Placing Labor in the New Urban Economy:  
An Agenda for Research


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Trade unions remain forceful, if embattled, labor market actors in major North American urban centers. Increasingly under pressure in the bargaining arena, unions are assuming a more innovative role in the promotion and re-regulation of their respective sectors. This more entrepreneurial role often entails the promotion of high road employment practices that overlap with the shared concerns of local governments and locally-dependent firms in workforce development and increased inward investment, and the interests local communities have in the expansion of employment opportunities and the provision of public services. With respect to organizing new members, large city-based unions have sought new sources of leverage in the regulatory functions of local governments, especially land use regulation, and the importance of social reproduction and tax policy in local economic development strategies.

UNITE HERE, the major union representing hospitality workers across North America, has been among the most creative in adapting the planning capacities of local states towards leveraging organizing campaigns and defending bargaining regimes. The union is representative of labor's turn to entrepreneurial unionism, seeking to play a role in workforce development, the promotion of tourism-related infrastructure and place-promotion strategies in furtherance of high road employment practices. Under the leadership of UNITE HERE Local 6, the Hotel Trades Council (HTC) of New York has been drawn into the regulation of land use change to defend a bargaining regime that ensures the highest wages and benefits in the industry for approximately 75 percent of the city's hotel workforce. Rapid land price inflation and hotel development over the past decade has put pressure on this bargaining regime. In an impressive example of unions tailoring land use regulation to workplace regulation, the HTC has sought to prevent condo conversion of union hotels through historic preservation, has used "site fights" throughout the city in alliance with community organizations to win neutrality agreements with hotel developers, and is seeking a special permitting regime for hotel development in several city neighborhoods in order to block the construction of typically anti-union limited service hotels. The HTC has become one of the city's most powerful unions in the process.

This paper seeks to draw theoretical implications of this case for North American trade unionism, considering in particular the consequences for unions as representative working class organizations and the prospects of union renewal under neoliberalism. To anticipate, the main implications are as follows: First, as land rents and developer profits become an increasingly relevant source of organizing leverage over employers as well as a source of union-scale wages and benefits, the shape and power of organized labor will come to reflect a highly uneven distribution of rents across the space economy. Tensions will arise amongst unionized workers by locality, between competitive ‘global’ city regions, and between urban centers and urban and rural peripheries (Tufts, 2007). Second, to the extent that labor is in a position to bargain distributional shares out of land rents, unions develop the political profile of ‘place entrepreneurs’ and become active, if subordinate members of urban growth machines (Logan and Molotch, 2007 [1989]). Here, tensions arise between organized workers whose interests relate to urbanization or who are employed in industries or firms favored by local economic development policy,
and those displaced by urban development or who are called on to subsidize private investment in industries from which they are excluded, often along racial and gender lines. Third, as these urban strategies represent a shift in union power from the workplace to the terrain of urban politics, unions are obliged to fold particular union demands within policies that appeal to a broader urban public. This broadening of labor’s urban political capacities involves not only the familiar labor-community coalitions and labor-management partnerships, but also a political mobilization of union members as residents of the city, through their political capacities as citizens (MacDonald, 2011). These strategies will place unions in sometimes conciliatory and other times contradictory positions vis-à-vis other urban actors, and they reorient the ways in which unions represent class interests and identities.

How these tensions and contradictions play out concretely cannot be determined ex ante. Much depends on the actual strategies that unions develop, the politics of the communities in which they are enacted, the structures and regulatory capacities of local and sub-national states, and the economic development strategies of urban regimes. While labor’s urban entrepreneurial strategies include many of the tactics promoted in the labor renewal literature – including labor-community coalitions and increased political activity – they are, at best, unevenly related to neoliberal urbanism. They may in some cases push back against neoliberal state restructuring -- for instance, in defending high quality public services in a context of austerity -- while they may also be consistent with pro-business economic strategies in the private sector. For example, in seeking targeted business tax incentives or subsidies, conceding to wage and benefit compression to retain or foster new investment in footloose industries, and creating publicly regulated markets in green production. Entrepreneurial strategies may therefore place unions in tension between their role as labor market intermediaries and the broader social agenda that the labor movement continues to espouse. This tension becomes more relevant as union density rates continue to subside across the economy, including in large cities, and as unions become more reliant on the direction of public policy.

