

Building Power in the New Economy: The South Bay Labor Council

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Until the late 1990s, public discourse in Silicon Valley was dominated by a potent myth—that technological innovation and meteoric economic growth had generated universal affluence for the valley’s residents. The work of the regional economy was exclusively identified with entrepreneurs and highly paid elite workers like computer programmers, engineers and scientists. In contrast, the needs and struggles of the low wage working class—e.g., electronics assemblers, janitors, day laborers, child care providers, retail clerks, restaurant workers—were a mere afterthought. In this climate, local and regional governance was geared to serve businesses and the affluent professional-managerial middle class. While elected officials in more liberal jurisdictions might be inclined to consider the needs of poor or working class residents, they were not held accountable to them as an organized constituency.

Over the past decade, however, the South Bay AFL-CIO Labor Council has been remarkably successful in making visible the needs of working families and building labor-friendly governing regimes. Headquartered in San Jose, California, the Council has pursued a strategic approach to power building that is grounded in an explicit analysis of the “New Economy” and the obstacles it poses for organized labor. Importantly, this power-building approach is tied to the formation of a broad-based working class agenda that reaches beyond the confines of traditional trade unionism to embrace the needs of the largely immigrant, minority-dominated ranks of low-wage workers and their communities.

Drawing on interviews with labor and community leaders in Silicon Valley, this paper outlines the work of the South Bay Labor Council and its nonprofit arm, Working Partnerships USA, as one model for labor’s efforts to reinvigorate itself.

Together, the two organizations have employed a “three-legged stool” strategy—policy research and advocacy, community coalition building, and an aggressive political program—to advance a working families political agenda in the region. In this article, we describe how each of these components was implemented, identify their successes and challenges, and summarize major lessons. One key lesson is that the high level of integration between the South Bay Labor Council’s political program and policy reform agenda has sharpened the effectiveness of both. In addition, strategic coalition building has secured broader legitimacy not only for particular policy reform efforts, but also more broadly for the Labor Council’s bid to become a major political force on behalf of working families in the region. Finally, institutionalized leadership building has helped to build a sustained movement by developing expertise and ties among labor, community and elected leaders.

The next two sections establish the basic background and context. Section One provides a brief description of the South Bay Labor Council. Section Two locates the Labor Council’s activities within the specific geographical context of Silicon Valley, highlighting the diversity and growth of the region as well as the historically moderate-liberal and managerial character of the local power structure. Section Three lays out the escalating series of local legislative and electoral victories that have underpinned the regional power building efforts of the South Bay Labor Council and Working Partnerships USA. Section Four, “Building Power: What’s Key?”, draws out several key facets of these power-building activities, exploring the successes and challenges faced in each. These include community coalition-building, electoral mobilization work, shifting the public debate, leadership development, organizing, and relationships among affiliate unions. The concluding sections

pull out major lessons from the South Bay experience.

About the South Bay Labor Council

Brief History

The South Bay AFL-CIO Labor Council was chartered in 1958. Its national reputation as a progressive Council grew out of the presence of former United Farm Workers organizers, its passage of resolutions opposing U.S. military intervention and labor repression abroad, and other public activism. But it also had a strong conservative element, personified by longtime Building and Construction Trades Council head John Neece, who had grown up in San Jose and developed life-long personal relationships with leaders of the business community. The San Jose Council was split into factions by the mid 1980s, preventing the development of any kind of unified political program. In 1985 Rick Sawyer was recruited to fill the post of Executive Director. He professionalized Council operations, forged a stronger affiliate consensus on political activity and—with the Hotel Employees and Restaurant Employees Union (HERE) local—ensured that new downtown hotels in San Jose became unionized.

Sawyer hired Amy Dean as Political Director in 1991 and left to work for the Clinton Administration in late 1993. Dean, who is credited with initiating the new, aggressive Labor Council political program, was appointed Chief Executive Officer of the Council in 1994. The following year she founded Working Partnerships USA, a nonprofit 501(c)(3) organization dedicated to policy research, advocacy and community coalition building.

Affiliates

The South Bay Labor Council has 112 affiliates representing 110,000 union members.¹ Thirty-five percent of the membership works in the public sector. For the most part, the demographics of the labor movement reflect the diversity of the overall population. The largest

affiliates are SEIU 715 (city and county government and university employees) whose membership totals approximately 25,000 and the building trades unions under the umbrella of the Building Trades Council whose membership fluctuates between twenty and thirty thousand members depending on the business cycle. UFCW represents close to 10,000 workers, HERE approximately 5,000 and AFSCME, about 6,000. Over the past ten years, overall union density has fallen from about 15% to about 11% (the lowest of the five Bay Area counties), reflecting the decline in traditional manufacturing, the ailing economy, and the growth of non-union jobs in the high tech and service industries. Union density has increased in health care and in the hospitality industry and held steady in construction and public employment.

Staffing, Leadership and Resources

Under Dean's leadership, the Labor Council staff grew from two to eight by 2003; Working Partnerships developed a staff of twenty over the same period. Working Partnership's revenues, which draw largely on foundation funding, exceeded \$2 million in 2002.

Elected in July 2003 after Dean stepped down, Phaedra Ellis-Lamkins is the current CEO of the Labor Council. Groomed for leadership by Dean since her hiring as a Union Summer intern, Ellis-Lamkins has continued to build on the programs pioneered by her predecessor.

Currently, the South Bay Labor Council's twenty-three member Executive Board is predominantly male and Caucasian. Four of the officers are female (including the President, First Vice President, and Recording Secretary), and four are people of color. In contrast, the "face" of the Labor Council is Ellis-Lamkins, who is twenty-eight years old and African-American and Jewish. In addition, the Labor Council (including Working Partnerships) has a diverse staff, many of whom are young, female and/or people of color.

Background

Regional Demographic and Economic Profile

The South Bay Labor Council represents unions in Santa Clara and San Benito Counties in California. Located south of San Francisco Bay, their combined population is approximately 1.8 million; 1.7 million reside in Santa Clara County, the fifth most populated county in the state. San Jose, the largest city in the nine-county Bay Area, has a population of 925,000. As in many parts of the state the population of the two counties is more than half people of color, many of them immigrants. In Santa Clara County, non-Hispanic whites make up 44% of the population; Asians (representing highly diverse origins from East, Southeast and South Asia) make up the largest non-white group with just over 25% of the population; Latinos (primarily Mexican American or *Mexicano*) follow closely with 24%; African-Americans make up just 2.5%.² Rural San Benito County has a somewhat different profile, with Latinos making up a plurality at over 48% of the population, whites almost 46%, and a very small percentage of Asians (less than 2%) and Blacks (less than 1%).³ Like much of the Bay Area, the population of Santa Clara County has grown rapidly since World War II, and this is expected to continue well into the twenty-first century. San Benito County has grown rapidly in the last decade from the eastward extension of Silicon Valley's commute orbit into the Central Valley.

