Unions and Low-Wage Immigrant Workers: Lessons from the Justice for Janitors Campaign in Los Angeles, 1990 2002<sup>\*</sup>

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# **Unions and Low-Wage Immigrant Workers:**

## Lessons from the Justice for Janitors Campaign in Los Angeles, 1990-2002

What is the future of unionization in the low-wage American workplace? It has become cliché to observe that union density in the private sector to a near-historic low of nine percent. The usual suspects blamed for the decline (besides apathetic unions) include increased use of subcontracted labor and the growing percentage of the low-wage workforce who are difficult-to-organize immigrants in insecure service sector jobs. In explaining why subcontracted labor and immigrants are so hard to organize, unions and scholars frequently point to outmoded and allegedly repressive labor law. Yet there have been a few conspicuous successes in organizing among these workers. What do these successes tell about the role of labor law in thwarting unionization of low-wage, subcontracted, immigrant workers?

In this article, we examine one of the recent success stories of union organizing in the U.S.: the SEIU's "Justice for Janitors" campaign in Los Angeles, California since the late 1980s. We update and build upon previous analyses of this case<sup>6</sup>; with the completion of the 2000 bargaining round, the Los Angeles campaign has now spanned a complete business cycle and been sustained through three rounds of negotiations and has emerged as the leading pattern setting model for the Justice for Janitors efforts in the U.S.

<sup>&</sup>lt;sup>6</sup> This paper is part of an ongoing research project by the authors and others on the Justice for Janitors campaign in Los Angeles. *See* Catherine L. Fisk, Daniel J.B. Mitchell, and Christopher L. Erickson. "Union Representation of Immigrant Janitors in Southern California: Economic and Legal Challenges," pp. 199-224 in Milkman, Ruth, ed., <u>Organizing Immigrants: The Challenge for Unions in Contemporary California</u>. Ithaca, N.Y.: ILR Press, 2000; Roger Waldinger, Chris Erickson, Ruth Milkman, Daniel J.B. Mitchell, Abel Valenzuela, Kent Wong, and Maurice Zeitlin. "Helots No More: A Case Study of the Justice for Janitors Campaign in Los Angeles," pp. 102-119 in Bronfenbrenner, Kate et al, <u>Organizing to Win: New Research on Union Strategies</u>. Ithaca, N.Y.: ILR Press, 1998. In many sections, we rely on accounts from the news media especially the Los Angeles Times and the Daily Labor Report. Specific citations to articles from such sources are made only when direct quotes or facts not readily available are drawn.

We focus on the broader implications of this case as regards the possibilities for union organizing in the low-wage service sector. Organizing low-wage, immigrant workers and worksites where the employer is elusive, changing, or responsibility is shared across multiple firms (owners of the buildings, renters, and contractors) are generic problems for unions in the U.S. and throughout the world. In particular, the case demonstrates the potential for unions to overcome the pro-employer bias of labor laws. The case also demonstrates the potential efficacy of unions' reconceptualization of bargaining power and strike leverage toward the battle over public and member opinion, rather than simply inflicting direct economic harm on the immediate employer. We also discuss the significance of unions building broad political coalitions, including politicians, communities, and other unions. Perhaps most importantly, the case demonstrates the importance of strategic unionism, or the careful analysis of legal, industrial, and political conditions by organizers. The JfJ campaign also shows how unions can garner substantial public and political support by making broad appeals on the basis of class, rather than divisive appeals on the basis of race or gender identity.<sup>7</sup> Taken together, the various lessons of the case suggest a set of conditions under which unions can survive and even thrive in the service sector in the 21<sup>st</sup> century.

<sup>&</sup>lt;sup>7</sup> In a recent article, Marion Crain and Ken Matheny fault some leaders of the labor movement for appealing too much to class consciousness and too little to race and gender identity in galvanizing support. Marion Crain & Ken Matheny, Labor's Identity Crisis, 89 *California L. Rev.* 1767, 1769 (2001) ("union efforts at revitalization around an ideology of class consciousness are inadequate to the task of mobilizing workers or significantly impacting the public perception of unions"). The JfJ campaign in Los Angeles suggests both that many unions link class, race and gender issues in precisely the ways that Crain and Matheny advocate, and that the heavy emphasis on class is a crucial requirement to obtain solidarity with other unions and with the public at large. The far different media coverage of the Los Angeles bus drivers strike in 2000, illustrates the danger in reliance on race as a primary source of solidarity. The relatively less sympathetic media coverage of the strike by predominantly African-American bus drivers – who are paid more than many of the Latino/a bus riders – and the hardship caused for the bus riders, suggests the perils in appealing to racial identity. Too often, the news coverage pit the interests of a "deserving" immigrant working poor (the riders suffering from a lack of bus service) against the interests of the relatively-better paid and relatively less hard-working African American civil servant bus drivers. The bus strike failed to garner nearly the public or political support that the janitors' strike did, and the outcome was much less favorable for the bus drivers.

## Historical Background on the Building Services Industry and Unions in Los Angeles

SEIU successfully organized janitorial workers in Los Angeles from just after World War II through the late 1970s. Janitorial membership in its Local 399 peaked at about five thousand in 1978; total compensation in the union sector rose to \$12.00 an hour by 1982, compared to \$4.00 in the nonunion buildings.

About one third of L.A.'s current office space was built after 1980. The building services industry - but not the union – expanded with the construction boom, employing 28,883 janitors by 1990, more than twice as many as in 1980 by census count. Tax breaks and foreign investment (especially from Japan) played an important role in the downtown boom. By itself, the building boom should have been favorable to unionization of janitorial workers since it created more demand for cleaning personnel in the new office complexes. But, during the 1980s, the building services industry in Los Angeles became largely nonunion, primarily through the actions of building owners and their cleaning services subcontractors. By 1985, janitorial membership in Los Angeles fell to 1,800.

Outsourcing of building services by owners and managers had become the rule during the 1980s. Owners and managers no longer employed their janitorial personnel directly. The bottomline impact of janitorial wages is quite different for cleaning service companies as compared to building owners. Cleaning labor costs as a fraction of *total* building operating costs are small. But labor costs are a major element of the cleaning services themselves. As Figure 1 shows, for the smallest cleaning service firms, such costs absorbed over 40% of sales revenue; for the largest, over three fourths. The positive correlation with size is due to the spread of overhead expenses (administration, marketing, etc.) over a larger volume of sales for the bigger firms.<sup>8</sup> Such economies of scale are conducive to competitive advantage of large firms.

Since the capital costs of operating in the building services industry are low - essentially acquisition of vacuum cleaners and waxing machines - entrance to the industry is technically easy. However, the industry is surprisingly concentrated in the submarket that exists for major buildings and complexes. By the mid-1990s, the two largest firms - American Building Maintenance (known as ABM) and International Service Systems (ISS – later, One Source) - accounted for over a fourth of all janitorial employment in the Los Angeles area; the top 21 firms accounted for over a third, and the proportion was much higher if only janitors at major "Class A" buildings are included. In the large building submarket, the two firms were the major players. The reason for this high concentration is that the main concern for owners/managers is trust. Cleaning service personnel are given the keys at night to office and other buildings containing valuable equipment and records (and valuable tenants who would be upset if their equipment and records disappeared or were damaged). Small operators cannot necessarily be trusted to do the cleaning job while preventing theft or damage. Owners/managers want to entrust their buildings to cleaning services with a reputation for proper service that will keep tenants pleased. And since owners/managers often have properties in more than one U.S. city - even more than one country - they look for building service firms with which they have dealt satisfactorily elsewhere.

Contracts between building owners or managers and their cleaning service contractors are written to permit short notice of termination, typically 30 days. Thus, union members can lose work almost overnight if a building owner or manager switches from a union to a nonunion cleaning service. Until the early 1990s, SEIU Local 399 represented unionized janitors in Los

<sup>&</sup>lt;sup>8</sup> The figure's data come from trade association estimates and appear to change notably from period to period, probably because of the unscientific nature of the survey. However, the economies of administrative scale phenomenon

Angeles. Local 399's past ability to improve or maintain conditions and compensation relative to nonunion standards provided an incentive for cleaning contractors to explore nonunion options by the early 1980s. The unionized part of the industry - made up of the larger buildings - was put under particular cost pressure, as building owners and managers sought to obtain cheaper cleaning services. The big cleaning service operators, as noted above, enjoy economies of scale. But once a firm meets a certain size/asset threshold (needed to cover payroll and insurance costs), there are few additional economies of scale, and none on the labor side. It's hard to pass on wage increases to building owners and managers in a fiercely competitive industry.

Local 399 signed the last L.A. master union agreement prior to the JfJ campaign in 1983. Shortly thereafter, the parties froze all increases in wages and benefits in response to the city's slide toward nonunion building services. A desire to retain members led the union to agree to a proliferation of concession side agreements. Only downtown retained a unionized workforce of measurable proportions. But even there, union ranks barely attained 30 percent of the major buildings. County-wide, the situation was more dismal, with less than one janitor in ten a member of Local 399. While the local had been recruiting Kaiser hospital workers during this period, so that its total membership continued to grow, its janitorial membership fell and wages declined. Eventually, the union's local leadership came to see health care as the source of its salvation and the janitorial labor market as a lost cause. While it wouldn't abandon the remaining janitors it had, Local 399 was not about to mount a major effort to organize new janitorial members.

## **Demographic Changes in the Workforce**

In 1960, before the liberalization of U.S. immigration law, about 5% of the American population were foreign-born. By the end of the 20th century, that proportion was heading toward 10%. Immigrants tend to be young and looking for work. The proportion of the U.S. labor force

highlighted by the figure seem to be robust.

that was foreign-born was still higher, about 12%.<sup>9</sup> Within the foreign-born population, about 45% were Latino. And about a third of the Latino population in the U.S. (foreign-born or not) lived in California. Latino workers were disproportionately concentrated at the low end of the wage scale.

Thus, it is not surprising that the major contract cleaning service firms shifted in the 1980s from a largely native (and often black) workforce to immigrant Latinos paid at or close to the minimum wage. In 1970, African Americans made up a third of the L.A. region's janitors. Up until the early 1980s they comprised half of Local 399's members. Almost all of the new janitorial jobs created during the 1980s went to Latino immigrants, mostly from Mexico and Central America, whose share of employment rose from 28 to 61 percent from 1980 to 1990. Due to industry expansion, net African American employment essentially held steady. But in relative terms, (native-born) African Americans slipped, declining from 31 to 12 percent of the workforce. Native-born whites also lost share, dropping from 24 to 11 percent.

