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# The Nation

## Who Should Fund Alt-Labor?

By Josh Eidelson on July 17, 2013

*Demonstrators outside of a Wendy's fast food restaurant, April 4, 2013, in New York City. (AP Photo/Mary Altaffer)*

As the AFL-CIO holds meetings to mull its future, there's increased talk inside and outside the federation about ways for workers to join the labor movement without winning collective bargaining. "We want to figure out a way to make membership more open, to make membership in a union not depend on workers being willing to endure trial by fire in an election or extended pitched battle with the employer for voluntary recognition," AFL-CIO General Counsel Craig Becker, a former National Labor Relations Board member who's overseeing pre-convention deliberations for the federation, told *The Nation* in April. "So how do you do that, and what's the nature of that membership? How do you make it meaningful?"

With those questions comes another: Who should pay the bills?

As I reported in *The American Prospect's* winter issue, the past two decades have seen explosive growth in "alt-labor"—groups that are organizing and mobilizing workers without seeking legal union recognition or collective bargaining. Some such groups are organizing workers who are legally excluded from unionization, like fashion models deemed "independent contractors." Other alt-labor groups organize in sectors like the restaurant industry, where workers have the right to unionize on paper but—facing a labor law system that does little to protect worker-activists or to compel companies to bargain—mostly haven't. Rather than union negotiations, alt-labor groups use a range of tactics to press for change in their industries, including workplace activism and legal, political, media, community and consumer pressure. (Unions increasingly rely on such tactics as well.)

While alt-labor groups have scored some significant victories, they face many of the same challenges as unions, and a few of their own. That includes the funding question: outside of "Right-to-Work" states, unions with collective bargaining agreements have a secure source of revenue: automatic deduction of union dues (or, for workers who opt out of membership, representation fees) from employees' paychecks. Alt-labor groups don't have that option. Some collect voluntary dues from their members, but hardly any are primarily funded by them. Instead, they're largely funded by foundation grants and by traditional unions.

Leaders of some of the country's top alt-labor groups say that's a problem. In an April interview announcing a long-term goal of becoming financially self-sufficient, Working America Executive Director Karen Nussbaum told *The Nation*, "In the long run, that's the litmus test, because worker

organizations that aren't self-sustaining can't be democratic." Working America, an AFL-CIO affiliate for non-union workers that longtime organizer Nussbaum founded a decade ago, currently receives significant funding from the AFL-CIO and unions.

Midwest Academy trainer and former Interfaith Worker Justice organizer Keron Blair, who worked closely with foundation-funded groups organizing restaurant employees and guest workers in New Orleans, said grants made organizing possible that otherwise wouldn't have happened. But he told *The Nation* that it came at a cost: "I saw campaigns that moved and pushed" to the next phase, even when "organizers knew it was just not ready.... We had not developed the commitments on [worker] leaders, but we had to keep growing" to meet external funders' expectations. The result, argued Blair, was "sometimes running really ineffective campaigns."

While alt-labor groups are organizing workers in poverty—some campaigns center around getting employers to comply with minimum wage and overtime laws—Blair noted that many churches rely on contributions from low-wage members. For some alt-labor groups, he said, "because the money doesn't come from members, being viable to members—I don't know to what degree that remains always a priority."

In contrast, Arise Chicago Worker Center Director Adam Kader questioned whether dues are necessary for democracy. Interviewed last year, Kader said some such groups already "see themselves as a democratic alternative to unions," and that there are "lots of unions that receive significant dues but are hardly democratic in structure." Arise Chicago's main funding sources are foundations, special events, unions and religious groups. Kader argued that the next major step for groups like his is to develop a broader membership base—not as a new revenue model but in order to mobilize enough people to effect more dramatic change.

City University of New York professor Hector Cordero-Guzman, who made grants to alt-labor groups as a program officer at the Ford Foundation and now studies them as an academic, argues the quest for a self-funding model may be self-defeating. "There's a difference between sustainability and self-sufficiency," said Cordero-Guzman, and he urged non-union nonprofits to focus on the former rather than the latter. Cordero-Guzman acknowledged the challenges of the foundation model, including that "some funders are a lot more comfortable with individual or organization-level change," rather than "systemic change" through organizing and confrontational agitation. But within the nonprofit sector, he noted, fully self-financing organizations are the exception, not the rule. He told *The Nation* that at Ford, he would often tell grantees that he wanted his role in their work to be more like the gas station attendant—providing the fuel the car needs—rather than the driver who decides where the car goes.