After drawing out the theoretical implications of the case study, the paper concludes with an outline of a current research project on entrepreneurial urban unionism, *Placing Labor in the New Urban Economy*. In extending cases studied beyond hospitality to encompass film, building trades, child care, and public transit, the project seeks to understand how general this strategic shift to the urban is within the labor movement, and to understand variations in outcomes across sectors and strategies. The research is further concerned with learning how unions may overcome the contradictions that arise in their roles as urban entrepreneurs. How may unions reconcile the interests of their members as urban producers with the plural and potentially conflicting interests and identities they hold as urban residents? How do unions advance public policies designed to further the collective workplace interests of their members through urban regulation in ways that converge with those of non-unionized workers and members of working class communities? And how do local unions promote place-based strategies in alliance with local firms and growth-oriented urban regimes without confronting ‘geographical dilemmas’ (Castree, 2004) that pit workers in one place or scale against those in another, often with zero-sum outcomes?
Case Study: Hotel Worker Organizing in New York City

The Hotel Trades Council of New York (HTC) is a joint board that collectively bargains on behalf of nine local unions with members working in the city’s hospitality industry. With a combined membership of 23,500, the trades council represents approximately 75 percent of the workforce in the ‘full service’ hotels – properties which typically offer a full complement of food, beverage, business, fitness and concierge services under one roof. With a membership of 18,000, UNITE-HERE Local 6 is the overwhelmingly dominant force within the Council, determining its leadership, furnishing its staff, and directing local political activities and collective bargaining. The Trades Council negotiates city-wide contracts with the Hotel Association of New York, an industry group whose primary purpose is to engage in collective bargaining on behalf of over 79 hotel owners and operators located in the city and overwhelmingly in Manhattan. Unionized hotels that are not a part of the employer association agree to the terms of the industry contract. A long-serving impartial arbiter has been designated by both sides to decide grievances and other disputes between the parties, including those beyond the scope of the contract.

The stability of this bargaining regime is premised, to a significant degree, on the advantages that accrue to the Hotel Association from the union’s ability to regulate the industry. The Hotel Association benefits from the rationalization of compensation practices, while intense mediation ensures a disciplined workforce and smooth operation. Employers believe that a strongly centralized power structure on the union side dampens both militancy and opportunities for racketeering. But most importantly, the Association relies on the union to prevent the emergence of low-wage competition in the market. In his 1960 survey of labor relations in the city’s hotel industry, Horowitz (1960) argued that the most decisive factor reconciling the Association to industry-wide collective bargaining in the late 1930s – after it recognized the inevitability of collective bargaining with industrial unionism sweeping the country – was the equalization of wages and working conditions that the arrangement afforded. This was to the advantage of the larger-scale and more profitable hotels that dominated the Association.

The union’s ability to make gains in collective bargaining is premised on maintaining an exceptionally high rate of union density. Absent de-certification, union density typically shifts as a result of a decline in unionized firms and an increase in non-unionized firms. Three market tendencies threaten erosion of union density in New York hospitality: 1) the loss of full service hotels to condominium conversion; 2) an industry shift to the ‘limited service’ business format that requires lower staffing levels and relies more heavily on part-time employees; and 3) a major new cycle of hotel construction, beginning in 2007 and reviving post-recession. As an institutional, rule-governed relationship, the collective bargaining regime in the city’s hotel industry appears stable. But the market on which this institution ultimately rests is very dynamic.

Condo Conversion:
Burdened by over-construction and severely impacted by the drop-off in business and leisure travel after the bursting of the dot-com bubble and the attacks of September
11th, New York’s hospitality industry was in recovery by late 2003. Spurred by a private/public advertising campaign of unprecedented scale, tourists and business travellers returned to the city in record numbers (Greenberg, 2005). By early 2004 hotel occupancy rates were at their highest levels since 1969. Revenue per available room – an industry proxy for profitability – grew by 22 percent in 2004, 18.1 percent in 2005 and 11.1 percent in 2006 (Haussman, 2007). But profit taking in the hotel industry fell short of the gains that could be made by capitalizing on a rapid inflation of midtown land values by transforming full service hotels to luxury residential, the demand for which was fuelled by bonuses in the financial industry and inflated executive-level compensation.

Whereas it takes several years to design, plan and build a new condominium, rental residential and commercial properties can be converted to condominiums relatively quickly and inexpensively by knocking down walls and making aesthetic alterations. Hotel properties are especially amenable to conversion because they are unencumbered by rights-holding tenants, and no zoning change is required for their new use (Bagli, 2005). In 2002 and 2003, the city was still adding approximately 1,900 rooms per year to the total supply – the last in the pipeline from the building boom of the late 1990s. But in 2003, just as hotel profitability began to rebound, the city’s hotel stock began to decline. Out of a total of 69,000 rooms, the city lost 1,093 to condo conversions in 2003, and another 3,220 in 2004 and 2005 (Fiscal Policy Institute, 2005: 16). Approximately one job is lost for every lost room. In a six month period from September 2004 to March 2005, the city lost as many hotel jobs as if it were in recession (5).

