Sectoral Employment Development Learning Project

The Garment Industry Development Corporation

A Case Study of a Sectoral Employment Development Approach

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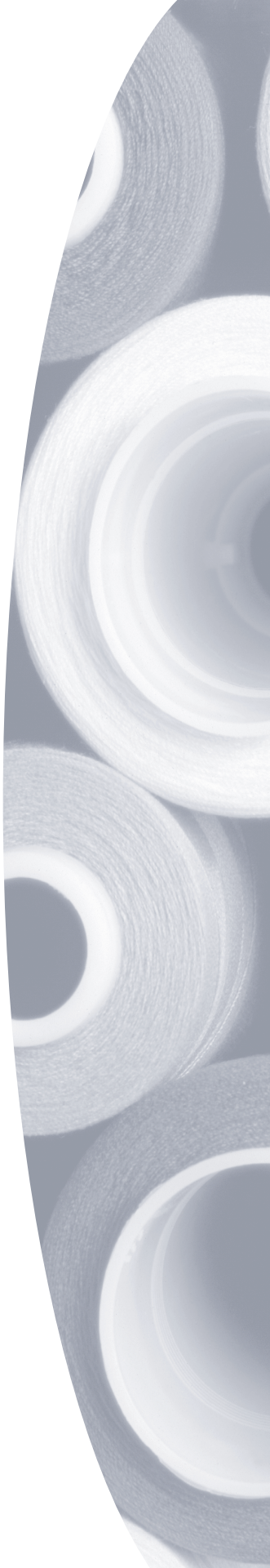


The Sectoral Studies

The following case study is one of a series of six Sectoral Studies to be published by the Sectoral Employment Development Learning Project, a project of the Economic Opportunities program of the Aspen Institute. The purpose of these studies is to provide an in-depth look at individual sectoral employment development programs and their interaction within distinct economic and industry contexts. The information set forth through the Sectoral Studies should offer insight to policy makers and practitioners on the specific issues involved in operating a sectoral approach.

Although each of these research efforts will be distinct in that it will explore a particular program in a particular industry and regional context, each will answer the same key research questions and use a common research format. The methodology followed relies on primary data collection through a series of interviews with program staff, local employers, and other key actors, such as union representatives, public officials, and industry association leaders. The information gathered is supplemented by the analysis of internal program documents and financial statements, and a limited use of secondary source materials.

The Sectoral Studies are made possible through the support of the Mott, Ford, and Annie E. Casey Foundations.

Acknowledgements

The authors would like to acknowledge the contributions of the third member of our research team, Jeff Thompson, who provided thoughtful comments and tireless oversight of the logistics of the research process. The research team members also extend our heartfelt thanks to Linda Dworak of GIDC for her invaluable participation in the research process, openly sharing both the successes and difficulties her organization has experienced, as well as her thoughtful insights regarding the workings of the garment industry. We also thank Peggy Clark, Elaine Edgcomb, and Amy Kays for their insightful comments on drafts of this work and Erind Pajo for his background research on industry trends and assistance with the editing of the industry section. Finally, we must thank the entire staff at GIDC for patiently answering our many questions, and we thank the organization for providing the photographs used in this case study.

Contents

The Garment Industry Development Corporation (GIDC) was founded in 1984 by a tri-partite collaboration among the local union, industry associations, and local government. The purpose of the organization was to support the garment industry which had been steadily losing jobs, yet remained the largest source of manufacturing jobs in New York City and an important employer of low-income residents with limited language skills. The organization has changed considerably over the years, developing an array of programs intended to advance the industry while at the same time improving the employment prospects of low-income individuals within the industry. This approach, in which an organization addresses both the competitiveness of an industry and the quality of the opportunities for the urban poor presented by that industry, is one of the hallmarks of a sectoral initiative. The box below highlights the definition of a sectoral initiative[1] that is used in the context of this case study and outlines how GIDC fits this definition.

GIDC as a Sectoral Initiative

- **Targets a particular occupation or set of occupations within an industry.**
  GIDC clearly targets the garment industry. Within that industry, GIDC works with a range of occupations, including cutting, pressing, machine maintenance and repair, and sewing. GIDC has a special program uniquely designed for sewing machine operators, and this occupation, which employs the largest number of people in the industry, is given particular attention within GIDC's operations.
- **Intervenes by becoming a valued actor with the industry that employs that occupation.**
  GIDC intervenes in the garment industry on multiple levels, providing not only training services for workers, but also technical and marketing assistance to businesses. GIDC has helped many firms make their operations more efficient and also has linked firms to new markets and sources of revenue. By helping to upgrade the quality of the workforce, while at the same time providing services that improve the overall operation of businesses, GIDC has become a valued actor in New York City's garment industry.

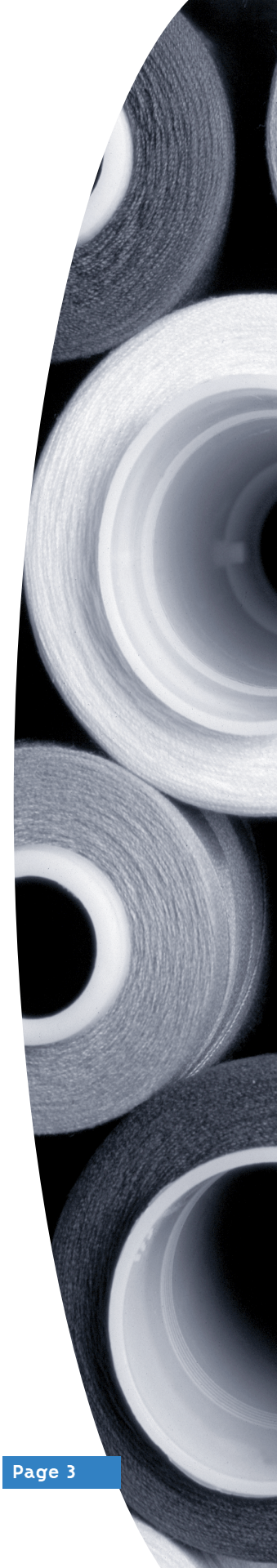
- **Exists for the primary purpose of assisting low-income people to obtain decent employment.**
  The population that GIDC targets in its training programs is clearly low-income. A recent survey of participants in GIDC's training programs showed that their median personal earnings were $9,898 in the year before they came to the training program.[2] GIDC seeks to upgrade the skills of these workers in order to help them obtain full-time employment with benefits.
- **Eventually creates systemic change within that occupation's labor market.**
  GIDC seeks to create systemic change in a variety of ways. By linking firms to new markets, GIDC hopes to protect New York City's large base of jobs in the industry. GIDC also attempts to introduce new technologies and production processes to the industry in order to increase local firms' efficiency and competitiveness. The organization has successfully influenced public officials' views of the garment industry, convincing New York City, state, and federal officials of the importance of the industry and the possibility for the industry to be competitive within New York City.

In order to provide the background to understanding GIDC as a sectoral initiative, the case study begins by outlining the key features of the industry environment in which GIDC operates. In particular, the case study explores some of the factors that have influenced the industry's competitiveness in the United States, important features of the industry's structure and dynamics, and how the labor market functions for low-income workers.

In the second section, an overview of the organization's programs is provided. This section also discusses the important historical events that led to the organization's current configuration, and provides

[1] For an explanation of this definition see: Peggy Clark and Steven L. Dawson, *Jobs and the Urban Poor: Privately Initiated Sectoral Strategies,* The Aspen Institute: Washington, DC, November, 1995.

[2] Unpublished data from a survey of GIDC participants conducted as part of the Sectoral Employment Development Learning Project (SEDLP).



detailed information on the present organizational structure. Information on some of the key relationships the organization has formed in order to achieve its goals is also presented in this section.

In the third section, the method by which the organization puts its sectoral strategy into effect is discussed. The key leverage points through which GIDC seeks to create a sectoral impact are analyzed here.

The fourth section provides a detailed account of GIDC's training strategy. GIDC offers training opportunities for both unemployed and incumbent workers. For both of these programs, the methodology and content of the training provided as well as techniques used for outreach, recruitment, evaluation, and post-training placement are discussed.

The fifth section provides information on the costs of GIDC's programs and their outcomes. The costs discussion focuses on the training programs, noting the costs per participant as well as describing the major cost components of those programs. The outcome information looks at how GIDC analyzes such information across all its program areas, and some of the potential challenges in effectively gauging program outcomes.

The final section discusses the challenges faced and lessons learned by the organization. The key themes that emerged through the case study research are highlighted and discussed here.

Introduction

The garment industry provides significant numbers of jobs in the U.S. In 1996, there were 835,000 apparel workers in the United States, 70 percent of whom were sewing machine operators.[3] In New York City, the garment industry employs more than 70,000 individuals, accounting for one-third of the city's manufacturing employment. Although the garment industry has had declining levels of employment over the last two decades, the large size of the industry has continued to allow numerous job openings to arise from the need to replace people who retire or leave the occupation for other reasons. To unskilled immigrants, the garment industry represents one of a very few entry points into the U.S. labor market and, therefore, a major source of economic opportunity for New York City's urban poor.

The situation in the U.S. apparel manufacturing industry has undergone tremendous change over the last 25 years. Changes in import restrictions and international trade agreements have allowed U.S. manufacturers to shift more production overseas and have loosened U.S. restrictions on apparel imports and facilitated the shift to offshore production among U.S. apparel manufacturers. U.S. apparel import ratios, which represent the ratio of imports to domestically produced goods, have been increasing in every category since 1973. In 1996, imports accounted for about 40 percent of the apparel sold in the United States, and analysts expected that, by 1999, imports would account for 46 percent of the domestically consumed apparel.[4] In addition, while tremendous consolidation has taken place among fashion retailers, apparel producers have generally remained small and fragmented and thus in a weak competitive position.

In addition to increased foreign competition, apparel producers are facing demand for more styles more times per year in smaller lot sizes and with shorter production cycles. This development, while presenting new challenges to the industry, may lead to a source of competitive advantage for U.S. producers who, because of their proximity to retailers, can provide quicker turnaround times. In addition, by adopting new technologies and production methods, U.S. producers can improve the quality of the garments they make and reduce their costs

[3] U.S. Bureau of Labor Statistics, *1998-99 Occupational Outlook Handbook.* **http://www.bls.gov/oco/ocos233.htm.** Accessed August 5, 1999.

[4] *Daily News Record,* August 27, 1997, Vol. 27, No. 103, p. 15. Available from Statistical Universe Online Service. Bethesda, MD: Congressional Information Service.

while at the same time increasing the speed with which they fulfill orders. In the words of one expert:

> "As the domestic retail-apparel-textile channel reduces lead times to market, particularly with fashion and fashion-basic products, the comparative advantage of imports declines, despite lower wage costs and tariff reduction...The domestic apparel sector for some products is not necessarily doomed by comparatively higher direct labor costs. In fact, a resurgence in certain sectors may be expected because of the innovative policies some manufacturers are now pursuing."[5]

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The Role of Labor in Apparel Production

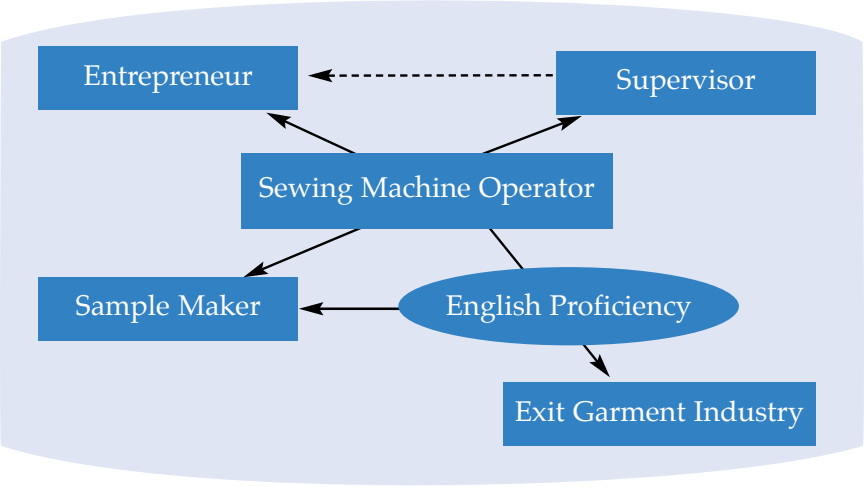
Apparel production jobs include everything from accepting fabric delivery, cutting, sewing, and finishing, to shipping to the retailer. Unskilled work that can be learned on the job includes receiving and shipping positions and fabric and apparel inspection positions. Sewing machine operator positions, which employ the largest numbers of workers, are semi-skilled positions that generally require either training or prior experience. Floor supervisors and sample makers are traditionally selected from the sewing machine operators as a form of advancement to recognize expertise and leadership. Mechanics are either trained or hired with prior experience. Designers, managers, production engineers and logistics specialists are generally required to have higher education degrees in their specialty area.

