

Sequel: The Living Wage Debate Comes to Harvard (B)

Anne Taylor, Vice President and General Counsel of Harvard University, stared out wearily at a television screen in the Tokyo airport. After a three-week trip to Southeast Asia, she was tired, eager to get home, and straining to make sense of a news broadcast from the U.S. It included an oddly familiar ivy-covered brick building, a sea of homemade banners and placards, dozens of tents, and an American labor leader – AFL-CIO National President John Sweeney – addressing a lively crowd of hundreds that had assembled before the cameras. It was April 30, 2001.

“I had no idea that it was Massachusetts Hall at Harvard,” Taylor recalls. “In a phone call, my husband had told me there was a ‘bit’ of a situation, but I had no sense of how big this had become. I had been incommunicado for weeks.”

Taylor, the University’s chief lawyer and a veteran labor negotiator, returned to Harvard, but not to her Mass Hall office, after the building had been occupied for more than two weeks. Members of the Living Wage Campaign, a project of the campus-based Progressive Student Labor Movement, had begun a sit-in inside the building on April 18th, demanding that Harvard pay its lowest-wage workers a “living wage” of \$10.25 per hour and address contracting and other issues.

With a well-organized website and media packet, laptop computers, and cell phones, and with “inside” and “outside” student teams – those inside the occupied building and those not – regularly strategizing with each other and with supporters, the Campaign had already achieved remarkable gains. It had secured broad support for the living wage cause from fellow students, local and national union organizations, community leaders, major political figures – labor giant Ted Kennedy among them – and a broad array of Harvard faculty members. Neil Rudenstine, just two months away from the end of his tenure as Harvard’s President, had even agreed to establish a new advisory committee to address wage policies. Controversies over an earlier committee’s report, and the University’s slow implementation of the committee’s recommendations, had helped to trigger the sit-in.¹

But leaders of the Campaign now faced a dilemma: should they stay inside Mass Hall in the hope of winning more concessions? Or should they leave, declare victory – having brought unprecedented attention and momentum to their cause – and pressure Harvard to focus the new committee in ways that could deliver real improvements for janitors, food service staff, security guards, parking lot attendants, and other low-paid workers on campus?

¹ Called the Mills Committee, after its chair, Harvard Business School Professor Quinn Mills, the controversial report called for training and other benefits but did not recommend a wage floor, or changes in contracting, for the University’s lowest-paid workers. See “Report of the Ad Hoc Committee on Employment Policies,” May 4, 2000. (www.provost.harvard.edu/adhoc/final_report.pdf).

This and the accompanying (A) case were drafted by Gabriel Grant and Iris Ahronowitz for Profs. Xavier de Souza Briggs and Marshall Ganz of the Kennedy School of Government and revised by Prof. Briggs. The cases are to illustrate strategic decision-making challenges and learning opportunities rather than to highlight effective or ineffective handling of particular events or situations. Funds were provided by the Working Communities Program of The Rockefeller Foundation.

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That Harvard, as a matter of principle, refused to negotiate with the protesters, was no small problem. Moreover, President Rudenstine's announcement that he was willing to re-open wage policy issues had dramatically affected public perceptions of the Campaign and, specifically, of the occupation. While emphasizing their strong support for economic justice on campus, a number of faculty and other key figures were now calling for an end to the student sit-in. Perhaps the tactic had run its course.

Where does this end?

Taylor had little time to get caught up. She landed in a situation one colleague had described as "the worst two weeks of my professional life," with hours-long conference calls that yielded no clear strategy for resolving the stand-off between the University administration and the student protesters.

"My coming home was very positive," says Taylor. "I sensed that the students were looking for a way out [of Mass Hall], and I hadn't been a part of the two-week stand-off."

Taylor had relationships with all of the local union leaders—indeed, she had bargained with them on numerous occasions—and even had a positive relationship with key members of the student movement, having discussed sweatshop and other issues with them in the preceding months. Furthermore, having come of age in the 1960s, Taylor admired student activism.

The events and the personalities engulfed her within hours of her return. "I was immediately set upon," says Taylor, "by a union leader who was furious" about the situation. Over an informal meeting at a Harvard Square coffee shop, Taylor was urged to get involved.

Following that meeting, Taylor phoned John Hiatt, Chief Counsel for the AFL-CIO in Washington, DC, to discuss the sit-in. Taylor knew that Hiatt and his deputy, Damon Silvers, had been in regular conversation with the student protesters. Several were alumni of the AFL-CIO's "Union Summer" organizing program and supporters of the union federation's national "Justice for Janitors" campaign.

Hiatt was a 1970 graduate of Harvard College and the Harvard Law School. His father had been a Dean at Harvard, and his daughter was now a Harvard student. Beyond being a very experienced negotiator, he "understood the Harvard culture," says Taylor. Furthermore, she had known him for years. "John's first question," she recalls, was "Hi, how are you? How are your children?"

With some basics of the situation in hand, and sensing that Hiatt's relationship with the students, along with his standing as a labor leader, positioned him to be an informal go-between, Taylor went to President Rudenstine the next morning with what she describes as "a five-point structure" for resolving the crisis.

Neil Rudenstine had been President of Harvard for just over a decade. A soft-spoken man and an English professor for much of his career, he had led record-breaking fundraising efforts and actively supported major new initiatives in research and teaching. But the sit-in had drained and deeply distressed him, Taylor and others recall, and he was receptive when Taylor approached with ideas that just might break the impasse.

