

Unions Forge Secret Pacts With Major Employers

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Two of the nation's largest labor unions have struck confidential agreements with large employers that give the companies the right to designate which of their locations, and how many workers, the unions can seek to organize.

The agreements are raising questions about union transparency and workers' rights. A summary document put together by the unions says it is critical to the success of the partnership "that we honor the confidentiality and not publicly disclose the existence of these agreements." That includes not disclosing them to union members.

The agreements involve workers who provide food, laundry and housekeeping services on an outsourced basis. The employers are **Sodexo** Inc. and the Compass Group USA unit of London-based Compass Group PLC. The unions are the 1.7 million-member Service Employees International Union, or SEIU, and Unite Here. The unions say they negotiated a similar agreement with **Aramark** Corp. but that Aramark broke the deal last year, and they're trying to reach a new one. An Aramark spokesman declined to comment on that.

The unions defend the agreements and their secrecy, saying they've helped workers join unions in growing industries at a time of declining union membership in many sectors. Last year, 7.5% of private-sector workers belonged to unions, compared with 17% 25 years ago. The agreements have "resulted in tens of thousands of workers getting unions" and been a major advance for the labor movement, said the president of Unite Here, Bruce Raynor.

He defended keeping them confidential, saying the companies involved insisted on that for competitive reasons.

The agreements go a step beyond what are called neutrality agreements. Those agreements give unions the ability to organize workers free of employer opposition. Unions often seek these in conjunction with an agreement to organize workers via card-signing -- a speedier alternative to secret-ballot elections, which can drag on and trigger counter-campaigns by employers. Companies often agree to neutrality after unions bring pressure on the employers from investors, local politicians and community leaders.

Labor experts said agreements such as those the SEIU and Unite Here reached open a window on a big debate within organized labor: what kind of tradeoffs to make when forging neutrality deals, and whether to let union members know of the tradeoffs.

The SEIU's president, Andy Stern, said the unions sought the agreements after realizing that traditional organizing campaigns at individual sites were proving ineffective. "The old ways aren't working, and we're trying to find different relationships with employers that guarantee workers a voice," he said. He dismissed the idea that the new agreements are undemocratic. "These workers have no unions; that's where we start from," he said.

In 2005, the SEIU and Unite Here created a partnership to represent workers that provide food and housekeeping services. Then they approached the companies individually. Since 2005, the unions have organized about 15,000 workers at Aramark, Compass and Sodexo, which collectively employ more than 300,000 people in North America, according to an SEIU spokeswoman.



A key question in the agreements is determining at which sites a union can organize. Unite Here's Mr. Raynor said specific sites where unions can organize are selected jointly by the companies and the unions.

The agreements reached with Sodexo and Compass in 2005 give the companies "the right to designate the sites" where unions may try to organize workers, according to a confidential summary of the agreements reviewed by the Wall Street Journal. The companies wouldn't comment on how locations were selected for organizing.

The agreements, which expire at the end of 2008, stipulate the number of employees that the unions can try to organize: 11,000 Sodexo workers and 20,000 Compass workers.

The Right to Strike

The unions gave up the right to strike and to post derogatory language about the companies on bulletin boards. With Compass, the unions agreed to these restrictions "anywhere in the world." In exchange, the companies agree not to oppose union organizing at the designated locations.

But limits are also set. "Local unions are not free to engage in organizing activities at any Compass or Sodexo locations unless the sites have been designated," says the confidential summary.

Mr. Stern said that if workers wanted to join a union at a location the companies had ruled out, having these agreements would enable a union to negotiate on the matter. "If workers want a union we can discuss that," he said. "Trust me, a lot more workers are coming in than being excluded by the agreement."

The companies said they reached the agreements because they support their employees' right to unionize. A spokeswoman for Compass, Cheryl Queen, said the agreement "protects the interest of both our associates and our clients, while allowing us to develop positive relationships with those trade unions." A Sodexo spokeswoman, Jaya Bohlmann, said, "We pride ourselves on having a very open dialogue with the union and their representatives."

The SEIU has added more members in recent years than any other labor union. But resentment against Mr. Stern has been building among some in the union, who see him as too close to management and too insistent on centralizing power.

Some argue that the SEIU is adding new members at the expense of current ones. "We really believe that Stern and the international are putting growth in numbers ahead of any other consideration of what a union means in the lives of working people," said Zev Kvitky, president of a small SEIU local that represents food-service and custodial workers at Stanford University. Mr. Stern, rejecting the criticism, said the union actually is becoming less centralized.

'Not Widespread'

Labor experts said it was highly unusual for unions to give employers the ability to choose which employees a union can try to organize. "That's not widespread," said Robert Bruno, associate professor of labor relations at the University of Illinois at Chicago. "When you agree to these kinds of conditions the question is what is lost and what is gained?"

The agreements enable the unions to organize workers through a simple card-signing process in which the companies agree to remain neutral, rather than a secret-ballot election. The companies agree to provide the unions with lists of employees and access to workers. The unions give up the ability to strike and agree that they will present issues before a labor-management committee before engaging in leafleting or rallies.