

L A B O R

Slaves of New York

*Giuliani's
acclaimed
workfare
program
replaces union
labor with a
new underclass
of welfare
recipients.*

By Annette Fuentes

In 1995, New York Mayor Rudolph Giuliani launched the country's largest, most ambitious workfare program, designed to move thousands of adult welfare recipients into low-skilled jobs in exchange for their weekly checks. Called the Work Experience Program (WEP), it has injected a total of 100,000 workers into virtually every corner of the municipal labor force over the last two years. Riding the crest of anti-welfare sentiment, Giuliani has garnered accolades aplenty for WEP from the usual suspects. *Newsweek* put Giuliani on the cover of its November 11 issue, heralding him as "the most hated, successful mayor in America" because "crime has plummeted, workfare is working."

But WEP is not just a New York story. National attention is fixed on the Big Apple and its workfare scheme as other cities and

states begin to reshape their welfare systems in response to the new federal mandates. Yet despite glowing reviews, the real story of WEP is of hardship, exploitation and unfair labor practices that are roiling unions to their core. "There are other states monitoring us as a role model," says WEP worker Sandra White. "I want to let them know: It's bad. It's not working at all."

A limited form of WEP started during the Dinkins administration, but it took Giuliani to dramatically expand its scope. Thousands of adults between the ages of 18 and 60 who receive public assistance have been forced to "work off" their checks by doing public sector jobs, from street cleaning to tree pruning to clerking in a welfare office. Single parents with kids over 3 years old receive lists of child-care centers (usually full) and are pressed into WEP service. Some 5,000 welfare recipients studying at city universities have been forced to quit school to fulfill WEP assignments, and as many as 10,000 single mothers now at city colleges will be forced

out by WEP by the end of this year, according to the City University of New York's own calculations. Although the WEP law requires that participants be assessed for skills and placed in jobs that provide training that will lead to real work, it rarely happens. The law also gives people the option of education over work, but that provision, too, is routinely violated.

While the ostensible purpose of WEP is to force people on welfare to "give back" something to the city, the unstated and undeniable effect of WEP is to break the back of labor unions. Viewed together with Giuliani's drive to privatize public services, the WEP program is a frontal assault on the most basic tenets of unionism: equal pay for equal work, a safe working environment, and the right to organize.

WEP creates a pool of contingent workers, doing the same work as city employees and often working shoulder to shoulder with them, but for a fraction of their pay. With no sick leave, no vacations, no pensions or other benefits, WEP workers are a constant and not-so-subtle threat by management to workplace standards. "WEP workers are asked to work in conditions that unionized employees negotiated to avoid," says Ed Ott, political director of Communications Workers of America (CWA) Local 1180. For example, WEP workers doing street cleaning get no gloves or uniforms or footwear, and have no locker facilities to change clothing so they must go home wearing whatever filth the day brings. In the parks, WEP workers are forced to climb higher than union contracts allow in pruning trees.

How New York's unions approach the workfare issue could determine the face of organized labor for years to come. Is workfare an unmitigated threat that can only weaken unions, or a golden opportunity to bolster their

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diminishing ranks by organizing the most vulnerable and exploited members of society?

“What the unions have done is take a hear-no-evil, see-no-evil approach to workfare,” says Stanley Aronowitz, professor of sociology at the CUNY Graduate Center. “It is in their interest to oppose the creation of any job in this city that doesn’t pay a decent wage. The second line of defense is to organize WEP workers.”

But that hasn’t happened. With some exceptions, public sector unions have mostly watched with fear and loathing as WEP workers have begun to fill slots once occupied by their civil-service colleagues. Unions representing workers in private sector jobs, meanwhile, have shown little interest in workfare even though under the new national welfare reform, any state can apply for a waiver to use workfare participants in the private sector. In Alabama, says Ott, some 300 workfare participants are employed in a BMW plant.