About a week earlier, Rudenstine had made what Hiatt describes as a "courtesy phone call" to AFL-CIO President John Sweeney. The union federation had, along with a host of other labor

organizations, given the Living Wage Campaign and the sit-in some of its earliest and most visible public support. A few days later, during a previously scheduled AFL-CIO executive committee meeting in Boston, Sweeney and other labor leaders visited the daily noon rally in front of Mass Hall. That visit included Sweeney's televised speech in support of the Living Wage Campaign, which Taylor had glimpsed on the news in Tokyo.

That same day, Sweeney and Rudenstine met for an hour. As Hiatt recalls, "President Rudenstine explained that he couldn't actually negotiate with the students while they remained in Mass Hall. But we had strong ties to the campus unions and sympathetic faculty members, as well as a number of the student [protesters]. We told Rudenstine that we had a sense of what it would take to resolve this."

Rudenstine told Sweeney and Hiatt that he was willing to "take a new look" at wage policies at Harvard, echoing his public statements about establishing a new committee with a broader mandate than the earlier Mills Committee. The President stressed, however, that any solution to the sit-in impasse would need to be "process-oriented" since he could not and would not guarantee specific outcomes of upcoming wage negotiations with SEIU or other campus unions. Given that, Rudenstine, Sweeney, and Hiatt talked informally, for the remainder of the meeting, about what it would take for a new committee to be credible.

"Problem-solving"

Having taken Rudenstine her "five-point structure" and received his blessing to proceed, and knowing that she would not be officially "negotiating" with the protesters, Taylor began to work with Hiatt on what it might take to end the sit-in.

"We fought like cats and dogs sometimes," says Taylor of her endless phone calls with Hiatt, "But we knew we would solve it." Emphasizing his familiarity with Harvard, Taylor recalls feeling that Hiatt understood when she had to say, "John, we just can't do that."

Inside Mass Hall, when a member of the Campaign told his colleagues that the leading labor lawyer in the country "has agreed to be our negotiator," a cheer went up.

The make-up and mandate for the new committee on wage policy was the central issue to be worked out, since it was the key mechanism through which Harvard would revisit wages, contracting, and other concerns that motivated the sit-in. But process mattered, too. Ensuring that the new committee would actively seek public input was very important to the students, given the low-profile assumed by the earlier Mills Committee, and so was a reasonable timetable. The students worried that attention to the living wage issue would evaporate over an extended period of fact gathering and discussion before reporting, especially if this were followed by a lengthy comment period before President Summers' response to whatever the committee might recommend.

Hiatt and Silvers, his deputy, spent hours on the phone with students inside and outside Mass Hall. "Sometimes there were ten of them on cell phones on a single call," says Hiatt. "[But] I thought it would be harder," he says of the process of working with the student protesters to identify their priorities, gradually yield on the Campaign's original list of additional demands – which still included international sweatshop issues with no direct connection to working conditions on campus – and respond to specific options proposed by him or by Taylor.

“I think the students were starting to reconcile themselves to the fact that they would have to leave [Mass Hall] with a moral victory and a new process,” says Hiatt, distinguishing these from specific commitments to set a new wage floor. “They had gone from an extremely hard line to a new place. When I came in person, I expected more of a split among the students, but there was considerable consensus and realism. I think when we were able to bring back concessions, they had to weigh those gains against a different benchmark than the one they started with – getting nothing.”

Having been a Harvard undergraduate in the late 1960s, Hiatt says these students were “very different” from the protesters of that era:

They were much smarter in their handling of the University. For example, they made friends with the Chief of [campus] Police. Inside Mass Hall, they vacuumed daily and even covered the antique furniture to ensure no property damage. It was their idea, when this whole thing was over, to ask Chief Riley to do a walk-through with them. [The walk-through would confirm that no damage had been done] ... Plus, they actually listened to *me*. In the 60s, you didn’t trust anyone over thirty [laughs]. They balanced their own instincts with outside advice. They handled the unions well, too.

Neither Hiatt or Taylor knew of every layer to this “information-age” saga. No one in the picture could. Members of the Campaign’s inside and outside teams were in regular contact with supporters familiar with negotiation (including “bargaining through agents”), university administration, committee processes and potential committee members, and much more. The inside team continued to function under a rule of consensus decision-making, and the deliberations on which this depended – informed by telephone and email contact with advisers – went on around the clock.

As the discussions evolved, Taylor communicated frequently with Harvard Provost Harvey Fineberg, taking some issues up to Rudenstine for his sign-off. Over the weekend, Taylor also conferred briefly with Harvard’s President-designee, Larry Summers. Rudenstine and Fineberg indicated his concerns in a general way and encouraged Taylor to speak directly with Summers, who would take office in July.

Summers worried that he might get stuck with a committee process that would not resolve the deep disagreements over wage policy issues – this in the critical first year of his presidency.

Picking a credible committee chair would be key. Everyone involved in this tense stand-off would need to be positive on the chair.

On this, Hiatt notes, “Anne [Taylor] was careful not to let us dictate composition, but she listened well [to our reactions]. She didn’t want to convey a sense that we had veto power, but she wanted a credible committee.”

Discussions settled on Larry Katz, a professor of economics, a former colleague of Larry Summers, and also a senior Labor Department appointee in the Clinton Administration. Katz was an expert on labor markets, including wage inequality issues, and he had been lead negotiator for the Labor Department during the highly visible North American Free Trade Agreement (NAFTA) talks.