There are several potential career paths for apparel production workers. A sewing machine operator can learn multiple sewing operations and become a sample maker or a floor manager. Floor managers can move up to higher levels of managerial responsibility. In New York City, however, the typical small and family-owned apparel production shops offer limited advancement opportunities to employees. On the other hand, there is a significant amount of entrepreneurship in the industry; becoming a shop owner is another avenue for advancement open to New York City apparel workers. For pattern makers, learning the computer-assisted design (CAD) system can be a path to broadening opportunities. Generally, sewing machine operators do not become

[5] Frederick H. Abernathy, et al. "The Information-Integrated Channel: A Study of the U.S. Apparel Industry in Transition," *Brookings Papers on Economic Activity, Microeconomics*. Washington, DC: The Brookings Institution. 1995. pp.228-229.

pattern makers, and it is even more unlikely that they would become cutters, a position that traditionally has required a great deal of physical strength. While new technology, where it is adopted, is changing the level of strength required, the occupation remains distinct from sewing and continues to be dominated by male employees.

The following diagram shows the paths typically available to sewing machine operators. It should be noted that the vast majority of sewing machine operators remain sewing machine operators, but they may improve their skills, enabling them to work more regularly and earn higher wages. In addition, English language skills are shown as leading to opportunities outside of the garment industry, but they also lead to expanded opportunities within the garment industry. Many of the better paid sample maker positions require English language skills. For a number of GIDC participants, their experience in the Super Sewers class is their first attempt at learning English, and several that we interviewed commented that their experience in Super Sewers has encouraged them to continue English language lessons.



The manufacturing sector of the U.S. apparel industry lost more than 432,000 production employees between 1970 and 1994; 147,000 of them were lost between 1990 and 1994.[6] These labor trends are explained by the increase in apparel imports and the growing dependence of U.S. and international apparel firms on outward processing trade: shifting production to countries with low wage rates.

[6] American Apparel Manufacturers Association. *Focus: An Economic Profile of the Apparel Industry.* Arlington, VA: AAMA, 1997.

New York City also has experienced losses in apparel employment, having lost more than 29,000 jobs in apparel and other textile products between 1989 and 1998. New York City's share of national employment in apparel and other textile products was about the same in 1998 as in 1989, at roughly 9.3 percent, although this share had dipped as low as 8.0 percent in 1984. However, in New York City's most important segment of the industry, women's and misses' outerwear, the city's share of national employment has grown steadily over the last 10 years, growing from 17.3 percent in 1989 to 22.1 percent in 1998.[7] Thus, relative to the rest of the country, New York City has retained more jobs in this particular industry segment.

"Workers [sewing machine operators] have to be multi-talented to be able to work steadily."

— Robert Jordan, international vice president and manager-secretary of UNITE Local 62-32

Sewing machine operators, the dominant occupation among apparel production workers, are typically paid a piece-rate wage. In New York City's union firms, sewers receive a minimum hourly wage of $6.40 per hour, but skilled workers can earn more through the piece rate system. In addition, union workers receive health insurance and other benefits. Increasing competition within the industry, however, has put tremendous pressure on union firms. May Chen, associate manager of the Union of Needletrades, Industrial and Textile Employees (UNITE) Local 23-25, the largest local in New York City, states that UNITE has lost significant membership in recent years. She estimates that the union had about 28,000 members six years ago, roughly 10,000 members more than they have now.[8] Today, New York City's unionized apparel shops are concentrated in Chinatown, with non-union shops being dominant in Brooklyn, Queens, and Midtown.

Traditionally, apparel manufacturers would produce using a bundle system. In this system, sewing machine operators would be responsible for one operation, such as side-seams or pocket setting, and would perform that task repeatedly. Thus, even experienced machine operators may only be able to perform a limited range of sewing operations. One sewing machine operator we interviewed commented that, despite 30 years of experience, she did not know all the sewing operations needed to make a lined jacket prior to GIDC's Super Sewers course. Frequent fashion changes leave workers who can perform only

[7] Percentages derived using Bureau of Labor Statistics Data series for National Employment, Hours, and Earnings and State and Area Employment, Hours, and Earnings. http://stats.bls.gov/sahome.html

[8] Interview with May Chen, Associate Manager of Local 23-25, at UNITE offices, 275 7th Avenue, NY, NY. Tuesday, February 23, 1999.

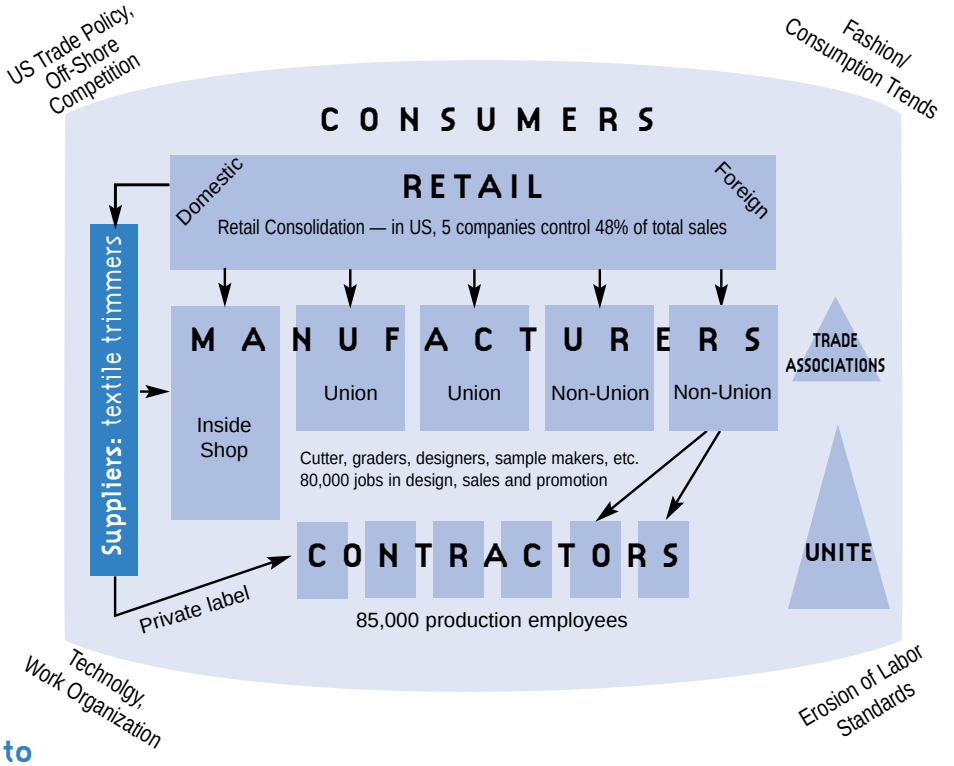
a limited number of sewing operations vulnerable to layoffs and periods of unemployment. Robert Jordan, international vice president and manager-secretary of UNITE Local 62-32, notes that "workers [sewing machine operators] have to be multi-talented to be able to work steadily."

The U.S. Apparel Industry

The apparel industry is the middle piece of the softgoods supply chain, depending upon fiber and fabric production for raw materials, and upon the retail sector for marketing to the consumer. The industry is segmented by product category — men's, women's, and children's, and suits, dresses, and underwear and lingerie. Trade associations and union locals generally follow these segmentations. With about 24,000 shops in 1996, the apparel manufacturing sector produced more than $45 billion of apparel and imported another $40 billion. It shipped more than $78 billion of apparel, contributing almost $40 billion value-added manufacturing dollars to the U.S. GNP.[9] With more than three-quarters of a million people, it employs approximately 6 percent of all manufacturing production workers. U.S. apparel manufacturing is concentrated in California, New York, North Carolina, Pennsylvania, Tennessee, and Georgia.

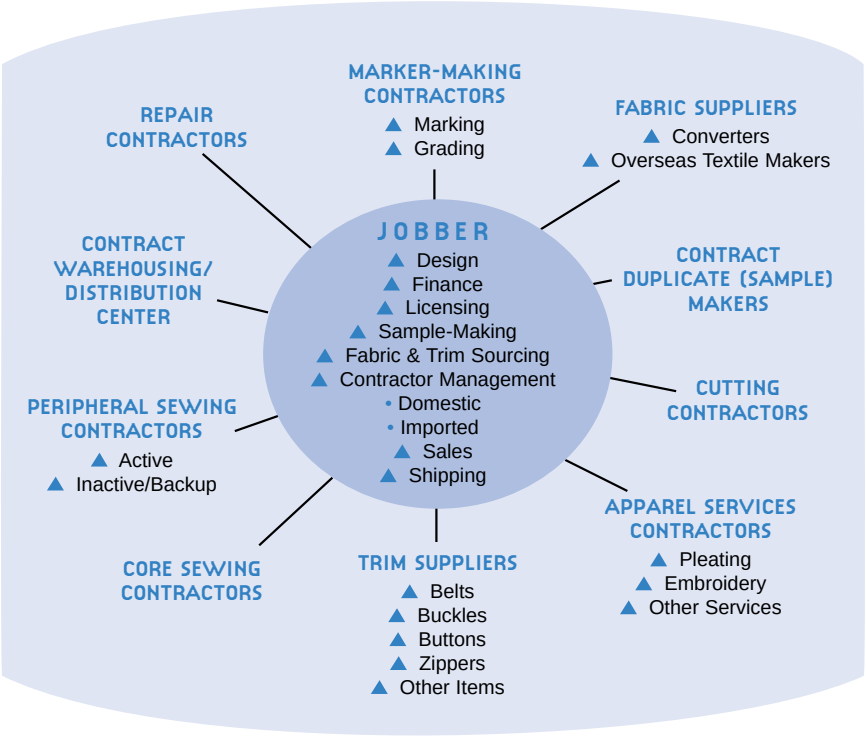
With the large size of textile and retail firms compared to apparel firms, the relative power among these actors can be predicted. Textile firms dictate fabric design choices, length of time for textile production, and minimum order sizes that are often large. Retailers dictate the order size, price, and shipping and delivery requirements. The small apparel firms are essentially "price takers." That is, due to their limited negotiating power with the textile and retail firms, apparel contractors have little influence over the price they receive for a job. GIDC staff note that, in this context, a firm's ability to cost a job becomes critical; firms need to recognize and refuse jobs on which they would lose money. Linda Dworak, GIDC's acting executive director, developed the following diagram to illustrate the relationships between the key actors in this industry, also noting the important trends that have influenced industry dynamics.

[9] U.S. Department of Commerce, Bureau of the Census. Available from Statistical Universe Online Service. Bethesda, MD: Congressional Information Service.



Due to their limited negotiating power with the textile and retail firms, apparel contractors have little influence over the price they receive for a job.

Traditionally, an apparel manufacturer used to perform design, pattern making, cutting, sewing and finishing, as well as inspection, and often took orders and delivered directly to the retailers. Some apparel manufacturers would contract out some of the processes — such as assembly or cutting — to smaller shops that specialized in that one process. Sometimes, jobbers served a brokering role between manufacturers and contractors and wholesalers or retailers without actually performing any of the production processes. After decades of change, however, many of today's apparel manufacturers with their own labels do not actually cut and sew any of their goods. Instead, serving more of the traditional jobber role, they contract out many or all production processes. These contractors may in turn subcontract pieces of large jobs to other firms in order to get a job finished in time. As Linda Dworak, training director and acting executive director of GIDC states, "There is so much subcontracting going on at this point that sometimes it's not clear where the product is actually being made anymore." UNITE officials in New York City have developed the following diagram to illustrate potential contracting relationships in the local market.



At the other end of the spectrum, the retail industry has consolidated in the last decade, and new retail strategies are driving changes in the apparel industry. Many large companies engage in "lean-retailing" practices, in which retailers seek to hold inventories low while working closely with suppliers to insure rapid replenishment of items that sell well. Furthermore, stores have moved beyond the traditional four seasons and now have eight or more seasons for introducing new apparel items. Thus, producers need to achieve faster turnaround times and adjust rapidly to frequent style changes. In addition, the growth of chain specialty stores, such as The Gap and Ann Taylor, and the increased proportion of private label apparel found in department stores has created new dynamics between retailers and contractors. In producing their own labels, retailers often circumvent the manufacturer and go straight to a lead contractor or agent with a production order, preferably in a "full-package" arrangement; that is, retailers look for a firm that has the capacity to purchase the fabric, make patterns, cut, sew, finish, inspect, and ship or, more likely, the capacity to subcontract these services and take responsibility for the delivery of a final product.

"...[in] Mexico, you can have the garment produced and shipped to the warehouse—only about a week difference from us...the reason why we still can survive is we have a quicker turnaround time; we have better quality."

—Wing Ma Wong, a Chinatown apparel contractor

These full-package arrangements allow retailers to shop for private label garments with one stop. Most U.S. contractors, however, are set up to offer only assembly operations and not full-package services. In addition, manufacturers have traditionally negotiated with the union and paid contractors for benefit plans for the workers through "jobber agreements." Retailers do not pay these costs and contractors do not have the resources to cover this gap.

Globalization

Over the past two decades, a variety of trade agreements have opened U.S. apparel markets to increased overseas competition. These trends are better understood in the frame of international trade agreements. Since 1963, the Tariff Schedule of the Unites States charged "re-entry" duty only on the value-added or assembly portion of apparel items for firms that assembled outside of the United States of at least partly U.S.-made and cut components. The 1986 Item 807A added quota allowances or "guaranteed access" to firms assembling apparel in Caribbean countries when fabric for the apparel was both made and cut in the United States, causing much apparel assembly to be shifted to the Caribbean Basin, with its advantageous geographic proximity.[10]

The 1988 U.S.-Mexico maquiladora agreement and the 1989 Canadian Free Trade Agreement set the foundation for the 1994 North American Free Trade Agreement (NAFTA), which allows apparel produced in Canada or Mexico to be imported duty-free to the U.S.

