DEVELOPING LABOR FORCE PREPAREDNESS AS A RESPONSE TO MAJOR JOB LOSS: GOVERNMENT, BUSINESS AND EDUCATION AS PARTNERS

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Abstract

While extensive research has documented the individual characteristics of displaced workers and the subsequent impact of job displacement on earnings and quality of re-employment, virtually no research focuses on the responses within communities when major job losses occur. This research, a case study of four southwestern cities, documents the efforts of communities to address the challenge of dislocated workers. The combined efforts of the business, government and educational sectors to link workforce training and labor force needs of the community emerge as a strong, viable local initiatives.

Job-centered economic development has become the buzzword of the 21st century (Giloth 1998). The emphasis of this approach is on good jobs, which pay livable wages (i.e. wages, usually $8-$12 per hour), jobs that can support a family. As Giloth reports,

> This eclectic group of strategies and projects combines education, human services, economic development, and employment training. It focuses on identifying and accessing good jobs, networking among employers, support of livable wages (Fitzgerald 1993; Giloth 1995) underscores jobs outcomes, not simply economic adaptation, new business generation, job readiness or workforce attachment (Giloth 1998, p. 2).

Globally the economic engine of the 21st century, at this early date is anticipated to be information technology. To effectively compete in this arena, education has become the pivotal piece of local economic development. The 20th century minimal educational threshold of a high

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school education has been completely supplanted by the need for college education. And not just any college education will do, but rather employers are seeking graduates of a degree program that produces a set of marketable skills, which includes a level of technical proficiency in information technology. Community colleges have moved to the forefront of producing technically skilled students who can move directly into the new information-based economy. The new approach to community economic development requires the partnership of government, business and education in developing labor force preparedness. Communities that are boldly moving forward in the 21st century have recognized the pivotal nature of these relationships; however other communities which find themselves at the threshold of the new century facing declining industries and large numbers of displaced workers are struggling to make this partnership work.

The Challenge of the Displaced Worker

When plant closures or relocations result in job loss for employees who have been working in those positions for three or more years, the subsequently unemployed worker is considered displaced by the U.S. Bureau of Labor Statistics. Since the Japanese began making in-roads into the U.S. automotive industry in the early 1960s, through the economic recessions of each of the subsequent decades, and more recently with the advent of NAFTA and rapid advances in technology coupled with globalization of trade, American workers, primarily in the manufacturing sector, have been impacted by the downsizing and outright closures of their firms. What happens to these workers and why has been the subject of much study. Data on displaced workers' experiences has been chronicled biennially since 1984 in the Displaced Worker Supplements (DWS) to the January Current Populations Survey, which "provide retrospective data on displacements occurring within five years preceding the survey" (Addison and Blackburn, 1994, p. 182). Put simply, the issue is one of comparative advantage and education changes the comparative advantage of workers when displacement occurs.

The vast majority of studies of displaced workers have focused on the impact on the individual, usually through use of time series analysis of the DWS data. Research has documented protracted unemployment that may follow displacement and the subsequent losses of earnings most displaced workers suffer (Fallick, 1996; Gardner, 1995; Kodrzycki, 1996;

Stevens, Crosslin and Lane, 1994). Addison and Portugal (1989) found the length of intervening unemployment "emerges as a potent source of reduced earnings on the post-displacement job" (p.282). Ruhm (1991) finds that displaced workers are not permanently scarred by a long period of unemployment; however worker attachments to specific jobs may lead to lasting wage reductions even four years after the initial displacement and in some instances, earnings instability persisted for three to five years after initial job loss (Stevens, 2001). Those at the greatest disadvantage appear to be high-tenure workers leaving distressed firms (Schultze, 1999), who "suffer long-term (wage) losses averaging 25 percent per year" (Jacobson, LaLonde and Sullivan, 1993, p. 697). The importance of pre-displacement job tenure, rather it "should be read as simply indicating that tenure on the lost job raises wages on that job by more than it does on the "second" job" (Addison and Portugal, 1989, p. 282). Other work by Carrington and Zaman (1994) and Farber (1997) place the average long-term weekly wage loss at 13 percent.