Other concessions on the committee’s make-up were unprecedented and, from the Campaign’s standpoint, very encouraging – even surprising. Harvard agreed to put students on the committee, as well as workers selected by the campus unions – both firsts for a University committee.

The agreed-upon timetable would ensure that the Committee reported in six months, although President Summers would not be obliged to solicit comments and render his response to the committee's recommendations on a specific deadline.

On the hot-button issue of Harvard's bidding out work to save on labor costs, there would be a moratorium on additional outsourcing, at least until the new committee made its report. In addition, Harvard agreed that wages settled through upcoming collective bargaining with SEIU, the janitors' union, would be retroactive. This was better than a mere agreement to re-open the University's earlier wage agreement with the union.

Particularly tricky was the matter of disciplinary action by Harvard against the student protesters. The students could hardly argue for themselves on this. They had broken the rules—this was the concept of civil disobedience—in order to make a political point and advance a cause. It was the unions who argued vigorously that Harvard should be lenient, with some union leaders arguing passionately for full amnesty.

Taylor indicated to Hiatt that amnesty would be impossible to guarantee and, furthermore, that she could not include the issue of disciplinary action in the "main" agreement. "We were open to a side agreement," recalls Hiatt.

But Taylor stressed that disciplinary actions at Harvard are the purview of highly independent faculties or schools. "I had discussed the issue at length with Dean of the College Harry Lewis," she recalls. Lewis was able to give Taylor a sense of the range of disciplinary actions that faculties might take, based on his many years of experience with disciplinary procedure at Harvard.

Though these were informal forecasts, Hiatt became confident that the students in question could, for the most part, expect no more than probation. "Anne had dealt with me in good faith," says the AFL-CIO's lead lawyer. "I trusted her."

For their part, the students trusted that their many faculty supporters—over 400 had signed the last faculty letter in support of the Living Wage Campaign, which was published in the *Boston Globe*—would, when the time came, vote for limited disciplinary action.

Taylor and Hiatt talked all weekend and through the day on Monday, May 7th.

Asked about her strengths as a negotiator, Taylor shrugs. "I'm not very ego-involved, not worried about 'looking strong.' I'm used to talking about needs or goals, not positions."

The Sit-in Ends

On Monday night, the AFL-CIO's negotiators contacted the students inside Mass Hall with an "exit package" deemed acceptable—at last. The students consented to leave the building as soon as that package and a set of public statements were posted on the University's website.² Harvard had agreed to post its own statement, a statement by the Living Wage Campaign, and one by the AFL-CIO as well.

² Sit-in "resolution" documents are at http://www.hcs.harvard.edu/~pslm/livingwage/resolution_documents.html.

On the afternoon of May 8th, the students waited at their laptops to verify the web posting for themselves. It appeared. Satisfied that Harvard had committed itself publicly to an unprecedented array of steps that might significantly improve the lives of the lowest-wage workers at the University, the students knew it was time to go.

After 21 days in the building, the last 25 protesters exited Mass Hall to a cheering crowd of hundreds of students, workers and community members – and dozens of reporters and TV cameras.

Consuelo Tizón, a Harvard janitor and Campaign supporter, cried as the students left the building. “They are my inspiration,” she said, hugging one of the students.

The student protesters had not achieved everything they set out to achieve. But they had come to realize that Harvard would not visibly and directly accede to a wage increase demanded by protest. Members of the Campaign hoped and believed that a living wage policy would come through the new committee.

“I’m fine with saying that both sides won,” Anne Taylor told the press. “It is definitely true that [the students] have succeeded in radically raising awareness of wage issues on campus and around the country.”³

For its part, in a statement issued a few days after the sit-in concluded, the Campaign wrote:

This outcome is nothing short of amazing when one considers that a month ago, Harvard administrators promised us that a living wage would never even be considered again at Harvard. The concessions they made on Tuesday are testaments to the extraordinary power of our community’s collective action.⁴

The centerpiece of the “exit package” – the new University committee – would “consider and present recommendations about...the economic welfare and opportunities of lower-paid workers at Harvard.”⁵ The committee would address wage levels, as well as outsourcing, health benefits, language classes and other training, and more. University policy on these issues would be decided by the next president after the new committee made its recommendations.

Unlike the Mills Committee, the new Harvard Committee on Employment and Contracting Policies (HCECP), chaired by Larry Katz of the Department of Economics, would include 10 faculty members, four students, three union employees, and two senior administrators. The Katz Committee, as it came to be called, was charged to actively solicit input from all interested members of the community.

³ Abel, David. “To cheers, Harvard wage sit-in ends” *Boston Globe* May 9, 2001.

⁴ From Living Wage Campaign May 12, 2001 Update. Available online at http://www.hcs.harvard.edu/~pslm/livingwage/end_of_sitin_update.html.

⁵ President Neil Rudenstine’s Charge to the Committee. Available online at www.hcecp.harvard.edu/charge.htm.

Epilogue: The Katz Committee and the Future of the Student Movement

Larry Katz recalls the phone call he received from Neil Rudenstine, asking him to chair the new committee. “The situation was not good, his term was ending on this. Plus, I felt I had some real-world experience. How could I say no?” he recalls.

Katz and his fellow committee members would take an approach that differed sharply from that of the Mills Committee two years before. Where the Mills Committee’s report made claims about Harvard being a good employer without providing evidence to that effect, “I wanted to establish the facts,” says Katz, “to allow for evaluation of various hypotheses beyond the sloganeering by both sides.”