The General Agreement on Tariffs and Trade (GATT) started gradually phasing out protectionist policies toward apparel on a multinational basis. The World Trade Organization (WTO), created in 1995, will take over GATT functions and oversee the dramatic restructuring and delimiting of the textile and apparel arrangements that have protected the industries from "market disruption" for all these years. In particular, WTO's Agreement on Textiles and Clothing will eliminate quotas and reduce tariffs for apparel products that are traded among participating countries. This agreement should be fully phased in by 2005.

These agreements, particularly NAFTA, were cited as concerns by New York City's apparel producers. Wing Ma Wong, a ladies sportswear sewing contractor, notes that most production overseas is indirect

[10] Dickerson, K.G. *Textiles and Apparel in a Global Economy.* Englewood Cliffs, NJ: Prentice Hall, 1995.

competition because of the longer shipping times, but that Mexican producers are direct competition, since there is only one week's difference in shipping time. He states, "...[in] Mexico, you can have the garment produced and shipped to the warehouse — only about a week difference from us, that's all. The reason why we still can survive is we have a quicker turnaround time; we have a better quality than the Mexicans."

New Technology and Teamwork

Since the late 1970s, the U.S. apparel industry has concentrated on automating production processes, particularly assembly, in order to reduce labor costs. Manufacturing of pockets and collars, for example, was successfully automated, allowing a single operator for several machines and decreasing both production time and errors. But, due to the limp and slippery nature of certain fabrics and the contouring process in such operations as setting sleeves and curved seams, not every assembly task could be effectively automated. Such fabrics and contoured shapes are found primarily in women's clothing, the dominant segment in New York City. Thus, little automation has occurred in New York shops.

Recognizing that automation was only one dimension of competitiveness, the industry turned its attention to reorganizing production processes. Traditionally, garments are produced in a progressive bundle system (PBS), in which bundles pass from operation to operation in a sewing factory. In this system, there is a significant amount of work-in-process inventory and throughput times (i.e., the time to complete a garment from start to finish) are long. There exist, however, two alternatives to PBS that reduce production time. Unit production systems (UPS) automate the movement of pieces from operation to operation, recording the location, operator number, and process time in a computer system. By moving each piece as it is finished instead of waiting for the entire bundle to be finished, work-in-process inventories and throughput times are reduced. Such technology is expensive, however, and the small shops typical of New York City do not produce the volume of business necessary to support such an investment.

Modular organization of manufacturing is the second alternative to PBS. In this system workers are organized in teams and manage the production of completed garments. The team is rewarded for completing garments quickly and maintaining quality standards. Such

systems have been found to reduce production time and improve quality. Unlike a UPS, a modular approach does not require a significant capital investment, but rather an investment in training workers to produce in a new way. Modular organization decreases the need for supervisors, but requires workers with decision-making skills and a variety of production competencies — new expectations for most piece-work operators. While the capital requirements of modular systems make them an accessible innovation for small producers, the traditional mind set of many apparel producers is a barrier to their widespread adoption. Spreading understanding of the benefits of such systems also can be difficult because of the lack of sophistication of many apparel firms. For example, one firm that agreed to adopt the system for part of its production did notice that production was much faster in the modular unit, but the firm owner could not state exactly how much faster production occurred, nor could he describe the effect of the system on quality or estimate a bottom-line impact.

Modular organization decreases the need for supervisors, but requires workers with decision-making skills and a variety of production competencies — new expectations for most piece-work operators.

New technology also is important to more efficient production. New, more technologically advanced machines that, for example, reduce waste in cutting or improve the quality of products sewn, are available and can improve the production efficiency of small shops. Richard Feldman, owner of Feldman Manufacturing Corp., noted the improvement in cutting quality and the reduced scrap costs that he experienced following his purchase of a Gerber cutter. One barrier to small firms investing in this new equipment, however, is a lack of confidence in the ability of workers to use it properly. According to Charles Wang, executive director of the Greater Blouse, Skirt and Undergarment Association, apparel producers "need to put machines to good use to get the most out of your investment...members (apparel contractors) want to see that workers can use machinery."

Advanced technology and quick response strategies are competitive advantages that the U.S. apparel industry can exploit. Unfortunately, small- and medium-sized apparel manufacturing firms, the type found in New York City, have not adopted technology as fast as large firms. Cost, need for technical support, and workers' technical literacy have been identified as factors in this non-adoption. By providing both worker training and information on the benefits of new technology, GIDC has the capacity to address these issues and facilitate the adoption of new technologies and processes.

Apparel Industry in New York

New York is known for its fashion influence in apparel through design innovation, presence of retail buying offices, and major retail facilities. Proximity to designers and retail buyers, low entry barriers for new firms, the industry's high labor needs, and the entry level nature of many jobs make apparel manufacturing an important industry to the economy of New York. New York is the number two state in apparel manufacturing, based both on number of employees and annual gross state product. In 1996, New York employed 86,600 apparel manufacturing workers, about 85 percent of whom work in New York City's five boroughs. Average earnings for production workers were $294 per week. The largest manufacturing sector in the city, apparel constitutes about one-third of all of New York City's manufacturing. In New York State, the industry contributed more than $4.6 billion in value-added manufacturing and $9.6 billion in shipments to the 1996 New York state annual gross product.[11]

New York City's apparel manufacturing and contracting is largely women's and children's apparel, while there are major men's wear producers in upstate New York. In New York City, most apparel production is completed by small contractors employing fewer than 40 workers. There is a large concentration of contractors in Chinatown, some in mid-town Manhattan and the boroughs, especially Queens and the Bronx. Matched with the proximity to the New York City fashion designers and innovators, their flexibility allows them to adapt quickly to fashion change. In addition, their location allows for shorter shipping times, which translate into lower costs and an important competitive advantage, given the move to more fashion seasons.

The apparel industry has traditionally provided an opportunity for immigrant workers to not only work but to establish their own businesses as apparel production contractors. Start-up costs are minimal, with possible equipment rental and little required inventory. Mrs. Yuk Ching Wong, president of the Greater Blouse, Skirt and

[11] U.S. Bureau of the Census, 1996.

The largest manufacturing sector in the city, apparel constitutes about one-third of all of New York City's manufacturing.

Undergarment Association and owner of several contracting shops, estimates that start-up costs for space and equipment are now approximately $30,000, given the large amount of used equipment available; and much of this cost can be financed. If one chose to buy all new equipment, she estimates start up costs would be close to $100,000. Labor is the main requirement for success, and immigrant owners enjoy an advantage in accessing and training immigrant workers for entry-level production jobs as "the social structures of the ethnic community provided a mechanism of connecting organizations to individuals and stabilizing these relationships."[12] Low economies of scale, small markets, and short production time reorders are conditions under which small and immigrant-owned U.S. apparel contracting firms appear to be competitive.

[12] Waldinger, R.D. *Through the Eye of the Needle: Immigrants and Enterprise in New York's Garment Trades.* New York, NY: NYU Press, 1986. p.15.

The Garment Industry Development Corporation (GIDC) is a non-profit organization founded through a collaborative effort involving industry, labor, and government officials for the purpose of strengthening the garment industry in New York City, and thereby retaining the city's fashion and apparel-related jobs. In order to achieve its mission, GIDC has, over the years, developed training programs for both employed and unemployed workers, technical assistance programs to improve the efficiency of apparel contractors and to introduce them to the benefits of new technology, a market development program that assists manufacturers in export development, and a sourcing program that helps manufacturers locate appropriate apparel production shops in New York City.

Historical Development

The impetus for founding the organization came from the results of a report commissioned by Local 23-25 of the International Ladies Garment Workers Union[13] (ILGWU), in collaboration with the New York Skirt and Sportswear Association, an industry group. Local 23-25 of the ILGWU covered the Chinatown district, the heart of women's apparel production in New York City. The report found that there were numerous pressures on the local industry, and GIDC was founded to meet the needs of the small entrepreneurs and other industry actors in order to help firms remain profitable and retain jobs, particularly union jobs, which were at risk. Thus GIDC was designed to meet needs identified by both employer and employee organizations. Given the importance of the garment industry to the local economy in New York City, GIDC also received support from the city government. Upon its founding, GIDC's board was structured to give each of these three groups equal representation.

One of the major issues identified in the initial report leading to GIDC's founding was the fact that escalating real estate prices were putting pressure on Chinatown's garment producers. Thus, in the beginning, GIDC concentrated on real estate issues, and the city supported this effort with changes in zoning regulations in Chinatown. Although GIDC had some initial successes in this area, the organization's management found that interventions in real estate consumed a

[13] In 1995, the ILGWU merged with the Amalgamated Clothing and Textile Workers Union to form the Union of Needletrades, Industrial and Textile Employees, known as UNITE.

great deal of resources but had limited industry impact. At this point, GIDC changed programmatic direction, and also found a new executive director, Adam Friedman. Under Friedman's leadership, GIDC introduced new training initiatives, notably the Super Sewers program, a core piece of GIDC's current training efforts, and the Sewing Machine Maintenance and Repair training program, the longest-running training program at GIDC. The latter offering was a part-time evening training program, that was, during the two years after its introduction, followed by an array of other specialized part-time offerings for employed workers, which collectively became known as the Apparel Skills Courses. This collection of courses continues to change in response to emerging industry needs. In contrast to the Apparel Skills Courses, the Super Sewers program is a full-time training program for displaced apparel industry workers.

GIDC was designed to meet needs identified by both employer and employee organizations.

In the early 1990s, just before he left the organization, Friedman began to search for funding to support the development of new programs in the areas of business technical assistance and market development. Bruce Herman, the executive director hired in 1991, aggressively pursued this new direction and, under his leadership, GIDC developed its Fashion Exports New York (FENY) program, which assists New York City manufacturers in marketing their products overseas, and the Training and Technology Extension Services (TTES), which provides an array of technical assistance services. Also in 1991, in conjunction with UNITE, GIDC established JobNet, a centralized job referral system that helps apparel producers locate employees with the production skills they require and assists the unemployed in finding work. More recently, GIDC conducted a fund-raising campaign to support the development of a storefront facility in the heart of Chinatown. In April 1998, GIDC inaugurated its Fashion Industry Modernization Center (FIMC), a 9,500-square-foot training and technology demonstration facility that houses state-of-the-art production equipment, including sewing, pressing, and cutting machinery, as well as a 20-station computer lab with Computer Assisted Design (CAD) facilities. Another recent addition to GIDC's programming is the new Sourcing Center, established in fall 1998. The goal of this program is to help manufacturers and others find apparel contractors who can meet their particular needs. GIDC is now in the process of refining its database of contractors in order to most effectively promote employers with "good" labor practices. A current challenge is

to reach agreement among the stakeholders in GIDC, namely unions and industry groups, regarding what should be the standard for "good" labor practices. Verification of these chosen labor standards may prove difficult.

As GIDC's service offerings have grown over the years, so too has its constituency. In the early years, GIDC concentrated solely on the segment of the industry that was located in Chinatown. As the organization grew, however, it began to reach out to garment producers in other parts of the city and in other industry segments. Thus, other industry groups beyond the New York Skirt and Sportswear Association became GIDC board members as GIDC sought to provide assistance to other segments of the industry. An important backer supporting GIDC's growth was Jay Mazur. At GIDC's founding, Mazur was the head of ILGWU Local 23-25. His influence within the union circles has risen over the years, and he is now president of UNITE. Under Mazur's leadership, UNITE has been a key ally in lobbying government officials, particularly at the New York State level, for support, and the union has consistently provided funds to GIDC directly.

GIDC Today

The box on the next page shows GIDC's primary program areas. As the box indicates, GIDC provides training for workers, with the Super Sewers program serving displaced workers and the Apparel Skills Courses serving incumbent workers. In addition, GIDC offers technical assistance to New York City firms through the TTES program, assists manufacturers in tapping export markets through FENY, and helps manufacturers and others find local contractors through the Sourcing Center. The training programs are described in greater detail in "The Training Strategy" section. More information on the Technical Assistance and Marketing programs can be found in the section titled "Making a Sector Focus Operational."