The union floated two solutions to the crisis: have City Council impose restrictions on condominium conversions, or subsidize the operations of full service hotels. The former would encroach on property rights in the interests of unionized workers; the latter would take the neoliberal logic of subsidizing the tourism industry to an absurd conclusion. Neither garnered political support. In the case of the Plaza Hotel – the largest condo conversion in the city measured by jobs lost and involving, furthermore, a landmark institution – a compromise was brokered at city hall between the union and the developer. The union had spent $2 million on a publicity campaign to save the iconic hotel on preservationist grounds, along with the jobs of 900 of its members, that seemed to resonate broadly in the city. After four days of negotiations with the union, mediated at times by the mayor, the developer agreed to scale back marginally the conversion.

Limited Service:

If the full service hotel is like a factory, insofar as the labor process is considered, the environment that is produced is something like a city, insofar as every human need may be met within its four walls. The limited service hotel provides a very different product, namely, a place to sleep with minimal concierge services, room service, bar and restaurant space, and typically no meeting or entertainment facilities. The limited service hotel sells access to the city, to spaces and services that are not produced by their employees. By offering fewer services, limited service hotels require less labor and less space. In requiring less labor they are able to undercut the room rates of the full service hotels, and in requiring less space they can more easily be accommodated by older structures built for other uses, or can be built as in-fill development in densely settled urban environments (Chipkin, 2006). Traditionally considered to be a roadside, suburban
hotel format, limited service hotels are growing rapidly in downtown urban areas across the US (McMullen-Coyne, 2004).

As full service hotel supply in New York was being withdrawn from the market as a result of condo conversions, limited service and boutique formats grew to accommodate increased demand. Limited service formats have been slowly establishing a presence in the city over the past two decades. They have higher profit margins than full service, and they provide a platform for the further penetration of the city’s hotel market by the large national chains (Bagli, 2009). They are typically developed by new and secondary players in the commercial real estate industry, including foreign investors who are not members of the Hotel Association and have no relationship with the union. Limited service developer/operators use non-union labor in construction and seek to operate non-union, with wages for room attendants set as low as $8 an hour without benefits or job security.

From 1990 to 2009, ‘limited service’ and ‘boutique’ were the fastest growing segments in the Manhattan hotel market. In the current development cycle beginning in 2007 and extending through the recession to 2011, limited service exploded. Even in Manhattan – preserve of the luxury, full service hotel – over half of the 52 properties currently in the development pipeline are classified as either boutique, limited service, or mid-market, and only 9 as full service or luxury (HVS, 2009). In the outer-boroughs, limited service hotels have appeared in unlikely locations, such as Gowanus and Long Island City. The union estimates that approximately 85 percent of new hotel supply in the New York metropolitan region is some form of limited service.

At first the union ignored the new format. More recently it has come to see the growth of limited service as a threat to the stability of the industry-wide bargaining regime. As limited service hotels continue to open at the end of the current building cycle, hotel union density in New York will tend to decline. Insofar as the limited service hotels take business away from the unionized full service hotels, growth of this market segment will bring increased pressure to bear on the bargaining regime, limiting wage and employment growth in the union sector and increasingly the likelihood that union hotels will break from the industry agreement. The union has made some effort to organize, one by one, the limited service operators that fall outside of the industry-wide agreement, and argues that it does not intend to suppress the format. When limited service hotels are managed by hotel operators that are members of the Hotel Association the industry agreement ensures that the property is unionized. This is rarely the case, however. Public statements notwithstanding, it is more advantageous to both the union and the Hotel Association to suppress the growth of limited service.

The restructuring of the hotel market away from its base of representation has focused the union’s attention on developing an expertise in regulatory issues as part of a larger strategy of shaping hotel development in the city. The union’s strategy to slow down limited service hotel development has gone through several iterations. The union first presented an argument to City Council and the mayor that limited service hotels are not “value-added” businesses, and that the hotel format is inconsistent with the image that
the city wants to project. Surely the Howard Johnson and Hotel 8 do not figure in the
Mayor’s vision of a ‘luxury city’! Unlike a full service hotel, the limited service hotels
add nothing to the city in terms of public presence or cultural venue. The city itself
substitutes for what would otherwise be provided by the hotel. In areas where limited
service hotels are rising in mixed-use and residential neighbourhoods, the union argues
that the hotels are noxious to street life and out of scale with surrounding buildings. In
2010, the union won the mayor and City Council to a position that new hotels located in
the city’s ‘special districts’ – areas the city has targeted in the past for special zoning
regulations, usually to preserve industrial employment, but that are now being rezoned –
may be denied approval. Given the close political relationship the union has built with
Mayor Bloomberg and City Council, it is unlikely that limited service, non-union hotels
would be permitted. The Hotel Association supports the process as a “prudent public
policy measure” (Brown, 2010). The union has seen some success with this strategy,
gaining a special hotel zoning process in Willets Point, and is currently trying to gain
similar restrictions in Midtown East.