The urbanized portion of Santa Clara County comprises the core of the high tech industrial region known as the Silicon Valley, which has colonized adjacent parts of several other Bay Area counties. The northwestern part of the county hosts a dense concentration of electronics and computer companies. The spatial division of labor within this area moves from North to South, from the research and development plants and venture capital offices of Menlo Park (in southern San Mateo County) and Palo Alto to manufacturing centers in Mountain View (where aerospace is particularly strong), Sunnyvale, and northern San Jose to the south⁴, with software and

internet operations interspersed across the region. Manufacturing is the largest industry in the county, providing more than 22% of all employment; electronics manufacturing alone (including electronic equipment, computer and office equipment, and instruments) provides almost 19% of total wage and salary employment.⁵ Santa Clara County's professional and business services industries make up almost 19% of all employment. Combining electronics and aerospace manufacturing and information services, the high tech sector accounts for over a quarter of total employment. Jobs in trade, transportation and utilities make up⁶ 15% of employment, while government provides 11%. Government and trade/transportation employment are the largest components of San Benito County's workforce, though agriculture retains close to 16% of the total.⁷

Beginning in 2001, the economy of the area plunged into recession, and unemployment rates grew rapidly to a high of over 8% in Santa Clara County and over 10% in San Benito County in 2003. Much of the job loss was in both traditional and high tech manufacturing, and the losses have begun to be felt in public employment as well.⁸

The local power structure

The South Bay Labor Council's electoral and policy campaigns have focused heavily on the City of San Jose because of its size, access to resources and historically moderate-liberal governing coalition. San Jose's current political structure was established in the early 1970s, when a white middle class voter revolt led by feminists and environmentalists displaced the city's longstanding growth machine (an alliance between City Hall and real estate developers). The new regime prioritized growth management, fiscal solvency, and neighborhood services. A few years later, Black and Mexican-American residents successfully mobilized to change the City Council from at-large representation to district representation. However, Mexican-American, predominantly middle class political institutions in the valley today do not have the capacity to mobilize a base, in particular the large

working class, immigrant *Mexicano* population. On the other hand, the linguistically diverse conglomeration dubbed “Asian Americans” is a group in name only. Even within individual nationalities, they have been slow to organize politically.

Overall the current form of governance in the City of San Jose and Santa Clara County can be characterized as managerialist. While development interests represented by the Chamber of Commerce continue to wield considerable power in local governance, that power has been curtailed and has had to compete with a new set of interests that have forced their way into local politics. Working class political mobilization and participation have historically tended to be low, and the infrastructure of civil society, particularly on the left, is relatively thin compared to older urban centers like San Francisco and Oakland.⁹ And while politics in the region are generally “liberal” in the sense that most local, state, and national seats are occupied by Democrats, Silicon Valley’s economy has produced a potent free-market ethos. Consequently, the Valley’s liberalism is progressive on social issues, is pro-business, and balks at public spending for progressive redistribution.

After snuffing out union drives in electronics manufacturing in the 1970s and early 1980s, high tech industrialists adopted a relatively benevolent stance in local and regional governance. At higher levels of government, they lobby for tax breaks, investment incentives, favorable trade policies, and international intellectual property rights. But at the regional level, the Silicon Valley Manufacturing Group (a regional industry association) and Joint Venture Silicon Valley (a public-private consortium) have both focused on managing the urban system in order to enhance long-term regional economic competitiveness. Their regional initiatives have addressed housing and transportation development under the rubric of “smart growth”, information technology infrastructure, and education in order to enhance productivity and to create a regional environment that is appealing to elite workers. This has

further heightened the legitimacy of high tech businesses in the public sphere.

In this context, the South Bay Labor Council has related to the different factions of local business in different ways. The Labor Council’s policy and electoral campaigns have most directly challenged the interests of contractors, developers, and landowners. Politically powerful manufacturing interests have stayed aloof from these battles so long as their own agendas have not been significantly at stake. And in some cases, it has been possible for the Labor Council to work cooperatively with these businesses on regional ballot measures.

The Successes of the South Bay Labor Council and Working Partnerships USA

The Labor Council’s power building efforts have resulted in an escalating series of electoral and legislative victories. The groundwork was initially laid under Rick Sawyer’s administration, when the Council began to craft a more coherent political program. It featured systematic candidate interviews, the nurturing of a pool of labor volunteers, accountability measures for affiliate political activity, and attempts to enforce a united front among affiliates on endorsements. The value of labor’s endorsement grew. By the early 1990’s, a majority of City Council members had been elected with the Labor Council’s endorsement. This amounted to access rather than accountability, but did facilitate two important labor initiatives. In 1987, the Labor Council successfully pressured the mayor’s office to win neutrality and card check agreements in three new hotels. It also won a prevailing wage agreement on city contracts exceeding \$50,000. During that time, Sawyer worked to develop close personal relationships with business leaders. He met monthly with Steve Tedesco, head of the Chamber of Commerce (who came from a labor family) and often with other business leaders, many of whom had close ties to labor.¹⁰

Beginning in the mid 1990’s under the leadership of Amy Dean, the Labor Council began to move

away from reliance on personal relationships and towards the formation of public power in pursuit of a more broadly progressive urban agenda. The ultimate goal was to build political power in order to help affiliates organize new workers and better represent existing members, as well as to improve the lives of working families in the region. There have been some clear victories, many of them buoyed by the rapid expansion of the regional economy during the second half of the decade. With significant political power secured by the time the economic bubble burst in 2001 the Labor Council has been able to continue to win some victories, but at a slower pace.