Organizational Features

Staffing

GIDC currently employs 14 full-time staff people, including the executive director, the director and marketing assistant for FENY, the manager, technician, and administrative assistant for the FIMC, three full-time

GIDC Programs

Training

- **Super Sewers**
- **Apparel Skills Training Courses**

Technical Assistance

- **Technology Training Extension Service (TTES)**

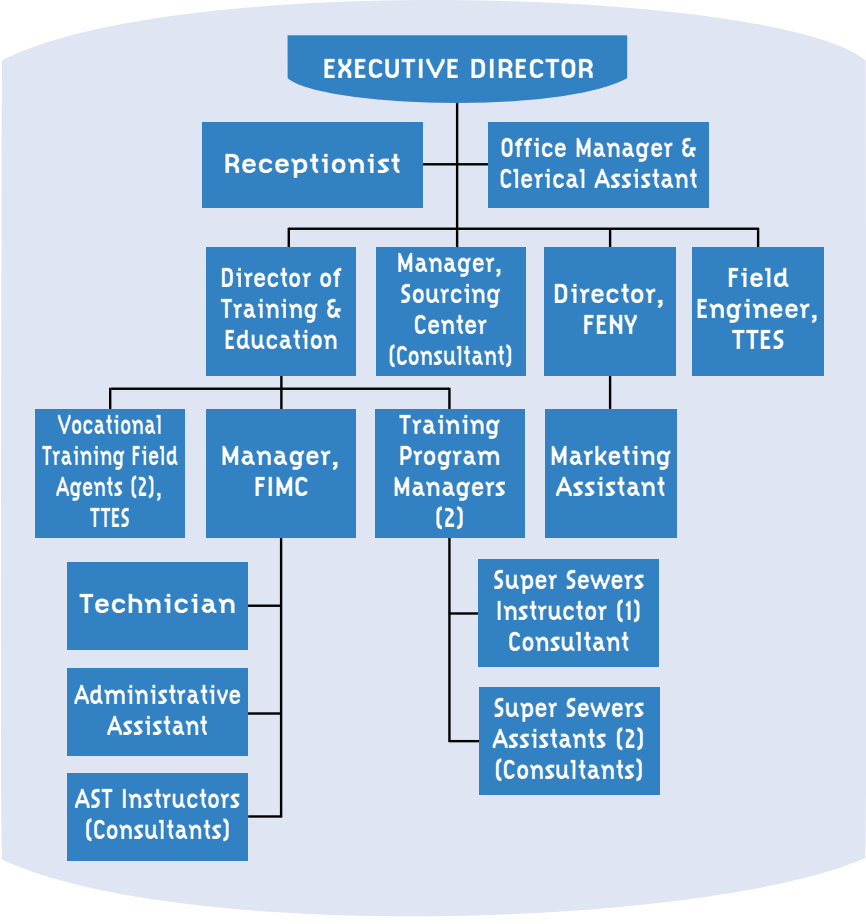
Market Development

- **Fashion Exports New York (FENY)**
- **Sourcing Center**

By locating their facilities in the heart of the garment district and in Chinatown, GIDC encourages closer interaction between the organization and its key constituencies.

professionals who work in the TTES program as well as with some of the Apparel Skills Courses, two training program managers who work primarily on the Super Sewers program but who also assist with the management of some of the Apparel Skills Courses, an office manager, and two support staff who work in the main office. GIDC also ordinarily employs a director of education and training, but, at the time of the case study, this person was acting as the executive director, since the prior executive director had recently left. In general, GIDC has a balance of Spanish and Chinese speakers on staff so that staff members can speak to clients in their native languages.

In addition to full-time staff, GIDC employs several key consultants. The trainer and training assistants for the Super Sewers program are on contract, working close to full-time when the program is in session, but not between sessions. The majority of the trainers for the Apparel Skills Courses are also on contract, as GIDC hires instructors with expertise specific to the various course offerings. The job placement counselors, who work with Super Sewers participants and other unemployed individuals referred by UNITE, also are consultants to GIDC, with each of the three working roughly one day per week. The coordinator for the Sourcing Center also is a consultant, and currently works half-time.



Location

GIDC has three physical locations in which it operates. The primary office space is located in a building in Manhattan's fashion district on 7th Avenue. Teaching space for the Super Sewers program and some of the evening Apparel Skills courses is located in the High School of Fashion Industries, about three blocks from the main offices. In addition to being in the heart of the fashion industry, these facilities are close to the Fashion Institute of Technology, whose facilities GIDC has used for some of its evening Apparel Skills courses. Finally, as mentioned above, GIDC recently opened a new facility in Chinatown, about two miles from the main office, providing a storefront facility in the neighborhood that is home to one of GIDC's primary constituencies. By locating their

facilities in the heart of the garment district and in Chinatown, GIDC encourages closer interaction between the organization and its key constituencies.

While the placement of these facilities gives GIDC a physical presence in strategic locations for work with New York City's garment industry, it also means that GIDC staff work in physically distinct locations. Further, many GIDC staff are often not at any of these facilities, but working on site at a particular client's place of business. In order to keep staff members aware of each others' activities, GIDC holds staff meetings roughly every three weeks. In addition, staff seem to have developed good working relationships with each other, and information is often spread through informal contact. For example, in doing on-site technical assistance, a staff member may see that workers could use more training in the handling of soft fabrics, and call the trainer of the Super Sewers program to discuss the possibility of a greater emphasis in this area. By operating in the areas of worker training, business technical assistance, and market development, GIDC gains broad exposure to the apparel industry at all levels.

"...GIDC does very well in elevating sewing skills [of production workers]...it meets a real need in the New York market."

—Joan Volpe, coordinator of Non-Credit Programs at FIT

Key Organizational Relationships

While a tripartite group comprising industry, union, and local government representatives joined forces to found GIDC, the union has had the most consistent involvement in the organization over time. May Chen, associate manager of UNITE Local 23-25, notes that the collaboration between GIDC and UNITE occurs at two levels, the board level and the staff level. She says, "we deal with [GIDC] staff all the time — a lot of cross-referrals...a lot of day-to-day dealing with GIDC staff." For example, most participants in the Super Sewers program are UNITE members and many of them were referred to GIDC by UNITE. UNITE staff conduct the health and safety training component of the Super Sewers program. GIDC also distributes, through UNITE offices, flyers announcing upcoming Apparel Skills Courses. GIDC's job counselors not only assist Super Sewers participants in finding employment, but also help other UNITE members who have recently lost their jobs. Similarly, GIDC staff often will refer trainees in need of assistance with child care or other matters to UNITE staff who can assist them. On the technical assistance side, UNITE identifies and refers many firms to GIDC for various types of assistance. GIDC's technical assistance often is requested for shops

that UNITE has just helped organize, since having the union presence can, in some cases, increase labor costs to the extent that the business is at risk. GIDC can help the business realize production efficiencies to help offset the higher labor costs, and thus retain the firm and attendant jobs in New York City. UNITE provides funds to GIDC for some programs and also has been an important ally in GIDC's efforts to lobby state officials for support. GIDC's main offices are located in a UNITE-owned building, which also houses many union offices. At the FIMC, GIDC has dedicated a space to Local 23-25 for social workers and union representatives to meet with workers. Thus, over the years a tight relationship has formed between UNITE and GIDC, and they play complementary roles as they seek to develop and retain "good" apparel jobs in New York City.

While not as close a relationship as that with UNITE, GIDC's relationship with the Fashion Institute of Technology (FIT) also has been important. FIT has the facilities and personnel for training people in the areas in which GIDC is interested in providing training, but there is no sense of competition between the two organizations since they serve very different clientele. As Joan Volpe, coordinator of Non-Credit Programs at FIT, states, "There is a real need for the programs GIDC is running. The college [FIT] provides management and executive labor to the market place...GIDC does very well in elevating sewing skills [of production workers]...it meets a real need in the New York market." FIT has been an important source of instructors for GIDC, with most of the people GIDC hires to teach the Apparel Skills courses having had teaching experience at FIT; one of GIDC's technical assistance staff people had been a professor at the college. As mentioned above, GIDC has made arrangements to use some of FIT's facilities for its courses, and the college is conveniently located near GIDC's main offices. Since many GIDC instructors had prior experience at FIT, there is an understanding of the types of resources that could be available through the college, and these are tapped on an as-needed basis. For example, in beginning its technical assistance efforts, GIDC conducted an intensive survey of 75 contractors and 25 manufacturers to assess their needs and determine the types of services that GIDC should offer. This survey was designed and conducted by consultants hired from among the FIT staff. FIT has always had a seat on GIDC's board and has sought to play a supportive role in GIDC's efforts; the key to actually implementing this

support, however, has been the on-going interaction between GIDC staff and FIT personnel.

Some industry groups have served as a helpful point of contact through which GIDC can reach out to firms.

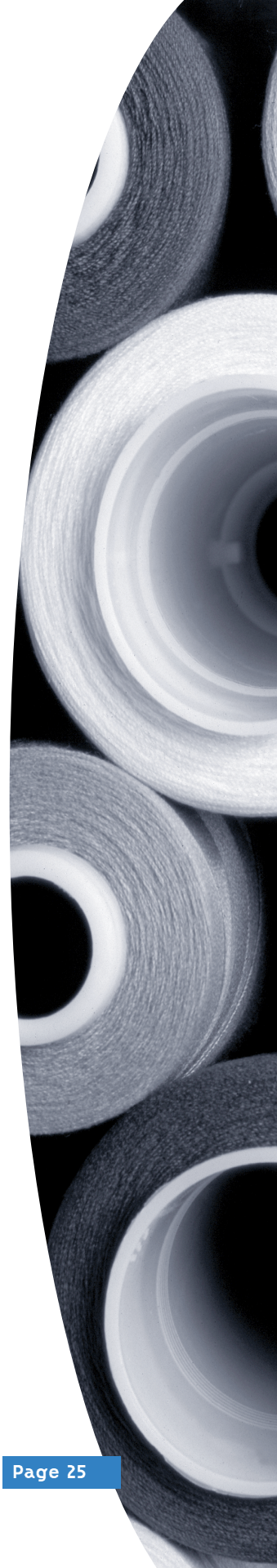
GIDC's relationship with the New York City government and with industry groups has not been as influential as its relationship with the union. The city has been an important funder of many of GIDC's initiatives, but has not sought to significantly influence the organization's programmatic direction. The industry groups tend to be rather fragmented, reflecting the nature of the industry they serve, with three or four organizations representing Chinatown firms alone. These groups are formed primarily to negotiate with the union on behalf of their members, and the level of their involvement with GIDC's activities varies considerably. Some industry groups have served as a helpful point of contact through which GIDC can reach out to firms, without becoming actively involved in shaping the types of services that GIDC provides to local businesses. Others, particularly those based in Chinatown, have become close partners of GIDC, providing useful information on the needs of member firms and advocating for services on their behalf.

By operating a range of services, GIDC not only helps low-income workers to find good jobs, but also works with industry to create and maintain good jobs. GIDC encourages firms to embrace a "high road" competitive model, in which firms invest and innovate to improve the efficiency of their firms and the productivity of their workers. As gains from greater productivity are realized, they are shared with workers, encouraging them to continue to be as productive as possible. In the garment industry, however, there are numerous "low road" competitors. For these employers, labor is merely a cost, not an asset, and maintaining safe, healthful working conditions is not necessarily a priority. Some of these employers do not recognize the true costs of poor quality, time spent on re-work, and high worker turnover, but can easily see the cost of providing a decent job. "High road" firms also have to compete with "sweatshops," which operate outside the law and disregard regulations on wages and working conditions. These firms can close and re-open quickly and are not registered, so it is difficult for regulators to stop them. GIDC works with legally registered firms and tries to help them change their business model to a "high road" strategy that can be competitive in the current environment of the apparel industry.

> *"If employers want to get engaged with us [GIDC], they have to accept that we will push them, pull them, move them on to the high road, as we call it, and we'll do everything we can to block the low road."* — Bruce Herman, former president, GIDC

Connecting with Industry

Historically, GIDC has engaged with industry through the provision of direct services and the involvement of industry in the management and operations of the organization. GIDC offers garment firms a number of key services that it has created over the years based on its deepening knowledge of the industry and the core competencies the organization has developed. GIDC also has developed a web of relationships with other organizations in order to effectively leverage the impact of its efforts by engaging in complementary activities or encouraging partner organizations to consider alternative approaches to industry problems. In addition, GIDC has worked extensively to raise public sector awareness of the industry's importance and attracting public sector resources to assist the industry.



Direct Service Provision

An effective way of engaging industry is to offer a product or service that meets a recognized need of target firms. GIDC has always done this. The organization began by focusing on real estate pressures affecting constituent firms and built an industrial condominium to provide low-cost space. GIDC then moved into technical and marketing assistance. Today GIDC operates TTES, FENY, and the Sourcing Center to provide firms with needed assistance.

FENY has facilitated more than $35 million in first contracts for New York City firms, a big bottom-line benefit for firms.

Technology Training and Extension Service (TTES)

GIDC's technical assistance program focuses on facilitating high-quality production and shorter turnaround time, as well as enhancing production efficiencies. In particular, GIDC's TTES conducts needs assessments for firms and offers services that include management consulting, engineering assistance, and statistical quality control training. The TTES staff also conduct employer-specific on-site training for workers to address a defined production problem, as well as a train-the-trainer program designed to help firms institutionalize a training process for workers. Although GIDC had facilitated access to technical assistance earlier, the TTES program was officially launched in 1995 and provided intensive services to 15 firms in fiscal year 1998. Since its inception, TTES has provided customized technical assistance services to more than 75 firms.

Fashion Exports New York (FENY)

A critical issue for apparel manufacturers in New York City is the increasing use of private label products in U.S. retail outlets and the intensified competition from foreign manufacturers for U.S. retail markets. Thus, a great need exists to look at new market opportunities in order to maintain apparel production and employment in the city. While lowered trade barriers have opened up U.S. markets to foreign competition, they also allow U.S. manufacturers to more easily access foreign markets. Given that exports are a non-traditional market for U.S. firms, GIDC set up Fashion Exports New York to help them tap this potential source of revenue.

New York is world-renowned as a fashion center, and FENY helps New York firms capitalize on the cachet of their made-in-New York label. FENY assists by arranging meetings between New York

manufacturers and international buyers and by facilitating sales and negotiations. FENY also organizes group exhibitions of New York apparel at international trade shows. FENY has worked with more than 120 apparel firms, including bridal-, career-, sports-, swim-, intimate-, evening-, men's-, and children's-wear manufacturers. Through its database, FENY is able to provide international buyers and agents with information on 544 New York firms. Since 1991, FENY has facilitated more than $35 million in first contracts for New York City firms, a big bottom-line benefit for firms. Further, this number only reflects the value of the contracts directly facilitated by GIDC, and does not include the value to the firm of an ongoing relationship with an overseas buyer.

