construction firm that decided to expand its portfolio of work to include aspects of residential Green building (ED, PW);
- 5) CJAP: This non-profit post-secondary training program, briefly explained above, provided the basic carpentry training and Green/Weatherization certification training (CI, ED); and
- 6) Home Builders Institute (HBI): This is the workforce development arm of the National Association of Home Builders that designed and implemented portable training certifications—based on industry standards—within the US residential building sector (ED).

Social Capital in Action: Once the CU connected the six stakeholders above, they agreed to the following goals:

- 1) Utilize the America Recovery and Reinvestment Act of 2009 (ARRA) stimulus funds to Green/Weatherize low-income housing;
- 2) Provide construction career opportunities (not jobs) to non-traditional populations; and
- 3) Develop 21st Century skills within the regional construction industry.

These stakeholders then went on to identify their needs and expertise, as follows:

- 1) UL obtained ARRA funds (approximately US\$15m) to perform the Green tasks and pay for certification training while they lacked the construction related career opportunities for the population it serves;
- 2) HfH had related construction projects on job sites that would provide entry-level skills to UL's trainee population but lacked volunteers to complete work on numerous projects;
- 3) CJAP had the quality training program to deliver Green certification training but lacked a nationally recognized Green certification and was in need of bringing minorities into its trade to address the predication of a future shortage of skilled workers;
- 4) HBI had the ability to develop and establish a nationally recognized Green certification training program but lacked a local partner that could produce results in a timely manner; and

- 5) Legacy (Union Contractor) had the knowledge of performing work under government-funded contracts but lacked the background of working in the residential sector and required entry-level workers who could be trained beyond Green tasks.

Solution: In the spirit of collaboration, the stakeholders designed, developed, and implemented a nine-week training program that served all parties' interests known as the Green Construction Corps (GCC). Accordingly, the first three weeks were a mixture of classroom and shop training as follows: the UL delivered the first week of training. This training focused on work readiness skills: getting up on time, being at work each day, etc. The next two weeks of training were delivered by the CJAP... Week Two consisted of basic carpentry skills training and Week Three involved Green building techniques. The final six weeks of the program were handled by HfH. Herein, students would serve an internship on the job site performing construction-related tasks (including Green techniques).

Findings: Two sessions of the GCC were offered. In the first session, 28 students (18-24 years old) selected from the UL population to begin the program. Due to substance abuse testing on the first day, six students were disqualified. Of the remaining students, only 14 completed the first three weeks of the training mentioned above and went on to the six-week HfH internship. At the end of the nine weeks, just four successfully finished the entire GCC program. Two of these students were eventually hired by Legacy as apprentice carpenters and entered into the CJAP.

Adjustments: In an attempt to avoid past missteps, the UL, HfH, and CJAP all participated in the interview process before beginning the second GCC nine-week session. In addition, three of the four graduates from the first GCC session were utilized as mentors in the second session. The interview group mentioned above identified 12 students from the UL population. Only eight of these students completed the first three weeks of training and went on to the six-week HfH internship. At the end of the nine weeks, six students successfully finished the entire GCC program. Of which, one was hired by Legacy as an apprentice carpenter and entered into the CJAP.

Sustainability/Transferability: The GCC program has since been adapted to address different populations and regions in a multi-state area. For instance, the US Probation Office of Eastern Missouri (Department of Justice) has worked with the stakeholders mentioned above to tweak the nine-week GCC model to better serve its population in an effort to reduce recidivism. This endeavor resulted in a three-week program design (the reduction was due to maturity and educational background issues). After its first session, nearly one-half of the graduates were placed in construction-related jobs.

Lessons Learned

Projects, such as the GCC, do not just happen. They are a result of proper planning and, more importantly, the establishment of diverse/solid relationships. These relationships are based on years of working with various potential partners in a number of environments...not merely, the work-related atmosphere. Wherein, trust between and among individuals is built and norms are established. To this end, there is no doubt that the current worldwide recession has diminished funding streams over the past few years. In light of this challenge, it is incumbent upon organizations to do more with less...in a responsible manner. When it comes to 21st Century alternative union strategies, Budd (2010, p. 155) indicates, social unionism relies on “strong community networks.” As evidenced with the GCC, these social networks mutually benefit the stakeholders as they create value within the communities they serve! In these tough times, from this author’s perspective, social capital—practiced through a form of social unionism—is “the glue” that is helping hold aspects of the fragile construction sector of the US economy together.

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For additional information on the GCC and other CJAP community-based projects see the following link:
<http://www.law.harvard.edu/programs/lwp/papers/Carpenter%20Trilogy%20Occasional%20Paper.pdf>.

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