New Hotel Building Cycle:

The hotel building cycle nearing exhaustion in New York is the largest in the
country and the largest in the city’s history. The dramatic rise in room occupancy rates
and profit growth in the years 2004-2007 did elicit the normal market response –
oversupply. By 2008, the city had added 5,000 rooms to its total stock (Hotel-Online,
2005). Despite the freezing of credit markets and ensuing recession, the city added
11,825 rooms between 2008 and February 2011 – at 23 percent of total stock, the largest
rate of increase in 23 years (HVS, 2011: 13). The industry had argued that the supply
response was being hampered by regulations that prevented hotel development in
manufacturing- and residential-zoned districts. Even as most of the new supply is located
in the traditional centres of the hospitality industry, the rezoning of what remains of
Manhattan’s manufacturing space in midtown and along the Queens and Brooklyn East
River shoreline, has eased competition for land between different sectors of the city’s real
estate industry. Along with a shift in business model, the current building cycle is
characterized by a geographical extension of the hospitality industry into post-
manufacturing and ‘neighborhood New York’.

The sheer quantity of new supply entering the market in this period represents a
threat to the stability of the bargaining regime and the ability of the union to defend the
union wage premium (see figure 1). The union’s success rate in organizing new hotels is
low and the union has all but abandoned organizing drives that lead to NLRB
certification procedures. The unprecedented number of zoning amendments that
accompanied the recent hotel development cycle has raised the possibility of meeting
organizing goals by putting political pressures on commercial property developers to
include organizing rights in leases signed with hotel owners and operators. This moment
has given the union the opportunity to affirm its power as a regulatory institution in the
city’s hospitality industry and build a role for itself in the regulation of real estate
development.

Figure 1: Manhattan Hotel Supply (2008-2011)
Community Alliances and Political Mobilization

Negotiating organizing rights in the development process entails union-community coalition formation at the neighborhood scale and political capacities at the city scale. Unions must be able to form project-specific coalitions across a ‘temporary workers/permanent workers’ divide: the building trades are concerned with securing the use of union contractors for the duration of construction and are indifferent to the uses to which that construction is intended; while the retail, building services and hotel workers unions are concerned with securing more complex restrictions on the business models and labor relations practices of firms that will eventually occupy the space. In residential neighborhoods targeted for up-zoning, organized labor must furthermore broaden the coalition to include the affected community if the support of the local councilperson is to be secured. In poorer and working class areas community concerns relate primarily to gentrification pressures and employment opportunities.

Political strategy is directed at city council, which has the power to veto zoning amendment applications, and at the Mayor’s office, which defines the final terms of project agreements in negotiation with developers. In order to bolster their leverage in the land use review process, the hotel workers formed a political affairs department out of whole cloth and have put 500 members through a training course that includes land use issues. The union has become an important player in the city’s Working Families Party (WFP), which endorses candidates for council based in part on their willingness to hold out for community benefits agreements on the powerful Land Use Committee and Zoning and Franchising Subcommittee. The HTC formed part of a pro-Bloomberg bloc within the WFP and narrowly failed to vote down the party’s endorsement of the Democratic challenger for Mayor in 2009. Political endorsements from the hotel workers union now come with considerable organizational support: two thirds of the canvassers working in the field for Bloomberg on election day came from the hotel workers and building service workers unions alone.

(Source: HVS, 2011)
The city’s private sector unions are only the latest urban actors to make use of the land use review process to gain concessions from developers. In the context of the city’s post-fiscal crisis regime, developer amenities have come to supplement publicly funded city services – including parks and recreation, affordable housing, physical infrastructure, even libraries – that have not been brought back to pre-crisis funding levels. What were once considered rights of citizenship in the city’s impressive social democratic past are secured, under neoliberalism, on a project-by-project basis. In formulating their own land use review strategy, unions have similarly attached associational rights to urbanization. A number of contradictions, and not a little irony, are born of having a form of urban regulation designed to protect the value of landed property made to defend the rights of labor.

The negotiation of developer amenities through the public review process has long been criticized by good government groups and community planners for its corrupting effect on city government and the public review process itself (ABCNY, 1988; Salkin, 2007; Angotti, 2009). From a working class perspective, there is a more troubling dilemma at issue. The value envelope within which concessions are negotiated is shaped by how much land value is likely to be unlocked by the rezoning process. The amount of value released is determined by the difference between existing and prospective rents – what one scholar of gentrification refers to as the ‘rent gap’ (Smith, 1996) – see figure 2. The wider the rent gap, the greater the leverage labor-community coalitions bring to bear against developers, and the higher value of concessions they are likely to extract. The union’s leverage is higher if its members find themselves along the advancing edge of the development frontier. The rent gap is widest when neighborhoods that have undergone long periods of disinvestment are transformed into luxury-oriented spaces. While the value of concessions extracted from developers can vary according to the political leverage of the coalition, and the distribution of this value can be shifted among coalition partners, any strategy that seeks to maximize developer concessions cannot at the same time seek to prevent gentrification. The land use strategies pursued by labor-community coalitions in working class neighborhoods therefore result in a negotiated gentrification. Furthermore, any conflicts within the coalition over distribution of the surplus will tend to be resolved according to the political weight of the affiliates, defined by financial resources and by the ability to exert political power at both the local and, especially, the city scale. Union members residing in affected neighborhoods will have to weigh their workplace interests against their interests as working class residents.