Workers who are able to find re-employment in the same industry as their pre-displacement firm are situated to capitalize on the human capital skills of the industry, rather than firm-specific skills, and thus sustain less loss of real wages (Neal, 1995). A displaced garment worker who finds new employment at another clothing manufacturing firm may see some reduction in wages because of loss of seniority, but in general the post-displacement wages will be similar to those earned at the former apparel production firm. Some industries, especially manufacturing and mining, tend to have more firm-specific skill requirements, which are intricately tied to earning power, than other industries such as the service sector (Carrington and Zaman, 1994). When skills are uniquely developed to suit the needs of a specific firm's requirements, it is much harder to transfer those skills to another venue. Stock (1998a and 1998b) finds industry switching is more likely when the local pre-displacement industry share of employment is small and that such switching is associated with greater earnings losses than those experienced by displaced workers who do not change industries. Industry switching is also more likely for more educated workers, while those workers with greater pre-displacement job tenure are least likely to change (Magnani, 2001).

Other studies have focused on the individual characteristics of the workers which may impact post-displacement employment including age, gender and race/ethnicity. "Displaced workers possess observable characteristics associated with heightened joblessness. They are younger,

less experienced, less educated, and have lower seniority than non-displaced workers. They are also more often unmarried or nonwhite, earn lower weekly wages, and are more likely to have worked in blue collar or manufacturing jobs," according to Ruhm (1991, p. 519). Kruse (1988) also finds strong evidence "that workers displaced from high-import-change industries have demographic characteristics that are associated with increased labor market adjustment difficulties, including higher proportions of women and blue-collar workers than are found in other groups of displaced workers" (p. 415). As worker displacement shifted from blue collar manufacturing jobs to higher skilled white collar occupations in the 1990-91 recession, the race (black-white) differential in post-displacement employment mitigated and subsequently converged by 1993 (Fairlie and Keltzer, 1996); however, minorities remained unemployed more frequently than whites (Benedict and VanderHart, 1997). In a North Carolina study, Field and Winfrey (1997) noted that black workers were laid off in disproportionately higher numbers, faced increased frequency of layoffs and had more negative earnings impacts upon reemployment than whites. While research by Fairlie and Keltzer (1998) support these findings, they note that differences in educational levels among blacks and whites account for most of the differences in post-displacement employment. While some females found the transition to growth industry positions easier than males (Benedict and VanderHart, 1997), labor force withdrawal serves as a viable explanation for the wide variation in post-displacement unemployment for women (Swaim and Podgursky, 1994). Although black women experienced the most negative displacement impacts in the North Carolina study (Field and Winfrey, 1997), women's absolute earnings in an Indiana study found that their proportional loss was less than men's due primarily to their lower pre-displacement wages (Perrucci and Perrucci, 1997). Considering the quality of new jobs obtained by displaced workers, Clague and Couper (1931) found men fare better than women and youth "made out much better" than older workers.

Lack of geographic mobility is another limiting factor facing many workers who have been displaced through plant closures or relocations. Workers who were in unionized manufacturing jobs, had made commitments to homeownership and attachment to place found seeking employment elsewhere more difficult. Age and gender are often cited as mitigating factors, with younger workers and men more likely to move in search of employment (Clauge and Couper, 1931)

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Differentiation between the impacts of displacement on blue vs. white collar workers consistently finds rebounding from job termination easier for white collar workers (Howland and Peterson, 1988; Kruse, 1988). Blue collar workers face more obstacles in obtaining re-employment than white collar workers; however the relative earnings losses for white collar workers has become more pronounced than those experienced by blue collar workers (Rodriquez and Zavodny, 2000a).

National economic conditions have also been found to influence ease of re-employment following plant closures. While a particular industry may be declining, if worker displacement occurred during strong overall economic growth, Howland and Peterson (1988) found that economic factors "reduced the economic losses of white collar workers…but not blue-collar workers in the same situation" (p. 109). Conversely, regions with high unemployment rates have less capacity to absorb displaced workers thus netting even greater workers' post-employment earnings loss (Jacobson, LaLonde and Sullivan, 1993). The impact of job displacement vis-à-vis import competition versus other reasons for displacement revealed that the reason for displacement did not create specific barriers to re-employment, rather individual characteristics which serve as surrogate measures of human capital skills are the determinant of post-displacement employment (Clark, Herzog and Schlottman, 1998). Furthermore, Addison and Fox's (2000) specific analysis of the interplay between import competition and technology determined that while manufacturing and its branches with more advanced technology faced higher levels of displacement risk than other firms, workers with computer skills were less likely to be displaced, placing a premium on technology-based skill sets. As technology change has accelerated, older workers, whose human capital skills are less likely to include technology proficiency, are being displaced more than younger workers (Rodriquez and Zavodny, 2000b).