At the same time, there was a notable change in the gender composition of the janitorial workforce. In 1980, 60 percent of the Mexican/Central American janitors were women, and the huge gains made over the next ten years left that ratio virtually unchanged. Women comprised 30 percent of Mexican immigrant janitors in 1980, and this grew to 43 percent a decade later. Meanwhile, among African American workers still in the occupation, the proportion of women fell. Any campaign to re-unionize the industry in L.A. would inherently have to be an immigrant-based effort, often focused on women. Latinos tended to have lower rates of union representation than the overall workforce. Nonetheless, the Latino union-representation rate was rising; it stood at 6% in 1980 and moved to about 9% by the end of the century.

<sup>&</sup>lt;sup>9</sup> Figures cited in this section are taken mainly from the Current Population Survey, a monthly survey conducted by the federal government. They appear in various sources such as <u>Employment and Earnings</u> and the <u>Statistical Abstract of</u>

# The Justice for Janitors Campaign

In the mid-1980s, national officials of the SEIU were faced with a perilous situation. Though the founding janitorial locals (Chicago, New York, and San Francisco) were still holding fast, the rest of the building services division was losing ground to non-union competitors, and forced to make concessions to unionized employers. Local leaders were not prepared to mount an effort to reverse the decline.

For SEIU to try and re-unionize the new janitorial workforce in L.A. seemed an impossible task. Members of the new workforce were scattered throughout the city and vulnerable to threats of deportation if they made trouble. Their English-language skills were limited. Even if the union somehow did win recognition from a cleaning service firm, success might be fleeting. Higher union wages would mean higher costs to building owners and managers, who could quickly switch to a nonunion cleaning service. Indeed, even the remaining unionized firms created nonunion subsidiaries to bid for business. And, U.S. labor law would seem to prohibit the union from targeting the wealthy building owners, given that the more marginal building services contractors were now technically the primary employers.

Yet, while other American industries also de-unionized during this period, the distinguishing feature of the janitors' story is that they succeeded, against the odds, in re-unionizing their industry in the 1990s. At this writing, there have been three rounds of contract negotiations since the re-unionization. Wages and benefits have been improved. The success of the janitors in L.A. office buildings has spilled over into once-conservative Orange County, where the SEIU has been recognized, and from the office-building sector to supermarkets in the Los Angeles area.

#### the United States.

# **Initial Organizing and First Contract: 1988-1990**

JfJ was brought to L.A. at Local 399 in 1988. The set of campaign practices now known as JfJ had emerged gradually in other cities, most notably Denver. Since the L.A. local had decided to focus on health care where most of its members now worked, JfJ was essentially imported and imposed by the national SEIU on the local. The campaign began in the downtown area in the hands of union representatives who were placed by national SEIU into the local. It had to deal with both representing the atrophied union base of janitors and organizing janitors in nearby non-union buildings. The plan entailed targeting the nonunion wings of cleaning service companies with both union and nonunion divisions, and other nonunion operators. Unionized firms were permitted to pick up work at low rates so they could compete with the nonunion services, with the understanding that they would move to union standards once half of the market was organized. Gradually, a variety of unorthodox tactics became part of the campaign.

Essentially, JfJ tactics aim at building owners/managers, even though the formal employer of the janitors is the building service contractor.<sup>10</sup> The objective of JfJ is to pressure owners or managers to use union contractors paying union-scale wages. Pressure on the contractors directly is ineffective since a building owner may replace a contractor that agrees to union representation by a lower-cost nonunion contractor. The approach to representation once considered dominant in U.S. labor law - a National Labor Relations Board (NLRB) election held for workers of the formal employer - became ineffective once building services were detached from owners/managers through contracting.<sup>11</sup> But if owners and managers agreed to use unionized contractors, the barrier

<sup>&</sup>lt;sup>10</sup> See Meg Casey-Bolanos, Justice for Janitors: The SEIU's Campaign to Raise Standards for Contract Janitors (November 1999), available as an Appendix A to "From Orchards to the Internet: Confronting Contingent Work Abuse," at <u>www.nelp.org/swi</u> (last visited April 18, 2002).

<sup>&</sup>lt;sup>11</sup> Most unions no longer consider an NLRB-supervised election to be an effective or fair method of registering employees' preferences for or against unionization, as the law allows employers substantial opportunities to persuade employees to vote against unionization while allowing unions almost no opportunity to persuade employees to vote in favor. Accordingly, most union organizing today is done "outside the NLRA," relying on card-check and neutrality

to the union would be removed. In effect, a reserved market for union contractors would be created.

Even if there were a reserved market, it might seem that organizing one cleaning service at a time would be impractical. There are many such services in the Los Angeles area, and very few have large numbers of janitors in their employ. But, given the industry concentration noted above, the union's strategists reasoned that if agreement could be reached with ABM and ISS, other smaller contractors would follow and L.A.'s major office centers could be re-unionized.

Once begun, the JfJ campaign made slow but steady progress. By April 1989, Local 399 had negotiated a new master agreement, the first in downtown L.A. since the early 1980s. In the summer of 1989, the campaign's focus shifted to Century City, a large Westside office complex, employing 400 janitors, of whom 250 were employed by ISS.<sup>12</sup> JfJ marshaled a variety of public tactics to put pressure on ISS. As it had done downtown earlier on, JfJ staged various confrontational publicity stunts to draw the attention of Century City building tenants to the janitors' economic plight. Tenants complained to building managers about JfJ activities and even expressed sympathy for the janitors. By the end of the 1980s, the issue of wage inequality and the situation of the working poor was already becoming salient. Tenant complaints and sympathies indirectly intensified pressure on ISS.

In late spring 1990, the pace of activity escalated sharply when the union decided to stage a strike. A major turning point occurred on June 15, 1990 when Los Angeles police attacked a peaceful march of JfJ strikers and supporters as they walked from nearby Beverly Hills to Century City. Public outrage at the televised police attack brought local politicians, including the mayor, Tom Bradley, into the janitors' dispute. And in New York City, after seeing a video of police

agreements. See Roger C. Hartley, Non-Legislative Labor Law Reform and Pre-Recognition Labor Neutrality Agreements: The Newest Civil Rights Movement, 22 BERK. J. EMP. & LAB. L. 369 (2001).

beating strikers, Gus Bevona, the powerful president of the SEIU New York Local 32B-32J (who was facing a significant dissident movement in his local at the time), reportedly called the president of ISS into his office and insisted that a deal be reached.<sup>13</sup> The Los Angeles contract with ISS was signed on that day and subsequently was extended to ABM and other cleaning services.

The initial contract with ISS resulting from the Century City events ran for 22 months and covered only 200 workers.<sup>14</sup> These workers averaged \$4.50 an hour at the time the agreement was concluded. The contract provided for a 30-cent increase or a wage of \$5.20, whichever was greater. A second increase of 20 cents or \$5.50 was scheduled for April 1991. However, by the time the second increase was due, the ISS contract was superseded in March 1991 by an extended 3-year agreement also covering ABM's nonunion Bradford subsidiary.<sup>15</sup> This new contract covered 5,000 to 6,000 workers. It added dental and drug coverage to the health plan and provided wage increases of 20-45 cents per hour in each of the three years, depending on location.

One notable aspect of these initial contracts (the downtown master agreement negotiated in April 1989, and the ISS and ABM contracts negotiated subsequent to the Century City events) is that they allowed for a tiered wage/benefit structure. The highest wages and benefits cover the Downtown and Century City areas. The lower tiers reflected the reality of stronger nonunion competition away from the core areas. However, this tiered wage/benefit structure - and the union's goal of wage/benefit parity across the region - became a major issue in later contract negotiations.

<sup>&</sup>lt;sup>12</sup> Century City is so named because it was built on a section of the former movie lot of Twentieth Century Fox.
<sup>13</sup> Bevona was later forced out of office by dissidents who wanted JfJ tactics used in New York City to avert membership losses.

<sup>&</sup>lt;sup>14</sup> Union contracts typically run for more than a year. Three-year durations are quite common. Multiyear agreements usually include staged wage and benefit improvements, often at the anniversary date of the agreement.

<sup>&</sup>lt;sup>15</sup> Although union contracts usually have a fixed duration, during which both parties are bound to the terms of the agreement, both sides can mutually agree to modify or scrap an existing contract before it expires.

Even with the tiers, the new contract settlements were hailed as a major victory for the Southern California labor movement and for immigrant unionism in particular. When the new regime took over at the AFL-CIO in the mid-1990s, Los Angeles was seen as a model for unions in the rest of the U.S.<sup>16</sup> The city had the multicultural labor force of the future. And the janitors, at least, succeeded in establishing a new model of union organizing within that labor force.

## Second Contract: 1995

At the time the second round of contract negotiations took place in 1995, the Los Angeles economy was in a major slump with high vacancy rates in commercial office buildings. Buildings that had been bought or developed in the booming 1980s were not yielding the expected rates of return that would allow repayment of lenders. Foreign investors, especially Japanese, had paid inflated prices for Los Angeles real estate and were losing control of their properties to financial institutions. By 1997, only two major Japanese firms – Shuwa and Matsui – remained in L.A. County with a total of eleven buildings. And they were trying to bail out of their remaining holdings. In contrast, by that time Met Life, John Hancock, and TIAA – financial institutions - had 17 buildings.<sup>17</sup> Rents for office space in L.A. County were beginning to recover after a 4-year decline but were still below 1990 levels.<sup>18</sup> Total employment of janitors in L.A. County was about at the level it had attained in 1990. This economic factor was a wild card in the negotiations. On the one hand, it could be argued that building owners pinched by excess capacity would put pressure on their cleaning contractors to hold down labor costs. But on the other hand, owners would not like to have their (scarce) tenants unnerved or annoyed by public demonstrations of angry janitors.

<sup>&</sup>lt;sup>16</sup> One symbolic result of this view is that the AFL-CIO moved its biennial conventions to Los Angeles. They had previously been held at a Florida resort.

<sup>&</sup>lt;sup>17</sup> Fulmer, Melinda. "Who Owns the Most." <u>Los Angeles Times</u>, November 5, 1997, pp. D1, D8.

<sup>&</sup>lt;sup>18</sup> Bob Howard, "Southland Office Rents Are on a Sharp Upswing." <u>Los Angeles Times</u>, July 4, 2000, pp. C1, C8.

