
Committee Meeting

of

ASSEMBLY COMMERCE AND MILITARY AND VETERANS' AFFAIRS COMMITTEE

"Testimony of Eric Parker"

LOCATION: Committee Room 16
State House Annex
Trenton, New Jersey

DATE: June 3, 1996
1:00 p.m.

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Joseph Azzolina, Chairman
Assemblyman Joseph R. Malone III, Vice-Chairman
Assemblyman Nicholas Asselta
Assemblyman George F. Geist
Assemblyman Patrick J. Roma
Assemblyman Sean F. Dalton
Assemblyman John S. Wisniewski

ALSO PRESENT:

Edward P. Westreich
Office of Legislative Services
Aide, Assembly Commerce and Military and
Veterans' Affairs Committee



Meeting Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, CN 068, Trenton, New Jersey

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ASSEMBLYMAN JOSEPH AZZOLINA (Chairman): We are going to start now. The way it is going to be is-- We had a public hearing the last time -- the Labor and Commerce Committees -- and we went all day and wore everybody out with a lot of comments. So we are continuing. That is why the 1:00 meeting. Normally, we meet at 2:00.

We are going to continue that testimony. So far, we see one person here. There should be three people altogether. As soon as that is over, we will take up the Korean bill first. Then we have some other veteran bills that we will take up also.

Who is here from last time? You're here from last time?
(affirmative response from audience) Okay, come on up. We are going to start now.

Is there anyone else here from the last hearing? (no response)
Okay.

Please give us your name and tell us what you do at Rutgers, if anything. I'm only kidding you. I'm only kidding you. (laughter) I thought the guys who are standing in the back would get a kick out of that. You know, we are always kidding professors and universities. I better shut up before I get in trouble.

ERIC PARKER: My name is Eric Parker. I am a Postdoctoral Fellow, a Research Fellow, at Project on Regional and Industrial Economics at Rutgers in New Brunswick.

I appreciate the opportunity to testify for the May 13 public hearing on corporate restructuring. You obviously have other important business to attend to here today, so I will dispense with my preliminary

remarks, which would really be repeating some of the things that other people have said on May 13. Then you can get on with the rest of your business for today.

I just want to say, briefly recapping what was said at the previous hearing, that I agree with employers that companies are not going to retain and develop family-supporting jobs in New Jersey without ongoing workplace change and skill development. I also agree with employee representatives that employees are not going to have an incentive to help improve economic performance in the State, without assurances of shared benefits.

I will just drop the rest of my preliminary remarks and put this in the record.

What I want to talk to you about briefly today is a suggestion for a way that New Jersey might support efforts to improve labor/management relations to help rebuild New Jersey's economy and develop high-wage jobs. This is based on the emerging experience of companies and unions in other states and some Canadian provinces.

The suggestion is that the public sector could support the development of workforce development partnerships in a few key industries with a fair amount of unionization. These might include pilot projects in manufacturing, telecommunications, health care, or other industries.

The charter members of these partnerships would include companies and unions that are already working well together or would like to restore or improve their relationships. Each industry would have a board composed of an equal number of business, labor, and public sector representatives to identify common objectives. The board would set up task

forces composed of representatives from member firms and unions to develop specific recommendations for achieving them. The members would work with one another on these task forces to identify best practices, develop pilot projects, improve public services, and so forth.

Let me briefly tell you what a partnership like this in the Milwaukee manufacturing sector has accomplished in just three years, because I think it is a real model that you are going to want to take a look at here in New Jersey.

After starting with a handful of companies and unions, there are now more than 30 members with roughly 30,000 employees. More than 70 other companies and unions have recently expressed an interest in participating in this partnership in the near future.

- * Members generally have joint steering committees to identify emerging skill needs and operate permanent on-site training centers.

- * They work with one another to develop common training programs in things like basic skills, quality control, process improvement, and technical skills associated with high-tech equipment.

- * They are taking the lead in implementing industry skills standards to provide better career paths and mobility for workers inside and outside of individual firms.

- * They are also taking the lead in revitalizing traditional apprenticeship programs in the skilled trades, particularly in the maintenance area.

* Several of them have formed advanced partnerships in which unions participate in major business decisions, such as reinvestment, product development, technology choice, and plant layout.

ASSEMBLYMAN AZZOLINA: Excuse me a minute. I missed a part. Who are they and where is this taking place?