In addition, FENY has a joint project with the Fashion Center Business Improvement District (FCBID) called New York Fashion International (NYFI). The purpose of this initiative is to increase the ability of New York manufacturers to pursue export strategies and to raise the profile of New York City as a world fashion capital. NYFI provides export assistance to New York manufacturers and educates international buyers in how to shop the New York market. For example, NYFI facilitates the participation of New York manufacturers in trade shows, and works to disseminate information on New York apparel offerings to potential overseas customers. Thanks to government support, FENY and NYFI can offer their services free of charge or well below cost. Both NYFI and FENY are supported by the U.S. Department of Commerce.

The Sourcing Center

The Sourcing Center acts as a liaison between retailers, private label manufacturers, brand name manufacturers, and contractors to develop new markets for New York City producers. The Sourcing Center acts as a facilitator to businesses looking to source production in New York by helping them to identify qualified manufacturers and contractors. A first step in launching the Sourcing Center is the development of a database. GIDC's intention is to develop a database of "good" companies to which it can refer manufacturers or others looking for apparel producers in the city. The initiative seeks to capitalize on GIDC's knowledge of the capabilities of contractors in New York City. For example, an Internet start-up company producing custom-fit jeans was looking for a production contractor who could handle the process

Another issue that GIDC is addressing in the context of this project is the definition of a "good" firm.

of mass customization. The company relies on a unique software that allows customers to send in their measurements from which a pattern is produced for a garment tailored specifically for that person. Thus, a producer must be able to take orders in which no two items are exactly alike, rather than producing typical lots of 100 or more. GIDC was able to help this company locate a contractor in Chinatown who could meet the required specifications. While the contractor currently only produces about 100 pieces per week for this company, the company hopes to grow that number to about 6 million pieces per year.

While the idea of the Sourcing Center is to make it easier for buyers to find producers in the city, contractors initially feared that it may encourage their specific customers to start going to other firms. Another issue that GIDC is addressing in the context of this project is the definition of a "good" firm. UNITE would like for only union shops to be included, while manufacturers and contractors would prefer a less restrictive set of criteria, since they would like to avoid anything that might raise their costs and worsen their competitive position with overseas producers. GIDC is trying to negotiate an agreement on what "good" labor practices should mean for the purposes of the database. This issue is further complicated by the problem of verifying the agreed-upon criteria. Finally, GIDC would like to ensure that participating firms are capable, so that manufacturers will continue to use the database to find reliable contractors.

GIDC as Information Broker

From the beginning, GIDC has relied on studies as well as day-to-day interaction with firms to systematically assess needs. The original real estate focus came out of the study that led to the formation of GIDC. The technical assistance and new market development were called for by the report *Keeping New York in Fashion,* which GIDC commissioned in 1989. In addition, GIDC conducted its own intensive survey of 100 New York City firms to assess specific areas in which they should offer technical assistance. The results of this study also influenced the development of new Apparel Skills Training courses. Because GIDC operates where the interests of labor and industry meet and because it has the support of the public sector, it is in a unique position to pull together information on trends in the industry and disseminate it back to interested industry actors. GIDC has had the resources and ability to draw

on other sources of information, to synthesize the information, and to apply it as the organization exercises leadership within the industry. In addition, the process of gathering and analyzing information leads to opportunities to expand industry networks and partnerships. For example, in the survey of 100 firms mentioned above, GIDC staff estimate that about half had no prior contact with the organization, so it was also an opportunity for GIDC to reach out to these firms, and for the firms to learn more about the types of services GIDC offers. Similarly, doing research jointly with FIT or FCBID not only has been efficient, but also has helped strengthen GIDC's relationships with these organizations.

The role of the information broker is particularly important for an industry such as the apparel industry, where firms are typically small and management is thin. Such firms often do not have the resources to engage in a sophisticated analysis of industry trends. In the area of marketing, for example, GIDC, in collaboration with the FCBID, has been able to engage in a sophisticated analysis of export opportunities and then share that information with New York firms. It is difficult to imagine an individual firm having the resources to undertake such an effort.

GIDC's role as an information broker also helps to catalyze change in production techniques as well as in marketing. Mr. Feldman (see box on next page) notes that the garment industry is an old industry with a lot of tradition and change only comes incrementally. By providing information on new technologies and new production techniques, GIDC can educate owners and convince them to begin to modernize their operations.

Ideas such as modular production, investments in new equipment, and a sourcing center to link manufacturers and contractors are all ideas that have met with resistance. The Sourcing Center, for example, encountered resistance because contractors feared that their current customers would find new suppliers through the system. They did not see that the system might bring them additional business. This fear is reflective of the nature of contractors to wait for their long-standing customers to come to them with an order, rather than going out and seeking new business. The Sourcing Center requires contractors to think in a new way about their relationships with clients. They need to determine what their strengths are and why a client should choose to buy from them rather than from a competitor. Investments in new equipment are a breakaway from the traditional mode of business, and modular manu-

Feldman Manufacturing Corp.

Feldman Manufacturing is a Queens-based producer of swimwear and specialty lycra products with more than 80 employees. GIDC worked with this firm to introduce modular manufacturing, providing training to a group of volunteer employees working in a sewing module. Workers had to understand all aspects of production and also needed to understand their new decision-making and quality control roles. In addition, a new pay system had to be devised to provide appropriate incentives to work as a team. The result has been a marked decrease in turnaround time for production, an important competitive advantage. In addition, workers seem to be proud of their enhanced role in the production process. Richard Feldman, owner and manager of Feldman Manufacturing, says that he never would have instituted modular manufacturing without GIDC's encouragement and support.

In addition, GIDC worked with Feldman Manufacturing on the purchase of a new Gerber cutter, providing information on the benefits of this new technology. After its adoption, Richard Feldman noted the improved quality achieved by the cutting department and the reduced amount of waste. These results had an important impact on the bottom line for Feldman manufacturing.

GIDC continues to encourage firms to think about doing business in new ways.

facturing is an even greater change. Modular production requires investing in worker training and placing more responsibility with sewing machine operators. It also necessitates a team-oriented incentive pay system, rather than the individual-oriented piece-rate system. GIDC continues to encourage firms to think about doing business in new ways. For example, after being listed on GIDC's Web site, Majestic Shapes, a manufacturer of shoulder pads, saw the benefits of the Internet and decided to create its own site. GIDC advertised the site in its newsletter to encourage more firms to think about this type of promotion.

The fear of change among contractors is compounded by their poor experience in recent years. The opening up of overseas sourcing, particularly in Mexico, has seriously hurt many contractor businesses. Both Wing Ma Wong and Mrs. Yuk Ching Wong, two Chinatown contractors, say that this is the worst year they have ever had. Under such conditions, investments in new equipment or trying new methods of production seem particularly risky to shop owners. Despite this difficult environment, GIDC has had some success in promoting new techniques among firms. For example, when we spoke to Charles Wang, executive director of the Greater Blouse and a representative of contractors, he expressed a desire to see GIDC spend more resources on the Sourcing Center. So contractors have seen the benefit of that initiative. Feldman (see box on facing page) is another example of encouraging change. GIDC draws attention to the success of firms that innovate through its newsletter as well as through informal discussions with clients. In this way, more firms may be convinced to follow suit.

Involving Industry in GIDC Operations

In addition to providing direct services to industry, GIDC has involved industry participants in its operations. GIDC has always had industry representation on its board of directors, with one-third of the seats being held by representatives of industry associations. GIDC also receives financial support from industry through the Council for American Fashion Industrial Development Fund. Through the collective bargaining agreement, manufacturers have agreed to pay one-tenth of 1 percent of payroll into this fund, which the union then manages. The majority of GIDC's employees and consultants have industry experience, a key factor in keeping program offerings relevant to industry needs. For example, all GIDC training instructors have industry experience and most of them work only part-time for GIDC while continuing their other work. Thus, the industry experience of the training staff is current, and influences changes in curricula, discussions of new courses, and other substantive training issues.

Leveraging Resources Through Partnerships

GIDC recognized the importance of the impression that the physical environment makes on buyers and worked to create the FCBID, a business improvement district.

By building partnerships with other organizations, GIDC has been able to leverage access to financial, human, and information resources and to create services that GIDC could not provide on its own. A good example of this is GIDC's role in the creation of the Fashion Center Business Improvement District (FCBID), founded in 1993. GIDC recognized the importance of the impression that the physical environment makes on buyers, but at the same time realized that GIDC itself was not well positioned to effectively address this problem. GIDC therefore worked toward the formation of the FCBID, and currently sits on its board in an advisory capacity.[14] Since it is a business improvement district, the FCBID works on, among other things, street services and improvements, and the area is now felt to be safer and more welcoming for buyers and other fashion industry actors. GIDC's work with the FCBID has facilitated a greater level of service for buyers, particularly foreign buyers. In collaboration with FCBID, GIDC contributed to the production of a resource guide that helps foreign buyers navigate the New York market. In addition, while GIDC was prohibited from spending its funds to support the travel expenses of firm representatives attending foreign trade shows, by collaborating with FCBID through the New York Fashion International (NYFI) initiative, GIDC could connect manufacturers with a source of support for this initiative, a critical component to its success. Other examples of GIDC's strategic partnerships include its relationship with FIT, a valuable source of information and human resources, and its relationship with the union, which, among other things, provided critical lobbying assistance that led to significant state contributions to GIDC's budget. These relationships are described in the section titled "GIDC's Strategy."

[14] Since FCBID is a business improvement district, only representatives of businesses who contribute to the operations of the BID are eligible to be official board members.

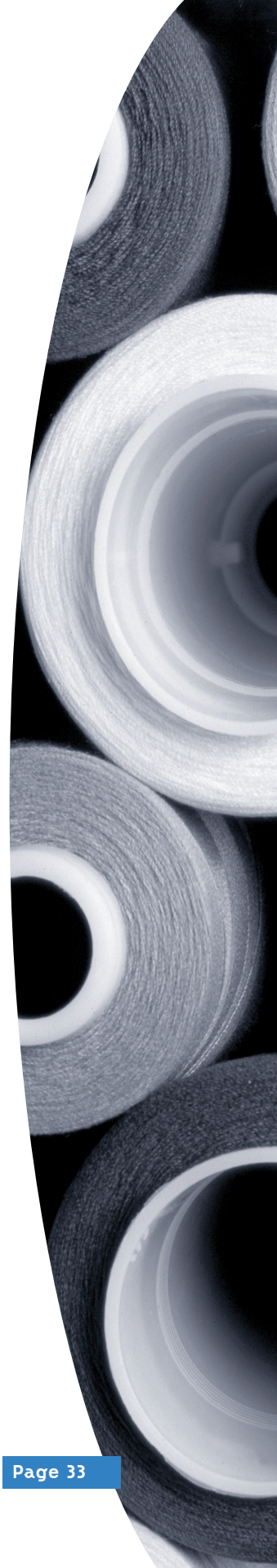
One of the distinguishing features of GIDC's training strategy is that the organization targets workers at all levels of the industry with which it works, providing training services for occupations ranging from sewing machine operators to factory owners and managers. With this strategy, GIDC seeks not only to assist immigrant workers in finding employment in the garment industry, one of the very few opportunities available to immigrants with limited language skills, but also to aid the industry in remaining competitive in order to retain and hopefully expand employment opportunities in the New York City area. GIDC's training divides into two main program areas: (1) the Super Sewers program, a full-time, eight-week training course for displaced workers, and (2) Apparel Skills Courses, an array of seminars and evening courses designed to serve the training needs of factory supervisors, managers, and owners, as well as particular occupational specialties such as marker making and pressing. In addition, through its technical assistance programs GIDC provides on-site training in sewing factories to meet specific needs and has developed a "train-the-trainer" program to encourage sewing contractors to institutionalize training as an integral part of their operations.

Displaced Worker Training

Participants

The Super Sewers program, established in 1988, serves dislocated sewing machine operators. The participants in this program all have worked in sewing factories, but the level of their sewing competence can vary widely since it is common practice among sewing factories to assign a worker to one specific operation, such as setting a pocket or making a side seam, for the duration of that worker's employment. Thus, some Super Sewers participants, including those who have worked many years in the industry, have experience in only a narrow range of sewing operations, limiting their prospects for finding employment and remaining employed.

Almost all Super Sewers participants are immigrants, primarily Chinese or Latino, with limited English language skills. Close to 90 percent of participants are women. The average age of participants is 45 and the median level of education is 10th grade. Participants have to prove that they are displaced workers, generally by showing receipt of



unemployment benefits, and most participants are receiving unemployment benefits during training. Some, however, have exhausted their benefits, and for them GIDC provides a small stipend to cover travel costs and lunch. Participants are predominantly union members, but non-union members are also eligible for the program.

Mrs. Quan came to GIDC "to learn more sewing skills so that it will be easier for me to find jobs."