The HCECP spent the summer collecting new employment data on the status of low-wage workers. It benchmarked wages for various categories of Harvard workers, including contract employees, against workers at other universities, and it tracked wage trends for these groups of workers—in real terms—over the past decade, in order to distinguish real buying power changes from fluctuations in “nominal” wages.

The analysis paid off with real insights—from which all sides could learn. There were “natural experiments” over the preceding decade, says Katz, in which one category of workers had been “aggressively outsourced” and the other category not. The first category included security guards, food service workers in contract businesses, and workers in retail operations. Their wages had plummeted in real terms. This paralleled wage trends nationwide for lower-paid contract workers who are less likely to be unionized and thus less likely to be protected by collective bargaining.

The second category had not been outsourced, including food workers in university dining halls and the lowest-paid clerical and technical workers. The wages of this second group had been relatively stable in real terms.

This early finding, about which there was clear consensus, gave the Committee its first breakthrough. “We could agree that the status quo was unacceptable,” says Katz.

Once the school year began in September, the Committee held weekly closed meetings. The early fall was spent collecting testimony and other forms of input. In an ad in the campus newspaper, the *Harvard Crimson*, the Committee requested input by email. The Living Wage Campaign urged its supporters to write in, and most of the 1,000 or more emails received voiced support for a living wage policy at Harvard. The Committee heard presentations by Harvard’s Office of Human Resources, the Living Wage Campaign, the Harvard Workers Center, and other groups.

In October, the Harvard Workers Center, a resource center run by law students, organized a Workers Forum, in which the Committee participated officially and heard testimony directly from the lowest-paid workers on campus. “It had a powerful effect on the Committee,” says Katz. “It was qualitative, very useful.”

That same month, Caroline Hoxby, a professor of economics, resigned from the Committee, claiming that data gathering was biased in favor of the living wage position.

In November, the Committee held an open forum at the Kennedy School of Government and presented its preliminary data. Close to one hundred people provided input.

As the Committee's process drew to a close, observers differed on how effective the Living Wage Campaign had been in terms of influence and credibility. To some, the Campaign represented the still strong voice for bold reform by the University – the community's conscience and a constructive pull on those who were more tentative about Harvard's rightful obligations to its workers. To others, the Campaign's rhetoric could degenerate into the strident and non-persuasive – undermining the cause and allowing the University to portray the students as indifferent to any argument or consideration that might counter the Campaign's demands.

The HCECP released its final report on December 19, 2001. The report emphasized declines in real wages for many service sector employees at Harvard over the preceding decade (see Exhibit 1). "The HCECP is distressed by the large declines over the past decade in the real wages of lower-paid service employees at Harvard," the report stated.⁶

For the first time, an official University source acknowledged that campus workers were living in poverty and that Harvard's contracting policy was partly to blame.

On the issue of wages and benefits, the HCECP recommended a "parity wage" policy, stating that all outsourced workers should receive the same wages and benefits as their direct-hire counterparts. It recommended that Harvard be more selective in outsourcing decisions.

The Committee also recommended a one-time wage boost, for every worker, to a range of at least \$10.83 to \$11.30, to be implemented through collective bargaining with each of the affected unions (food service, guards, and janitors). The report estimated the additional annual cost to Harvard at \$2.7 to \$3.4 million.

But the Committee rejected the annually adjusted wage floor called for by the Living Wage Campaign. Instead, it recommended a "fair bargaining clause," which called for an automatic adjustment of wages using the Consumer Price Index if Harvard and a union fail to reach a contract one year after the previous one expired and each year thereafter.

"We had studied what other universities were doing," says Katz, "and there were two models: no outsourcing, no competition – like the "old" Harvard – with poorer service and higher costs. And cutthroat outsourcing that undercut unions. There had to be a better model."

The Committee reasoned that the parity wage approach would give Harvard many of the benefits of competition through outsourcing, including significant cost savings and better service quality, while helping to protect the real value of wages – in part by discouraging Harvard from "getting around" collective bargaining with effective unions. Without a total ban on outsourcing, which the Committee was not prepared to recommend, a wage floor could actually become a ceiling. Competitive pressure could freeze wages at any arbitrarily chosen level.

To address the concerns about weak University implementation that had dogged the Mills Committee's recommendations, and also to encourage continued analysis of real wage trends over time, the Committee recommended annual data releases and reviews of implementation progress.

⁶ HCECP Final Report. Available online at www.hcecp.harvard.edu/hcecp_final_report.pdf.

Although all HCECP members signed on to the decision, three of the four students and two of the three workers on the committee signed on to a concurrence, and three faculty members on the committee also wrote concurrences. All of these indicated that the HCECP recommendations represented major progress but that the parity policy without a living wage floor was an incomplete solution to the problem—arguing that it left open the possibility of future wage erosion.⁷ The concurrence signed by students and union workers called for a total ban on outsourcing, an explicit wage floor, and protection of workers capacity to organize.

The Living Wage Campaign began to advocate that President Summers accept all of the HCECP’s recommendations – and go further by instituting a wage floor.