Figure 2: The Rent Gap – Source of Developer Profit and Community Benefits
Implications for Union Politics and Labor Renewal

The use of zoning and other regulatory capacities of the local state to sustain bargaining regimes and organize workers requires that unions increase their political capacities at the local and city-wide scale. The shifting locus of union leverage, from the workplace to the living space, entails a change in the nature of union power, from the power union workers wield based on the economic value they produce and the industrial citizenship rights they hold – both significantly eroded under neoliberalism – to their power as urban residents and municipal citizens. This has implications for the nature of union representation. To be effective urban political actors, unions must mobilize their members around urban issues, in other words, around issues of social reproduction, as well as seek to mobilize neighbors and allies around issues of workplace and community. Unions must win a political leadership role beyond their membership to a highly fragmented urban working class, often existent community organizations, by developing a class critique of urban development. This in turn raises distinct political possibilities: either a broadening of how unions represent their members in class terms, to encompass production and social reproduction, including the racialized and gendered aspects of social class, or, an instrumentalization of the right to the city and community demands towards the particular economic interests and productivist ideology that has traditionally defined a more narrow trade unionism. The first option would entail a more expansive and progressive shift in union politics, the latter is in keeping with a defensive business unionism.

With increasing insistence, labor studies has posited the labor-community coalition as the formal solution to labor’s strategic impasse. There are good reasons to support this perspective. Apart from purely defensive considerations – it is difficult to imagine effective labor unions surviving for long as exceptional and particularistic labor
market institutions which do not raise class-wide demands in the context of relentless pressures on wages, benefits and public services – labor-community coalitions at the urban level appear to hold the promise of creating a working class subjectivity that transcends the limiting and often exclusionary subjectivity of "pure and simple" trade unionism which has accompanied organized labor’s long defeat. Labor-community coalitions hold this promise because they appear to bridge a separation between two spheres of social life – production and social reproduction – is one of the deep structures of capitalist society. Katznelson’s concludes his classic study City Trenches (1981: 204) with an argument that "workplace and residence-community relations are shaped . . . by the dynamics of capitalist accumulation, and that together with political relations they constitute the lived, experienced world of capitalist societies (class, in full"). In her work on community unionism, Vanessa Tait (2005: 12) goes further: “since the workplace is not the sole – or even the most important – location of class-based mobilization, the division between labor and community organizing is an artificial one” that community-based union organizing deconstructs.

A labor-community coalition may imply a political content that is immanently anti-neoliberal because it encourages working people to articulate and fight for their interests at a general level, is inclusive of differences that are reproduced in and by waged labor and urbanization, and asserts the right of non-property owners to urban space. In creating the conditions of possibility of labor-community coalitions, the urbanization of labor strategy would seem to encourage the formation of a socially-transformative working class agency. But the results of my initial case study do not sustain this conclusion. Instead we see an urbanization of strategy through labor-community coalitions and increased municipal political capacity that collapses back into economic rationality, a political incorporation of labor into urban growth machines and legitimation of neoliberal accumulation strategies.

It is important to recognize that a turn to urban strategies and labor-community coalitions is not antithetical to a defensive, economistic posture that has accompanied organized labor’s long defeat in North America. Engagement in community coalitions does not seem to provide the expansive counterpoint to the union’s defensive, sectionalist role in the labor market. Rather, unions tend to approach communities and urban politics in general from a defensive, economistic position which colors the interactions and determines the outcome. The labor community coalition is perceived as an attempt to overcome the sectionalism and fragmentation of working class organization. But adding community organizations to labor unions as they are presently structured and oriented is inadequate to the problem that is posed: coalitions tend simply to reproduce a division between workers’ identities as sellers of labor power and their identities as residents of the city. Given the lopsided nature of labor community coalitions, with unions the stronger partner, it is nearly inevitable that the wage-earner identity is accentuated and prevails. The labor-community coalition preserves the institutional autonomy of unions and community organizations and is goal-oriented – from a trade unionist perspective – towards an entrenchment of workplace organization. Even in cases where workplace and community interests coincide, and can be synthesized through coalition activity, the tendency is nevertheless for each institutional pole in the relation to reinforce their
distinct role in articulating either workplace or community interests and identities. Because unions are organizations that express class as a relation of production at the workplace – their historical formation and state regulation in North America has confined them to this role – they will tend to emphasize that aspect of workers’ identities. Unions are, at their best, democratic representative working class organizations, based in the workplace, which tend to reinforce the interests of their members as they relate to that space and to the peculiar commodity they have to sell.