Quan Li Na

Quan Li Na emigrated to the U.S. from Hong Kong in 1981 at age 21. Since then, she has been working as a garment worker and during that time she has been laid off 10 times and has quit jobs 3 times. In her last job, she estimates that she earned $200 per week for a 40-hour week. Mrs. Quan lives with her husband, who she says earns $10,000 per year, their three children, and her 72-year old mother. Prior to starting the Super Sewers program at GIDC, Mrs. Quan had been unemployed for two months. She heard about GIDC on the radio and came, "to learn more sewing skills so that it will be easier for me to find jobs." When asked what job she hoped for, Mrs. Quan said, "I have a family to take care of and that does not allow me to work a long-hours job....I just hope that I can get any sewing job and start earning money again." After completing the Super Sewers program, GIDC helped Mrs. Quan secure a union job that provides health insurance and pays $6.40/hour as a base wage.

Outreach

UNITE is a major source of referrals to the Super Sewers program. In addition, GIDC recruits participants through flyers posted in Chinese and Hispanic neighborhoods and through ads in the Chinese and Spanish language newspapers. Technically, participants in the program are referred to GIDC through the Worker Career Center (WCC), the one-stop employment services shop in Manhattan. But GIDC participants learn of the program through the outreach mentioned above, and then

GIDC staff help clients register at the WCC so that they may become eligible for the program. To date, GIDC has had little problem recruiting candidates for the Super Sewers program. The organization offers four cycles of Super Sewers each year, alternating between Chinese and Spanish language, and each cycle enrolls 35 participants. Due to recent changes in funding, however, this number will decline.

Screening

Since Super Sewers had always received Job Training Partnership Act (JTPA) Title III funds, candidates were required to show that they were receiving, or had recently received, unemployment benefits and that they are legal residents of the United States. The remaining factor for which GIDC screens participants is that they have some sewing experience. It is desirable for participants to have a basic competency since, otherwise, it is very difficult for them to keep up with the intensive eight-week program, although, as mentioned above, the level of skill among participants varies greatly. The Super Sewers program offers two levels of training, referred to as "intermediate" and "advanced," and on average about one-third of the participants in a cycle will be placed in the advanced class. GIDC's screening generally begins with a telephone conversation about the participant's background, and if that goes well, the applicant is invited to come in for an interview and to fill out an application.

Staffing

GIDC has two training managers, one a Chinese speaker and the other a Spanish speaker. These staff people conduct outreach and recruitment for their respective cycles, interview prospective applicants, oversee the training, monitor placement and retention, and provide data to funders and others regarding training results. Throughout the process, they provide informal support and counseling to participants, and act as a source of referrals for any needed services. This function helps ensure that participants can continue with the training through to graduation, and also is designed to give participants the resources they need to stay on the job after placement.

The instructor for the Super Sewers program has been with GIDC for seven years She works for GIDC on a contract basis, and also runs her own custom design dress-making business. She had 13 years

of experience in the garment industry prior to working for GIDC. Since GIDC offers four eight-week cycles of training, the instructor has the opportunity to become involved in special projects between sessions, and has visited numerous Chinatown sewing shops in the course of these projects. Through her own business, communication with GIDC's technical assistance staff, and involvement in special projects, the instructor for the Super Sewers class maintains considerable involvement with the industry and is, therefore, aware of changes in production techniques and trends in demand.

The primary aim of the Super Sewers program is to provide participants with a broader skill base so that they are qualified for a greater range of sewing jobs.

The instructors for English as a Second Language (ESL) training are provided by the Consortium for Worker Education (CWE), a training and education organization that primarily serves the 35 different unions that are its members, including UNITE, as well as operating some training programs for the city. In the Super Sewers program, the instructor with primary responsibility for the ESL program is a permanent employee of UNITE and conducts other ESL training for the union. Although he is not a certified ESL instructor, he has many years of experience in teaching English, particularly workplace English. The other instructor is a certified ESL instructor who is an employee of CWE and has many years of experience teaching English language in the United States and abroad. The instructors for the health and safety component are UNITE staff members.

Facilities

The Super Sewers training takes place in two classrooms in the High School of Fashion Industry that are dedicated to GIDC for this training program. These rooms are equipped with single-needle lockstitch sewing machines as well as equipment used to perform specialized operations, such as merrow, overedge, and button hole machines. While students are primarily trained on the single-needle lockstitch machines, the most common machine in sewing factories, they also gain some familiarity and comfort with the more specialized equipment. In addition, since all fabrics handle differently, GIDC purchases a variety of fabrics for student projects so that participants learn the distinguishing properties of different types of fabric. These materials are cut to order and distributed to students for sewing projects. At the end of the training program, students are allowed to keep all garments that they have made during the training.

Content and Methodology

The primary aim of the Super Sewers program is to provide participants with a broader skill base so that they are qualified for a greater range of sewing jobs, enabling them to remain employed for longer periods of time or to advance to better paying jobs in the industry. The Super Sewers program includes training in sewing skills, conducted for four hours each morning, and English language training, conducted for two hours, four afternoons per week. The remaining weekly afternoon session is generally dedicated to health and safety training. Thus, the entire cycle involves 240 hours of training.

Components of Super Sewers Training

	Hours
• Sewing skills	160
• English Language Skills	64
• Health and Safety	16
Total Training	240

Sewing Skills

The sewing component is designed to teach whole garment construction with an emphasis on mastering quality sewing techniques and improving sewing speed. Each day the technical training instructor conducts a session of formal instruction in English, detailing the technique for accomplishing a particular sewing operation, such as creating a tailored sleeve placket or a double welt pocket. Prior to the presentation, each student receives a handout with a written summary and diagrams illustrating the day's lesson, and during the lecture the teaching assistant provides translation for the students. The instructor stresses the key English terms used during each lesson and students are encouraged to repeat these words in order to reinforce their learning of workplace

Roughly three quarters of the class time in technical training involves students actually working at their machines on assigned projects.

Sewing skills training at GIDC's Fashion Industry Modernization Center.

English. The instructor has completed samples and sample-in-process pieces prepared to use as visual aids during the presentation. Many students take notes and the instructor encourages students to ask questions. Occasionally a student may have learned a different way to do a particular operation, and this will be discussed with the whole class. Sometimes, for reasons of quality or efficiency, students may be encouraged to avoid using methods that they have learned in the sewing factory, but occasionally a student may have learned a technique that is a valid alternative to the one presented, in which case the instructor will encourage the students to practice both techniques. Following the formal presentation, the teaching assistant will provide a demonstration for those students who do not yet feel ready to do the operation on their own. Students are given materials to do 10 repetitions of the operation presented. So, for example, if the operation presented was setting a particular type of pocket, the students will have enough pre-cut pieces of fabric to practice this operation 10 times. Lessons are cumulative in that they combine to allow a student to create a whole garment by the end of the week. As the weeks progress, the assigned garment calls for more complex sewing skills. The same teaching approach is used in both the intermediate and advanced sewing classes.

Assessment: The instructor and teaching assistant assess student performance on a continuous basis, as roughly three quarters of the class time in technical training involves students actually working at their machines on assigned projects. The instructor and assistant circulate among them, observing their work and answering questions or offering assistance as needed. The instructor teaches both the advanced and the intermediate classes, but each classroom has a dedicated teaching assistant. At the end of a training cycle, the instructor and assistant compile a formal assessment of each student's skills for the job placement officer.

While the basic eight-week format of Super Sewers has not changed since its inception, the content is adjusted frequently, according to perceived industry needs. Minor modifications in the content are the responsibility of the instructor. For example, in discussions with the technical assistance staff she may discover that shops are demanding people with greater skills in working with soft fabrics or that a particular way of setting a zipper is very much in demand. Thus, exercises may be modified accordingly. In addition, every year all the staff involved in the Super Sewers program meet to go over the curriculum in a more formal way in order to determine if more substantive changes are needed. For example, a few years ago staff determined that a modular training component should be included within the Super Sewers curriculum. The Super Sewers curriculum now contains this modular training, in which cross-training, problem solving, teamwork and critical thinking are emphasized. As GIDC has encouraged the adoption of modular production among some of its technical assistance clients, it has also incorporated this element into its training of workers so that they will be prepared for this type of production.

ESL

The basic ESL curricula is established by CWE, and the instructors work with the other Super Sewers trainers and staff and with materials provided by the Department of Employment in order to ensure that the specific areas covered in the Super Sewers ESL training component are as relevant as possible for garment workers.

The English language training covers basic grammar concepts and emphasizes vocabulary and phrases relevant for garment industry work. Basic reading and writing also are reviewed. Students are

Participants interviewed all commented that learning the English language was a very important component of the Super Sewers program.

assessed for their language capability at the beginning of the program and are placed in one of two classes according to their ability. While an eight-week training, involving 64 hours of language instruction, is quite short in terms of the level of language improvement that can feasibly be accomplished, it is hoped that by the end of training participants will be able to read a "spec sheet," which is the written information provided to a contractor by a manufacturer giving instructions regarding the assembly of the garments, and that they will be able to recognize and use basic terms relevant to their work.

Students are highly motivated to participate in the English language training. English language skills are needed to become a sample maker or to get work in the factories that produce high-priced garments, where the pay is better. GIDC staff provide a list of all available ESL classes in New York City for students at the end of the training in order to encourage them to continue language studies. While GIDC does not formally track how many students do continue, the ESL teachers commented that they have seen their former GIDC students in other non-GIDC classes that they teach. The small number of participants interviewed for the purposes of this study all commented that learning the English language was a very important component, if not the most important component, of the Super Sewers program, and many commented that their experience in the Super Sewers program encouraged them to continue studying English. GIDC staff report having heard similar comments from students.

Assessment: The ESL instructors do not do a post-test to assess the degree of language improvement achieved by students in the class, although teachers do give short written quizzes every week on the specific items covered. These tests generally involve matching words, or words and pictures, and some fill in the blank, and are self-corrected by the student. Students are encouraged to take responsibility for their language learning, to ask questions when they have difficulty and to discuss matters with the teacher if they feel the class is too difficult or too easy for them.

Health and Safety

Health and safety training is provided by UNITE and conducted by union staff members. This component of the Super Sewers program educates workers on topics such as fire safety, worker compensation

laws, ergonomics, and chemicals in fabric. By the end of training, participants should have a greater understanding of how to protect their health and avoid injury at the workplace and of their rights regarding a healthy work environment.

Evaluation

At the end of the training cycle, the GIDC Training Manager administers an evaluation of the training, requesting students' numerical evaluations and comments on the sewing skills, English language and health and safety components. All students fill out these evaluation forms. Unfortunately, the results of these surveys are not entered into a database for analysis.

Placement

At the completion of the Super Sewers program, a dossier outlining the accomplishments of each trainee is provided to one of the placement officers, and each student has a brief face-to-face interview with the placement officer. GIDC has three placement officers, all of whom are retired union officials with experience in different segments of the industry. They work one or two days per week for GIDC, collectively providing a total of four days of time. In addition to providing placement services for GIDC students, the placement officers often receive frequent requests from UNITE to assist other laid off workers seeking jobs. Thus, the GIDC placement officers actually place far more people than GIDC trains. The downside of this arrangement is that these outside requests can distract the placement officers from focusing on the specific needs of GIDC trainees and ensuring that they are placed in a timely manner. On the other hand, the volume of people that the placement officers work with raises the likelihood that they will know someone with the right skills who is available when an employer needs them, encouraging employers to continue to call GIDC's placement officers when they are looking for employees.

Since Super Sewers was set up as a JTPA program, trainees needed to be placed within 90 days of graduation, and the participants were supposed to remain in the same job in which they were placed for at least 90 days to satisfy the retention requirement in JTPA funding. While historically GIDC has not had problems with placement, the organization has always struggled with retention. GIDC staff feel that

Since its inception, GIDC's Super Sewers program has trained more than 1,075 dislocated sewing machine operators.

this is because of the nature of the garment industry. Given the industry's frequent spikes in activity and the highly specialized nature of many contractors, it is not uncommon for operators to move from shop to shop, depending upon who has work. Thus, at 90 days after placement, a participant may be working for a different employer than the one with which she was originally placed, or she may be between jobs.

Monitoring

GIDC has found that, while some participants may respond to letters, accurate tracking of placement and retention requires follow-up phone calls. In addition, the Super Sewers program offers trainees a modest bonus when they report their placement, and a second bonus at the 90-day retention mark. This incentive system also helps increase the rate of reporting. For staff, however, the reliance on phone calls means that much of their work needs to be done in the evening after regular business hours, when it is possible to reach graduates by phone.

Since its inception, GIDC's Super Sewers program has trained more than 1,075 dislocated sewing machine operators. As the program passes its 10-year mark, however, new challenges are emerging. Placement, which had historically been around 80 percent, has become more difficult lately. While a decline in the level of industry employment may explain part of this, probably the most important factor for GIDC is the decline in the number of union sewing shops. While industry employment seems to have stabilized in the last year or so, the number of union-affiliated sewing shops has continued to decline. Given GIDC's natural link to union shops and the fact that those shops offer better benefits and working conditions than most non-union shops, these employers are the main source GIDC looks to in placing trainees. GIDC staff state that while there are always sewing jobs available, the jobs available at non-union shops generally offer very low pay and no benefits. GIDC is now seeking a full-time placement officer to re-direct its placement strategy and to computerize its placement system.