As it turned out, the negotiations for the second contract proceeded without major incident, despite these uncertainties. The result was a five-year agreement – a duration longer than the typical union contract. As Table 1 and Figure 2 show, the contract broke down Los Angeles County into enumerated regions with different wage and benefit levels for each area. The Round II contract also contained a significant element of backloading in the form of the addition of health insurance in February 2000, shortly before the contract expired. It also equalized pay in several non-core areas, effectively reducing the number of wage-differentiated regions to three, down from the earlier six.

In spite of the successful conclusion of the janitors' second contract fight in 1995, major internal conflicts within the union were unfolding. Divisions among the membership were one source of conflict as SEIU Local 399 had become predominantly a union of health care workers. Divisions also arose over the fact that the initial organizers were outside the structure of the local union. Some rank-and-file janitors accused the JfJ leadership of failing to provide good representation to the members and having heavy-handed leadership styles that inhibited democracy. Eventually, the dissident group became known as "reformistas" and openly campaigned to unseat the union leadership. The internal battles that ensued led to paralysis and trusteeship by the national union in June 1995. Under the trusteeship, the existing leadership was removed from office. The local union restructured and divided itself in two, splitting off the health care and building services divisions into separate entities. The entity representing the janitors was consolidated into a statewide union, which merged with Northern California Local 1877. Also included in the expanded local were janitors from several other California cities, including San Jose, Oakland, and Sacramento. This statewide consolidation was also in line with the union's industry-wide and regional approach to organizing.

## **Third Contract: 2000**

The state of the real estate market and the identity of the building owners that would indirectly pay for any janitorial contract improvements had changed again by 2000. The downtown office market was suffering from the departure of major corporations from Los Angeles. On the other hand, areas of the Westside, such as Santa Monica, had become red hot centers of multimedia activity and dot.coms, as had other regional markets such as Burbank. On average, L.A. County rents had risen 50% since 1995. In an odd doughnut phenomenon, rental costs for downtown were reportedly one third below average commercial rates for office space in the greater Los Angeles area. So by 2000, cheaper downtown space was attracting spillover tenants priced out of the hot areas.<sup>19</sup> The buildings themselves were no longer largely in the hands of reluctant lenders and Japanese investors, but had been taken over by Real Estate Investment Trusts (REITs), partnerships, and similar institutions.

The two main cleaning contractors in 2000 were the same as those in the prior two Los Angeles negotiations. ABM Janitorial Services – American Building Maintenance, based in San Francisco, operates throughout the U.S. and in Canada. It is part of a still-larger enterprise providing other building services such as security, parking, and elevator repair. The parent company has 57,000 employees, over 40% unionized. ABM had been a relatively stable corporation throughout the 1990s.

In contrast, One Source, the former ISS (International Service Systems), has had a much more complicated history. At the time of the first negotiation in the early 1990s, it was an

<sup>&</sup>lt;sup>19</sup> Howard, Bob. "Demand for Westside Office Space Slips With 'Dot-Coms.'" <u>Los Angeles Times</u>, December 5, 2000d, pp. C1, C13; Howard, Bob. "Downtown L.A. Rent Is a Bargain." <u>Los Angeles Times</u>, July 18, 2000b, p. C10; Howard, Bob. "Downtown Office Market Struggles." <u>Los Angeles Times</u>, October 10, 2000c, pp. C1, C10; Howard, Bob. "Southland Office Rents Are on a Sharp Upswing." <u>Los Angeles Times</u>, July 4, 2000, pp. C1, C8.

autonomous subsidiary of a Danish multinational parent that focused much of its attention on the European market. Autonomy, however, apparently led to financial "irregularities" by managers of the subsidiary during the period 1989-95, leading to charges against income and the departure of its chief financial officer. The Danish parent divested its problem child in 1997, selling it to a Montreal-based firm known as Aaxis on condition that the ISS name of the subsidiary be changed. Aaxis was then sold to a Belize-based multinational, BHI, in 1998. BHI merged with another Belize-based firm, Carlisle Holdings, in 1999 to form Carlisle Holdings Limited. The three firms - Aaxis, BHI, and Carlisle - are all linked to Michael Ashcroft, a high-ranking official in the British Conservative Party who was Belize's ambassador to the UN at one time. The One Source enterprise operates in the U.S. and has 42,000 employees; Carlisle also operates in Britain, Ireland, and Belize. But while the operation of One Source is more opaque than ABM's because of the former's external ownership, both ABM and One Source were vulnerable to pressures by the SEIU in cities other than Los Angeles.

Local 1877 began to prepare for a strike months before the 2000 contract expiration. Shop stewards and other rank and file leaders devoted many hours of work and discussion to "internal organizing" among the union's members. Their goal was to prepare the membership for mass protests for which JfJ had become known a decade before during the organizing that led to the 1990 victory in Century City. In the pre-strike training sessions, stewards and other union activists were briefed about the economics of the janitorial industry and the commercial real estate market in Los Angeles. They also engaged in detailed discussion of union strategies. The goal was to build workers' confidence and to develop an organizational structure that was primed for a strike, if an impasse developed in the negotiations. A key feature of earlier JfJ campaigns had been disruption: mass street protests, rallies in public places, and aggressive efforts to garner media attention, together with strategic pressures on major players in the janitorial industry. The three-week strike that began on Monday, April 3, 2000 followed this scenario. The strike started with a public membership vote rejecting management's most recent settlement offer. The vote was combined with mass picketing of downtown L.A. buildings. Each day of the week brought another geographical focus, a part of what the union termed a "rolling strike."

Strike leaders went to great lengths to ensure that public protests were peaceful and orderly. Union officials obtained permits required by law for each march and rally. They worked with the L.A. Police Department's labor detail to minimize potential confrontation. During the three-week walkout there were numerous arrests (including some of local politicians) in response to civil disobedience undertaken in support of the strikers. A few incidents of police beatings were reported. However, strike organizers managed to avert major conflicts. The outcome was in strong contrast to the uncontrolled police violence against janitors that had taken place in 1990 at Century City. Organized labor's political clout in the city that had developed over the intervening decade played a role. In addition, the strike occurred just months before the Democratic National Convention in Los Angeles and the city was anxious to show it could manage public demonstrations in an orderly fashion.<sup>20</sup>

The union managed to offset legal maneuvers by building owners during the course of the strike. Management hired workers in some buildings to replace strikers. But this employer tactic – which can be devastating for striking unions in many instances - was not a disaster from the union perspective in this case. In fact, it was actually helpful to the SEIU in legal terms. If no one had

been working in a building targeted by picketers, the union was more vulnerable to charges of engaging in illegal secondary boycotts. There was only one secondary boycott charge filed with the NLRB during the three-week strike (and which resulted in an NLRB complaint). Although building owners went to state court to seek an injunction on picketing, arguing that blocking ingress or egress to private property was a violation of state tort law, the judge refused to enjoin the strikers. The court found that the new requirements for an injunction imposed by the state's newlyenacted "little Norris-La Guardia Act" had not been met.

Well before the walkout began, the SEIU International raised \$1 million from its other locals around the country to support the walkout. In addition, Local 1877 had its own strike fund of \$500,000.<sup>21</sup> (Gilroy et al 2000) Along with the mobilization of its membership for picketing and other high-profile strike activities, the local undertook extensive efforts to develop an effective public relations strategy. Local 1877 conducted polls and focus groups to this end. (Meyerson 2000: 28)

Public opinion responded to the strike far more positively than in the organizers' most optimistic projections, and not only because of the pre-strike preparations. The economic expansion in California in the late 1990s seemed to soften public hostility toward immigrants that had peaked in the early 1990s. In a city that was enjoying unprecedented prosperity at the turn of the 21<sup>st</sup> century, yet where inequality between the rich and poor was pronounced, the striking janitors were symbols of the plight of the working poor. They were immigrant workers laboring nightly at low wages to clean glitzy offices occupied by wealthy executives, lawyers, and other professionals during the day. The janitors' demand for a raise of one dollar an hour seemed eminently reasonable

<sup>&</sup>lt;sup>20</sup> Street protests were expected at the Democratic convention slated for Los Angeles. Overreaction by the police during the earlier janitors strike might have created anxiety about what would ensue at the convention, something the City wanted to avoid.

in this context and the contractors' offer of 50 cents an hour seemed heartless. Public sympathy was overwhelmingly on the side of the striking janitors.

Media coverage of the strike was extensive and generally sympathetic. Reports in the *Los Angeles Times* and elsewhere highlighted the difficult living conditions endured by the city's lowwage immigrants. "Even L.A.'s TV newscasts – the most substance-free in the land – were compelled to cover the janitors' daily marches and mention the wage rates at which they worked," one commentator noted.<sup>22</sup>

The SEIU organized its janitorial division on a nationwide basis, and in the final week of the strike it increased the pressure on the contractors by flexing its muscles across the nation. Local 1877 members went to Seattle, Denver, San Francisco and San Jose to picket buildings cleaned by the major contractors. SEIU janitors in other cities honored their picket lines. "We just did a couple of buildings in each city for one night, but we planned to escalate considerably if the strike had to go into its fourth week," SEIU Building Service Director Stephen Lerner explained to a reporter.<sup>23</sup> As it turned out, there was no fourth week.

A few key building owners finally brokered a strike settlement.<sup>24</sup> Cleaning contractors themselves were divided between the two major firms – One Source and ABM - that employed the bulk of the janitors downtown and at Century City, and an assortment of smaller firms. The latter group had distinct economic interests, and were not vulnerable to the geographic pressures One Source and ABM faced. They did not have SEIU members cleaning their buildings in other cities since they did not service a national market. As a result, the smaller firms still had hopes of

<sup>&</sup>lt;sup>21</sup> Tom Gilroy and Elizabeth Walpole-Hofmeister, "SEIU Janitors Threaten Strike in Los Angeles To Begin April 3, Locals Pledge \$1 Million," <u>Daily Labor Report</u>, April 3 2000.

<sup>&</sup>lt;sup>22</sup> Harold Meyerson, "A Clean Sweep: How Unions Are Once Again Organizing Low-wage Workers," <u>The</u> <u>American Prospect</u>, vol. 11, no. 15 (June 19-July 3 2000), p. 28. *See also*, Harold Meyerson, "Hearts and Minds – And Hard Cash," *LA Weekly* (April 21, 2000) (noting strong public and political support for the strikers).

<sup>&</sup>lt;sup>23</sup> Harold Meyerson, "A Clean Sweep: How Unions Are Once Again Organizing Low-wage Workers," <u>The</u> <u>American Prospect</u>, vol. 11, no. 15 (June 19-July 3 2000), p. 28.

defeating the strike well into the third week of the walkout. They took a more intransigent posture than the major contractors that by all accounts prolonged the conflict.<sup>25</sup> But eventually the big industry players prevailed and the strike was settled at the end of its third week, a widely-celebrated victory for the union. As they had at Century City a decade before, the janitors in 2000 once again emerged as an inspiration to the labor movement.