WEP workers themselves perhaps hold the key. No matter how the unions or the government see them, if they begin to forge an identity as a class of workers, they could become a force to be reckoned with. Since last summer, WEP Workers Together (WWT), an organization of and for workfare participants, has been agitating and advocating for this growing second-class working class.

“We need our own union,” says White, a WWT member. A bank employee for seven years, White, 39, found herself downsized and on welfare when her unemployment

insurance benefits ran out this summer. Assigned to street cleaning, White endures dangerous and unsanitary conditions—and the contempt of regular sanitation employees. The orange safety vests that WEP workers wear are stored in garbage cans, and if they bring a bag lunch it gets tied to the cans’ handles for storage. But worst of all, White says, is the “bathroom problem.” “I have to go from business to business looking for a toilet,” she says. At the sanitation depot in Brooklyn where they meet before being driven by van to work sites, union workers wrote on the bathroom door, “No WEP workers.”

Currently 35,000 WEP workers put in a minimum of 20 hours weekly in virtually every city agency, most doing manual labor. About 6,000, the largest group, are deployed in city parks and deserve the credit Giuliani has claimed for parks being their cleanest in years. Sanitation claims a fifth of all WEP workers, who sweep the gutters of busy commercial strips. Another 4,600 work for the city’s own welfare agency, the Human Resources Administration, doing maintenance and some clerical work. Public hospitals have 1,000 WEP workers, primarily in housekeeping and dietary jobs.

The other side of the WEP equation—the side Giuliani downplays—is the 22,000 public sector jobs lost through a massive buyout and early retirement program the mayor offered two years ago. The correlation between lost union jobs and the growth in WEP should be obvious to even the casual observer. Hospital Workers Local 420 lost 2,000

Corporate welfare big time

Welfare reform will bring hardship and suffering to all those it touches with one big exception: the data systems companies that score juicy state contracts to process welfare claims.

The social service sector, whose centralized bureaucracies are often seen as inefficient and wasteful, are a ripe target for privatization. Welfare reform, with its emphasis on cost cutting, is spurring many states to farm out the administration of a range of public assistance programs. Wisconsin, Florida and Texas all are experimenting with privatization, with the Lone Star State leading the way with a far-reaching plan to turn its \$8 billion welfare program over to private hands. The prize for the winning bidder is a potential \$2 billion payoff over five years for operating an electronic screening system to determine welfare-applicant eligibility.

In November, Texas opened the bidding on the welfare-administration contract and snared three contenders, including Unisys and Lockheed Martin. With Gerald Miller, a government official who helped draw up the federal welfare reform, now on Lockheed's lobbying team for the Texas contract, the defense contractor giant seems to have the inside track. Although better known for its fighter planes, Lockheed Martin considers welfare services a major growth industry and already has contracts in 30 states to provide some type of public assistance processing. Nationwide, Lockheed processes 10 percent of all child-support payments.

But whichever company wins the bidding in Texas, the sure losers are going to be public service employees who currently process public assistance benefits. As part of its privatization scheme, the state aims to save costs by shutting offices and trimming up to 40 percent of employees now administering welfare benefits. According to the Texas State Employees Union, a CWA local, 17,000 state jobs could be wiped out. —A.F.

members to the buyouts. The parks department lost 2,400 full-time union jobs. American Federation of State, County and Municipal Employees (AFSCME) local District Council 37, the largest municipal union, lost a total of 11,000 members, according to its president, Stanley Hill.

For Giuliani, the math of WEP workers in city jobs is irresistible. According to Ken Peres, research director for District 1 of CWA, the average clerical worker's salary (not including benefits) costs the city \$12.32 per hour. A WEP worker, meanwhile, costs the city just \$1.80 per hour for a 20-hour workweek. (That's based on a \$577 monthly welfare benefit, one-quarter of which is paid by the city, one-quarter by the state, and half by the federal government.) With cuts in welfare benefits proposed by Gov. George Pataki and the jump to a 30-hour workweek, the cost to the city will be 53 cents per hour for a WEP worker.

