

derive at least 40% of their sales from outside the New York region. Nineteen percent, that's one out of every five companies, derive 70% of their business from outside New York. That means you have all these New York food companies that are shipping their products, their chocolate cake, their rugalach, their smoked fish outside of New York. So even New York's food industry is export-oriented.

percent of the manufacturing jobs are still in Manhattan, and what we're seeing is the conversion of that space – so for example the printing district in lower Manhattan. Trinity Church, which is one of the main owners of buildings in the printing district, recently announced that it was converting well over two million square feet of manufacturing space to office use. In other cities, that's just not the case. If you look at Chicago they have planned manufacturing districts so that manufacturing districts really are for manufacturing uses and you cannot convert to office use as of right. I think Seattle also does that and Portland. So that's part of the track we'd like to take, seeing that the City really needs to go through a planning process and identify how much space is really needed for manufacturing over the next couple decades and begin to look at how to set aside that space which is appropriate for manufacturing.

— This issue of competing uses is a real serious problem. But you also have to realize two things. One, there's a lot of real estate that's abandoned because it's brownfields in New York. In Maspeth you have the Phelps-Dodge site, which is like 40 acres of basically vacant land incredibly close to Manhattan. There are sites like that throughout the city. So we need to develop programs to remediate the environmental problems at those sites. Other states are far ahead of New York, New Jersey in particular, in developing standards for remediation and developing programs to implement remediation. The other issue is a manufacturing area doesn't exist in a vacuum. It needs a certain critical mass of companies to become viable. We learned that in housing, you don't just stick an apartment house in the middle of nowhere. You've got to think in terms of communities and how do you re-build a community. The same is true of manufacturing and the same is probably true of the information industries. As we go about this process of trying to accommodate all our competing space needs we should probably be thinking about how to recreate communities. If we're forced to relocate the printers now, we need to develop other printing clusters so the companies that relocate there can maintain the competitive advantages and the relationships of being clustered together. When we think about helping manufacturers relocate we should be thinking in terms of entire communities like the garment industry and the printing industry.

— It's happening... One hopes. There's a bunch of efforts under way. We're involved with several of them, including an effort to help them move to the old Farberware building in the South Bronx and then Long Island City. That's really what they want. I don't know that it's being undertaken in any sense with City support. [Since the interview, the city has agreed to provide relocation funds, as the result of City Council intervention, but there is still no planning process.] You know there isn't any planning process that's going on saying, "Here are three communities that really would be appropriate for printing, let's try to encourage them to move there." But I think the printers obviously feel more secure moving into a community where there already are other printers there because they know they can find services, they know their clients can get there, the community has been tested, and there's greater security.

— A difference is... no, not a difference between administrations but the problem you're getting at is: Why do they tend to go to the large companies? Think of the administrative costs which are the burden of these programs. If every company came in and said, "I want a tax abatement," how could you begin that process? It's like a really top-heavy administrative process and you can see why it just favors large corporations.

— Right. And the city would probably say "Well you know these companies employ so many people it makes sense to allocate our resources this way." But there's rarely ever a finding that "but for this tax benefit" this company would leave. In many instances there's been an admission up front, "We're not considering leaving." I can't judge the veracity of that at all, but if the company isn't considering relocating, why did we do that? What's the policy rationale?

— Well, there's a whole school of thought and I'm not sure exactly where I come down on this. But look, if we provided basic municipal services, if we had a good school system, and the roads were paved and the subways worked and it was safe, you wouldn't have to give companies tax abatements. We just need basic municipal services.

— The best strategy might be to give every CEO a co-op on Central Park West, because they're not going to move.

— Well, a difference with a trade association is that they tend to be membership-driven. So they may not be working with the whole industry. On the other hand I don't know that a trade association couldn't do this. A trade association could go out and compete for government funding and agree to provide services for anyone in that industry. And in fact the New York New Media Association was launched with a grant from the Empire State Development Association. And that's just one example. There is a real history of trade associations working with government to provide services. It's really very similar. The idea is that the development and the implementation of the program would be governed by the industry and the people from the industry would thereby become vested in the program, would help design it, would that way be confident of the quality of the program that they're getting. If the program wasn't working, they would pull it because they're funding it. And you've kind of reduced the administrative costs that we were talking about a minute ago by using trade associations and existing networks. So it's a way of delivering services to a large number of small companies.

— Oh sure. If you go back to the models of this, the Garment Industry Development Corporation was really spearheaded by labor and the trade association. What they bring to bear is they're stakeholders and they really do know the industry and they know what's happening to the membership and they know what's happening to the companies as well. While labor and management may disagree, there are a lot of areas where their interests coincide. For example, lobbying around land use policy is an area where they coincide. The ILGWU was I think very forceful in its advocacy around creating a garment center special district and it would not have happened but for their advocacy.

— Originally, the largest local within the ILG67()-3.0112de1250]TJ -413.52 -124(t)0.89126(h)6.0241(ew-63.253(t441.78252()-268.07(t)0.26(h)6.0241()-280.121(g)6.0241(o)-6.0241(e)-1.78252()-27.1084(a)-1.78252(d)-6.0241(r)-4.34894(g)6.0241(e)-1.78252(s)3.45768(t)0.89126()-87.349

— The City contributed funding, matching what industry and labor did. They each chipped in \$50,000 a year for three years I think. And they participated on the board of directors. Which doesn't sound like a high cost thing, but it really was important because it meant that all three parties had to talk regularly and just by virtue of the fact of having to sit down with somebody you become somewhat accountable. It opens up a channel of communication. And I think it fostered greater understanding between the parties about each other's goals and objectives and needs and sort of made them more realistic.

— In Chicago, the Midwest Center has set up a candy institute. Apparently there is a very high concentration of candy companies and jobs in Chicago and the institute provides training and marketing assistance.

— It probably shouldn't look any different. In some ways, I wonder if, just thinking about this for the first time, a sectoral approach wouldn't help overcome some of the regional barriers. Because while you have governments with tax jurisdictions that tend to compete, trade associations and unions often exceed

— No, not at all. It's incredibly diverse. And it's really careers open to talent and entrepreneurial risk-taking. Every time I go to a manufacturer – you can predict when they're going to say this – they'll introduce you to the plant manager who started pushing a broom there and has moved up the ranks. That's very, very typical. I was very involved in the jewelry industry and what often happens is somebody apprentices himself to a master cutter or a trader and, four years later, he's got his own company. And they expect that to happen. That's how industry grows in that sector and I think that's very true throughout manufacturing. In the food industry, which we're working on now, we're predicting that 1,000 jobs are going to be created in this industry over the next two years. Employers want people with basic work readiness skills, not any specific vocational or technical training.

— Definitely, it's incredibly fortuitous that this is all happening together at the same time. But on the other hand, in metalworking, in a lot of areas – woodworking – everyone has to be able to read a ruler and do calculations and do very precise measurements. So there's a whole other series of skills that are required there. I've been in tool and dye shops that do incredibly precise metalworking. Very highly skilled people. A typical printer could be earning \$65,000-\$75,000 and they are highly in demand. Demand for these people exceeds supply and the union and the trade association have very good, extensive training programs. They cannot train enough people fast enough.

— Oh definitely, there will always be manufacturing here. And it's definitely worth fighting for. I don't know – I wonder how other sectors of the economy would be impacted by the loss of manufacturing. Certainly restaurants and tourism would be. It's certainly true of a lot of the companies that depend on large reproductions in media and publications, in publishing, advertising, that depend on access to printers and graphic artists. There's an incredible synergy. Diversity really means having a manufacturing sector. And that is important for other elements of our economy.

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