Along with the questions of how external funding affects alt-labor groups' democratic character or strategic independence, there's the issue of their growth ambitions. As alt-labor groups like Working America and the National Domestic Workers Alliance (NDWA) seek to expand their membership and spread their models across the country, they could outgrow the support available from spread-thin foundations and still-shrinking unions.

So what are the alternatives? NDWA Director Ai-Jen Poo told *The Nation* this year that her group—now mostly foundation-funded—is exploring offering immigration assistance to domestic workers for a fee, or charging for a service matching employers with workers. In either case, the revenues from providing the services would fund NDWA's advocacy and activism. (Other alt-labor groups bring in some revenue through ventures ranging from opening a worker-run restaurant to selling members' artwork.)

Asked whether she worried that workers would then start to relate to NDWA (or its affiliates) like a temp agency or a boss rather than a movement organization, Poo answered, “The only way to deal with that is good organizing.... It’s going to be a huge challenge. But any organization that has any level of scale has to either provide a really meaningful service to their membership that deals with meeting their daily life needs, or provide some kind of spiritual enlightenment.”

Poo and others note the example of the Freelancers Union, a New York–based nonprofit engaged in political advocacy that owns its own for-profit health insurance plan open to freelance workers in certain sectors. The model has drawn Freelancers Union Founder and Freelancers Insurance Company CEO Sara Horowitz national attention, and a seat on the board of the Federal Reserve of New York. “Sara is terrific at adapting old ideas to help today’s work force,” Rutgers labor expert Janice Fine told *The New York Times*’s Steven Greenhouse in a March profile. The Freelancers Union has also been criticized for prioritizing service provision over confrontational collective action; in a 2011 *Dissent* essay, journalist Atossa Araxia Abrahamian wrote, “It’s hard not to notice there could be nothing more convenient to the corporate and governmental powers-that-be than a nonprofit that takes it upon itself to placate, insure, and temper the precarious middle-class.”

Reached by e-mail, Sara Horowitz told *The Nation*, “What social union leaders like Sidney Hillman understood is that you serve your workers best when you’re building sustainable institutions that fill their needs. Amalgamated Bank and Amalgamated Housing are still around nearly a century later. If we keep making sure our revenues exceed our expenses and we’re providing real benefits to our members, I hope we’ll have a similar track record.”

Cordero-Guzman said he supports efforts by alt-labor groups to experiment and diversify their funding sources, but suggested they’d “have more success” using increasing membership as an argument to foundations for increased funding, rather than just “trying to grow out of any additional drop of juice you can squeeze out of your low-wage members.”

For alt-labor activists, the most appealing funding model may be the most elusive one: building an organization whose work is entirely funded by voluntary dues from its members. The alt-labor group that’s come closest to this goal may be the New York Taxi Workers Alliance, which draws about three-quarters of its budget from dues. That’s an important example, but also a sobering one, because aspects of NYTWA’s success would be hard to replicate in sectors without the licensing requirements and regulatory structure of the taxi industry. As I argued in the *Prospect*, New York taxi drivers have built power by going on strike—first taking the majority of the city’s cabs out of commission for a day in 1998—and have translated that power into legally binding changes by bringing their demands to the city commission that oversees their intimately regulated industry.

That combination has brought NYTWA some significant victories, including a new health insurance fund, and fueled the growth and commitment of its dues-paying membership. A decade and a half after its formation, organizers say about half of the city’s currently active drivers are members. For fashion models or farmworkers, the road to a self-sustaining alt-labor model could be a longer one.

While alt-labor groups face serious challenges, said Keron Blair, “In a lot of ways, they are the future, and I think they are pushing the labor movement in a positive direction.... Just like labor, they have kinks to work out, and I think the traditional labor movement has kinks to work out too. Serious ones.”

*Should workers be allowed to sue bosses who retaliate against worker-activists?*