Summers Responds, the Campaign Continues

On January 31, 2002, Harvard President Larry Summers announced his decisions on the HCECP’s recommendations (see Exhibit 2). Summers stated that the Committee had “produced far-reaching recommendations based on exceptionally thorough and thoughtful analysis.” He indicated that Harvard would “adopt the Committee’s core recommendations and begin at once to ensure their effective implementation. “ Furthermore, his official statement indicated that once implemented, the new policies would “break new ground in defining the relationship between employees and contracted workers doing similar jobs.”

Summers agreed to the one-time wage boost, indicating that Harvard would work the campus unions and “anticipate[d] that all of these negotiations will be completed or in progress by no later than May 2002.” He also agreed to the Committee’s core recommendation of a parity of wages and benefits, promising to issue a detailed policy by March 31st.

Summers also followed the Committee in rejecting a wage floor. He did not mention the recommended “fair bargaining” provision in his policy statement.

The Living Wage Campaign, in its response, framed Summers decision as a major disappointment (see Exhibit 3). The Campaign cited a variety of omissions and emphasized that even with the wage boost, Harvard’s lowest paid workers still earned less, in real terms, than they had a decade before – a departure from the previous year’s insistence on a “living wage” of \$10.25 per hour:

... despite his praise for the HCECP report, Summers fails to address crucial elements of its proposal, including affordable health benefits, protection for workers’ rights to organize, and provisions against bad-faith bargaining. Most importantly, by rejecting the community’s long-standing call for a living wage, echoed by eight of the HCECP’s nineteen members—including a majority of its students and workers—Summers has failed to enact a solution that will end poverty at Harvard in the long run ... Summers’ decision not to adopt a permanent living wage standard is dismaying first and foremost because it virtually guarantees that poverty will continue to plague Harvard’s service workers. The one-time wage boost to a minimum of between \$10.83 to \$11.30 falls far short of what Harvard janitors and security guards made ten years ago.

⁷ Concurrences to HCECP Report are available online at www.livingwage.org.

The Campaign concluded, “Significant progress has been made, but the brutal conditions of poverty on our campus remain, and the need for a living wage policy at Harvard is as urgent as ever. We will continue to organize and pressure the administration until a just resolution is achieved.”

Soon after Summers statement on the future of wage policy at Harvard, on February 7th, Stanford University President John Hennessey announced that Stanford would develop a living wage policy to cover subcontracted workers, based on the City of San Jose’s wage ordinance.⁸ This would make Stanford the first university in the country to commit itself to such a wage floor. The announcement came after a months-long campaign by the Student Labor Action Coalition (SLAC) there—and the arrests of several students at a November 2001 event to protest the outsourcing of janitorial positions by the Stanford Hospital and Clinics.

Back at Harvard, the Living Wage Campaign continued to monitor the University’s dealings with workers—and to generate controversy for its issue choices, tactics, rhetoric, and timing. When President Summers announced new disciplinary actions aimed at sit-ins and other acts of civil disobedience, the PSLM, the student organization that sponsored the Living Wage Campaign, emphasized the need for a more “democratic” University and called for adding students to the conservative and powerful Harvard Corporation, the ultimate arbiter of University policy.

In the *Crimson*, a student columnist assessed the new stand-off, criticizing the PSLM:

... at the moment, it’s entirely unclear how much democratization PSLM wants, or how much it would settle for. The call for student representatives on the Harvard Corporation, the University’s highest governing body, will encounter far more official opposition than the living wage ever did. More importantly, the effort to “democratize Harvard” will require the kind of focused examination and ideological coherence that was sorely lacking in the living wage debates. On this issue, confusion spells disaster.⁹

Along with University administrators, key student critics attacked the Campaign’s civil disobedience tactics as “coercive,” echoing the arguments that former President Rudenstine made during the sit-in a year prior.

In March, SEIU janitors negotiated a new contract with Harvard that would bring significant raises and back pay. The final agreement was reached after a group of nine Living Wage Campaign members and janitors were arrested in a civil disobedience action, blocking traffic in Harvard Square to demand that the University make concessions. One University source commented in private that this latest action had actually undermined concessions that Harvard was prepared to make.

In a campus op-ed critical of the Campaign, a student who had been a member of the Katz Committee noted that the deal struck with janitors yielded an hourly rate of \$11.35—higher than the Committee’s recommended range. The op-ed added another barb:

Do you remember when you were learning to swim? Did your parents place you in the water and then tell you to swim towards them, but slowly walked backwards? Members

⁸ “Stanford plans to adopt ‘living wage policy’” *San Jose Mercury News*, February 13, 2002. The wage would cover workers employed under all contracts of \$100,000 or more.

⁹ Stephen E. Sachs, “Democratizing Harvard,” *Harvard Crimson*, March 19, 2002.

of the Progressive Student Labor Movement (PSLM) must remember this experience well, because they are using just such a tactic in justifying their increasingly extremist cause. They should collect their chips now to preserve their waning credibility.¹⁰

A member of the PSLM, replied to these criticisms and to Harvard's new decisions on discipline:

Although it did not involve any physical force, many called the living wage sit-in of last spring "coercive" because it was not intended to persuade the administration to pay its workers a living wage (two years of such attempts had proven that futile) so much as to induce it to. "Coercion," thus used, simply refers to any form of action used by one party that aims to make all alternatives to a desired outcome less preferable to the other party. Indeed, the purpose—and the success—of the sit-in was to make it so costly and embarrassing for Harvard to pay its workers poverty wages that it would choose on its own to change its ways ... The president and deans' recent decision to punish sit-in participants more severely not only reflects a sad lack of understanding of the undemocratic university governance that necessitates such actions but is moreover a symptom of those very problems. It was made without the slightest input from students or faculty, demonstrating that administrators remain uninterested in involving anyone else in decisions of broad importance. Until the administration is made accountable to the Harvard community, its call for more dialogue is nothing but an invitation to beg. It should come as no surprise that workers and students are fed up with begging.¹¹

It was not clear what the long-run effects would be, on workers or on student activism at Harvard, of protests organized alongside the collective bargaining process. Nor was it clear what the Campaign's issue targets or tactics or overall strategy should now be—or how its relationship with the unions would evolve in the post sit-in, post Katz Committee era.