In 1995, Dean created Working Partnerships as a vehicle for closer connection between the labor movement and the community. During the height of the early 1990s fiscal crisis she had worked with the California State Budget Project, a consortium of interest groups attempting to move a tax and fiscal policy reform agenda. Community organizations and public sector labor unions had begun to find common ground through their work on budget issues, inspiring the idea of a more permanent policy research organization that would continue to facilitate this process. That year, the Council worked with Working Partnerships to push for subsidy accountability on the Santa Clara County Board of Supervisors. This work was informed in part by Greg LeRoy's *No More Candy Store* (1994), which critiqued the growing abuse of industrial attraction and retention incentives and documented local movements to reform this practice. In 1994 and 1995 following the passage of enabling state legislation, Santa Clara County issued property tax rebates to two semiconductor companies. One company, Intel, received \$1.7 million in tax rebates for facilities expansion, with no strings attached. In September 1995, the Labor Council succeeded in winning passage of subsidy accountability legislation over the protest of the CEO of the Santa Clara Valley Manufacturing Group (later re-named the Silicon Valley Manufacturing Group). Though the law modestly required tax rebate recipients to create at least ten jobs with a minimum pay of \$10 an

hour with health benefits, no electronics manufacturer ever applied for the rebates again.

While Working Partnerships was interested in imposing similar standards on the San Jose Redevelopment Agency (SJRA), whose annual expenditures of hundreds of millions of dollars dwarfed Santa Clara County's tax abatements, the agency was too powerful and politically insulated. An earliest, modest proposal by Mayor Susan Hammer to audit the agency's performance had gone nowhere and proved politically costly.¹¹ It would take the Labor Council, Working Partnerships and their community allies several years of policy wins and electoral power building in order to break into the redevelopment citadel.

Over the next couple of years, Working Partnerships produced a series of reports documenting the growing divide between rich and poor in Silicon Valley and highlighting the growth of poverty-wage and contingent jobs. The organization also provided research for affiliated unions engaged in difficult negotiations.¹² The policy reports heightened public awareness of growing income polarization and brought the issue of economic justice front and center in regional public debate. They also drew the attention of community organizations already working in the areas of affordable housing, health care and other economic justice issues.

These reports were strategically designed and timed to support specific initiatives. The landmark report "Growing Together, Drifting Apart?" provided a broad analysis of income polarization in the valley to bolster the 1998 living wage campaign in the City of San Jose, for which they also prepared an economic impact report. The broad way in which the living wage issue was framed helped garner the support of community and faith organizations. With a broad and diverse coalition, the Labor Council successfully pressed the City of San Jose to pass a Living Wage Ordinance in 1998. The ordinance established what was at that time the highest living wage in the country, added worker retention provisions to contracting rules, and required evaluation of bidders' labor practices.

This was a critical victory for the Labor Council, and established it as a major player in local politics.

That same year, the Labor Council also launched a temporary workers project called Working Partnerships Membership Association (WPMA), a non-profit temp agency. This was preceded by the release of “Walking the Lifelong Tightrope,” a statewide report that analyzed the growth of contingent employment. Accordingly, WPMA was designed to provide economic security for the growing ranks for contingent workers in the high tech economy through portable benefits. WPMA now provides health insurance for several hundred workers.

On the political front in 1998, Education and Outreach Director Cindy Chavez ran for the City Council seat representing downtown San Jose in a close race against Chamber of Commerce backed candidate Tony West. According to Amy Dean this amounted to a battle between two liberal Democrats, one a labor Democrat and the other a business Democrat.¹³ Chavez won by a few hundred votes, thanks to on-the-ground precinct work by the Labor Council. This signaled labor’s power to decide close elections.

In 2000, the Labor Council allied with a local faith-based community organization, People Acting in Community Together (PACT), to conduct a campaign to use local tobacco settlement funds to fund a major children’s health insurance program. The two organizations partnered with the Santa Clara Family Health Plan (the county’s Medi-Cal HMO) to craft the Children’s Health Initiative (CHI): by using local dollars to leverage state and federal funding, the City of San Jose and Santa Clara County could expand existing local, state, and federal health programs to serve all 71,000 low income children living inside its borders regardless of immigration status. In mid-June, the proposal lost 5-6 in San Jose largely because of Mayor Gonzales’ unwillingness to cede control over \$2 million of the city’s tobacco settlement funds. The Santa Clara County Board of Supervisors voted to commit \$2 million to move forward on their own,

and approved a fully developed program in December. The whole thing proved to be a political embarrassment for Gonzales, and San Jose joined the program two weeks later with \$3 million. Currently, 72,000 children in the county have access to health care because of CHI. This model program has been adopted by several other counties in California.

Also in 2000, the Labor Council and Working Partnerships pulled a diverse array of over 300 stakeholders—including organizers, housing advocates, service providers, environmentalists and planners—into a series of roundtable discussions that establish a “Community Blueprint,” a set of policy priorities toward a regional equity agenda intended to guide Working Partnerships’ work for the next several years.¹⁴ The Community Blueprint prioritizes affordable housing, health care, and accountable development and has guided Working Partnerships’ work in the years since its formation.

As regional housing costs skyrocketed, the Labor Council and Working Partnerships tackled the issue of affordable housing in close collaboration with housing advocates, the faith community and ACORN. In 2001, the Labor Council won an agreement from Mayor Gonzales to establish an inclusionary zoning provision for 5,000 units of affordable housing in mid-Coyote Valley, a stretch of open space in the southern end of San Jose currently in reserve for future development. “Inclusionary zoning” is a land use policy that requires housing developments within designated areas to include a specified portion of units to be rented or sold to low- and/or moderate-income households at below-market prices. Bob Brownstein, Policy Director for Working Partnerships, characterizes this as a good example of the power of their best work. The viability of the inclusionary housing initiative was bolstered by a technically sound report establishing the need for affordable housing in the community and the financial feasibility of their proposal, and a strong coalition with other affordable housing advocates. In addition, because the labor council brokered an agreement in the early stages of the

Mid-Coyote Valley planning process, no opposition had time to materialize.¹⁵

In 2002, the Labor Council's aggressive political program paid off in an electoral victory on the San Jose City Council, where labor-endorsed candidates won six of the ten seats.¹⁶ According to Amy Dean, this majority differed qualitatively from the majority that the Labor Council had helped seat a decade before. In the past, the Labor Council and the Chamber of Commerce—now led by the much more conservative Jim Cuneen—had agreed on most endorsements. In 2002, the *San Jose Mercury News* aptly characterized as “a showdown between the city's most powerful political interests, labor and business”¹⁷; the election pitted the Labor Council against the San Jose Chamber of Commerce in key districts. Alarmed by the former's victories, the *Mercury News* began to echo the Chamber's complaints about the growth of labor's political power in the city.