Due to the strike, wage increases were delayed until May 1, 2000, a month after the new agreement's retroactive start date. As Table 2 and Figure 3 illustrate, the *de facto* consolidation of geographic zones for differential pay under the prior contract was formally recognized with new area designations.<sup>26</sup> Unionized cleaning contractors who take over a previously nonunion location are allowed a graduated phase-in period before being obligated to pay union-scale wages and benefits. A one-cent per hour contribution to an industry-wide training fund is mandated. Contractors are protected from union concessions to other employers through a so-called "Most Favored Nations" clause.<sup>27</sup> An expedited grievance/arbitration system was retained in the 2000 agreement, along with a conventional arbitration system. A hiring hall or referral system – under which employers fill vacancies from workers referred by the system - is applied to temporary and permanent employees for the core area. Standard union shop and check-off language is included along with a management rights clause.<sup>28</sup> Employers are required to notify the union about impending investigations by immigration authorities of which they are aware; they are prohibited

<sup>&</sup>lt;sup>24</sup> Nancy Cleeland, "L.A. Janitors OK Contract in Landmark Vote." <u>Los Angeles Times</u>, April 25, 2000 p. A1.

<sup>&</sup>lt;sup>25</sup> In situations in which employers join together for purposes of collective bargaining in the labor market, it is still the case that they are commercial rivals in the product market. Thus, disputes *within* the employer side where multiemployer bargaining is practiced are not uncommon.

<sup>&</sup>lt;sup>26</sup> Smaller buildings are treated as Area 3, regardless of their geographic location.

<sup>&</sup>lt;sup>27</sup> These clauses – whose odd name derives from similar clauses found in international trade treaties – provide that one party or the other give the benefit of any more favorable agreements to its contractual partner. In this agreement, the clause applies to the union side.

<sup>&</sup>lt;sup>28</sup> A checkoff clause provides that union dues are automatically deducted from a worker's paycheck and forwarded to the union. Management rights clauses are often placed in union agreements. They affirm management's right to run

from providing more information to such authorities about employees than is legally required. Various protections are provided for employees who are absent from work due to immigrationrelated proceedings.

The victory of the janitors' strike in Los Angeles also had a positive influence on other janitorial contract negotiations throughout the country. Some of the building service companies that were the target of the Los Angeles strike were also in negotiations with janitors in other cities statewide and nationally. Given the outcome in Los Angeles, contractors in other cities were reluctant to risk a Los Angeles-style confrontation. An additional benefit of the strike from the union viewpoint was that the janitors were able to build on the momentum of Los Angeles to strengthen organizing campaigns, most notably in Orange County, California. Several of the building service companies under union contract in Los Angeles also operated in Orange County, including ABM and One Source. The janitors' strike gave encouragement to the union in Orange County to follow up aggressively on its demand there for union recognition.<sup>29</sup> But the speed at

the business and carry out normal functions such as hiring, discipline, and discharge subject to any limitations that the contract otherwise provides.

<sup>&</sup>lt;sup>29</sup> This is not to say that employers in Orange County gave up without a fight. Some unfair labor practice litigation suggested that some employers resisted in the usual ways. For example, a February 2002 Advice Memorandum on the legality of videotaping union organizers talking to janitors suggests that employers resorted to arguably illegal tactics to prevent organizers from speaking to janitors. The employer prohibited janitors from using the front entrance to "a large retail shopping center and several nearby office buildings," requiring instead that janitors enter through the loading dock. When union organizers attempted to speak with the janitors as the arrived for work, building security guards forced them to stand on the public sidewalk rather than near the gate used by the janitors and videotaped the organizers. *C.J. Segerstrom & Sons*, Advice Memo No. 21-CA-34716, 2002 NLRB GCM LEXIS 9 (2002). The employer's strategy made it maximally difficult for the union to speak with the employees and the videotaping – which the employer asserted was of the organizer. According to the Memo, "none of the janitors stopped to speak with the organizers." Under the NLRA, it is unlawful for employers to videotape union activity "because such surveillance has a tendency to intimidate employees and plant a fear of reprisal." *Id.* (citing F.W. Woolworth Co., 310 NLRB 1197 (1993); Waco, Inc., 273 NLRB 746 (1984), but employers can use such surveillance for "legitimate" reasons, such as proving trespass. *C.J. Segerstrom* (citing Ordman's Park and shop, 292 NLRB 953, 956 (1989).

The Advice Memorandum in *C.J. Segerstrom* concluded that the videotaping was not an unfair labor practice because it was to document an arguably unlawful trespass. The Advice Memo noted, however, that under California law it is uncertain whether the union organizers were in fact trespassing, because California trespass law has an exception that allows union activity; because it was unclear, the Advice Division noted, whether the union's conduct was a trespass "it would be preferable for the California courts" to decide the issue first. *Id.* at n.27.

which recognition was obtained took SEIU union leaders by surprise. In short, the master agreement signed in Los Angeles helped to set the stage for negotiations elsewhere.

## Lessons from the L.A. Justice for Janitors Campaign

## 1) The Potential for Unions to Overcome the Pro-Employer Bias of Labor Laws

One of the principal, if ambiguous, lessons of the 2000 strike is the role that law played in shaping the dispute and in strengthening the hand of labor or management. The conventional wisdom among U.S. labor activists and scholars is that labor law gives the determined and savvy employer a vast arsenal of weapons for defeating union organizing. Indeed, the employer-friendly provisions of American labor law are often credited with enabling U.S. firms to resist unions to a degree unheard of in Western Europe and in the British Commonwealth. The three rounds of negotiations between the SEIU and LA building services firms suggest that the anti- union effects of some laws can be neutralized by creative tactics and that small changes in the law regarding picketing can have a very significant effect on the ability of firms to squelch strikes and protests. An important unanswered question, however, is whether employers with greater will to invest in legal fees and to risk the adverse publicity of extremely aggressive anti-union litigation tactics might have thwarted the union in ways that the LA employers in 2000 did not attempt (or succeed in doing).

#### **Secondary Boycotts and the Problem of Subcontractors**

One of the most important legal obstacles to organizing and economic pressure for janitors is the federal labor law's prohibition on secondary boycotts. Federal labor law in principle protects the rights of workers to use strikes and picketing to pressure their own employers directly. But it prohibits the use of pressure against any other business for the purpose of inducing it to cease doing business with the employees' own employer.<sup>30</sup> This prohibition on secondary pressure is an acute problem for janitors for two reasons. First, many janitors work in office buildings where there are a number of employers. As a result, protests outside the building may be deemed to be pressure against employers other than the janitors' own. Second, janitors might be prohibited from pressuring building owners because the building service contractors, not the owners, are the janitors' employer and the owners might be deemed to be secondary employers. This is the more critical problem.

While the NLRB, contractors, owners, and the SEIU have litigated relatively few secondary boycott cases all the way to a final, published decision over the course of the 15-year JfJ campaign nationwide, many secondary boycott charges have been filed (most were settled).<sup>31</sup> Some decisions gave the union good reason to be concerned. In a 1993 decision ruling on the permissibility of JfJ tactics in San Francisco, the NLRB ruled that picketing outside the office buildings in which nonunion firms had been hired to replace unionized janitors was an illegal secondary boycott. The Board found that the target of the protest was not the building owners' choice to eliminate the unionized janitors. Rather, according to the Board, it was the nonunion status of the contractors who were not the employers of the picketing janitors. In the Board's view, the secondary boycott law prohibited the union from protesting at the building when its "real" complaint was the nonunion status of the contractor hired to clean the building.<sup>32</sup>

More recently, the NLRB condemned under section 8(b)(4) some JfJ tactics in the 1990 Washington, D.C. campaign.<sup>33</sup> The Board rejected the union's contention that the First

<sup>&</sup>lt;sup>30</sup> 29 U.S.C. § 158(b)(4).

<sup>&</sup>lt;sup>31</sup> Under federal law, a union engaged in a secondary boycott may be subject to charges that it has committed an "unfair labor practice." If the NLRB finds the union has committed such a practice, it will issue a "cease and desist" order requiring the union to stop the behavior.

<sup>&</sup>lt;sup>32</sup> West Bay Building Maintenance Company, 312 NLRB 715 (1993)).

<sup>&</sup>lt;sup>33</sup> Service Employees International Union Local 525, 329 NLRB No. 64, 1999 NLRB LEXIS 743, 19 (1999)

Amendment protected some of the protests, including handbilling and demonstrations outside the nonunion office buildings. The Board also reiterated the principle that a building owner is a "neutral" in a union's effort to organize the building service contractor even though the owner may have an economic interest in keeping contractor nonunion and may take active efforts to discourage unionization of the contractor.<sup>34</sup>

In Washington in 1990, building owners engaged in an aggressive legal counteroffensive against the JfJ campaign. They formed an employer organization that took an active role in responding to the JfJ campaign and provided "information, training, and legal advice" to both the building owners/managers and to the cleaning service contractors. The employer organization solicited funds from building owners and cleaning contractors "to spearhead the industry effort to fight the union on all levels" and "to fund [the employer organization's] plan to counter the SEIU's organizational campaign."<sup>35</sup> It met with the union regarding the labor dispute and urged cleaning service contractors to decline to recognize the union.<sup>36</sup> Notwithstanding this level of involvement, a divided Board determined that the owners' association remained a neutral and that the union violated section 8(b)(4) in targeting it, its law firm, and its members for protest.