Community organizations and local social movements have been conceived in urban studies as the demand-side equivalents of trade unions (Magnusson, 1996: 56), practicing “displaced forms of class struggle . . . around the living place and neighborhood issues” (Cox and Mair, 1988: 314). In labor studies, community is used in this sense, as a proxy for non-unionized workers mobilized as service recipients or users and residents of a particular place, even if the couplet ‘labor/community’ seems to evacuate ‘community’ of class content, locating it instead within the term ‘labor’. It would be more appropriate, perhaps, to adopt the term ‘workplace-community coalition’, as Fletcher and Gapasin argue in their critique of the form (2005), or use the more social-scientific “social reproduction”. Except insofar as the concept is never used negatively, ‘community’ is notoriously ambiguous in its English language usage, and particularly so in class terms (Williams, 1985). ‘Community’ finds its place in the discourse of neoliberalism, emerging at first as a critique of the welfare state to later be incorporated into the grammar of neoliberal governance (Isin, 1998). In actually existing neoliberalism, community organizations have not so much displaced government as they have become a means of socialization to be mobilized ‘from above’ to control the costs of the poor for capital and to ensure “the reproduction of the poor as effective labor” (Gough, 2002: 70).

The relationship between the form of labor-community coalitions and neoliberal political economy is specific to strategy and context. In the case of hotel workers and other unions negotiating community benefit agreements in the context of an accumulation strategy premised on capitalizing fictitious ground rents, the most we can expect from these strategies is slightly different distributional bargains within neoliberal parameters. These coalitions are formed to redistribute a portion of the fictitious value produced in the planning process to members of the respective organizations. It is difficult if not impossible in these cases to oppose development on the basis of the nature or the scale of the development on a class or social justice basis – or indeed, on any other basis – since this will reduce the monetary level of concessions that can be extracted from developers. Community Benefit Agreements, as Susan Fainstein (2010:109) puts it, “have now become the standard way through which communities receive compensation for developments they do not want.”

Unions which represent low-income workers who reside in the city are aware of this contradiction and attempt to maneuver within the development regime to overcome it. But it remains the case that unions are organizations that represent the interests of their members insofar as they are sellers of labor power – not insofar as they are working class residents who must stretch wages to cover the reproductive needs of their families. They
are less exposed to the contradiction than are community unions by virtue of the way in which they are narrowly representative of the class interests of their members, and the metropolitan scale at which they represent these interests.

The economic context of these strategies is specific to the flow of real estate capital in neoliberalism back into urban spaces that have undergone long periods of disinvestment. The distributionist orientation of the coalitions fails to challenge the nature of the spaces being produced, typically spaces of private consumption favoring consumers and residents with high disposable incomes. At the political level, these strategies rely on channeling labor’s electoral support to growth-oriented regimes. The rebuilding program Bloomberg’s has overseen in New York City has not only had the effect, in David Harvey’s words, of “turning Manhattan into one vast gated community for the rich” (2008: 38). It has also allowed him to build a strong electoral coalition of private sector labor unions on the basis of deals struck through the development process. In the final weeks of the 2009 municipal election, trade unionists leafleted at subway entrances, called every residence and knocked on hundreds of thousands of doors for the ‘billionaire mayor’ in a field operation of unprecedented scale directed by a former political affairs director at UNITE HERE. It is misleading to deduce from the class outcome the luxury city as an accumulation strategy that this solely represents the spatial agency of Wall Street, transnational capitalist class interests and upper-income professionals and managers, as Harvey does (see also Brash, 2011). It also represents the spatial agency of a sector of the labor movement that relates to the city as a product rather than as a habitat.