In early April, Harvard entered collective bargaining with security guards and dining hall workers. President Summers' promised policy on parity wages and benefits had not yet been announced.

Meanwhile, ACORN, the grassroots organization spearheading many economic justice campaigns around the country, indicated that 82 cities, counties, and universities had enacted living wage policies of some kind and that 75 living wage campaigns were underway.¹²

According to John Hiatt of the AFL-CIO, a number of fledgling campus efforts were directly inspired by the Harvard Living Wage Campaign. He recalled the signs held high as the sit-in ended and students exited Mass Hall the previous May: "MIT, you're next."

¹⁰ Matthew Milikowsky, "It's Time For the Activists to Call It Quits," *Harvard Crimson*, March 11, 2002.

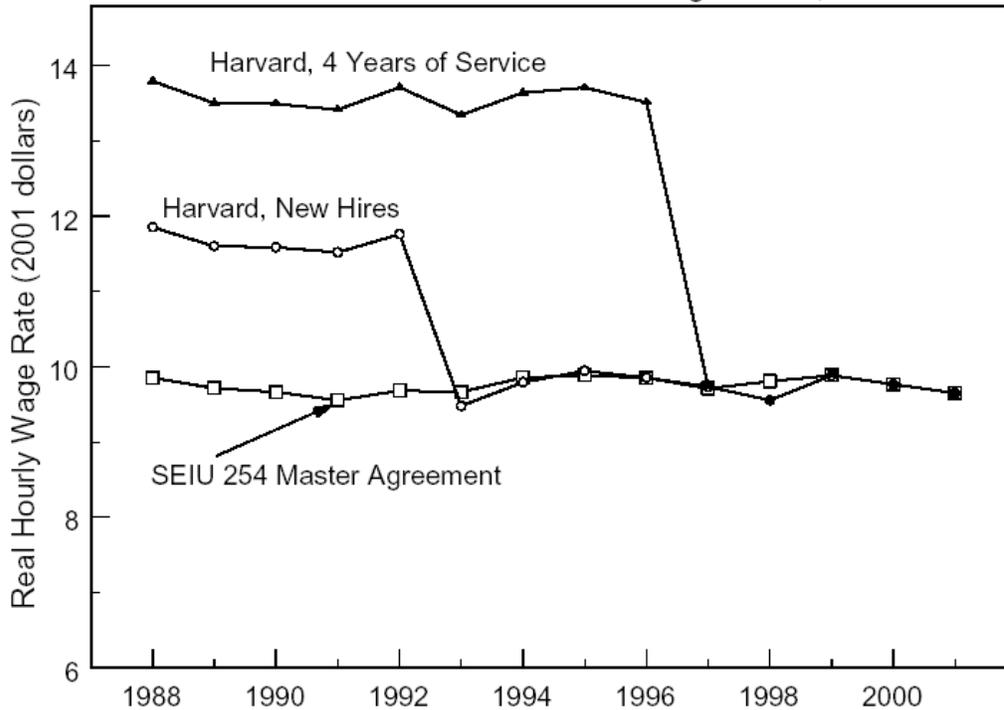
¹¹ Matthew Skomarovsky, "IN Defense of Coercion," *Harvard Crimson*, March 20, 2002.

¹² Robert A. Jordan, "Living Wage Campaign Grows Despite Critics," *Boston Globe*, February 11, 2002.

Exhibit 1

HCECP Trend Data on Low-Wage Workers ¹³

Figure 1: Real Hourly Wage Rates for Full-Time Custodians, Harvard versus SEIU Local 254 Master Agreement, 1988-2001



Notes: The plotted wage rates are for March of year. Wages are deflated by the Boston CPI-U and reported in 2001 dollars. The plotted wages correspond to contract wage rates for full-time, regularly scheduled custodians, working over 29 hours per week (Category A), provided in the SEIU Local 254 Master Agreement for Metropolitan Boston and in SEIU Local 254 site-specific agreement with Harvard University. The reported Harvard wage rates are for day employees in Category A. The rates for night employees were slightly higher (2 to 3 percent higher) prior to 1996. The “Harvard, 4 years of service” rates are for Harvard Category A, day employees with exactly 4 years of service and from 1993 to 1996 reflect the “grandfathering” of higher wage rates for custodians hired before 1993.

¹³ See full report at http://www.hcecp.harvard.edu/hcecp_final_report.pdf

Exhibit 2

Statement Regarding University Employment and Contracting Policies

Lawrence H. Summers

President, Harvard University

January 31, 2002

The Harvard Committee on Employment and Contracting Policies (HCECP), chaired by Professor Lawrence Katz, released its final report on December 19, 2001. It is a thoughtful and constructive document, whose recommendations were voted unanimously by a committee composed of students, faculty, union representatives, and senior administrators. At the Committee's request, the University deferred decisions on specific recommendations until now to allow time for public comment and to permit broad consultation with deans, senior administrators, students, faculty, and other members of the campus community. Having now considered this input, I am pleased to announce that the University will adopt the Committee's core recommendations and begin at once to ensure their effective implementation.