In December 2002, the Labor Council successfully intervened in the City Council's approval of a master contract with the CIM Group for a major entertainment and retail development project in downtown San Jose. The contract was approved with the proviso that the CIM Group negotiate in good faith with the Labor Council and its partner community organizations (which included ACORN, the Interfaith Council, and neighborhood associations) regarding community benefits such as child care, affordable housing, and union neutrality. Despite much furor from the Chamber and the *Mercury News* decrying labor's influence in this process, the parties successfully negotiated an agreement that included lower rents for child care facilities, 71 additional affordable housing units (funded by the City), and a voluntary commitment by the CIM Group to ask certain large tenants, like hotels or grocery stores, to pay a living wage. This Community Benefits Agreement was approved by the City Council in April 2003. In August 2003, the Labor Council moved to institutionalize this process, releasing a report critiquing redevelopment practices and calling for a Community Impact Report with the

participation of community interests prior to approving large projects that receive redevelopment subsidies. This Community Benefit Initiative (CBI) provoked major opposition from the Chamber of Commerce and other business interests who warned of business flight should the initiative be adopted. At the time of this writing, proponents anticipated a City Council vote in September 2004.

Also in 2003, Labor Council leadership determined that it was time to expand the effort to build labor's political power. “We have reached where we can in San Jose; we needed a place to practice what we've learned, to grow regionally,” explains Ellis-Lamkins.¹⁸ The Labor Council targeted City Council elections in Sunnyvale, the region's second largest city (population 132,000) and a major high tech industrial center. Twelve thousand members of the Council's affiliate unions live there. In addition, the city hosts a large concentration of nonunion janitorial worksites of interest to SEIU 1877. With its growing Latino population, Sunnyvale proved a good target for a Latino voter project run jointly by ACORN and Local 1877. The campaign succeeded in securing a majority on their City Council, and it stayed beneath the media's radar screen, another benefit given the editorial flack that the Labor Council had endured because of its work in San Jose.¹⁹

A similar attempt was considered for Gilroy, an agricultural town with 35,000 residents south of Santa Clara County's urban core. At the time, the UFCW was waging a campaign against Wal-Mart's application for a development permit within the city limits, and the Labor Council considered running its own candidates for City Council. However, sensing a lack of support for the issue among the town's voters, the Labor Council eventually decided not to wage the electoral campaign.

In state and national elections, the Labor Council counted a number of victories during the late 1990s and the current decade. It helped propel several progressive local politicians (most originally elected with labor support) into state

and national seats. This has tilted the traditionally moderate-liberal Democrat political representation of the valley further to the left. Key figures include state Assemblyman Manny Diaz and U.S. Representative Mike Honda, both former San Jose City Councilmembers. Another is former U.S. Representative Zoe Lofgren, who always had strong support from the Labor Council and public sector unions. At the same time, a recent defeat signals the potential limits of the Labor Council's electoral muscle. In the March 2004 primaries, Assemblyman Manny Diaz lost his bid to become the Democratic candidate for a state Senate seat to moderate-liberal Assemblywoman Alquist. Since the district is a Democratic stronghold, the nomination virtually guarantees victory in the November elections. But aggressive voter mobilization efforts by labor and ACORN in the working class neighborhoods of downtown and East San Jose were not able to match the opposition's broad name recognition and base of support in the larger, affluent, high-turnout portion of the senate district.

Meanwhile, the realities of the recession have spurred a variety of job-saving efforts on the part of the Labor Council and Working Partnerships. Working Partnerships worked with members of the business community, the ATU local, disabled access groups and others to stave off driver layoffs and transit service cuts in return for helping to work on a dedicated sales tax for mass transit. In a similar effort, Working Partnerships worked with SEIU Local 250 to prevent the closing of a public hospital, and has helped several unions analyze public budgets for difficult negotiations. In a particularly ambitious effort, Working Partnerships recently worked with a coalition of unions, the hotel industry and the Convention and Visitors Bureau to create a non-profit corporation to bid on the management of the city's convention center, which has been slated to undergo privatization. In June, the coalition, called Team San Jose, was successful in the bidding process. This will ensure that convention center jobs, which are currently covered by AFSCME and HERE, stay unionized, and sets the stage for additional union jobs.

Building Power: What's Key?

While we have highlighted the "three-legged stool" elaborated by Labor Council and Working Partnerships, in the following we frame key facets of the South Bay power building experience in somewhat broader terms: coalition-building, preparing for governance, shifting the public debate, leadership development and organizing.

Coalition-building

A major goal for Working Partnerships has been the development of alliances with religious, environmental, and other organizations. These allies vary in terms of their resources, organizational structures, priorities and attitudes toward organized labor. Some are well-established organizations in their own right, with track records of issue work and victories while others are smaller, younger and have fewer resources. Faced with such diversity of organizations, the Labor Council has been selective and instrumentalist in its coalition-building efforts. We analyze a few cases below in order to reflect on the rewards and difficulties of the coalition-building task.

PACT is an example of an established organization with whom the Council works on an issue-by-issue basis. It is a 20-year-old faith based community organization (FBCO)—affiliated with the Pacific Institute for Community Organizing (PICO), a national network of Alinskyite FBCOs roughly similar to the Industrial Areas Foundation. PACT has a large base of congregations representing 35,000 families and a long-term agenda that includes health care, housing and education reform.

Current Lead Organizer Matt Hammer counts the organization's joint campaign with the Labor Council for the Children's Health Initiative as a major success.²⁰ For the Labor Council, health care reform had emerged as a major priority of the Community Blueprint process since 2000. After participating in a statewide healthcare

campaign with other PICO affiliates to expand health programs using tobacco settlement funds, PACT had decided to focus its energies on a local campaign. The Labor Council subsequently sought out the organization for a joint campaign. Hammer attributes the “big, quick win” of CHI to its alliance with politically powerful labor.²¹ The specificity of the CHI proposal and a coalition agenda that was clearly defined from the outset aided this collaboration, which still continues as the two organizations strive with other stakeholders to secure permanent public funding to continue the program.