**Urban Accumulation, Regulation and Labor Strategy**

These reflections are based on a single, though highly representative case. The use of CBAs and labor-community coalitions to leverage organizing campaigns is used by a number of urban unions, including building service workers and retail worker unions. First developed on the west coast of the US, the tactic is now employed in large cities across the continent. And attaching labor rights and employment guarantees to urbanization and the attendant political incorporation of labor into urban regimes is not a particularly new phenomenon. In his critique of the ‘Hausmannization’ of Paris during the Second Empire, Engels argued that the goal of the rebuilding program was not simply to turn the city into “a pure luxury city”, but also “to develop a specifically Bonapartist building trades’ proletariat dependent on the government” (1970: 69). Engels anticipated a now familiar critique of the political incorporation of the building trades into urban growth regimes and their support for “value-free development” (Logan and Molotch, 2007: 81). What may be new is the generalization of urban strategies across the labor movement, as central cities undergo massive reinvestment and the former stronghold of labor, the industrial economy, continues to shed jobs. In the case of the building trades, there is a direct relationship between urban development and the quantity of employment. In the building services, retail and hospitality industries, the relationship is mediated through land-use based organizing strategies and community coalitions. It is a result of strategic renewal.
The theory of labor’s strategic renewal is at an impasse. The renewal literature was correct to highlight the transformation that has occurred in the practices of the labor movement, and to locate the impetus to change in its existential crisis. But it was incorrect to interpret the new unionism as antithetical to actually existing neoliberalism. How could it be antithetical when unions are restructured from the top-down in the absence, by any measure, of the upsurges in working class struggles that have historically remade the labor movement, and given the unremitting hostility on the part of capital and the state to the effective use of workers’ collective power to alter distributional outcomes? Instead, we have seen a renewal of trade union capacities that take neoliberal regulation and accumulation strategies as their point of departure. This is possible because there are regulatory dilemmas that confront neoliberal political actors and employers, and it is in these dilemmas and limits that we must search for a continued basis for organized labor. It is here too that we must ground our evaluation of the implications for labor politics and trade unions as working class institutions.

The case study presented in this paper suggests that unions are embedding themselves in the regulatory capacities of local states and urban policy more generally, entailing a broadening of union power from the workplace to urban politics. Insofar as strategies are constrained by structures, we can identify certain objective conditions that will constrain labor strategy across cases. If it is correct that labor renewal takes neoliberal regulation and accumulation strategies for granted, these will be the relevant determining structures. Insofar as the outcomes of strategies are not structurally determined, we may expect to find significant variations across unions, sectors, and cities. Concrete outcomes will reflect this dialectic of structure and strategy.

Further research will be structured as a comparative study of five industry clusters across two city cases. Industry clusters have been selected on the basis of three criteria: the case represents a leading accumulation strategy in both cities in the sense that strong claims are made that re-orienting urban societies and economies along a defined path will lead to increased inward investment and balanced economic growth; unions represent a significant proportion of the workforce employed and take an active role in the re-regulation of their sectors; and, a focus on the productive economy is balanced by studies in the equally important sphere of social reproduction. These criteria suggest the following five clusters: the film industry, the hospitality industry, green building, childcare and public transit. In an urban public policy context, these sectors are discursively represented in terms of promoting the ‘creative city’, the ‘tourist city’, the ‘sustainable city’, the ‘caring city’, and ‘transit city’. Toronto and New York City have been selected as city cases according to a methodological rationale. These cities are comparable in terms of their economic structure as post-industrial, global cities, in terms of their primacy within each nation’s urban system, and in the significance of organized labor in local politics and urban life. A comparative study of union strategy across these cases will provide a strong basis for a Canada-US comparison at the urban level.

A study of film industry unions’ role in producing the ‘creative city’ well illustrates the geographical dilemmas and unintended consequences of organized labor’s entrepreneurial strategies. Regional Canadian film unions were early pioneers of an
industrial development approach that combined promises of a lower-cost, highly-skilled and disciplined labor force with supportive public policy, including tax credits and subsidies, to lure US productions north of the border (Gasher, 2002; Tinic, 2005; Christopherson, 2005). While labor strategy has been successful in spurring a ‘satellite’ type of industrial development in Vancouver, it has been less successful in fostering the independent productions that have traditionally been more important in Toronto, or in moving up the value chain (Coe, 2001). As American jurisdictions – spurred by the concerns of US unions to protect employment – have adopted similar practices, film industry tax credits have become more generous, raising questions of financial sustainability and distributional justice from a public policy perspective (Gray, et al. 2009). From a trade union perspective, a strategy “deeply rooted in a competitiveness framework” has strengthened the bargaining power of the studios while it has given insufficient attention to the quality of employment gains (Coles, 2010: 210). A comparative Toronto/New York City study of labor’s role in the governance of the film industry will further our understanding of labor’s attempts at negotiating these dilemmas and their role in policy development in the context of the exhaustion of earlier strategies.

The ‘tourist city’ case builds directly on the previous research of the applicants on hospitality unionism (Tufts, 2007; 2009; MacDonald, 2011a). UNITE-HERE, the major union in this sector, has developed new urban strategies involving labor-community coalitions and innovative use of local land use and zoning policies to defend bargaining regimes in the context of a rapid expansion of hotel capacity in major urban markets. The union is representative of labor’s turn to entrepreneurial unionism, seeking to play a role in workforce development, the promotion of tourism-related infrastructure and place-promotion strategies in furtherance of high road employment practices. In this case, policy innovation flows north, with Canadian locals borrowing from the strategic repertoire of American locals with uneven results. Although we see a greater reliance on community coalitions in this case, with hospitality workers often sharing local space with lower-income city residents, similar geographical dilemmas appear between sectional and general interests at the local scale, between labor and community, and at various scales of union organization.