A final case that illustrates the challenges facing unions that seek to organize the low-wage employees of subcontractors was decided after the 2000 strike but shows the fine line unions must observe. In the context of the campaign to organize Las Vegas casino employees, employees of the subcontractor that operates the restaurants in the New York, New York casino sought to protest their working conditions at the entrance to the casino. The Board noted the greater latitude allowed for employees of subcontractors who wish to protest at their own workplace than is allowed employees of subcontractors who work elsewhere, but also required that the protests be clear in

<sup>&</sup>lt;sup>34</sup> *Id.* at 16 n.19.
<sup>35</sup> *Id.* at 39 (dissenting opinion of Member Liebman).

explaining that they did not target the casino, but only the subcontractor, and that they did not protest the *fact* of subcontracting, but only the working conditions.<sup>37</sup> There was considerable discussion of whether the fact that some employees wore T-shirts protesting subcontracting generally, and the fact that picketing occurred away from the casino, rendered the peaceful area standards handbilling at the casino unprotected. Although the Board ultimately concluded that the handbilling was protected, the legal strictures are severe – it must be employees at their own place of work, they cannot seek an end to subcontracting (but only to the subcontractor paying low wages), they cannot criticize the casino, and they cannot picket or seek a work stoppage by any employee.<sup>38</sup>

The penalties for secondary boycotts can be severe. The NLRB has the authority to obtain an injunction from a federal court (NLRA § 10(*l*)). In addition, any person whose business or property is injured by an illegal secondary boycott can seek damages for its loss from the union that authorized or supported the illegal conduct. In such cases, the court may award triple the actual damages (LMRA § 303). Union leaders generally believed that neither the NLRB nor the courts were sympathetic to the concerns of the janitors. They believed, therefore, that the workers could not rely on law to protect their protest activities. Secondary boycott law therefore requires the union to exercise caution and restraint in conducting protests. As will be explained below, the union succeeded in doing so in the past in Los Angeles (including the 2000 strike).

As noted above, the illegality of using economic pressure on any "neutral" employer - other than the janitors' own employer (the building services contractor) – is a very serious obstacle to effective labor protest. In practice, however, the union designed the 2000 JfJ campaign in Los

<sup>&</sup>lt;sup>36</sup> *Id.* at 43.

<sup>&</sup>lt;sup>37</sup> New York, New York Hotel, 334 NLRB No. 87, 2001 NLRB LEXIS 531, \* 14-16 (2001)

 $<sup>^{38}</sup>$  *Id.* at \*15-16. *See also Id.* at \*18 (concurring opinion of Hurtgen emphasizing that picketing was unlawful even though handbilling was permissible).

Angeles to ensure a maximum of publicity and political pressure while minimizing potential liability under the secondary boycott laws. Indeed, the success of the JfJ campaign in Los Angeles is due, at least in part, to the union's care in planning its various protests.

Several features of this planning are important from the legal standpoint. First, in the weeks leading up to the 2000 strike, the cleaning contractors had allegedly committed a variety of unfair labor practices, including threatening employees and refusing to bargain in good faith with the union. The union filed at least 30 unfair labor practice charges about the employer's pre-strike conduct with the NLRB. These pending charges could help bolster the union's position that the strike was precipitated or prolonged by the employers' unfair labor practices. If the NLRB were to agree that the strike was to protest the unfair labor practices, the employers could not permanently replace the striking janitors. Thus, the filing of charges provided some assurance that the contractors could be forced to reinstate the striking janitors at the end of the strike.

Second, the union picketed at buildings only at night when replacement workers were in the building doing the cleaning that the union janitors were striking. This was necessary to avoid the charge that the janitors were pressuring other tenants, or the building owner, rather than their cleaning service employers who had hired replacement workers. Nightly picketing and protest marches through the streets of downtown became a regular feature of the strike.

Limitations imposed by secondary boycott law partially explain the creativity and unconventional nature of the JfJ protest tactics. The need to picket only at night and only at targeted buildings may have simplified the task of staffing and coordinating the picketing. Rather than rely on picketing at the workplace during the ordinary business hours (which might be an unlawful secondary boycott), the union chose to make its daytime protests in the form of marches across town and through rallies in public spaces. These mass protests have the advantages of being protected speech under the U.S. Constitution, unlike labor picketing, that does not enjoy unqualified First Amendment protection.<sup>39</sup> More important, the marches and rallies are more conspicuous than traditional picketing and more likely to elicit media attention.

The choice to assemble rallies and marches rather than only traditional picket lines gave the union the opportunity to make its protest about the plight of the invisible, immigrant workforce, rather than just about the disputed provisions of the collective bargaining agreement. Marches and demonstrations could involve a wide range of civil rights and community organizations and religious and political leaders. The legal restrictions on a traditional picket line were not the only, or even the main, reason why the union chose a different model of protest. Media, coalition-building, and public relations advantages of the march and rally approach to labor protest are no doubt far more significant considerations. Nonetheless, one lesson of much recent labor scholarship has been that labor law restrictions and the excessive involvement of lawyers and judges can have an enervating effect on worker activism.<sup>40</sup> The SEIU clearly seems to agree. As their lawyers said in interviews with the authors, the lawyers' role in the whole strike was relatively small; use of their advice on legal matters is only one part of the union's overall strategy. But that strategy does have to take account of the legal environment.

Building owners and their lawyers chose not to insulate themselves from involvement in, or responsibility for, the janitors' working conditions. They participated directly in the negotiations and evidently wanted to have a direct relationship with the union (since they would ultimately pay for the labor cost outcome). The owners' involvement had the legal consequence of making it difficult for them to assert that pressure against them was a secondary boycott. Given their

<sup>&</sup>lt;sup>39</sup> See International Brotherhood of Teamsters, Local 695 v. Vogt, 354 U.S. 284 (1957).

 <sup>&</sup>lt;sup>40</sup> See, e.g., Gerald P. Lopez, Rebellious Lawyering: One Chicano's Vision of Progressive Law Practice. (New York: Westview Press 1992); Julius Getman: <u>The Betrayal of Local 14: Paperworkers, Politics, and Permanent</u> Replacements. (Ithaca, N.Y.: ILR Press 1998).

involvement, they would likely be found to be joint employers with the building contractors. A joint employer is not considered a neutral or secondary entity and therefore is a permissible target for labor protest.<sup>41</sup>

Yet, it is not entirely certain that the employers would have been found to be primaries by virtue of their involvement. In the Washington, D.C. janitors case, the Board found that the owners' financial support of an employers' association that vigorously fought the union was insufficient to render the owners non-neutrals.<sup>42</sup> The New York, New York casino case emphasized that the restaurant employees could not make common cause with the casino employees or ask the casino to terminate the subcontract with the restaurant company.

The law does provide some tools for the union to use if a unionized building owner or manager tries to get rid of the union even if the NLRB does not find that the employer is a joint employer. A recent case from New York is illustrative. (It should be noted that the case was decided after the 2000 strike and thus had no impact on the events in LA). A building manager terminated a contract with a unionized cleaning services firm and hired a nonunion firm employing the same janitors at much lower wages. SEIU Local 32B-32J filed unfair labor practice charges, which the nonunion contractor agreed to settle by recognizing the union and adopting the collective bargaining agreement it had negotiated with the building manager. The building manager then terminated the contract with the (formerly) nonunion contractor and proceeded to hire nonunion labor directly. More unfair labor practice charges were filed, and the NLRB found that the building owner unlawfully discriminated against union workers in refusing to hire them. As a remedy, the NLRB ordered the building manager to recognize and bargain with the union and to hire the union

 <sup>&</sup>lt;sup>41</sup> Douds v. Metropolitan Federation of Architects, 75 F. Supp. 672 (S.D.N.Y. 1948).
 <sup>42</sup> Service Employees International Union Local 525, 329 NLRB No. 64 (1999).

janitors.<sup>43</sup> But, absent the unlawful discrimination against union supporters, the building manager would have been perfectly free to fire the contractor, hire the employees itself, and resist unionization as long as it could. Moreover, it is often not easy to prove that the employer discriminated against the union supporters in hiring, and the duty to bargain remedy imposed in that case is used only in the most egregious cases.

# Large-Scale Protests, Picketing, and the Problem of Labor Injunctions

By the 2000 negotiations, the union and its lawyers were evidently so accustomed to the restrictions imposed on their tactics by the secondary boycott law that they did not even describe potential secondary boycott charges as a major concern. What they seemed to think far more significant was a recent change in California law limiting the ability of employers to obtain injunctions against labor picketing. To understand why this law mattered as much as it did, it is necessary to explore some of the legal background to regulating labor protest and the related risks of union liability.

The tort and criminal law of California (and most states), prohibits workers from using violence or intimidation in conducting protests. Among the prohibited conduct is actual or threatened violence or property damage, mass protests, trespass, and blocking ingress to, or egress from, employer property. Such conduct is prohibited under state law even if it takes place as part of an otherwise permissible strike or picket line targeting a primary employer. The federal labor law protections for peaceful picketing and protest do not immunize labor protesters from criminal or tort liability for misconduct.<sup>44</sup>

<sup>&</sup>lt;sup>43</sup> E.S. Sutton Realty Co., 336 NLRB No. 33 (2001).

<sup>&</sup>lt;sup>44</sup> San Diego Building Trades Council v. Garmon, 359 U.S. 236 [1959] (federal law preempts state regulation of conduct that is arguably protected or arguably prohibited by federal law); *Farmer v. United Brotherhood of Carpenters and Joiners, Local 25*, 430 U.S. 290 [1977] (tort law is not preempted); *Sears, Roebuck & Co. v. San Diego County District Council of Carpenters*, 436 U.S. 180 [1978] (trespass law is not preempted).

One of the hallmarks of JfJ campaigns is large, ebullient, and noisy street protests. Building owners and managers often respond to the arrival of large numbers of red T-shirted janitors and their supporters by seeking a court order limiting the size, location and noise level of the demonstration. If a court issues the injunction, any violation of the order is punishable by contempt sanctions, which can be speedy, harsh, and devastating to the individual protesters as well as to the union's treasury. Availability of injunctions could be a significant element in the success or failure of a JfJ campaign.

# Anti-Injunction Legislation: Old and New

Until the 1930s, federal courts routinely enjoined strikes and related labor protests.<sup>45</sup> In 1932, however, Congress enacted the Norris-La Guardia Act, which stripped federal courts of jurisdiction to issue injunctions in most labor disputes.<sup>46</sup> The Norris-La Guardia Act did not, however, affect the power of state courts to issue labor injunctions. Many states, therefore, enacted their own "little Norris-La Guardia" statutes divesting their courts of jurisdiction. Although California enacted some protection for labor picketing, the protection it adopted was relatively weak. Not until 1999 did California adopt a law that is virtually identical to the federal Norris-La Guardia Act (Labor Code § 1138).

The 1999 California statute imposes several requirements to restrict the ability of courts to enjoin strike activity. No state court may issue an injunction unless there is a showing that the police or other officers charged with the duty to protect the complainant's property are unable or unwilling to do so (§ 1138.1(a)(5)). No state court may issue an injunction except after hearing testimony of witnesses in open court, with an opportunity for cross-examination (§ 1138.1(a)). A

<sup>&</sup>lt;sup>45</sup> Felix Frankfurter & Nathan Greene, *The Labor Injunction* (1930).