PACT and the Labor Council both participated in an attempt form an umbrella coalition called Housing for All to press for renters’ rights and other housing reforms. According to Brownstein, Hammer and other coalition participants, this process broke down. One point of tension seemed to be rooted in the disparate resources and political modus operandi brought to the table by member organizations, which included tiny low income people’s organizations, politically practiced housing advocates, larger membership organizations like PACT and ACORN, and the South Bay Labor Council. Brownstein explains that the coalition “could agree on an omnibus strategy, but not particulars.... We [the Labor Council and Working Partnerships] ultimately decided that it would work better to make specific proposals and see who’d work with us.”²² Ultimately, ACORN and the Labor Council negotiated a just cause eviction proposal on their own with the City of San Jose.

Much of the tension PACT and the Labor Council experiences in working with each other is rooted in the fact that the differences between their operational styles and priorities. PACT is committed to the participation and development of “volunteer leaders”, which often means a slower pace. According to some observers, coalition delegates from PACT do not have the authority to negotiate on behalf of their members. In addition, PACT is invested in an “outsider” strategy that precludes political endorsements and is very careful of protecting its federal 501(c)(3) nonprofit status against charges of electioneering.

Finally, while PACT has a mixed-class membership, and not all of them are friendly to organized labor. In contrast, the Labor Council and Working Partnerships operates on a much faster pace and is strongly leadership- and staff-driven; and the Labor Council’s facility in political brokering is one of its major assets.

These differences underscore the need for very deliberate, careful management of coalition rules and expectations when the two organizations work together, and coalitions need to be based on specific policy issues rather than overall political programs. The challenges are worth the benefits: Hammer states that PACT continues to look forward to working together on other projects with the Labor Council, adding, “We consider them important allies in community.”²³

One independent organization with which the Labor Council has been able to forge a closer relationship is ACORN. The two organizations first came together after a more labor-friendly lead organizer, John Eller, came to work for the local chapter of ACORN. Both organizations were interested in promoting renter’s rights in addition to affordable housing development, and between 2001 and 2003 the two collaborated closely on a just cause eviction ordinance campaign in the City of San Jose that resulted in modest renter protections.

Recognizing that ACORN’s interests lay in building its membership base, the Labor Council proposed to form a partnership in which the two organizations formed one grassroots organizing team. In Summer and Fall 2003, labor and ACORN organizers conducted door-to-door neighborhood visits in the poor, predominantly immigrant neighborhoods around downtown San Jose regarding the Community Benefits Initiative. The result has been an increased membership base for ACORN, greater community support for CBI, and a stronger electoral base for labor in these neighborhoods.

Ellis-Lamkins refers to this as one of their more successful coalitions because the two organizations are committed to helping each other

succeed, not just winning on a particular issue.²⁴ Current ACORN lead organizer Dereka Mehrens now sits on the board of Working Partnerships. Salvador Bustamante, current Vice President of SEIU Local 1877 in San Jose, also reflects that they have been able to work closely with the local ACORN chapter because of their common commitment to organizing poor immigrants.²⁵

The Interfaith Council on Race, Religion, Economic and Social Justice (IFC) represents another kind of labor-community alliance. IFC is an association of liberal clergy that was jump-started and nurtured by the Labor Council in the 1997 to give the latter's initiatives moral weight and to create a structure through which activist clergy could work on labor issues. It has grown more independent over time, though it still receives staff and a small amount of financial support from the Labor Council. Current IFC chair Rabbi Melanie Aron explains that the organization struggled to find its own voice while still working closely with the Council on the living wage campaign, the Children's Healthcare Initiative and immigrant issues. The move toward more independence was driven, she says, by faith leaders' need to find a religious framework for their activities and to educate their own congregations on the connection between faith and social justice, not simply to respond to Labor Council requests for assistance. In fact, the IFC was independently involved in affordable housing advocacy prior to labor's involvement. But Rabbi Aron also commends the Labor Council on their understanding of the need to have a real collaboration, not simply to approach the Interfaith Council when they need a religious presence on a picket line.²⁶ San Jose Newspaper Guild Executive Officer Luther Jackson who serves on the IFC by virtue of his leadership in the Unitarian church asserts, "Our work is based on justice theology, not just responding to 'dial a collar' requests from unions. We're working to build an authentic organization of our own."²⁷

The Labor Council's success in working with environmental groups has been mixed. Historically, conflicts over urban growth have generated an antagonistic relationship between

building trades unions in particular (and organized labor in general) and environmental organizations like the Sierra Club which wield considerable political influence in the Bay Area. But one regional open space organization, the Greenbelt Alliance, has banded together with the Labor Council and affordable housing advocates to promote a "smart growth with equity" agenda to make sure that politically trendy smart growth urban densification schemes incorporate affordable housing and access to decent jobs and do not just translate into gentrification. Though there have been no specific joint policy campaigns, the Labor Council has consulted with environmental groups regarding its inclusionary zoning proposal and successfully fought to get the Greenbelt Alliance a seat on the Coyote Valley planning advisory board. Meanwhile the Building Trades Council—under the leadership of Neil Struthers—has begun to develop a better relationship with environmental groups with an understanding of the need for allies to make common cause against non-union big-box retailers.

The Labor Council's relationships with minority communities in this non-white-majority region have tended to be direct rather than mediated by ethnic organizations. The Labor Council does maintain "strategic relations of convenience" with the Black, Hispanic and Vietnamese Chambers of Commerce. However, while Latinos have historical roots in the region, there are no Latino organizations currently present that can move a substantial base. Still, the Labor Council has developed its relationships with the Latino community through its electoral work. Indirectly, the significant number of Latino politicians it has helped elect at the local and state levels, including Assemblyman Manny Diaz and County Supervisor Blanca Alvarado, has garnered goodwill from the Latino community.²⁸ But in large part, the Labor Council's contact with Latino and other communities of color occurs mostly through direct voter outreach efforts, conducted alone or in conjunction with ACORN.

Finally, the Labor Council began in the past year to work towards its long-term goal of building

coalitions at the neighborhood level. San Jose features a relatively well-developed infrastructure of neighborhood associations encouraged by city policy. The Labor Council has begun to make some inroads by working with ACORN organizers in particular neighborhoods in the Eastside of San Jose, by drawing on existing contacts with faith institutions in those neighborhoods and by seeking neighborhood association endorsements for campaigns. Tensions exist – NIMBY attitudes are strong in the neighborhoods and neighborhood associations are preoccupied with relatively provincial concerns (e.g., traffic lights) – but the payoff could be stronger political support for city and county campaigns.