MR. PARKER: This is a partnership in the Milwaukee manufacturing sector with 30 firms and unions. These are places like Harley-Davidson, L. N. Bradley, GE Medical Systems, and so on.

ASSEMBLYMAN AZZOLINA: Is this a takeoff on a European system? We know it is a lot different there.

MR. PARKER: Well, yes. As you know, in the United States, we do not have strong business associations to play this role.

ASSEMBLYMAN AZZOLINA: Right.

MR. PARKER: This would be a way of bringing labor and management together to advance training or place change in the industry.

ASSEMBLYMAN AZZOLINA: It is mostly in manufacturing, right?

MR. PARKER: That is the experience in Milwaukee, I think. They didn't want to take a look at telecommunications, health care, and other sectors in New Jersey.

ASSEMBLYMAN AZZOLINA: Well, Steve Corodemus and I, last December, were guests of the German Marshall Fund -- that is out of Washington -- to visit Europe, along with legislators from five other states. We visited the plants, and we talked to the unions, the school systems, government, and chambers of commerce, which are different over there than

here. But they are all involved and, of course, it goes back -- way back to the old days when you had the old apprenticeship program, when they worked for nothing. Today they get paid. They go to school for a long time if they decide at the young age of sixth or seventh grade what they want to do, the track they want to take which brings them up to age, maybe, 20, 21.

We were at BMW in time to see their plant, and other plants in Germany, Austria, and Switzerland, where they worked this in all kinds of fields. The U.S. is just getting into this now and there is a big emphasis. But they suggested that probably our best way here would be to get involved through the community colleges and our high schools, and they have some of these programs now, which we visited recently.

MR. PARKER: I think that while that is true, what you are really going to want to see are the private sector organizations. You are going to want to see companies and unions in manufacturing and other sectors of the economy actually take the lead on this, which is something that is missing. I think you need that if you are going to improve the Workforce Development Program--

ASSEMBLYMAN AZZOLINA: Right.

MR. PARKER: --the School-to-Work Initiative, Reemployment Assistance, as well as your new manufacturing extension program.

ASSEMBLYMAN AZZOLINA: The U.S. Department of Labor is also encouraging that now, aren't they, more and more?

MR. PARKER: I think you will begin to see that.

ASSEMBLYMAN AZZOLINA: Yes. I know in New Jersey we are starting to, because the schools are working with industries here, even the high schools, and the community colleges are doing that, too.

MR. PARKER: Right. I think the problem that everybody is finding in whatever program area they are working in is, where is the private sector, and where is the leadership in the private sector? So my suggestion, I think, would be for the Workforce Development Fund -- which is usually the sort of customized short-term training basis -- to fund one, two, or three pilot projects in manufacturing and other sectors to begin to put this together.

ASSEMBLYMAN AZZOLINA: You can sit up there, and I will take you next. (addressed to unknown member of audience)

Mr. Parker, go ahead. I'm sorry.

MR. PARKER: So that would be the suggestion. I don't know if it is something that the Workforce Development Fund is used for. Well, it has not been used for that in the past, but I think it would be a good thing to take a look at, because that is what you would need to bring together both in current working training, as well as future worker training, and tying in your new manufacturing extension program.

Are there any questions? I will hand out my full testimony.

ASSEMBLYMAN AZZOLINA: Are there any questions for Mr. Parker.

First I want to welcome -- I am going to have a tough job pronouncing your name, as everyone has with mine -- Assemblyman John Wisniewski, who is substituting for Neil Cohen. That's all right, they chop my name up all the time.

Does anyone have any questions? (no response)

Okay. Thank you.

From last time, we will have, from the Department of Commerce--
Are you here on something else, or from last time -- from the last hearing?

ASST. COMM. ALAN J. STEINBERG: We're on A-1515.

ASSEMBLYMAN AZZOLINA: Okay. You're not here from last time at all.

Is anyone else here from last time? (no response) If not, we will get into our Committee meeting.

MR. WHITE (Hearing Reporter): Mr. Chairman?

ASSEMBLYMAN AZZOLINA: Yes?

MR. WHITE: Is that all that needs to be recorded?

ASSEMBLYMAN AZZOLINA: That's it for now, unless you want to stand by for a little bit in case anyone else shows up. Stand by until 2:00 at least.

(MEETING CONCLUDED)