

Los Angeles labor federation calls for minimum wage exemption for unionized workplaces

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After spearheading the “Raise the Wage” and “Fight for \$15” campaigns in Los Angeles, unions are now calling for exemptions from the new minimum wage draft law for employers that agree to unionize their workplaces and deduct dues money from workers’ paychecks.

The Los Angeles City Council on May 19 voted for the drafting of a proposal to raise the minimum wage. A new law is expected to be finalized later this month.

Before the ink on the draft was dry, Rusty Hicks, Executive Secretary-Treasurer of the Los Angeles County Federation of Labor (AFL-CIO) made a direct appeal for a waiver that would allow companies to hire unionized workers at a lower wage than the mandated one.

“With a collective bargaining agreement, a business owner and the employees negotiate an agreement that works for them both. The agreement allows each party to prioritize what is important to them,” Hicks said a week after the City Council vote. “This provision gives the parties the option, the freedom, to negotiate that agreement. And that is a good thing.”

The fact that Hicks cynically presents the imposition of sub-minimum wages as some sort of democratic freedom only underscores what the trade union apparatus means by “collective bargaining rights.” Far from speaking for the “employees,” the unions bargain to protect the business interests of the executives who run them—at the direct expense of the workers they falsely claim to represent.

In the aftermath of the council vote, Hicks declared, “We are one step closer to making history in Los Angeles by adopting a comprehensive minimum wage policy that will change the lives of hundreds of thousands of hard-working Angelenos. The City Council’s action today creates a path for workers to succeed and gives our economy the boost it needs to grow.”

In fact, the proposed ordinance will not bring wages up

to \$15 an hour until 2020 and includes many loopholes for small businesses, tipped employees and others. Even with the increase, moreover, a worker would earn an annual wage that is barely above the official poverty threshold for a family of four, and this in one of the most expensive cities in the world.

The “path to success” is reserved for the trade union bureaucrats like Hicks who see the possibility of an influx of tens of thousands of new dues-paying members. The benefits of being a “union member,” however, will be to earn less than the minimum wage!

This is a damning exposure of the trade unions, which have functioned for more than three decades as direct instruments of the corporations and the government, overseeing a relentless erosion of living standards and working conditions in the name of making American big business more profitable and competitive.

Facing an increasing number of states that have adopted Republican “Right-to-Work” laws, which make union membership and dues payment optional in unionized workplaces, the “growth strategy” of the AFL-CIO is to demonstrate their value to employers as the enforcer of speedups, labor discipline and poverty wages.

In this they have received the support of a significant section of the Democratic Party establishment, which sees the utility of the unions in suppressing opposition to further wage cutting and austerity. The International Socialist Organization, Socialist Alternative and other pseudo-left groups have also championed the Fight for \$15 campaign in an effort to revive the credibility of the trade unions.

In city after city, minimum wage laws have included union exemptions. The pro-business US Chamber of Commerce published an extraordinary report last year, “Labor’s Minimum Wage Exemptions: Unions as the

‘Low-Cost’ Options” which provided details about many of these ordinances.

The so-called “escape clause,” the document says, “is often designed to encourage unionization by making a labor union the potential ‘low-cost’ alternative to new wage mandates, and it raises serious questions about whom these minimum wage laws are actually intended to benefit.”

Adopting a cautionary tone, the Chamber of Commerce complains that these campaigns are essentially Trojan Horses for unions to gain a foothold among employers, and warns “the business community, the media, and the public to more closely examine the content of proposed minimum wage laws and the true impetus behind their passage,” as “it would be wise to read the fine prints.”

There are numerous examples of such waivers.

In Los Angeles, the hotel union, UNITE HERE Local 11, was able to increase its membership more than 50 percent between 2007 and 2013, thanks to a waiver the city included in a minimum wage increase for hotel workers. Proportionally, Local 11’s revenue jumped almost 70 percent. Last year’s hotels contract also included a similar waiver clause, in fact a confirmation of it from previous agreements and ordinances.

San Francisco—the most expensive city in California—provides a similar case. In 2003, collective bargaining waiver language was approved by the city. Consequently, UNITE HERE Local 2 saw membership grow from 8,000 to 14,000 in the following 10 years.

Last November, the Minimum Wage Act of 2014, a ballot initiative sponsored by the Service Employees International Union (SEIU) Local 1021, raised the rate to \$15 for all employers by 2018. The waiver language was left in place, giving businesses a way to opt out, provided they unionize their workplaces.

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The list in California is long: in Long Beach, Measure N, a living wage ballot measure was passed in November 2012 pertaining to hotel workers. The measure contained not only a waiver on minimum wage, but also on other living cost increases and paid sick leave.

In Oakland a minimum wage ballot initiative passed in 2014, which includes a waiver on any and all terms of the measure. Likewise, San Jose also approved its own minimum wage ballot measure in 2012, which contains a union escape clause. In Richmond similar ordinances were passed, including last year, all of which contained union-sponsored exemptions.

California is not an exception. In 2014, Milwaukee County adopted a minimum wage ordinance after a county board overrode County Executive Chris Abele’s veto. Abele’s statement correctly pointed to the collusion and partnership between unions and employers, saying, “This means that an employer would not have to actually pay this higher wage to its employees, if that employer collects union member fees from its employees.”

Last December, Chicago also passed a measure increasing the minimum wage to \$13 by 2019. The ordinance clearly states, “[A] union may waive its members’ rights to collect the minimum wage as part of a collective bargaining agreement.”

The case of SeaTac, a suburb of Seattle, Washington, is most instructive. Proposition 1 was passed in 2013 to increase wages for hospitality and transportation workers. The measure at the time established the highest minimum wage—\$15 per hour—in the US. Despite a judge striking down parts of the law, the union escape clause provided bosses an opt-out, which negates the wage increase and various benefits, from paid sick leave to hiring preferences.

A group called “Working Washington,” a front for the SEIU, worked hard toward the implementation of Prop 1. They were also behind the recent minimum wage hike voted by Seattle’s City Council. This is the same union that supports, and is supported by, councilmember Kshama Sawant of Socialist Alternative.

Last November, during a protest in support of Proposition 1 against the legal hurdles it has encountered, Sawant openly expressed her support for the SeaTac waiver contract and singled it out as the basis for future similar agreements, “It was the courage of SeaTac workers and their victory at the ballot that made \$15/hour possible in Seattle.”

After decades of betrayals, the unions are incapable of boosting membership through appeal to workers. Instead, with the backing of a host of pseudo-left supporters, the minimum wage ploy is being used to entice employers to install unions in their workplaces and funnel money from workers’ already meager paychecks into the bank accounts of the union executives.



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