Preparing for governance

The Labor Council has developed an effective on-the-ground political program that combines active affiliate involvement in election campaigns with a broader political program that it pursues with labor-friendly elected officials. As mentioned above, labor-backed candidates have won a majority of seats on the Santa Clara County Board of Supervisors and the City Councils of San Jose and Sunnyvale--the two largest cities in the area--as well as some state and national legislative positions.

What makes the political program particularly effective are the following:

1) The Labor Council conducts on-going public policy education sessions for friendly office-holders, who appreciate the respectful treatment they are given as well as the information they receive. This “soft” way to hold candidates accountable has contributed to strong on-going relationships and has formed a centerpiece of the organization’s political program.

2) The rigorous policy research and analysis conducted by Working Partnerships helps the Labor Council identify opportunities for legislative action and provides friendly elected officials with valuable information unavailable from other sources.

3) There is an intentional tie-in between endorsements and the policy platform. The Labor Council targets governing bodies that it intends to target for key policy campaigns. It works with candidates who will support the platform and gets their commitment prior to making any endorsements. (Occasionally, the Labor Council encourages individuals to run, but does not have a systematic candidate-identification program.) Thus, the Labor Council can call on the officials it helped elect to carry its agenda. This strategy proved particularly effective in the 2002 San Jose City Council victory, and the subsequent endorsement by the new Council majority of the controversial community benefits initiative. Finally, according to San Jose City Council member Cindy Chavez, the election of a large number of labor-backed candidates in the city government allows the responsibility—and the political costs—of carrying such reforms to be spread among several officeholders.

4) South Bay Labor Council affiliates participate in a unified candidate endorsement process. They may enter the process with disagreements, but stand together as a unified front after an endorsement has been made. According to union leaders, it is rare for a local to break ranks. While the work of building and maintaining this culture is a perennial struggle, labor leaders observe that relationships among unions in this and other regards are now relatively harmonious and stable.²⁹

5) The Labor Council has built substantial electoral mobilization capacity that helps it to influence elections. Major affiliates mobilize large numbers of staff and rank and file who are coordinated through a well-oiled volunteer GOTV and precinct-walking program. Ellis-Lamkins argues that this people power makes up for the Council’s smaller financial resources, and cites a recent election during which the Council mobilized 600 people to walk precincts in one day.³⁰ The ability to get bodies out into the streets has made the difference in close elections despite the fact that labor-endorsed candidates’ campaign chests are a fraction of those of their business

backed opponents. Interestingly, the Labor Council does not allow “outside experts” to play a major role during election cycles. Amy Dean believes that this has enabled the organization to develop internal capacity within the regional labor movement, building an election team of as many as forty union staff, paid by their unions but assigned to the Council for several weeks.³¹

Shifting the public debate

The policy research and publications of Working Partnerships, together with the electoral and legislative work of the Labor Council, have positioned the labor movement as spokesperson for social and economic justice on behalf of all working families rather than a “special interest group” beholden to union members. The first major publication “Growing Together or Drifting Apart”, issued in 1998, received widespread attention in the region as well as some national recognition. The potency of this report lay in its analysis of the so-called “New Economy” in terms of its tendency towards labor market and income polarization even in the context of a growing economy, and conversely the failure of regional economic growth to trickle down to workers at the bottom. This report and its successors exploded the myth of Silicon Valley affluence and advanced the call for a new social compact to fit new employment realities. Their sophistication, rigor and credibility helped move forward regional policy debates around living wage, affordable housing, health care and temporary workers.

The Labor Council and Working Partnerships have been relatively successful in shifting public debate in the heart of Santa Clara Valley. In San Jose the term “living wage” resonates positively among elected officials and voters. But the task has been difficult in smaller, more conservative communities in the region like Gilroy. On the other hand, the consciousness-raising has been useful in narrower fights. For example, in summer of 2003, SEIU 715 was able to use publicity generated by Working Partnership’s report on temporary workers in a successful organizing drive at Stanford University.

But the labor movement’s successes have spurred a counter-attack by certain business interests. Until recently, labor and the Chamber of Commerce “would be on the same page 9 of 10 times,” according to Dean.³² When the agenda became more pronounced, she explains, and it was no longer a question of supporting Democrats over Republicans but choosing between Democrats with substantively different agendas, the cooperative relationships degenerated. . In a community currently beset by high unemployment, huge public deficits and uncertainty about the future, the Chamber of Commerce has won a broader hearing for their message on the need to “compete” for jobs with a friendly business climate. “They think we stole it, and they want it back,” says Brownstein of the San Jose Chamber of Commerce. He goes on to caution that winning may create a base for expansion for labor, but it is equally likely to generate a strong counterattack.³³

The goal of the Labor Council in this terrain is not just to highlight workers’ needs for health care and housing, but also to establish organized labor as a “legitimate steward of the regional economy.”³⁴ In addition to rigorous research and analysis, a pragmatic and instrumental approach towards working with segments of the business community on issues of mutual interest has heightened the credibility of the Labor Council’s initiatives. Recognizing that the Chamber of Commerce does not speak for the entire business community, labor has worked side-by-side with business in a number of instances– with hotels on downtown development issues, for example.

An example of the way in which this pragmatic approach has paid off for one Labor Council affiliate is in the area of mass transit. In 2001, members of ATU #265 experienced a series of layoffs as the Valley Transit Authority wrestled with budget and service cuts. The Labor Council helped ATU and SEIU get seated on VTA’s ad hoc Financial Stability Subcommittee alongside representatives from the local manufacturers association, the Chamber of Commerce, the disabled community and bicycle community.