The Committee has produced far-reaching recommendations based on exceptionally thorough and thoughtful analysis. While the Committee considered at length arguments in favor of an externally-set wage, the report notes that many members felt that "such a plan addressed the symptoms and not the causes of the problem of declining real pay for service workers at Harvard." Furthermore, the Committee notes that it "struggled with the problems of finding a principled way to set the living wage and with the unintended consequences that such a rigid policy could create." To avoid these problems, the Committee recommends significant wage increases within the context of collective bargaining and the adoption of a parity wage and benefits policy that will preserve the ability of the University to outsource, but not to contractors who pay lower wages. This structure will provide important protection for workers while ensuring flexibility for all parties in the face of changing economic circumstances over time.

Equally important, the Committee urges the University to clarify the values that govern employment on campus and to adopt measures to improve the quality of work life for all workers. This last point deserves special mention. It is important to recognize that all who work at Harvard, regardless of rank or position, contribute in vital ways to the teaching and research mission of this great University. It is essential that our employment policies and practices reflect this principle.

The proposals of the Committee, once implemented, will improve materially compensation for lower wage service workers at Harvard; enhance the quality of work life for the University's service employees and their on-campus colleagues employed by outside contractors; and break new ground in defining the relationship between employees and contracted workers doing similar jobs. Every worker on this campus and the University community as a whole stand to benefit from this important work. I hope that students, faculty, and staff will work together to support the intensive efforts that will be required to implement these wide-ranging recommendations.

With respect to the recommendations of the HCECP, the University will:

- Open negotiations, under the terms of collective bargaining, with unions representing workers who provide custodial, retail dining, and security services, with the aim of achieving wages in the range paid to other similar workers on campus (\$10.83 to \$11.30 an hour);
- Design and adopt a parity wages and benefits policy governing on-site service contractors in custodial, dining, and security services, which will eliminate the wage differential between University employees and contracted workers while permitting the University to maintain outsourcing as a means of ensuring quality, efficiency, and innovation;
- Adopt a series of measures to clarify workplace values and expectations and to improve the quality of work life for all workers on the Harvard campus;
- Ensure effective implementation of changes in policy and practice, and issue an annual data report on lower wage service workers on campus, to ensure that members of the University community are kept informed on an ongoing basis of trends in compensation for service workers and of the University's progress in implementing specific measures.

In addition to these specific actions focused on our own workforce, I would like to explore ways in which the University might enhance its intellectual contributions in this area. The testimony presented to the Committee by both workers and experts points up the importance to society at large of issues relating to income inequality and the challenges faced by lower wage workers. Many students and faculty members at Harvard are actively engaged in scholarship and research on these subjects. I have begun consulting with faculty members with relevant expertise to discuss ways in which Harvard can build on this important work.

Before turning to our detailed plans for implementation, I want to express my personal thanks, again, to Professor Katz and to the members of the Committee for the rigor, dedication, and good faith with which they worked through these complex issues. The entire University owes the Committee a debt of gratitude.

Plans for implementation

The paragraphs that follow provide an overview of the specific actions the University will undertake in the areas addressed by the Committee.

Wages and benefits

With respect to compensation, the University is prepared to renegotiate the wage provisions in its existing collective bargaining agreements with unions representing custodians, security and parking workers, and dining service workers paid at retail rates. The goal will be to achieve entry-level wages for these groups in line with the range paid to similar Harvard workers whose jobs have not been affected by outsourcing. As the Committee notes, this range is \$10.83 to \$11.30 an hour.

The University has already reopened negotiations with the Service Employees International Union (SEIU), Local 254, which represents custodial workers. As the Committee report suggests, we will turn to the wage portions of the other contracts when the SEIU negotiations are completed. With the expectation of cooperation by all parties, we anticipate that all of these negotiations will be completed or in progress by no later than May 2002.

Parity wage and benefits policy

As a means of reducing downward pressure on wages while preserving outsourcing as an option to ensure quality, efficiency, and innovation in on-campus services, the Committee recommends that the University design and adopt a parity wages and benefits policy. Such a policy would require that service contractors in custodial, dining, and security services pay their on-campus workers wages and benefits substantially equivalent to those paid to unionized Harvard employees in the same service sector. Because parity wages and benefits will provide important safeguards for workers in the context of collective bargaining and outsourcing, the University will follow the Committee's recommendation. In cases in which no in-house Harvard employees work in the same service sector, parity wages and benefits shall be based on those of similarly situated in-house unionized employees.

With respect to the benefits component of parity compensation, the University will require parity to the extent practicable and legally permissible. Where identical benefits for contracted workers are not a permissible or practical alternative, the University will require that the total compensation package for contracted workers be financially equivalent to that paid to the University's own employees.

Health benefits

The Committee expressed concern about the affordability of health insurance for lower wage employees, but it was not charged with making recommendations in this area. The University has secured an outside assessment of its health insurance benefits structure and is prepared to explore questions of affordability for lower wage workers as part of union negotiations.