Structural changes in the economy, particularly as it has impacted manufacturing industries, have also been examined. Industry response has varied from offering the opportunity for interplant transfers to severance pay, with most of the "employee protection *post hoc*, not preventative" (Mick, 1975, p. 208). The general post-displacement occupational change many workers experience as they move from goods producing industries to the service sector has also been documented. While much of the workforce that was displaced from 1960 through the 1980s was blue-collar manufacturing, the 1990s brought the advent of white collar downsizing, particularly in the financial, insurance and real

estate industries (Gardner, 1995; Fallick, 1996). Indeed Stein (1982) found that even in the early 1980s, "industries most likely to be injured by foreign competitors, especially from LDCs (*least developed countries*), are frequently ones in which women and the elderly are disproportionately represented and which employ an abnormally high percentage of low paid, unskilled workers" (p. 244). Displacement from declining industries magnified the earnings losses experienced by workers (Carrington and Zaman, 1994; Kodrzycki, 1996) and made it less likely that the displaced worker would move into growth industries (Benedict and VanderHart, 1997). In the period from 1981 through 1995 the rate of job loss experienced by educated workers has increased faster than loss rate for workers with less education (Farber, 1997; Schultze, 1999); however by 1997 "previously large gaps in displacement by education, occupation and industry had virtually disappeared" (Aaronson and Sullivan, 1998).

The responsibility of industry to give advance notice of plant closures and the impact of such advance notice on post-closure re-employment has also been addressed. The 1988 federal Worker Assistance and Retraining Notification Act (WARN) was a national legislative response to shutdowns which gave a measure of protection to workers by allowing them to seek re-employment before severance actually occurred. Ruhm (1994) found that even three to five years after initial job loss, workers who had received advance closure notices earned 10 percent more per week than non-notified workers. He also noted that "workers aware that their jobs will soon end have a greater incentive to engage in job search than do their counterparts in stable employment" (p. 24). Magnani (2001) confirmed this finding and noted that workers with higher levels of education are the most likely to be proactive in their job search when faced with imminent displacement. Absent from the literature is data on whether early warnings mitigate the emotional/psychological impact of displacement job loss.

The role of education and workforce retraining is an important facet of workforce re-entry skill development. Analysis of the educational level of displaced workers finds that those with more education, especially college completion, have been much more successful in finding comparable post-displacement employment (Farber, 1997; Kodrzycki, 1996). Fallick (1993) notes "education increases the rate of reemployment into jobs in a new industry but not the rate into jobs in the old industry" (p. 320). Individual workers develop a range of skills that are required for the successful completion of their specific job tasks. These job-specific skills become a part of the human capital the worker then has to take into the

marketplace when seeking employment after a job loss. Besides being job-specific, some of the skills are also tied to a specific industry. The ability of displaced workers to transfer job-specific human capital skills into new industries may be limited, thereby necessitating retraining. Voluntary efforts on the part of firms to ease worker transitions sometimes included "job search counseling, skill retraining, supplemental insurance or outplacement programs" (Ruhm, 1994, p. 24). An interesting paradox of education and training participation is that it actually lengthens the period of joblessness. "On the whole," Kodrzycki (1996) finds that "workers who enrolled in education or training obtained jobs that paid about the same as those who received only basic (*re-employment*) services, after adjusting for other measurable differences in qualifications. One explanation for this finding is that education and training services were used disproportionately by job seekers who face particularly large difficulties recouping their former wage or who decide to make more dramatic changes in their line of work" (p. 15). Subsequent research revealed that specific job training, as opposed to general education (i.e. GED or English language acquisition classes), tended to cream the most promising workers, while job training plus general education were pursued by those displaced workers who had the least employable skills (Kodrzycki, 1997). Further differentiation of types of training brings to light the fact that occupational classroom or work experience training netted positive earnings outcomes while on-the-job training was more associated with negative results (Stewart, 1998). An extensive analysis of the employment outcomes for workers participating in Trade Adjustment Assistance training programs showed that participation actually had no impact on post-displacement wages when compared to those who gained re-employment without the benefit or training or job search assistance (Marcal, 2001).