The ‘sustainable city’ case will study attempts by building trades and manufacturing unions in both cities to create new markets in green building and green energy through regulation, promotion of tax and financial incentives, and the reskilling of their members in environmental technologies and practices. This strategy orients unions towards ‘good green jobs’ alliances with urban environmental and community organizations to secure government support for a green industrial transition in a context of rapid job loss in the industrial economy (Nugent, 2011). The research will compare two ongoing campaigns. In Toronto, a coalition formed between a low-income community resisting plans to rezone industrial lands to accommodate big box retail has partnered with local manufacturing and building trades unions to promote green investment at the site. In New York, building trades unions have pursued legislation at the local and state level to make financing for energy retrofits available to commercial and residential property owners, a policy which could dramatically expand unionized employment in the industry. Both campaigns are cases of unions acting to re-regulate the
built environment of the city through a strategy that seeks to link the interests of union members and low-income communities within a public policy framework.

Moving from production to social reproduction, the ‘caring city’ study will address the role that city unions representing child care workers play in shaping early childhood education policy. Child care has expanded rapidly over the past decade as a result of welfare state reform and a longer term trend of increasing female labor market participation, but remains largely unregulated and of uneven quality (Warner, Ribeiro and Smith, 2003; Warner, 2006; Vosko, 2006). Increased unionization of the sector could itself address problems of low wages, worker retention and a shortage of skilled labor (Doherty, 2002; Koss and Castigliola, 2004), while labor’s political action is crucial to maintaining public subsidies to the sector. Although they face comparable challenges, child care unions in New York and Toronto have adopted divergent strategies (Warner and Prentice, forthcoming). In Toronto, labor remains committed to the expansion of a publicly funded, municipally managed system, even as it adopts a competitiveness discourse around workforce development in the hopes of building alliances with business associations. In New York, the union most active in organizing child care providers has partnered with other city unions in pushing to expand publicly-subsidized places for union members in home-based centres. In both cases, unions are under pressure to defend budget allocations in the context of fiscal austerity at all levels of government.

Finally, the transit city case complements the child care cases with a study of public sector unions as (local) ‘state builders’ (Johnston, 1994). Investments in transit infrastructure have assumed new priority over the past decade as cities struggle to deal with congestion, lengthening commutes, and increased densification of the urban core. With transit planning in disarray in Toronto and under significant financial stress in New York, transit unions in both cities are organizing political support in alliance with transit dependent populations around a vision of a sustainable and socially just urbanism, and, in the case of the US, have launched an urban-based, multi-scaled campaign for increased public subsidies from higher levels of government. Increased investment in public transit is key both to increasing urban productivity and achieving equity and sustainability goals. Transit unions can be expected to play a pivotal role in advancing a transit city strategy.

With the consolidation of entrepreneurial urbanism and its evolution to more interventionist strategies – for example, moving beyond tax abatement incentives and state-led real estate development to targeted reinvestments in education and skills development, transit and other urban infrastructure, the rise of private/public financing arrangements, city branding and place promotion, planning neighbourhoods and employment districts around the needs of favoured industries and workforces, and cluster-based industrial policy – the range of interests competing in urban policy networks has moved beyond the traditional circle of civic boosters. Far from the classical prescriptions of laissez-faire, these strategies can be described as Schumpeterian in the way that they seek to position cities on the leading edge of capitalism’s creative-destructive dynamic (Jessop, 2002) or neo-Keynesian in their concern for balancing production with social reproduction (Gough, 2002). There is a large and growing policy-oriented literature emphasizing the importance of knowledge, creativity, quality public
services, social inclusion and sustainability to the future prosperity of Canadian and American cities (Gertler, 2004; Bradford, 2005; Been et al., 2010). But there are few studies into the internal workings of the coalitions that promote accumulation strategies, the role of the various actors in the articulation and implementation of these strategies, their effectiveness, the nature of the conflicts that emerge within them and how these are mediated (Cox and Mair, 1988; Jessop and Sum, 2000). The role of labor in this arena is studied still less.

Placing Labor in the New Urban Economy will close this gap by drawing together labor geographers and labor studies scholars within a broad political economy framework. The project builds on a dialogue between these two disciplines spanning the past decade. Human geographers have explored the spatial dimension of industrial relations, in particular with respect to the emplacement of labor relations in regional and industrial geographies (Ellem and Shields, 1999; Herod, 2002; McGrath, 2005; Ward, 2007). Labor studies scholars for their part have come to recognize the importance of urban space as a container for labor politics and labor-community alliances (Black, 2005; Milkman, 2006; Turner and Cornfield, 2007). The originality of the proposed research lies in furthering our understanding of labor’s agency in shaping urban space – in the novelty of asking, “What kind of city does labor produce?” – and in evaluating this agency from a public policy perspective.
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