Perhaps the most immediate challenge the Super Sewers program faces is funding. GIDC recently lost JTPA support for the program, since New York City revised its guidelines and now requires that JTPA programs place participants in jobs paying at least $11.00 per hour. For GIDC and other training providers who work with populations that

face special barriers to employment, this requirement presents an impossible task. Even when the value of health benefits, estimated as 29 percent of wages, is added in, the total wage rate for a typical GIDC placement only moves from $7 to $8 per hour to about $9 to $10.30 per hour (the union minimum wage is $6.40 per hour, but since most shops operate on a piece rate system, trained operators can often earn more). It is possible however, that an exception in the JTPA requirements will be made for organizations working with hard-to-place populations, at which point GIDC may once again become eligible for support. In the meantime, GIDC has sufficient resources to continue the program through July 1999, while staff seek out other funding sources. During this period, GIDC also plans to re-examine the program, which has been shaped in a number of ways by JTPA requirements, and to consider other options for meeting the needs of displaced garment industry production workers.

Employed Workers Training

For employed workers in the garment industry, including specialized operators, supervisors, managers and owners, GIDC offers an array of seminars and training programs through its Apparel Skills Courses. Topics vary according to demand as well as changes in GIDC's capacity to offer a course. Current course offerings include: Manual Pattern Making, Manual Marker Making, Computerized Marking/Grading,[15] Sewing Machine Maintenance and Repair, Sample Cutting, Production Cutting, Pressing Skills, Supervisory Skills, Introduction to Windows 95, Basic Excel, and Excel for Factory Management. These courses are offered in the evenings and classes meet once or twice a week over a period of one to four months. Thus, total training hours per course varies from roughly 12 hours to 53 hours. In addition to regular courses, GIDC offers occasional management seminars on topics such as labor law compliance and profit maximization.

[15] Marker making is the technique through which patterns are adjusted to different sizes. Pattern grading involves the layout of the pattern on material and should be done to maximize the number of garments that can be made from the material while, at the same time, taking into account properties of the material such as pattern or nap.

The FIMC gives GIDC a storefront presence in Chinatown, raising GIDC's profile in the community and serving as a means of promoting its programs.

Development of Course Offerings

The Apparel Skills Courses began in 1988, with the introduction of Sewing Machine Maintenance and Repair, the longest-running training course offered by GIDC. Other vocational courses were quickly added to the Apparel Skills offerings. In 1991-1992, GIDC, in collaboration with researchers from FIT, administered an intensive 10-page survey of 25 manufacturers and 75 sewing contractors in order to better assess their needs. The results of this survey led, among other things, to the identification of additional subjects that would be useful to address through the Apparel Skills Courses. The information generated through the results of this survey and through ongoing technical assistance work have formed the basis for identifying and developing new course offerings.

Curricula for the courses are developed by individuals who are experts in the field. When GIDC staff decide that they should offer a new course in a particular area, they work through their industry connections to find someone who is an expert in the area and who also has previous teaching experience. GIDC may supply the person with an outline of the general topics they expect the course to cover, and then the instructor will develop a full course and instructional materials. Courses generally are taught through a combination of formal lectures and hands-on exercises. Since GIDC has several industry experts on staff, a staff person may also develop a class in house and teach it for several cycles to refine the methodology and then hire someone new to teach the course. These staff experts are primarily employed in GIDC's technical assistance activities. GIDC does not employ full-time trainers, but hires people on contract for specific course offerings. In general, GIDC tries to have trainers with whom they are unfamiliar begin by conducting courses for which the materials and curricula are fully developed. As GIDC gains confidence in them, they may be asked to take more responsibility for course content or the development of new courses. Given GIDC's long-standing relationship with FIT, it is not surprising that many of their training instructors have teaching experience there, but New York has other educational establishments that serve the apparel industry, such as Parson's School of Design and the High School of Fashion Industries. GIDC has hired people from these institutions as well.

Facilities

The opening of the Fashion Industry Modernization Center in Chinatown in 1997 greatly expanded GIDC's capacity for offering evening classes because of the increased availability of classroom space. The FIMC is equipped with the latest in production equipment, allowing students to be trained on the newest technology. Since the equipment is easily visible to everyone coming into and out of the center, having the equipment in the FIMC exposes management to new technology, even if their particular course may not involve using the equipment. The use of the equipment was donated to GIDC, providing a marketing benefit to the manufacturers as well as contributing to GIDC's goals of encouraging greater efficiency in production through training and the use of new technology. GIDC also offers some Apparel Skills Courses in the High School of Fashion Industries, using the space that is used by the Super Sewers during the day.

Outreach

The FIMC gives GIDC a storefront presence in Chinatown, raising GIDC's profile in the community and serving as a means of promoting its programs. In addition, GIDC recruits students to its Apparel Skills Courses by sending flyers to sewing contractors and to UNITE, by advertising in Chinese and Spanish language newspapers, and by contacting former GIDC students who may have an interest in a particular class. For example, students who did well in the Super Sewers class may have an interest in taking pattern making in order to increase their chances of becoming a sample maker. Staff also note that many students hear about GIDC courses through word of mouth.

Screening

Individuals interested in the Apparel Skills Courses are asked to apply to take a particular class. In reviewing applications, GIDC staff look for someone who is in a position to use the skill being taught. For example, supervisors are often trained in the Sewing Machine Maintenance and Repair class, since it is their responsibility to keep things running smoothly on the shop floor. This training has enabled companies to avoid costly repairs and to decrease the amount of downtime of their machines, decreasing costs and improving a factory's ability to make on-time deliveries consistently.

Participants

Participants are often encouraged by their employers to take a class, but some trainees are looking to upgrade their skills so that they can gain access to better employment. Many participants have limited English language skills, and most classes are offered in Spanish or Chinese, or are taught in English with interpreters available.

Class sizes vary depending on the subject matter and equipment available. For example, in the pattern making class no more than 10 participants are accepted, but up to 15 participants are accepted in pattern grading, and up to 20 for the computer classes.

Since classes are held after working hours and are not obligatory for any participants, GIDC has found attendance to be a good barometer of class effectiveness.

Zheng Yue Wan

Zheng Yue Wan emigrated to the United States from China in 1981 at the age of 18 and now lives with her husband, who is currently unemployed, and three children. Mrs. Zheng was also unemployed when she came to GIDC to take the Computerized Marking/Grading class, but she has since been re-hired by her previous employer as a pattern maker and earns $18 per hour. She has never quit or been fired from a job since she started working in 1981, but she has been laid off twice. She says she learned of GIDC through friends and came to the course to improve her skills.

Evaluation

Classes are nearly always full at the beginning of the session and perhaps one or two people will drop out during the session because of outside circumstances. If a greater number of students stops participating in a class, it is an automatic signal for GIDC staff that the class is not meeting the needs of participants. Staff immediately seek to discover what is not working in the class, and work to make the remainder of the class more worthwhile. Since classes are held after working hours and are not obligatory for any participants, GIDC has found attendance to be

a good barometer of class effectiveness. Instructors for these classes mentioned that students have often commented enthusiastically to them about things from the class that they were able to use right away in their work. Participants also fill out evaluations of the courses, which are used primarily to provide feedback to the instructor and suggest possible areas for course modification.

Funding

Support for the Apparel Skills Courses comes from grants from New York State, the U.S. Department of Labor, and the Consortium for Worker Education. While New York State has been a long-standing funder of these courses, the funding from DOL and CWE is more recent, and has facilitated the recent expansion of GIDC's course offerings. With the exception of the computer classes, for which a $50 registration fee is required, the classes are free to participants. By the end of 1998, GIDC was training more than 170 participants in the various Apparel Skills Courses per training cycle. There are roughly four cycles per year.

Grants in support of the program have mainly required the tracking of attendance, but no monitoring of the effect on participants' employment prospects or other outcome measures were required or funded. In order to learn more about participant outcomes, however, GIDC has chosen to become a member of the SEDLP evaluation (see box on page 2), for which the income and employment experiences of a representative sample of 144 trainees are being tracked over time. More monitoring of the impact of participation in Apparel Skills Courses for participants and their firms is something GIDC hopes to institute in the near future. In addition, GIDC plans to embark on a skills standards initiative, involving job shadowing, to more accurately assess the specific skills that are required in various positions. With this information, they will reassess their curricula to determine how well the instruction is meeting the current needs of the industry.

GIDC receives support from a number of different funding sources including federal, state, and local government agencies and union-managed funds. These different funding sources have had a direct impact on the specific programmatic outcomes that the organization tracks.

Outcome Measures

GIDC's most demanding funding source in terms of outcome monitoring has been JTPA, the principal financial supporter of the Super Sewers program. As is customary with JTPA programs, reporting on participant enrollment, graduation, placement within 90 days of graduation, and job retention at 90 days after placement is required. Characteristics of the jobs in which participants are placed, such as wage rates, hours worked per week, job title, and place of employment are also required. In addition, GIDC tracks the pre-training wages of Super Sewers participants, although this statistic is not required by JTPA. Measures of participants' skill improvement are not required, and this type of assessment is performed informally by the instructor (see section on Training Strategy).

As noted in the Training Strategy section, GIDC's performance with regard to placement has deteriorated recently and retention has always been difficult. GIDC staff believe that poor retention is due in large part to industry factors that encourage job hopping. The following table presents results for fiscal year 1997-1998. Placement rates for this year, however are reportedly running below 60 percent, but exact figures are not yet available.

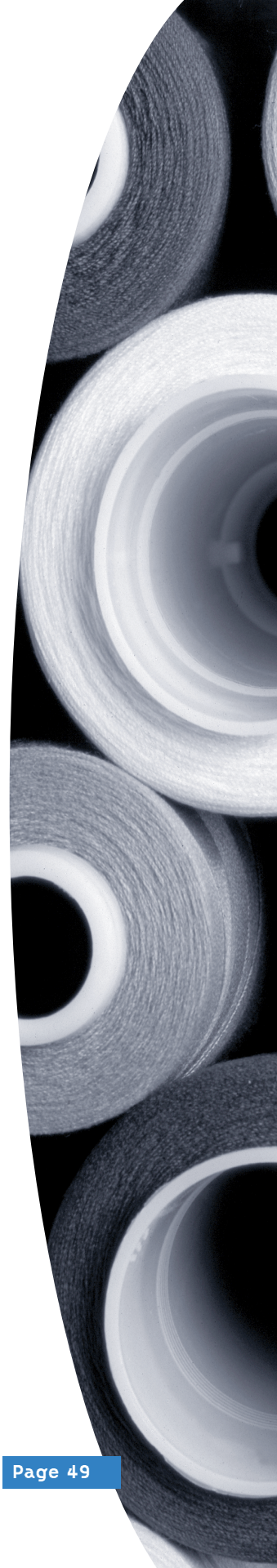
Super Sewers

FY 97-98	No.	Percent
Participants	113	
Graduates	105	93%
Placements	70	67%

Average hourly wage at placement $7.50

Outcome monitoring for GIDC's other program areas tends to be less stringent. For the Apparel Skills Courses, which are largely funded by New York State contracts, only enrollment and completion figures and basic demographic information on participants are needed for reporting purposes. Information about participants pre- and post-training employment situations is not required, but GIDC has recently started collecting information on participants' income levels. Currently GIDC reports that they have a 97 percent completion rate among participants in the Apparel Skills Courses. GIDC tracks this completion rate carefully, as this number is the primary indicator they rely on at present for course quality. Given that the majority of course participants are employed, often working long hours, and none are required to come to these courses, GIDC feels that participation is an excellent indicator that the course is of value. If GIDC staff see that a particular course is losing participants, they jump in quickly to find out why the course is not meeting participant expectations and to remedy the situation. GIDC is also now reviewing these courses and developing more formal tools to assess whether learning objectives have been met.

The on-site training provided to employers is part of GIDC's technical assistance activities, which are funded in part through annual Manufacturing Extension Partnership (MEP) contracts. For MEP-funded technical assistance, a follow-up questionnaire with the firm is required to determine if the training, or other technical assistance activity, has had an impact on the firm's profitability, and whether the firm is satisfied with the service provided. However, MEP contracts with an independent firm to conduct this follow-up evaluation and the information is gathered to assess the performance of the MEP initiative, rather than the performance of individual service providers. Thus GIDC does not have access to information by which it might assess the impact of its technical assistance efforts through this source. As part of individual technical assistance efforts, GIDC staff assess that the objectives of the technical assistance effort have been met. For example, to assess whether the learning objectives in on-site training have been met, staff generally conduct pre- and post-training time studies, measuring how quickly an employee can perform a specific task. Since this type of assessment is very firm specific, the information is not easily aggregated to assess the impact of the technical assistance program as a whole.



In the FENY program GIDC staff track the value of contracts that firms win as a result of the program's export assistance, but this figure only reflects the immediate impact of export services, and thus the value of subsequent contracts or of relationships that may result in future new business for New York firms is not captured. Since 1991, GIDC has facilitated over $35 million worth of export contracts for New York firms.

GIDC's current system for tracking outcomes is a product of rapid growth.

The Sourcing Center, GIDC's newest initiative, has not yet established a system for measuring the results of its activities, but GIDC hopes to begin tracking the Center's referrals of clients to local firms. Right now, the manager of this initiative estimates that she works with an average of 17 to 20 businesses per month, including contractors, manufacturers and start-up designers and others. New York City's Department of Business Services, which provides operating support to the organization, requires GIDC to do a bi-monthly activities report to GIDC's Board of Directors, on which the City is represented, as well as quarterly newsletters and an annual report.