Bargain labor doesn't begin to describe it. "It's union busting by management," says Jim Butler, Local 420 president. "It's inhumane. But my position is we can't stop them from coming into the jobs." Then again, Hill and Butler, whose local is under the District Council 37 umbrella, haven't really tried to stop workfare—or to organize WEP workers. Hill, arguably the labor leader with the most clout in the city, has a fairly cozy relationship with City Hall. He negotiated a contract for his 140,000 members that many considered a sell-out; it has a no-layoff provision that the

city can renegotiate any time it chooses. He is loathe to criticize the mayor on WEP even as he acknowledges that the city is violating District Council 37 contracts continually by using WEP workers in civil service jobs.

"We've been able to work with the mayor to create a workfare committee to address our concerns," says Hill. His agenda is to press the city to hire WEP workers into union jobs with full pay and benefits. His achievements to date: 63 WEP workers hired in the public hospitals, and a promise of no displacement for public school maintenance employees and of possible jobs for WEP workers in the school system.

"Hill has taken a position that gives up on a basic principle of trade unionism: Labor cannot be in competition with itself," says Aronowitz. "It's a mistake in judgment to think you can put your finger in the dike, and it will hold forever. A large number of Hill's members will leave the union through attrition, and they will be replaced by the workfare workforce."

Willie James, president of the 31,000-member Transport Workers Union Local 100, has come in for more scathing criticism. He negotiated a controversial contract that flings the door wide open for

WEP to enter the subway and bus systems. With the city threatening 2,000 layoffs, the contract was approved by his members in October by a bare 5 percent margin—with half the members not voting. In exchange for a no-layoff guarantee, James agreed to give up 600 cleaning jobs through attrition and to allow thousands of WEP workers to do the jobs. Numerous attempts to reach James for comment were unsuccessful, but in an October 23 *New York Times* article about the contract, James said, "Under the circumstances, I think we did well."

Not according to New Directions, a powerful dissident faction within Local 100 that vehemently opposed the contract. "We believe it's the wrong thing for a union to agree to downsize itself and bring in a contingent work force," says Tim Schermerhorn, a train operator and New Directions officer. "At bottom it's ideological. You either think unions have to help managers balance their budgets or you enter into a long-term fight. Willie James brags that this agreement is the product of cooperation. That's nothing to brag about."

The new contract has other provisions relating to WEP workers that bode ill for worker solidarity. One is that WEP workers will not be commingled with regular Transit Authority workers. The other gives a \$1.70 per hour raise to any union employee who must supervise WEP workers—"a buyoff to set up some union workers as straw bosses, making money off the backs of welfare

workers," as Aronowitz puts it. Although the new contract is in effect, the mayor's office is still negotiating with the Transit Authority over how many WEP workers the agency will use.

New Directions members are unequivocal in denouncing WEP but have a less clearly articulated position on WEP workers. Their main approach has been a defensive one. "In terms of organizing with these people," says Schermerhorn, "we have that desire but we don't know how the program is going to look when it's instituted." Ultimately, he would like WEP workers to be hired in union jobs with full pay and benefits.

The most progressive stance on WEP comes from the public union least affected so far by the program: CWA Local 1180, which represents white-collar city workers. Local 1180 lost 1,700 workers through the buy-out program, but few WEP workers are qualified for the administrative jobs the union represents. Nonetheless, Local 1180 staff have been backing the efforts of WEP workers to organize themselves, taking a clear stand that they are "working-class people," while also condemning workfare as compulsory labor.

For its aggressive positions on workfare and other issues, Local 1180 has been shunned by Hill and his locals. Nonetheless, Local 1180 initiated a workfare committee on the Municipal Labor Coalition, a citywide organization of all the public employee unions, where it has raised health and safety issues for WEP workers. "We have to come up

with a plan that doesn't undermine standards union workers have fought to gain," says Ott.