Labor's cooperation resulted in the VTA postponing additional driver layoffs, and labor and business representatives continue to meet to discuss stable funding for public transportation. According to ATU leadership, the Labor Council provided political clout, fiscal expertise, and development of strategy to make this possible. It also gave them a way to work with VTA management rather than attack it, as might have happened in the past.³⁵

Leadership Development

The centerpiece of the Labor Council's leadership development efforts is its Labor-Community Leadership Initiative (LCLI). Working Partnerships created LCLI in cooperation with San Jose State University, attracting primary and secondary leaders from labor, community and faith institutions to hone their understanding of the South Bay economy and strengthen their relationships with each other. The LCLI is also a convenient forum for leadership identification for Council staff and a medium for cultivating potential political partners. Councilmember Chavez, who as Education and Outreach Director for the Labor Council helped develop LCLI, credits the program with helping to train a majority of the current San Jose City Council members.³⁶ As important as its training function, however, is the role it plays in building relationships among the participants. Dean cites the example of the head of a large building trades affiliate who met and developed a strong relationship with an activist from the campaign against Proposition 227 (an anti-bilingual education measure), who because of that relationship turned over the entire phone bank apparatus of his union to help defeat this measure.³⁷

The need for experienced and talented staff within the Labor Council and Working Partnerships continues to grow as they expand their activities. Significantly, their reputation in the progressive South Bay community as powerful, innovative and exciting social justice organizations helps to attract some of the smartest young talent in the region. Still, the intensity of

the work that stems from stretching resources to their maximum means that attrition and burnout can be a problem.

The staff of the Labor Council and Working Partnerships is drawn primarily from outside the labor movement, a target of criticism from some labor activists. Dean justifies the strategy: "I looked for people who had good values and were good people – were smart. I sometimes preferred people who didn't have a labor background, because they wouldn't be constrained by the culture of the labor movement."³⁸

It is also worth noting that the Labor Council's staff and their work lend support to leaders in local unions who would otherwise work in relative isolation. A number of rank-and-file leaders stress the importance of the support and strategic assistance they receive from the staff of the Council and Working Partnerships.

Organizing

A major goal of Labor Council activity is supporting the organizing efforts of its affiliates. This support has tended to take the form of political leverage for specific organizing campaigns or particularly sticky bargaining situations susceptible to political intervention or expert analysis. We have referred to the Council's assistance to SEIU 715 at Stanford. Greg Pullman, the local's Staff Director, praised the Council's efforts in helping the union organize 1,500 employees there, after four previous unsuccessful attempts. He also cites Council assistance in its negotiations with the Humane Society, which is overseen by the City of San Jose.³⁹

Labor Council assistance has helped the HERE local organize every new hotel built in the city in the past 15 years, leading to an increase in union density in the hospitality sector in the region. Other successes in the private sector are more limited, though efforts have been made – e.g., assistance to SEIU Local 1877 in its attempts to organize the janitorial workforce in Silicon Valley firms, and the Council's attempt to assist

the CWA local, which was trying to organize one of the non-union telecom companies contracted to Hewlett Packard.

Overall, the Council has only able to support organizing effectively where affiliates are already engaged in an active organizing agenda, and then, primarily in the public sector where its political influence counts. Notably, organizing locals have gained approximately 2,000 new members and gained wage increases for another 5,000 members by leveraging the San Jose Living Wage Policy with the political legwork of the Labor Council. But early hopes of finding a way to pursue an organizing agenda in Silicon Valley's electronics industry (with the exception of the Justice for Janitors campaign in high tech office parks) have so far failed to materialize. Some leaders argue that it will take national labor law reform to provide opportunities to significantly raise density in the private sector, especially at the Hewlett-Packards of the corporate world.⁴⁰ Dean argues that a Central Labor Council can only create an environment for unions to be successful; it cannot force affiliates to organize. "I mean, we built it, and did they come? No.... Affiliates need to be spending more money and making organizing more of a priority. We don't have enough affiliates organizing, and we don't have enough affiliates that have real resources to do real organizing."⁴¹

Internal solidarity & differences among affiliated unions

Unusually agreeable relationships among affiliates play an important role in the success of the Labor Council's political program. Labor Council staff and affiliate leaders alike explain that they do have disagreements. But these are for the most part dealt with in private. To the public, they show a united front.

A good example of the *quid pro quo* that results is reflected in the Community Benefits Initiative (CBI) campaign described above. In other cities, such efforts have been opposed by the building trades unions because of strong developer opposition. In San Jose, the Building Trades

Council is supporting it as a central piece of the power-building strategy for the labor movement. Building Trades Council CEO Neil Struthers worked to justify CBI to some of his reluctant affiliates on the basis that it was calling for quality jobs and would save developers money in the long run. "If the trades were opposed," he explained, "we could divide labor and stop it."⁴² In return, the Labor Council has supported some building trades proposals over the objections of other affiliates. After SEIU lost a certification at a local hospital, for example, the hospital floated a bond initiative that received the support of building trades unions focused on jobs the project would generate. At the Labor Council's urging, the SEIU local agreed to temporarily mute its antagonism toward the hospital and its bond measure so that the Labor Council could join the Building Trades in supporting it.

Good personal relationships between heads of labor organizations have been important in building solidarity. For example, when a local hospital approached the Building and Construction Trades Council for support for a bond measure to build a new facility, Neil Struthers of the BCTC and Ellis-Lamkins of the Labor Council brokered a compromise: no support for the bond measure until the hospital settled outstanding issues with their SEIU local. The Labor Council also receives strong support from other individual building trades affiliates, not just for their particular interests, but for larger political efforts as well. Plumbers union Business Manager Loyd Williams, for example, explained that "Who's on the City Council does nothing to help the self interest of this local, but it helps working people. Our membership understands that what helps workers is good for us."⁴³ The local has consistently turned out large contingents for public actions during Labor Council policy campaigns.

For larger Labor Council affiliates, the Council's support adds value to their on going organizing and bargaining. In some cases, like SEIU's organizing drive at Stanford, the help was significant in bringing about a success. In deed, the needs of these large affiliates are the driving

force in shaping the strategic priorities of the Council, according to Ellis-Lamkins.⁴⁴ But there are also benefits for smaller affiliates, for instance the ATU. The Labor Council's staff and programs like LCLI have aided the development of several small-affiliate leaders.

At times, however, some of the smaller affiliates have felt marginalized from the larger decision-making process of the Labor Council. While praising its accomplishments, they also express a desire for more inclusion in planning and agenda setting. Another source of tension surrounds Labor Council assistance to unions that are not perceived by others to make a proportional contribution to the Council's political efforts, whether that be financial or in terms of campaign volunteers. This "on the bus or off the bus" argument perhaps reflects debates currently raging on the national level.

Lessons Learned

Though the South Bay Labor Council's regional power building work has been framed by a distinct economic and political context, key factors behind its success offer lessons that might be applied elsewhere. These relate to the potential role of an effective research/policy institute, the successful integration of a political program with a broad policy agenda, institutionalized leadership-building capacity, the practical importance of "strategic opportunism" in setting priorities.