What is most lacking in the literature is a more macro-level analysis of community response to worker dislocations. Whether the shutdowns occurred in small communities or large industrial cities, the research has been done little to elucidate the community response. Some of the earliest writings on worker readjustment following plant shutdowns note "vigorous cooperative effort to help the displaced workers on the part of the city government, manufacturers' association, social agencies, etc. in one community; vs. passive and apathetic acceptance of conditions on the part of municipality and industry in another community" (Clague and Couper, 1931, p. 312). This study analyzes the responses of 4 communities in the southwestern U.S. to major dislocations of low skilled-low wage workers.

Case Study of Four Trade Impacted Communities

Operating under a grant form the U.S. Department of Commerce Economic Development Administration a research team from the University of Texas at Arlington undertook a case study analysis of four southwestern cities that had been affected by a major adverse economic event related to globalization of trade (i.e. the closing of one or more major manufacturing plants). In San Angelo and El Paso, Texas as well as Roswell, New Mexico the global relocation of the garment industry was a key adverse trade impaction. Sherman, Texas, located north of the Dallas-Ft. Worth area, experienced the closing of major meat processing plant and an automotive part production facility. (See Table 1.)

In interviews conducted in these communities the profile of the displaced worker, particularly from the garment industry, that began to emerge was that of a hard-working, middle-aged, single mother who had supported 3 or more children in a minimum wage, or less, job. The unique characteristic was the presence of bi-illiteracy. For the majority of the women English was not their primary language. In addition, their educational attainment in their native country (Mexico, Latin America or Southeast Asia) was roughly the equivalent of 3rd to 4th grade education. The majority of the remaining displaced workers had also been working in unskilled positions where educational attainment had not been a pre-requisite for the job.

Table 1
Major Plant Closing in Four Case Study Cities, 1996-2000

City	Company Closing	Company Type	Closing Date	Jobs Lost
El Paso	Levi Strauss	Apparel manufacturing	11/97	1,534
			3/00	750
	Hasbro	Toy manufacturing	1/98	750
			3/98	100
	Asarco	Copper smelting	2/99	400
			TOTAL	3,534
Roswell	Levi Strauss	Apparel manufacturing	1/97	600
			TOTAL	600
San Angelo	Levi Strauss	Apparel manufacturing	3/96	526
	Western Iron Works	Manhole Covers	9/98	120
	Safe Car	Armoring luxury cars	9/98	240
			TOTAL	886
Sherman	Oscar Mayer	Meat Processing	8/98	600
	Libbey-Owen-Ford	Automotive part production	5/00	408
			TOTAL	1,008

Source: El Paso Times, El Paso Chamber of Commerce, City of El Paso, Roswell Chamber of Commerce, San Angelo Chamber of Commerce, Sherman Chamber of Commerce and Herald Democrat.

The crisis of plant closures in communities that already had unemployment rates above the state average was critical. Traditional economic development models that focus on demand-side forces such as increased global competition, growing numbers of temporary employees, outsourcing of jobs and the increased importance of technological changes ignores the reality of how communities can respond to the displacement of employees with strong work ethics but limited or in some cases non-existent English literacy and numeracy skills.

Two federal programs were in place to address some of the displacement issues. Operated by the Department of Labor, Trade Adjustment Assistance and NAFTA Transitional Adjustment Assistance monies were available to address workforce retraining issues.[1] (See Table 2.) Title III of the Job Training Partnership Act made provision for those workers who were indirectly impacted by NAFTA-TAA certified closures.