<sup>&</sup>lt;sup>46</sup> Later Supreme Court decisions have determined that the courts retained authority to enjoin unfair labor practices, including secondary boycotts. Norris was a Republican progressive senator from Nebraska. La Guardia was a Republican congressman from New York City and later the City's colorful mayor.

person or business seeking an injunction must show that it has not committed any violations of labor or other laws and has made "every reasonable effort" to settle the labor dispute "either by negotiation or with the aid of any available governmental machinery of mediation or voluntary arbitration" (§ 1138.2). A person or business seeking an injunction must post a bond to compensate those enjoined for damages caused by an erroneously-issued injunction (§ 1138.1(b)). Finally, the court must determine that a person or business seeking the injunction will suffer immediate and irreparable injury to its property from ongoing or threatened unlawful actions. Moreover, the harm to the complainant if the unlawful actions are not enjoined must be greater than the harm to the persons enjoined (§ 1138.1(a)(2)-(3).

# Impact of the New State Anti-Injunction Statute

SEIU Local 1877 and its lawyers believed that the new anti-injunction statute made a difference in how the courts responded to the strike and the related nightly protests. Building owners and their allies tried to have a state court enjoin the protests; the court rejected their request, based on the new law. Thus, the new state legal requirements evidently made a difference in how state courts perceived the strike. Under prior law, courts would have entertained and often granted requests for injunctions based only on sworn affidavits describing allegedly illegal protests and asserting threatened harm to business or property. Union lawyers had felt that cross-examination of the employer witnesses was necessary to reveal that the harm allegedly caused by the protest was often significantly exaggerated and that the protests did not pose any real threat to property. But under the old law, they were not necessarily granted the right to present such evidence. Moreover, the new law requires that a *judge* must conduct a hearing on the request for a temporary restraining order. Under the old law, there was no such requirement and judges' law clerks sometimes

conducted the hearings. As a practical matter, it may be harder for an employer to get a TRO – particularly at night or on the weekend – if the judge must conduct a hearing.

The requirement that courts not issue injunctions without finding that the police were unable or unwilling to control any threatened injury to property also benefited the union. Union lawyers were able to show the court that Los Angeles police officers had been briefed and were present (and prepared) to deal with any illegal protests that might occur. As one union lawyer said to us, the union and the police essentially agreed that the police got the streets and "we got the sidewalks." In one of the two extant cases construing the new statute, *UFCW v. Superior Court (Gigante)*, the court suggested that as a prerequisite to obtaining injunctive relief the employer must actually adduce the testimony of police officers.<sup>47</sup> As a practical matter, police culture may disincline most officers to admit that they are unable to control a crowd.

The final feature of the new state law that made life easier for the union side was a new restriction on the ability to hold a union responsible for the unlawful conduct of individual members. An often-successful management tactic is for an employer to obtain an injunction, wait for some picketers to violate the terms of the injunction, and then seek to hold the union officers in contempt of court for the violations. Penalties for contempt of court can include large fines that are payable out of the union treasury if union officials were involved in, or approved of, the enjoined illegal activities.

In many strikes emotions on the picket line run high. It is difficult for a union to stir up enough enthusiasm among its members to induce them to picket but not stir them up so much that someone is tempted to damage employer property or to violate an injunction. Because courts are apt to have little patience for anyone who violates terms of orders they issue, they sometimes

<sup>&</sup>lt;sup>47</sup> UFCW v. Superior Court (Gigante), 83 Cal. App. 4<sup>th</sup> 566 (2000). *Gigante* was followed in Waremart v. UFCW, 87 Cal. App. 4<sup>th</sup> 145 (2001).

punish contempt of the injunction with very high fines. Contempt sanctions in the tens of millions of dollars have been awarded against unions in the past.<sup>48</sup> The threat of huge sanctions can be a significant disincentive to carry out an aggressive, in-your-face protest.

The new California law provides that injunctions may not be issued except "against the person or persons, association, or organization making the threat or committing the unlawful act or actually authorized those acts" (§ 1138.1(a)(1)). Furthermore, the statute provides that no union officer or member, nor any union, can be held liable for unlawful acts of individual union officers or members "except upon clear proof of actual participation in, or actual authorization of those acts" (§ 1138). The California law is even more protective than the federal Norris-La Guardia Act on this point, in that the California law requires proof of authorization or participation in the unlawful conduct, whereas the federal law allows union liability upon proof of authorization, participation, or *ratification* after the fact.<sup>49</sup> Taken together, these new provisions prevent a union that had not authorized illegal acts, or members who were not involved in illegal acts, from being enjoined (and thus from being held in contempt of court). They also provide that persons who are not named in the injunction cannot be held liable for the violations of others without clear proof that the union officially authorized the conduct. These new requirements provided some assurance to the union that the illegal protest of individual picketers would not become the basis for the entire union to be enjoined. As a result, violations of an injunction by individual union members would not become the basis for a huge fine against the union.

Additional procedural requirements for obtaining injunctive relief under the new California law provide further protections for union protests. The statute requires that a person or business seeking an injunction must show that it has not committed any violations of labor or other laws (§

 <sup>&</sup>lt;sup>48</sup> United Mine Workers v. Bagwell, 512 U.S. 821 (1994).
 <sup>49</sup> 29 U.S.C. § 106.

1138.2). In many low-wage workplaces, violations of the NLRA, state and federal wage and hour laws, OSHA requirements are common, so this procedural requirement may bar injunctions in most cases. It is also a stricter requirement than applies under the federal Norris-LaGuardia Act. In addition, the employer must show that it has made "every reasonable effort" to settle the labor dispute "either by negotiation or with the aid of any available governmental machinery of mediation or voluntary arbitration" (§ 1138.2). The more procedural requirements the statute imposes as a prerequisite to injunctive relief, the more unlikely a court will issue one. Finally, union lawyers have also praised the statute's requirement that a party seeking an injunction must post a bond for the amount of damages caused by wrongful issuance of the injunction and the value of attorney's fees. The federal law requires a bond only for the damages.

Major unanswered questions remain about the effect of law on JfJ success in LA. Could the building owners and building services contractors have resisted more forcefully and effectively if they had wanted to do so? To the extent that the movement mentality among the workers and substantial and favorable political pressure forced the employers to capitulate, why has the SEIU succeeded where the hotel and restaurant employees' union has not? HERE has been fighting to organize the employees of the New Otani hotel in downtown LA for years. At the same time the SEIU was winning the fight against the building owners and contractors, HERE was not winning its long-running effort to gain recognition by the Loewe's Santa Monica hotel ownership. HERE's more modest gains were certainly not for lack of trying, or lack of activism and commitment among the workers or the union. And the moral and political appeal of the low-wage, immigrant, working poor cleaning up after the extremely affluent should have been as strong in the Loewe's campaign as it was in the JfJ campaign. Is there a difference in the political clout of the much smaller HERE union? Is the inconvenience of work stoppages in the hotel industry greater? Is it

more difficult to garner strong support among all the employer's employees when some – table staff, front desk staff – are more likely to be white and relatively privileged? Is it that labor costs as a fraction of operating costs are so much greater in running a hotel than in running a building that employers have greater economic incentive to resist unionization?

## (2) The Re-Conceptualization of Bargaining Power and Pattern Bargaining

SEIU union leaders and negotiators profess a strong preference for having the janitorial contracts across the country expire at approximately the same time, and are clearly pushing in the direction of a "*de facto* national contract." There would be closely coordinated bargaining, if not an explicit "national contract," on certain issues. The goal seemed to be to extend the contract pattern from a set of regional labor/product markets to the entire country. Such a strategy effectively joins the California negotiations in particular cities to those in other cities within the state and elsewhere.

Many of the JfJ contracts around the country were settled in the months after the April 2000 Los Angeles settlement. Some examples include contracts in New York, Cleveland, Portland, and San Diego in May; Silicon Valley in June; Seattle in July; Milwaukee in August; and Hartford and Philadelphia in October. Yet it is also worth noting that a number of janitorial contracts were settled in the months *before* the Los Angeles settlement. These contracts include San Francisco in August 1999, Minneapolis in January 2000, and downtown Chicago just before the Los Angeles settlement in April 2000.<sup>50</sup> Despite these prior agreements, union and management sources, as well as some press sources, labeled the Los Angeles settlement as the "pattern setter" for this round of agreements. And Stephen Lerner, the former director of building services organizing for SEIU and an architect of the JfJ strategy, was explicit about the delicate balance the union was attempting to achieve: to "make strides in establishing minimum standards" for more full-time jobs, health care coverage, a living wage, and the employer's respect for the employees' right to organize, but at the same time acknowledging that "we never claimed the standards should be the same" for all markets.<sup>51</sup> (Walpole-Hofmeister 2000)

Pattern bargaining is a well known phenomenon in the labor relations literature. Kochan and Katz (1988: 136-137) have defined pattern bargaining as "an informal means for spreading the terms and conditions of employment negotiated in one formal bargaining structure to another. It is an informal substitute for centralized bargaining aimed at taking wages out of competition." This pattern approach seems to work best where a union can organize a set of companies that share product and labor markets, as in the domestic automobile industry.<sup>52</sup> And traditional pattern bargaining was clearly applied by SEIU *within* individual regions. Thus, when JfJ first came to Los Angeles, the strategy was to organize all the major cleaning companies and have them sign identical contracts. The strategy would take labor costs out of competition between area cleaning service contractors.

Yet the product and labor markets of (non-traded) janitorial services are geographically distinct. Raising wages in Chicago does not "take wages out of competition" for building services contractors in Los Angeles. So the SEIU clearly envisions a different kind of pattern setting. It is necessary to look beyond "taking wages out of competition" for explanations of the operation and potential effectiveness of the cross-region coordination tactic.

Even though contractors in one city are not in direct competition with contracts in another city, a high-profile strike and settlement has the effect of establishing reputational effects

<sup>&</sup>lt;sup>50</sup> The *Daily Labor Report* carried reports of these various settlements.

<sup>&</sup>lt;sup>51</sup> Walpole-Hofmeister, Elizabeth, 2000. "100,000 Janitors Covered in SEIU Pacts Bargained During 2000 in Two Dozen Cities." <u>Daily Labor Report</u>, November 28.

throughout the state and country. It signals to the contractors and building owners elsewhere that union strike threats are credible. It also creates a point of comparison, or "benchmark" for workers as well as contractors and building owners. Arthur Ross long ago argued for the importance of what he termed "orbits of coercive comparison" in the formation of workers' wage demands. Ross argued that workers make comparisons to the wages obtained by other workers in similar situations; they then set their expectations accordingly.<sup>53</sup> Thus, Spanish-language television seems to have played an important role in spreading information concerning the Los Angeles strike and eventual settlement to janitorial workers across the country.