Perhaps the greatest scam of WEP, says Ott, is that it's supposed to prepare people for real jobs with real wages and benefits. Yet WEP can't remove the barriers to employment that kept people on public assistance in the first place, like the lack of affordable child care for women and adequate training. "This is a huge piece of the working class that is being brought into the mainstream," says Ott. "Organized labor has a great opportunity to organize them. Whether WEP workers organize independently or with us remains to be seen."

WEP workers certainly are not waiting around for the labor movement to decide whether to embrace them. WEP Workers Together, under the auspices of the Urban Justice Center, an advocacy group, has been pressuring the city to enforce health and safety standards for WEP workers, and to create job training programs and real jobs. They have begun to file complaints with the state Public Employee Safety and Health agency.

"Labor organizes the unorganized or it dies," says Aronowitz. "WEP workers are going to organize with the support of 1180. It will either embarrass and shame District Council 37 and Local 100, or it will cause major conflict among the unions."

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THE BIG PICTURE

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CITIES

Divorce, California-style

“**T**

here it is, take it.”

So urged engineer William Mulholland in 1913 at the ribbon-cutting ceremony for the Owens Valley aqueduct, the first large-scale project to bring water to Los Angeles from its California hinterland. Though Mulholland was talking about the water flowing from the new aqueduct, he could just as easily have been referring to the San Fernando Valley, a swath of more than 200 square miles of dusty orchards, farms and empty land that lay just north of Los Angeles across the Santa Monica Mountains.

As Jake Gittes unwittingly discovers in *Chinatown*, the Owens Valley aqueduct was the product of a great land swindle. In the early part of this century, a powerful syndicate bought up much of the San Fernando Valley, then mostly agricultural land, at bargain prices. It then approached the water

board of the City of Los Angeles—on which one of the members of the syndicate, M.E. Sherman, sat—and proposed building a monumental aqueduct from the water-rich Owens Valley to arid Los Angeles. The proposal was put before the voters of Los Angeles (which at the time did not include the San Fernando Valley), who passed a \$25 million bond measure to pay for it. After the aqueduct was built, the syndicate sold their holdings, reaping an estimated profit of \$10 million.

In the same year as Mulholland's famous speech, the Municipal Annexation Commission made it policy that Los Angeles would supply water and power to an outlying area only if it agreed to be annexed to the city. Because Los Angeles controlled the Owens Valley aqueduct, many unincorporated areas voted for annexation after the aqueduct opened. Among these was the arid San Fernando Valley, which agreed to be annexed to the City of Los Angeles in 1915, more than doubling the city's size.

But today, Valley homeowners are seeking to annul this shotgun wedding. The San Fernando Valley secession movement suggests a Big Bang theory for cities. In the early part of this century, Los Angeles, like many urban centers, rapidly expanded, finally stabilizing at about 450 square miles. Now, the city may be on the verge of a dramatic implosion as communities like the San Fernando Valley, San Pedro, Venice, the Westside, and Westchester threaten to splinter off and leave behind a mostly poor, non-white and revenue-strapped Los Angeles.

This implosion, if it happens, will be driven by a long-standing frustration with a stubbornly aloof and unresponsive municipal government. But it will also be driven by a view of cities that has become increasingly popular: that they are not interdependent, interlocking communities, but rather public-sector shopping malls where people ought to get what they pay for. The share of city services an area receives, the argument goes, should correspond to the share of taxes it pays in.

The marriage between the Valley and the city was always an uneasy one. As farms and fruit trees were plowed under to build tract homes and strip malls, the Valley changed from a mostly rural citrus producer to a residential and commercial area. Residents and businesses in the Valley required the same extensive government services as suburban areas everywhere: a fire department, police, sewers, street maintenance and the like. The growing need for government services was coupled in the '70s with a period of high inflation that dramatically drove up house values—and property taxes. As their taxes ballooned, Valley residents began expecting more and more from City Hall. As expectations outstripped city services, Valley frustration mounted.

Growing out of this frustration was the Committee to

The threatened secession of the San Fernando Valley would leave behind a mostly poor, non-white and cash-strapped Los Angeles.

By Mark Purcell