Table 2
U.S. Department of Labor Trade Certifications

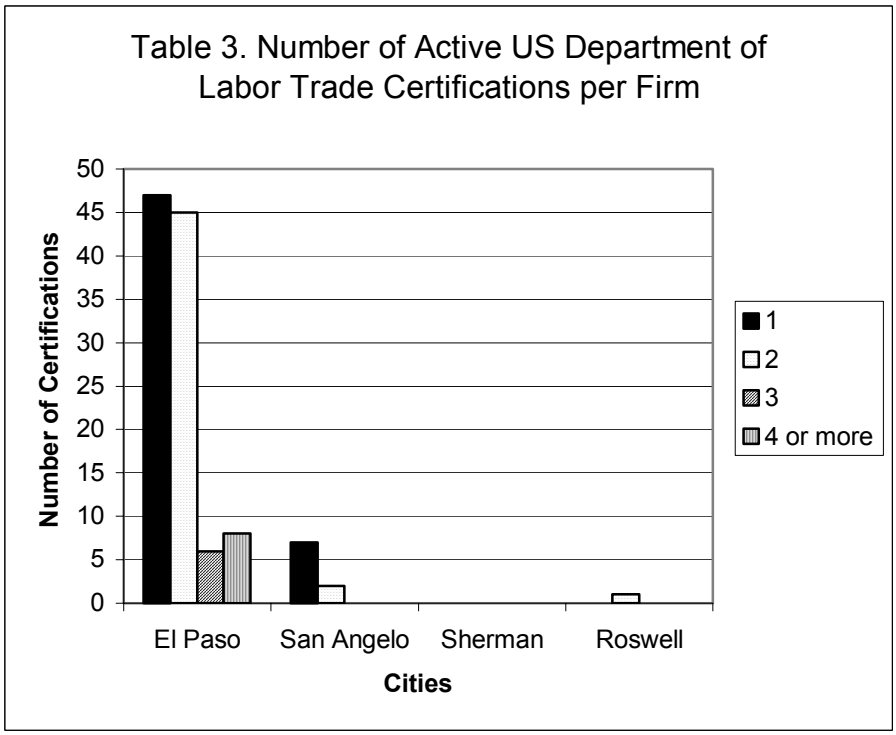
Type of Certification	El Paso	San Angelo	Sherman	Roswell
TAA	127	9	0	1
NAFTA-TAA	84	0	0	1

Active certifications as of Dec. 1998.

In some of the instances, individual firms qualified for multiple certifications as the downsizing occurred over an extended period of time. (See Table 3.) In El Paso in particular, an historic review of U.S. Department of Labor data indicated the garment industry downsizing and relocations that qualified for TAA assistance can be traced back to the 1980's. This raises the question why a community that had seen closures and relocations over an extended, nearly twenty-year period of time had not addressed the issues of workforce retraining in a more focused and systematic fashion? Interviews with civic leaders had a common thread, which seemed to indicate that the city's location on a fluid international border would see re-absorption of the displaced garment workers south of the Rio Grande.

One is reminded of the period in the mid-twentieth century when northern and eastern firms went through a period of substantial deindustrialization as the automotive industry left Detroit and the fiery furnaces in the Pittsburgh and Youngstown steel mills were extinguished. The pattern of disinvestment in America's productive manufacturing capacity documented by Bluestone and Harrison (1982) included the continuum from redirection of profits to failure to replace worn out or obsolete machinery to physical relocation equipment between local plants finally to complete plant closure. Indeed the establishment of the federal TAA program is directly linked to the diminished automotive industry. While government resources were used for workforce retraining, the larger

emphasis was on the expanded social safety net that would tide workers over until they found a new job.



The new knowledge-based economy of the 21st century is presenting a different set of challenges to communities inundated by workers who lack functional literacy and numeracy skills. The employment opportunities for less educated workers will be concentrated in the retail and service industries, which have traditionally paid lower wages than manufacturing. Increasingly even for these positions employers are seeking academic credentials, such as a high school diploma or GED， specific experience, references and/or previous training (Holzer, 1996).

Education moves to the forefront of the economic development

The sustainable advantages a firm needs in order to ensure economic success had previously been measured by the presence of the best machinery and the newest technology. The knowledge-based

information technology explosion of the later 20th and early 21st century places sustainable competitive advantage in the hands of highly educated and trained personnel and proper staffing (Bassi, Benon and Cheney 1996). While previously the efforts of government and business to attract, retain and grow value-added business have sustained the economic vitality of a community, the role of education has moved to the forefront of economic development.

Educational institutions have always played multiple roles in a community. K-12 education has had the task of producing graduates with academic skills that would allow them to move into entry-level unskilled or semi-skilled jobs. Community colleges over the past thirty years have carved out an educational niche that emphasizes technical job skills, certification and advanced literacy and numeracy that prepares students for university study. Technical and proprietary schools have had as their core mission to graduate students with vocationally specific job skills. Colleges and universities offer bachelors, masters and doctoral as well as professional degree plans.

All four case study cities recognized the need to refocus on education and labor force preparedness as a result of their plant closures. In three of the communities the now empty Levi-Strauss building provided an opportunity to focus efforts in a centralized physical location. The fourth community, Sherman, had an empty airport hanger left from earlier defense downsizing, which was also available to address workforce education and retraining.