GIDC's current system for tracking outcomes is a product of rapid growth during the last several years during which time a new system to track program outcomes was established for each new program area, based on the requirements of the funding source for the specific program. GIDC is now in the process of reviewing this system and developing more formal procedures for internal assessment. In addition they are trying to consolidate their data collection across program areas. For example, during the last year they built one data base for all training students and have started collecting consistent information about these students, although the amount of information collected from the Super Sewers participants continues to be more extensive than that required of trainees in other programs.

Training Costs

As is standard with non-profit organizations, GIDC employs a fund accounting system in which expenses are matched against a particular funding source. Costs for specific programs, however, are often covered by contributions from several funds. Thus some calculations needed to be made to estimate the true cost of specific programs. These estimates were made in consultation with GIDC staff.

While GIDC's overall budget is close to $2 million, the focus of this analysis is the training costs, which account for roughly one-quarter of this amount. After training program costs were isolated from other GIDC expenses, they were analyzed to determine three specific ratios: cost per participant, cost per graduate and cost per placement. A summary of the results of this ratio analysis is presented in the following table.

FY97-98

Super Sewers

Total Program Cost	$337,783.00
Cost per participant*	2,989.23
Cost per graduate*	3,216.98
Cost per placement*	4,825.47

Apparel Skills Courses

Total Program Cost	$186,443.00
Cost per participant*	582.63
Cost per graduate*	601.43
Cost per placement*	n/a

* Cost per participant is calculated by dividing the total program cost by the number of participants. Similarly, cost per graduate is the total program cost divided by the number of graduates, and cost per placement is the total program cost divided by the number of placements.

The largest cost components for GIDC's training programs are personnel, including trainers and program administrators, which constitute over 60% of costs. For the Super Sewers program another important cost is materials, which was roughly 13% of total costs. Other significant costs included rent, maintenance, communication systems and other office and miscellaneous expenses. Charges for depreciation or

amortization of capital expenditures were not considered in the calculation of the training costs. In addition, GIDC's training programs benefit from in-kind support, which are not included in the total cost figure. As mentioned in the Training Strategy chapter, the Super Sewers program relies on UNITE personnel to teach the Health and Safety section of the training and Consortium for Worker Education trainers for the English language segment of training. The Apparel Skills Courses have been supported through temporary donations of equipment. In this arrangement, GIDC agrees to allow companies to use their Chinatown space as a showroom for new equipment if the companies will in turn allow GIDC to use the equipment for training purposes in the evenings.

Intro to Windows classes in the Computer Lab at FIMC. Computers were purchased with funding from the National Institute for Standards and Technology (NIST) through a partnership between GIDC and the NY Manufacturing Extension Partnership (ITAC).

The costs per participant presented on the previous page are average costs rather than marginal costs. Thus, for example, it is not necessarily the case that each additional participant in the Super Sewers program would require an additional $3,000 expenditure. The scale of a program and whether a program is operating at or below capacity can have a substantial impact on these calculations of average costs.

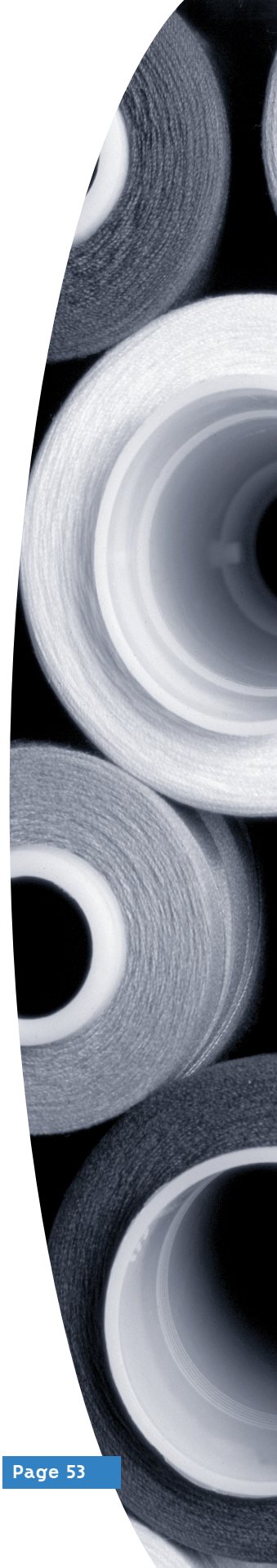
The GIDC case offers a number of interesting lessons about the design and implementation of a sectoral initiative, and also highlights some of the challenges in accomplishing the goals of a sectoral program.

Working in a Declining Industry

One of the interesting issues facing GIDC is that they are trying to effect change in an industry that is under intense pressure from international competition. Employment in the garment industry has been declining, both nationally and within the New York area, for the past 25 years. Labor costs are by far the largest cost component for a sewing contractor, and thus competition with overseas producers, whose labor costs may be as little as one-tenth of the cost faced by U.S. producers, is extremely difficult. While training and new technology may make U.S. workers more productive, they are unlikely to become 10 times as productive as overseas workers and thus downward pressure on the wages of U.S. workers will continue. By any standard analysis, the garment industry would not rise to the top of a list of industries to target for jobs for the urban poor.

In considering the role played by the garment industry in New York City, however, reasons for concern about the declining fortunes of the garment industry are obvious. It is a major source of employment for immigrants with limited language skills and employs tens of thousands of individuals who have very few other options in the labor market. One response to this situation might be to help people employed at low wages in the garment industry to learn English so that they can pursue other options. There are organizations that do this in New York, and GIDC itself offers ESL as part of its training curricula and encourages participants to continue learning English. For some, this is the beginning of learning the language and gradually broadening the array of potential employment options. For many, however, learning a language is a long and arduous process while employment is an immediate need. In addition, a number of the sewers we interviewed liked sewing and felt that they did it well; sewing is their profession.

In working in the garment industry, GIDC has seen that while there are many areas in which it is difficult to compete with overseas firms, there are niches that offer opportunities for U.S. producers. GIDC has helped firms find new export markets and capitalize on the caché of



Changing the way managers and owners of garment industry firms think about production and the organization of labor is a necessary pre-condition for improving the quality and stability of garment industry jobs.

a made-in-New York label. This strategy is helpful to expanding the market and stabilizing employment for some firms. GIDC has also helped firms develop the capacity to produce apparel products faster. This strategy helps firms compete for re-orders and other time-sensitive orders that frequently arise in the fashion business. Another niche market that GIDC has just recently developed an initiative to target is public procurement of apparel products, which includes some very large orders such as uniforms for police. Thus while the industry when viewed as a whole may not look very promising, breaking it down into its component markets and assessing local strengths reveals a few bright spots.

Working on the Supply and Demand Sides of the Labor Market

By assisting U.S. firms in targeting special niches, GIDC has helped retain jobs in New York City. Clearly, the facilitation of over $35 million in new business has an impact on jobs. However, as with all sectoral initiatives, GIDC is concerned not only with numbers of jobs, but also with the quality of those jobs. To improve the quality of jobs and retain firms that offer quality employment, GIDC works with management on production processes and with workers on skill improvement. Thus GIDC targets both the demand and supply side of the labor market.

Changing the way managers and owners of garment industry firms think about production and the organization of labor is a necessary pre-condition for improving the quality and stability of garment industry jobs. In order to stay in business while maintaining an ability to provide a decent wage, employers must learn to compete differently. They need to be aware of new technologies and processes that can improve the efficiency of their firms and of new market opportunities for their products. By helping employers find ways to make their businesses more efficient and profitable, GIDC unlocks their potential to offer quality employment opportunities.

Attracting Public Resources

As with many non-profit organizations, GIDC's ability to achieve systemic impact is limited by available resources. Attracting public resources had been challenging for GIDC because of the public perception that the garment industry is in decline in the U.S. GIDC combated this perception by working first at the local level with the City, emphasizing the high level of employment in the industry and the difficulty

of finding alternative employment options for the large population concerned. After demonstrating some success at the local level, GIDC worked on the state level, and with the assistance of UNITE, lobbied for state support of its efforts. GIDC staff found gaining federal support to be a bigger challenge, since they encountered a more firmly held belief at that level that the garment industry cannot be competitive in the U.S., while at the same time the employment impact of the garment industry, considered nationally, is not as great as at the local or state level. By drawing on their considerable knowledge of the garment industry, GIDC was able to demonstrate the existence of viable niches for the New York garment industry and earn federal support for promoting their development. GIDC staff felt that working from the local to the state to the federal level was a logical progression for pursuing public support for its work.

Creating Systemic Change in a Fragmented Industry

The garment industry is very fragmented. Reaching out and demonstrating the potential of new technologies or production processes generally means working with firms individually. While GIDC tries to get the word our about firms that it has helped through newsletters and other means, managers often remain unconvinced until they really see the benefits of a new approach for themselves. In addition, many producers are feeling very pressured by overseas competition and may be afraid to take risks on new ways of doing things. It should be noted that many of the owners of sewing firms are not sophisticated business people, although they may have long experience in the garment industry. In a fragmented industry that is resistant to change, creating systemic change becomes particularly difficult. GIDC has had a number of successes with individual firms, but despite these successes, new modes of production, such as modular manufacturing, are not yet widespread. Whether they will become widespread is unclear, but in the meantime, GIDC does seems to maintain a highly visible presence and serve as an information resource to the industry.

Implications of Becoming an Industry Actor

GIDC has established a unique position for itself within New York's garment industry, working closely with both labor and employer groups.

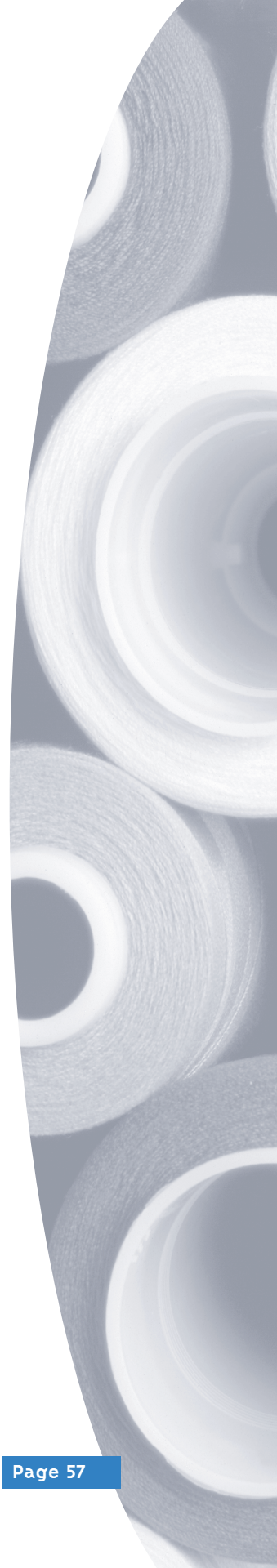
GIDC explicitly seeks to promote "good" labor practices and to place individuals in "good" jobs, but defining "good" in a concrete and verifiable way becomes difficult.

This position provides GIDC with a number of advantages that help the organization fulfill its mission, such as ready access to its two primary client groups — small firms and workers — financial and in-kind support from its constituents, and credibility in attracting public resources. GIDC also has to maintain a balancing act between its diverse constituent groups. For example, GIDC works with both sewing contractors and with manufacturers. Manufacturers are threatened by the spread of private label products in retail outlets, while for contractors, the production of private label goods can provide a needed source of business. In linking contractors with agents looking to source private label production, GIDC could run the risk of alienating manufacturers who view that action as working against their interests. Another example involves working with UNITE. UNITE has been a valuable supporter of GIDC and in many ways their missions are congruent — both would like to see greater opportunities for workers. As the number of union firms in New York City has rapidly declined, however, GIDC has begun to consider how it might approach non-union firms, some of which pay relatively high wages.

Defining a "Good" Job

A particular example of the above arises in trying to define what a "good" job in the garment industry looks like. GIDC explicitly seeks to promote "good" labor practices and to place individuals in "good" jobs, but defining "good" in a concrete and verifiable way becomes difficult. UNITE officials generally will view a good job as a union job. Employers on the other hand, favor a looser definition that may be based more on following the laws regarding minimum wages and working conditions. GIDC may be amenable to a looser definition, but if they are to certify that the employers in their database are "good" employers based on their labor practices, how can that be verified? An employer whose facility satisfies all the worker safety requirements one day, may not meet them the next. Negotiating a definition of a "good" employer that is acceptable to both employer and worker representatives and that can be used to meaningfully distinguish among employers is a challenge for anyone involved in the garment industry.

In sum, GIDC must often balance the needs of its diverse constituencies within the garment industry as the organization chooses its path forward. By keeping in tune with the industry and constantly updating and refining its understanding of industry trends, GIDC continues to provide services of value to its constituencies and to lead industry actors toward more competitive practices. GIDC maintains a holistic view of the industry, and thus while one may expect that worker training is primarily for the benefit of the individuals who will then be able to find jobs, GIDC will argue that it is also important for the firms to have capable workers in order to adopt more efficient practices. Similarly by facilitating export promotion and the exploitation of new markets, GIDC not only brings more revenue to firms, but also creates more jobs for workers. In continuing to view the industry from the multiple perspectives of the diverse actors that make up the industry, GIDC can navigate the competing interests to find win-win initiatives that help to push the industry as a whole forward.



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