Some of the effects of the alternative pattern approach are connected to the distinctive structure of the industry described above. Given the complexities of the relationships between the building owners and the managers, a pattern-setting agreement might alter the negotiations between these two parties over the terms of the cleaning contracts. The vice president for labor relations at the major contractor One Source, was quoted as saying that the contractors' strategy was to use the Los Angeles settlement as a "benchmark" to take to building owners who were putting their cleaning service contracts out to bid in other cities.<sup>54</sup> The Los Angeles strike and settlement may have given building contractors a compelling argument to take to the owners in other cities as to why the owners should accept the costlier cleaning contracts that would go along with higher janitorial wages.

It is important to recall that several of the larger building maintenance companies (including One Source and ABM) have operations in cities across the country. Thus, for example, One Source

<sup>&</sup>lt;sup>52</sup> GM, Ford, and DaimlerChrysler usually sign contracts that are virtually identical in terms of their basic conditions. The United Auto Workers selects one of the three companies as the target and, after settling with it, takes the pattern to the other two.

<sup>&</sup>lt;sup>53</sup> Ross, Arthur M., 1948. <u>Trade Union Wage Policy</u>. Berkeley: University of California Press.

<sup>&</sup>lt;sup>54</sup> Walpole-Hofmeister, Elizabeth, 2000. "100,000 Janitors Covered in SEIU Pacts Bargained During 2000 in Two Dozen Cities." <u>Daily Labor Report</u>, November 28.

workers in one city might naturally compare their wages to the wages obtained by One Source workers in another city. ABM might know from direct experience the willingness of the union to launch a strike and the efficacy of those efforts in other cities. These national contractors may also be induced to settle quickly in one city in order to avoid sympathy strikes and work slowdowns in their operations elsewhere. This outcome could occur if the union's efforts are sufficiently wellcoordinated across cities and if the contract expiration dates are sufficiently close together. Union officials argued that simultaneous contract expiration provided them with the opportunity to achieve the same level of coordination at the national level as routinely exists within the cleaning companies.

The unions' hope to achieve a "*de facto* national contract" leaves some questions unanswered. There is seemingly nothing to be gained by "taking wages out of competition" across geographical regions, as in tradable goods industries; Chicago janitors are not in competition with Los Angeles janitors, nor are their local employing establishments. So it is not immediately clear why simultaneous contract expiration and the drive for minimum national standards is a strategy strongly favored by the union. The official answer appears to lie in the union's desire to match the internal coordination and national-level presence of the large contractors. But simultaneous contract expirations could give an advantage to the contractors in some future negotiations, i.e., the ability to lock-out unionized workers across geographically dispersed operations. More rounds of bargaining will have to occur before a definitive assessment of the union's alternative patternbargaining approach can be made. Both sides are still learning. The union may find ways to coordinate more effectively; management may find ways to react more effectively than it did in 2000 to union coordination. In any event, future negotiations in Los Angeles and California are likely to become more and more part of a national, and possibly someday international, process.

## (3) The Importance of Building Broad Political Coalitions

The building service contractors considered the janitors' decision not to rely just on traditional strikes and picketing an important and successful strategic choice. Management disputed the union's claims about the success of the strike in keeping janitors out of the buildings. It was noted that, especially by the end of the strike, many unionized janitors were crossing the picket lines to go to work. But whether the strike remained strong and whether the picketing was effective was not determinative. Much of the union's negotiating leverage came from the strong public sentiment supporting the janitors' efforts rather than from preventing buildings from being cleaned.

California voters were frightened by the L.A. riots of 1992 and 1994 TV gubernatorial campaign ad images of hoards of immigrants illegally crossing the border with Mexico. Immigrants were blamed for the social unrest and the unemployment then prevailing. One outcome was passage of Proposition 187 in 1994 – since largely voided by the courts – that would have blocked public services to undocumented immigrants. But public opinion was variable and could be sympathetic to the plight of low-wage workers living in poverty. This potential for a sympathetic public mobilization played an important part in the JfJ saga. The same initiative process that led to Prop 187 also produced a voter-mandated increase in the state minimum wage in 1996 (under Prop 210). Living wage ordinances in various jurisdictions including the City and County of Los Angeles could not have been enacted without public support. In any event, the economic expansion in California in the late 1990s seemed to soften public hostility toward immigrants. Attempts to put a revised version of Prop 187 on the ballot failed for lack of sufficient

petition signatures. And by spring 2001, a fictionalized feature film depicting the Justice for Janitors campaign – *Bread and Roses* – was playing in Los Angeles movie theatres.<sup>55</sup>

The year 1996 was pivotal for California politics, and, as it happened, unions played a major role in statewide elections. In the June primary, conservatives place Proposition 226, the "paycheck protection" initiative, on the ballot. Prop. 226 would have greatly undermined labor's influence in the political process by imposing severe restrictions on the use of union dues for political campaign purposes. Union members would have had to give explicit permission for their dues monies to be used for non-bargaining activities.<sup>56</sup> Although the initiative was leading 2 to 1 in public opinion polls three months before the election, the California labor movement mobilized a huge grassroots effort to oppose Prop. 226. Union activists throughout the state set up precinct operations, phone banks, voter education, and get-out-the vote drives. In a few weeks' time public support for Prop. 226 dramatically plunged, and the initiative ultimately went down in defeat by an 8-point margin.

Defeat of Prop. 226 encouraged the California labor movement to flex political muscle in other campaigns. The same grassroots operations that had been mobilized for the June primaries were reactivated in the November general election. In particular, the Los Angeles County Federation of Labor developed a program to target newly naturalized immigrant voters who had been registering in record numbers. These new voters were favorable to labor's call to unseat politicians who had taken anti-immigration positions in prior elections.

In November 1996, the Democrats captured the governor's seat and both houses of the state legislature. For the first time in 16 years, a Democratic governor was elected. Pro-union

<sup>&</sup>lt;sup>55</sup> The film was made in 1999, i.e., before the year 2000 negotiations described below took place. It was nominated for the Golden Palm award at the Cannes film festival.

<sup>&</sup>lt;sup>56</sup> Even in union shop situations, workers cannot be forced to become members due to various court decisions. If there is a union shop or agency shop clause in the contract, non-members must pay only the fraction of duties attributable to

leadership emerged in both the State Senate and Assembly. Incoming Governor Gray Davis enjoyed strong support from the California labor unions, although he ran on a moderate Democratic platform and was anxious not to be perceived as a union captive.

Even before the walkout began, the Los Angeles City Council voted unanimously to support the janitors' demands. The L.A. County Board of Supervisors voted to back the janitors on the second day of the strike. The California State Assemby passed a resolution in support of the janitors by a huge margin. In the third week of the walkout, Vice President Al Gore spoke at a union demonstration, as did Senators Edward Kennedy and Diane Feinstein.

Local politicians were especially visible at union rallies and demonstrations – and not just Democrats. Republican Mayor Richard Riordan intervened in various ways on behalf of the janitors.<sup>57</sup> Riordan was influenced by a tradition of Catholic teachings on social justice as well as the growth of the Latino electorate.<sup>58</sup> Local 1877, along with the Los Angeles County Federation of Labor, had already emerged as a vehicle of Latino political mobilization. And, support from the Catholic Church played a very important role throughout the conflict. Cardinal Roger M. Mahony celebrated a mass in honor of the janitors and publicly offered to mediate the dispute. Behind the scenes, both he and Mayor Riordan were in contact with Miguel Contreras, head of the L.A. County Federation of Labor. They helped start serious settlement negotiations by making direct appeals to building owners, managers, and other key players in the industry.<sup>59</sup>

Union leaders we interviewed also attributed some of the success of the strike to the support they gained from other unions, including those of elevator repair workers, painters, carpenters,

the union functioning as the bargaining representative. Hence, even without the paycheck protection proposition, workers could opt out of paying for political activities by dropping their union membership.

<sup>&</sup>lt;sup>57</sup> Thanks to California's "progressive" political reform traditions, the mayor of Los Angeles is legally a non-partisan position, as are many local offices.

<sup>&</sup>lt;sup>58</sup> Riordan could not run for an additional term as mayor due to term limits. However, as his mayoral term ended in 2001, he was reported to be considering a run for California governor.

garbage collectors, and UPS drivers. Teamsters members refused to make deliveries or collect trash from struck buildings. The L.A. Building Trades Council also voted to honor the janitors' picket lines. Operating Engineers – workers who do elevator repair and other skilled building maintenance - also supported the strike. The Los Angeles County Federation of Labor organized a food distribution program for strikers and helped to coordinate other support activities. Much of this support resulted from pre-strike planning.

## **Conclusion: Lessons from the Janitors Experience in Three Rounds**

It is easy to tick off the reasons why the Justice for Janitors campaign in Los Angeles should not have succeeded. The campaign was targeted at an immigrant low-wage workforce, scattered in many locations, often speaking little English, and – in many instances – vulnerable to threats of deportation. Union campaign tactics were focused on the building owners and managers, not on the cleaning services, thus raising potential legal concerns. So a primary lesson is that despite these obstacles, the campaign nonetheless prevailed. Low-wage immigrants were organized and contracts were negotiated on their behalf through three rounds of bargaining. The legal barriers were surmounted, particularly the challenges involved in overcoming the ambiguity of "who is the employer" in the contracting situations that characterize janitorial work and many other types of low-wage service work these days.

Various background conditions aided SEIU in the JfJ campaign. Janitorial services, like many other services, cannot be outsourced abroad nor even to other low-wage areas domestically. The cleaning of a building can only take place in that building. "Globalization" in the form of

<sup>&</sup>lt;sup>59</sup> The Cardinal's actions in the janitors' strike effectively buried unpleasant memories of his role – noted earlier in the text - in a refusal by the Church to recognize a union of gravediggers in Catholic cemeteries in the 1980s.

international competition over labor costs was not going to be a factor in the janitors' case, as it would have been in a tradable manufacturing industry such as apparel. Although there are nationalorigin differences among different Latino immigrants, the relative homogeneity of the janitorial workforce also helped the JfJ campaign. Ethnic solidarity played a role. And the disruption caused by the janitors strike did not lead to major public inconvenience or to interruption of a vital service. If such an outcome had occurred, it might have turned public opinion against the strike.