Although the specific configuration of each of these retraining centers varied from community to community the recognition of the importance of education for the labor force preparedness was pivotal in each instance. The community college was an important player in all the one-stop centers. In San Angelo, Sherman and Roswell courses were offered at the site with a primary emphasis on preparation for high tech jobs. In addition, San Angelo and Roswell chose to include high school vocational training classes in their centers.

The crisis of dislocated workers drew various educational institutions into the workforce retraining effort. (See Table 4.) Clearly the strongest educational efforts occurred at the community colleges. Only El Paso, through the Ysleta Independent School District, offered classes for the dislocated workers in the high schools. Proprietary schools, under

contract with the Private Industry Councils and later the Workforce Development Boards, were used in El Paso and San Angelo. The three communities with public universities offered traditional classes for any dislocated worker seeking a bachelor or higher degree. Although the fourth community had a private liberal arts college, they were non-participants in workforce retraining efforts.

Table 4
Educational Institutions Involved in Workforce Retraining

Educational Institution	El Paso	San Angelo	Sherman	Roswell
K-12	Yes	No	No	No
Community College	Yes	Yes	Yes	Yes
University	Yes	Yes	No	Yes
Proprietary	Yes	Yes	No	No

The Challenge of the non-English speaker

Although the US Department of Labor had allocated 45 million dollars for workforce retraining in El Paso, displaced workers who had been enrolled in programs to learn to read and write English found themselves nearing the end of their benefits without marketable job skills or sufficient workplace English literacy. There was a dynamic tension between educational providers on this issue. Some claimed English proficiency was a pre-requisite to effective job skill training while others believed skill instruction should be in the workers native tongue with "workplace" English taught later. The performance measures used by the PIC were numbers of students in classes and numbers completing classes. Job placement rates and success in job at a reasonable interval (6 months to a year) were not included in the performance measures.

In the fall of 1999, a joint hearing of the Texas Senate Border Affairs and State Affairs committees was held in El Paso. Angry protests by non-English speaking displaced garment workers threatened to disrupt the meeting and tensions were further aggravated by the lack of translators. During the public comment section following invited testimony several tearful accounts were given in Spanish that chronicled

individuals efforts to comply with retraining programs that were coming to an end, but offered the displaced workers no real skill set to take into the marketplace. Following the testimony by the author about the difficulties with the workforce retraining program for bi-illiterate displaced workers, the committee voted to direct the Texas Comptroller of Public Accounts to undertake a comprehensive audit of adult literacy programs in Texas.

Recently released standards from the National Literacy Council have identified 16 basic skills adults need to be equipped for the future (EFF). (See Table 5.) These standards build on the Secretary's Commission on Necessary Skills (SCANS) developed in 1990 and hearken back to the warnings raised in A Nation at Risk (1983).

> The people of the United States need to know that individuals in our society who do not possess the levels of skill, literacy, and training essential to this new era will be effectively disenfranchised, not simply from the material rewards that accompany competent performance, but also from a chance to participate fully in our national life. A high level of shared education is essential to a free, democratic society and to the fostering of a common culture, especially in a country that prides itself on pluralism and individual freedom (National Commission on Excellence in Education, 1983)

The challenge of the non-English speaker is designing workforce retraining programs that can couple language development with job skills. How this can be effectively accomplished in the context of existing workforce retraining programs given their time limits has yet to be adequately resolved.

> School-based abilities are not necessarily the same as work-based abilities. Employers want employees with solid academic basics, but they want applied versions of the three R's. Applied reading, writing and math are substantially different from the versions taught in schools. In addition, employers want a set of behavior skills that are not taught at all in traditional academic curricula, such as problem solving, communication skills, interpersonal skills, and leadership (Carnnevale and Porro, 1994, p. 9).

Table 5
Equipped for the Future Standards

Communication Skills	Read with understanding
	Convey ideas in writing
	Speak so others can understand
	Listen actively
	Observe critically
Decision-making skills	Use math to solve problems and communicate
	Solve problems and make decisions
	Plan
Interpersonal skills	Guide others
	Resolve conflict and negotiate
	Advocate and influence
	Cooperate with others
Lifelong learning skills	Use information and communications technology
	Learn through research
	Reflect and evaluate
	Take responsibility for learning

Source: National Institute for Literacy

Government and Business must make Education a Full Partner

Government and private business will continue to play their traditional roles in local economic development efforts. However they are now being asked to include education as full partner in the process. No longer can local communities afford the luxury of city councils that point fingers at local school boards and say, well if they just did their job we would have an educated workforce. Texas Commissioner of Education Jim Nelson, himself a former school board trustee, challenged local business leaders during an Education Summit in El Paso to run for office on local school boards. Business leaders and other elected officials must move beyond marginalizing dysfunctional local school boards and those same boards need to be held accountable by the electorate. School-to-work transition has to move beyond field trips and classroom visits to meaningful engagement in the business community.