First, Working Partnerships USA played a critical role in building political power for the labor movement in the South Bay. It is not just the presence of a well-funded research institute that matters, but rather the carefully targeted nature of its research and policy making and the connection of its issues to both the immediate needs of affiliates as well as the broader public good that have made Working Partnerships a success. Working Partnerships' research and publications are strategically timed to coincide with specific Labor Council initiatives. By gathering good information and presenting it to the public in a compelling document, Working Partnerships

helps build community awareness of and support for initiatives like living wage and CBI and, at crucial times, those of particular affiliates. Beyond this role, the institute's success in attracting foundation grants to fund a growing staff has dramatically enhanced the Labor Council's ability to expand its activities.

Second, the Labor Council has developed a highly effective political program that can determine election outcomes and move a broad policy agenda. It starts with a coordinated approach to endorsements: once the Council has taken a position, affiliates rarely go their separate ways. It is grounded in a traditional but very active program of campaign contributions and grass roots volunteer activities. And it commits potential candidates to a well-thought-out policy agenda during the endorsement process and then holds elected officials accountable to that agenda in a respectful but consistent and firm manner.

Third, community coalition-building has been a pivotal component in winning policy reforms and beginning to build a broader movement for social and economic justice. The Labor Council has maintained a real commitment to this process, earning a good reputation among many community groups. Importantly, the most successful coalitions have been underpinned by reciprocity and explicit mutual expectations. While success has been uneven in forging ongoing alliances, the Labor Council has learned its own lessons about the need for a case-by-case approach to community coalition building.

Fourth, institutional leadership-building capacity through the Labor-Community Leadership Institute has played a critical role in building a sustained movement. It would be easy to attribute the success of the South Bay Labor Council's power-building strategy to individual leadership and initiative—for example, to Amy Dean's vision. But countering this personality-based analysis is the clear fact that organizational capacities for cultivating leadership have given depth to the movement, not only by training individuals but also by fostering long-term

relationships among labor, community and elected leaders.

Finally, the work of the South Bay Labor Council has been pragmatic and opportunistic in the best sense of both words. It has started with its affiliates and attempted to build a policy agenda that will help those affiliates succeed. It has picked its battles and built working relationships with a segment of the business community. Finally, it has learned from its mistakes as well as its successes. While the nature of its economic, demographic and political context, as well as the particular make-up of its affiliate base, limit the easy application of its model to other situations, certainly the above lessons provide much in the way of thought-provoking ideas for the labor movement.

¹ Phaedra Ellis-Lamkins, interview, 12/2/04, San Jose, CA.

² 2000 Census Summary File 4, Table PCT 1.

³ 2000 Census Summary File 4, Table PCT 1.

⁴ At this point, high-tech region continues up north and east into Fremont and southern Alameda County.

⁵ Basic super-sector employment data drawn from California Employment Development Department (EDD), Labor Market Information Division (LMID), *County Snapshots*, 2003, March 2003 Benchmark. High-tech employment total calculated from LMID's "Historical Industry Employment Estimates, San Jose MSA, 1983 – 2002," 2001 Benchmark.

⁶ California Employment Development Department (EDD), Labor Market Information Division, Report 400C (Monthly Labor Force Data for Counties), March 2003 Benchmark.

⁷ California Employment Development Department (EDD), Labor Market Information Division, , *County Snapshots*, 2003, March 2003 Benchmark.

⁸ Ibid.

⁹ Amy Bridges, 1997. *Morning Glories: Municipal Reform in the Southwest*, Princeton University Press.

¹⁰ Rick Sawyer, telephone interview, 4/6/04.

¹¹ Bob Brownstein, Working Partnerships USA, interview, 12/2/04, San Jose, CA.

¹² Publications of Working Partnerships USA include *Shock Absorbers in the Flexible Economy* (1996); *Growing Together or Drifting Apart?* (1998); *Living Wage: An Opportunity for San Jose* (1998); *Walking the Lifelong Tightrope* (1999); *A Living Wage for Santa Cruz and Watsonville* (2000); *Everyone's Valley: Inclusion and Affordable Housing in Silicon Valley* (2001); *The Children's Health Initiative Workbook* (2003); *Shared Inclusion and Prosperity* (2003).

¹³ Dean, op cit.

¹⁴ Working Partnerships USA 2001. *Everyone's Valley*, "Acknowledgements".

¹⁵ Brownstein, op cit.

¹⁶ The Mayor has the eleventh seat on the City Council.

¹⁷ "Business, Labor Square Off in Battle to Control San Jose, Calif., Council" in *San Jose Mercury News*, 10/27/2002.

¹⁸ Ellis-Lamkins, op cit.

¹⁹ Ibid.

²⁰ Matt Hammer, People Acting in Community Together, interview, 12/2/04, San Jose, CA.

²¹ Hammer, op cit.

²² Brownstein, op cit.

²³ Hammer, op cit.

²⁴ Ellis-Lamkins, op cit.

²⁵ Salvador Bustamante, interview in spring 2003, San Jose, CA

²⁶ Rabbi Melanie Aron, Congregation Shir Hadash, interview, 12/1/04, Los Gatos, CA.

²⁷ Luther Jackson, San Jose Newspaper Guild, telephone interview, December 16, 2003.

²⁸ According to Sawyer (phone interview, 4/6/04) Blanca Alvarado was initially elected to the San Jose City Council without a COPE endorsement in the 1980s. But the Labor Council helped elect her to the County Board of Supervisors in the late 1990s (Ellis-Lamkins and Dean interviews).

²⁹ Various interviews.

³⁰ Ellis-Lamkins, op cit.

³¹ Dean, op cit.

³² Dean, op cit.

³³ Brownstein, op cit.

³⁴ Dean, op cit.

³⁵ Tom Fink, ATU 265, interview, 12/1/04, Campbell, CA.

³⁶ Cindy Chavez, interview, 1/9/04, San Jose, CA.

³⁷ Dean, op cit.

³⁸ Ibid.

³⁹ Greg Pullman, SEIU 715, interview, December 1, 2003.

⁴⁰ Brownstein, op cit.

⁴¹ Dean, op cit.

⁴² Struthers, op cit.

⁴³ Loyd Williams, UA #393, telephone interview, December 18, 2003.

⁴⁴ Phaedra Ellis-Lamkins, South Bay Labor Council, interview, December 2, 2003.