JFJ strategists recognized the importance of building coalitions – from the police to the Church to the politicians, and especially with other unions both in the area and across the nation. The strategists also recognized the importance of targeting a community where the union can gain control over the market. And, the strategists recognized the value of turning the janitors' cause into a public relations event, with well thought through plans for building public support to both put up with the disruptions and to have the public feel the workforce as being treated unfairly – the critical "justice" part of the JFJ equation. All of these insights would seem to be generalizable to other low-wage service situations throughout the world.

Most of all, JfJ strategies deviated from the standard organizing and negotiating model in that strikes that occurred were aimed less at preventing the service from being provided and more at influencing public opinion, which is sensitive to the plight of the working poor across a broad left/right spectrum. Public opinion, in turn, influenced community leaders and political figures, and this created political alliances, legislative, and court support, ultimately helping to produce union recognition and then the successful contract outcomes. Thus, perhaps the most important broader lesson from the Los Angeles Justice for Janitors experience is the recognition of the shift in what constitutes bargaining power – from the ability to impose direct costs on a specific employer through a work stoppage to the ability to influence broader public opinion.

Much of the loss of union membership in the U.S. in the 1980s and 1990s occurred in traditional, heavily-unionized manufacturing industries. Industry restructuring, international competition, union-nonunion wage differentials, and other influences have often been cited as factors behind these losses. The losses occurred largely among native workers who were not at the bottom of the wage scale, and organized labor was initially reluctant to target the new immigrant workforce.

Within the U.S. labor movement, the JfJ experience in Los Angeles helped spark a new emphasis on organizing and leadership changes within the AFL-CIO. It suggested that strikes can still be effective in organizing and bargaining if they are conducted in ways that harness public and political support. The JfJ experience changed union attitudes towards low-wage immigrants who are now seen as a potential base for union growth rather than as a barrier. SEIU, for example, now sees itself as a leader in political efforts to improve the legal status of undocumented workers and has shifted the policy of the AFL-CIO in this direction. By focusing media attention on organizing the immigrant working poor, the JfJ campaign produced renewed public interest in unions more generally as an important economic and social force in California and elsewhere. More generally, the JfJ campaign demonstrates the potential for union organizing in the low wage service sector of advanced capitalist regions.

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	4/1/95	9/1/95	4/1/96	9/1/96	4/1/97	4/1/98	4/1/99	2/1/00
Area 1								
Start	\$6.80	\$6.80	\$6.80	\$6.80	\$6.80	\$7.00	\$7.20	\$7.20
Minimum	\$6.80	\$6.80	\$6.80	\$6.80	\$6.80	\$7.00	\$7.20	\$7.20
Increase	\$0.15	\$0.00	\$0.15	\$0.00	\$0.15	\$0.25	\$0.30	\$0.00
Health	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Pension	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Area 2								
Start	\$5.40	\$5.40	\$5.50	\$5.50	\$5.65	\$5.90	\$6.30	\$6.30
Minimum	\$5.60	\$5.60	\$5.80	\$5.80	\$6.00	\$6.30	\$6.80	\$6.80
Increase	\$0.20	\$0.00	\$0.20	\$0.00	\$0.20	\$0.30	\$0.50	\$0.00
Health	LT Area 1	LT Area 1	LT Area 1	LT Area 1	LT Area 1	LT Area 1	LT Area 1	Yes
Pension	No	No	No	No	No	No	No	No
Area 2A	<b>A</b> 4 <b>T</b> 0	<b>A</b> 4 <b>B</b> A	<b>*</b> 4 • 5	<b>*</b> 4 • <b>- -</b>	<b>A-</b> 40	*= ==	<b>**</b> • • <b>-</b>	<b>AA AA</b>
Start	\$4.70	\$4.70	\$4.85	\$4.85	\$5.10	\$5.55	\$6.05	\$6.40
Minimum	\$4.95	\$4.95	\$5.20	\$5.20	\$5.75	\$6.30	\$6.80	\$6.80
Increase	\$0.25	\$0.00	\$0.25	\$0.00	\$5.55	\$0.55	\$0.50	\$0.00
Health	No	No	No	No	No	No	No	Yes
Pension	No	No	No	No	No	No	No	No
Area 3								
Start	\$4.70	\$4.70	\$4.85	\$4.85	\$5.10	\$5.55	\$6.05	\$6.40
Minimum	\$4.90	\$4.90	\$5.10	\$5.10	\$5.55	\$6.05	\$6.40	\$6.80
Increase	\$0.20	\$0.00	\$0.20	\$0.00	\$0.45	\$0.50	\$0.35	\$0.40
Health	No	No	No	No	No	No	No	Yes
Pension	No	No	No	No	No	No	No	No
	-	-	-	-	-	-	-	-
Area 4								
Start	-	\$4.45	\$4.45	\$4.45	\$4.75	\$5.15	\$5.65	\$6.15
Minimum	-	\$4.45	\$4.45	\$4.75	\$5.15	\$5.65	\$6.15	\$6.80
Increase	\$0.00	\$0.20	\$0.00	\$0.30	\$0.40	\$0.50	\$0.50	\$0.65
Health	No	No	No	No	No	No	No	Yes
Pension	No	No	No	No	No	No	No	No
Area 5								
Start	-	\$4.50	\$4.50	\$4.50	\$4.65	\$4.90	\$5.20	\$5.20
Minimum	-	\$4.50	\$4.75	\$4.75	\$5.00	\$5.30	\$5.65	\$5.65
Increase	\$0.00	\$0.25	\$0.25	\$0.00	\$0.25	\$0.30	\$0.35	\$0.00
Health	No	No	No	No	No	No	No	No
Pension	No	No	No	No	No	No	No	No

Table 1: Wages and Wage Adjustments Specified in 1995-2000 Maintenance Contractors Agreement: Cleaners

Note 1: LT Area 1 = Health plan but less generous than Area 1

Note 2: Pension: Minimum of \$.10 or continuation of contributions of \$.33 or \$.35.

Note 3: Increase refers to existing employee receiving at or above minimum.

Table 2. Wages and	Wage Adjustments S	Specified in 2000-2003 Maintena	nce Contractors Agreement: Cleaners
Table 2. Wages and	wage Aujustinents	specificu in 2000-2005 Maintena	ice contractors Agreement. Cleaners

	4/1/00	5/1/00	10/1/00	4/1/01	4/1/02
Area 1					
Start	\$7.20	\$7.90			
Minimum	\$7.20	\$7.90	\$7.90	\$8.50	\$9.10
Increase	\$0.00	\$0.70	\$0.00	\$0.60	\$0.60
Health	Yes	Yes	Yes	Yes	Yes
Pension	Yes	Yes	Yes	Yes	Yes
Area 2					
Start	\$6.30	\$6.30	\$6.90		
Minimum	\$6.80	\$6.80	\$7.20	\$7.80	\$8.40
Increase	\$0.00	\$0.00	\$0.40	\$0.60	\$0.60
Health	Yes	Yes	Yes	Yes	Yes
Pension	No	No	No	No	No
Area 3					
Start	\$5.20	\$6.10			
Minimum	\$5.65	\$6.10	\$6.10	\$6.30	\$6.50
Increase	\$0.00	\$0.45	\$0.00	\$0.20	\$0.20
Health	No	No	No	No	No
Pension	No	No	No	No	No

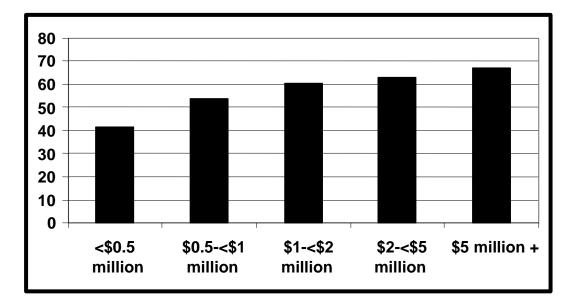


Figure 1: Direct Labor Costs as Percent of Annual Sales Volume, 1998

Source: Building Service Contractors Association International, 1998

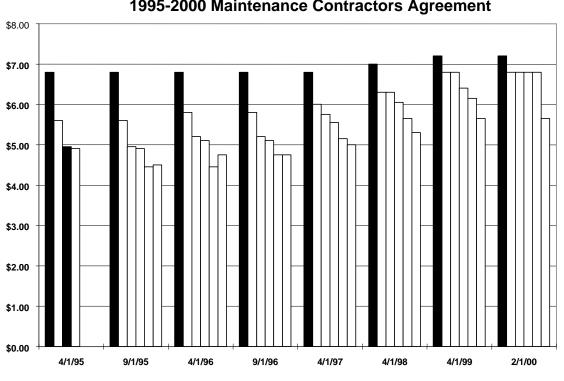
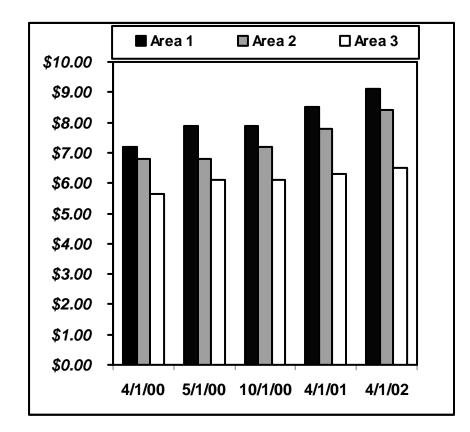
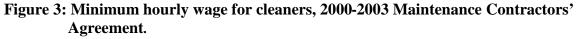


Figure 2: Minimum Hourly Wage for Cleaners: 1995-2000 Maintenance Contractors Agreement

Note: Bars from left to right refer to Areas 1, 2, 2A, 3, 4, and 5. No minimums were specified for Areas 4 and 5 until 9/1/95.

- Area 1 = Downtown L.A., Century City
- Area 2 = Wilshire Corridor, Beverly Hills, LAX, Westwood
- Area 2A = Santa Monica, Culver City
- Area 3 = Pasadena, Hollywood, Long Beach, Glendale/Burbank, South Bay, Commerce
- Area 4 = Studio City/Sherman Oaks, Woodland Hills/West Valley
- Area 5 = Other areas of L.A. County





Note 1: Area definitions changed after the 1995-2000 contract:

Area 1: Downtown LA and Century City
Area 2: Wilshire Corridor, Beverly Hills, LAX, Westwood, Westside Area,
 Pasadena, Hollywood, Long Beach, Glendale/Burbank, South Bay,
 City of Commerce, Studio City/Sherman Oaks, Woodland Hills/West
 Valley.
Area 3: Greater Los Angeles County

Note 2: Start rates for 4/1/00 are from the 1995-2000 contract.