Local workforce development boards need to reconsider the performance measures for educational institutions receiving TAA, NAFTA-TAA or JTPA Title III funds. Corson, Maynard and Wichita (1985) called for performance measures in their study of the Dislocated Worker Demonstration Projects. Fifteen years later the need has not diminished. Neither warm bodies in a classroom nor persons holding certificates will count if they do not link directly to jobs and successful workplace competencies. Quality control measures need to be instituted to ensure maximum benefit from publicly funded workforce training programs.

Transitions between educational levels, high school, community college and university, are already in place in most communities. State-mandated academic skill proficiency tests offer an objective measure of readiness in Texas, with additional testing done on proficiency before entrance into higher education. In particular curricula alignment between K-12 and higher education needs to be evaluated, so incoming freshmen do not waste valuable time in remedial, non-credit college classes.

Finally, the challenge of the displaced worker who lacks English literacy presents a unique public policy challenge. Just as the debate over bi-lingual and dual language instruction continues in the public schools, workforce retraining programs must address in a more meaningful fashion how to assist displaced worker in gaining sufficient literacy and numeracy skills to be successful in the workplace. While programs like Trade Assistance Adjustment have been in existence for 40 years, it was only with the advent of the Workforce Investment Act of 1998 that the federal government required states to spend federal block grants on the establishment of "one-stop" delivery systems. In addition, the Workforce Investment Act is the first national effort to require measurable indicators of educational gains which must include demonstrated improvement in literacy (reading and writing) and speaking English. WIA will address these issues through the development of a national reporting system with common performance standards, data collection and guidelines. While a number of student assessment instruments currently exist other concerns persist.

> Agreement needs to be reached as to what constitutes literacy development among ESOL learners and how it can be measured for accountability purposes as learners progress. Further, they note that greater consideration must be given to the long time that

adults need to gain fluency in another language and that tests must include sufficient benchmarks to mark their gradual progress (Van Duzer and Berdan, 1999).

Conclusion

While extensive research has documented the individual characteristics of displaced workers and the subsequent impact of job displacement on earnings and quality of re-employment, virtually no research focuses on the responses within communities when major job losses occur. This research, a case study of four southwestern cities, documents the efforts of communities to address the challenge of dislocated workers. The combined efforts of the business, government and educational sectors to link workforce training and labor force needs of the community emerge as a strong, viable local initiatives. Further research in other communities suffering from major work force displacement is needed to see if these case study cities are reflective of national trends, or if they represent the forefront of a new community-based approach. Finally, given that these programs have been operational for approximately a year and a half, the next step in understanding the importance of this community-based approach to aiding displaced workers will be to evaluate the success of the programs. Data analysis, which can document successful job placement and post-displacement wage levels, will be necessary to demonstrate the performance of the combined efforts of government, business and education in these communities.

Notes

1. Trade Adjustment Assistance is designed to provide training and job search/relocation assistance to manufacturing workers displaced by foreign imports. TAA provides displaced workers with training for up to 104 weeks, job search/relocation allowances and trade readjustment allowances of continued cash payments after Unemployment Insurance benefits have run out for up to 52 weeks. North American Free Trade Agreement Transitional Adjustment Assistance is targeted to assist workers who lose their jobs or work as a result of trade with Canada or Mexico. NAFTA-TAA provides rapid response assistance to the community, reemployment services for those with appropriate skills, training for other careers, income support and job search/relocation allowances. Workers who were indirectly

effected qualify for the same services through Job Training Partnership Act Title III programs, under a 1988 amendment from the Economic Dislocation and Worker Assistance Act.

2. Assessment instruments currently in use include Adult Basic Learning Examination (ABLE), the Test of Adult Basic Education (TABE), the Adult Language Assessment Scales (A-LAS), the Comprehensive Adult Student Assessment System (CASAS), the Basic English Skills Test (BEST), and the New York State Placement Test for English as a Second Language Adult Students (NYS Place).

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