Quality of work life

As noted above, the Committee concerned itself not only with compensation, but with various factors affecting the quality of work life for Harvard's workers. Having heard testimony from workers that they often felt invisible or marginalized, the Committee affirmed the important principle that Harvard's service workers should be viewed as an "integral and valued part of the community and as a vital component of Harvard's teaching and research mission." Our task is to ensure that our employment policies and practices embody this principle.

The University is in the process of developing a statement of workplace values and norms that will include a commitment to dignity and respect for on-campus workers at all levels and a statement of rights and responsibilities in University employment. We will also adopt mechanisms to ensure that such values are incorporated into the work experience of campus employees and contracted workers. In addition, as the Committee recommends, the University will:

- Develop a training program for managers of service contracts and direct supervisors of service workers, whether such workers are employed by Harvard or by outside contractors;
- Enhance the staffing and capacity of the Office of Human Resources, as necessary, to provide ready access by service workers to information concerning benefits, employment opportunities, and other relevant areas, making provision, as necessary, for the publication of key materials in a range of languages;

- Ensure that policies relating to lower wage workers, including new policies adopted pursuant to this Committee report, are communicated to Harvard managers and supervisors of contracted workers and those who oversee service contracts;
- Evaluate and expand the Bridge program (described below) and explore other avenues for enhancing education and training opportunities available to Harvard workers;
- Administer work environment surveys to employees of the Central Administration and the schools;
- Strengthen collective bargaining relationships with unions representing workers in the service sectors;
- Continue to respect the rights of workers to organize and seek union representation.

Though the Committee was asked to focus its efforts on service workers, all 15,000 employees and the on-campus workers of contractors contribute in vital ways to the life and work of the University. It is essential that our employment policies and practices embody a recognition of this fact. With the help of deans, senior administrators, faculty members, and managers throughout the University, we will work toward this end. To be successful, we will need to work together as a community, recognizing that broad, cultural change cannot be achieved without good faith and hard work, and that it cannot be achieved overnight.

Implementation

The Committee rightly emphasized the importance of a timely and effective strategy for implementation of these recommendations. I have discussed with deans and senior administrators the importance of effective implementation and received assurances that they will work to implement these measures throughout the University. Our specific plans will continue to evolve as we move forward, but I would like to highlight the following steps from the outset:

- As noted, bargaining sessions with SEIU, Local 254, representing custodians are underway. Negotiations on wages with the unions representing retail dining service and security workers will follow.
- The University is working to complete a parity wage and benefits policy not later than March 31, 2002. The policy will be applied to existing contracts with outside service contractors once wage negotiations with the relevant unions are completed.
- With respect to supervisory training, we are in the process of appointing a committee composed of faculty, administrators and workers from different unions, whose charge it will be to develop, by the end of the academic year, a plan for training those who supervise service employees, whether they are Harvard employees or contracted employees.
- The University will continue to offer and enhance the Harvard Bridge to Learning and Literacy Program with courses in English as a Second Language, Literacy, Speaking and Listening, GED/Academic Preparation, and computer use, to all lower-paid service workers, in-house or contracted, with paid release time for attendance at classes. The Program has expanded from 220 participants in spring 2001, to 364 in fall 2001, to an estimated 406 for spring 2002, including

workers from the Longwood Medical Area. We will conduct a comprehensive program evaluation after the end of the spring semester to assess the program's effectiveness and determine whether it should be expanded.

- Beginning in the summer of 2002, the Office of Human Resources will convene a broad-based committee to determine an appropriate instrument to use in the future for regular University-wide surveys of employee satisfaction.
- With respect to employee surveys, the "Great Place to Work Survey," first administered to the Central Administration and several schools in 1999, will be repeated in March 2002 for the Central Administration and five schools as well as for service workers employed by the Medical School. Results will be available for managers of participating departments approximately two months later. The remaining Schools will conduct employee surveys within eighteen months.
- In May 2002, the University will prepare and make publicly available a report that outlines: our progress on implementation; the results of collective bargaining with the service unions; and our progress with respect to extending parity wages and benefits to contractors.
- Beginning in the spring of 2003, the University will, as the Committee recommends, prepare and make publicly available an annual data report on lower wage workers at Harvard.

When the implementation report is released this spring, I hope to meet with those who served on the Harvard Committee on Employment and Contracting Policies to review the progress made and discuss plans going forward. In addition, I plan to consult on an ongoing basis with Lawrence Katz with respect to issues relating to the implementation of the Committee's recommendations.

While the Office of Human Resources will have primary responsibility for implementing these recommendations and other employment policies and practices, the University's in-house auditing unit, Risk Management and Audit Services, will monitor the University's performance in this area on an ongoing basis.

No minimum wage floor

Consistent with the recommendation of a majority of the Committee, the University will not adopt a minimum wage floor or "backstop" wage in addition to collectively-bargained wages and benefits combined with a parity wage and benefits policy. The Committee's reasoning on this point is persuasive: "Given that the committee is recommending and expecting short-run wage increases to levels above the \$10.68 level adopted as the living wage by the City of Cambridge and by some living wage advocates, and given that the parity wage should eliminate the primary cause of downward pressure on union pay (the threat of outsourcing to contractors paying significantly lower wages), the majority of committee members felt that the parties to collective bargaining were in a better position to determine the future course of pay at Harvard and avoid the potential problems and unintended consequences that a fixed and permanent uniform wage might create." In short, the parity wage and benefits policy, when combined with collective bargaining, will provide a powerful safeguard for workers, while retaining for all parties to collective bargaining important flexibility to adapt to changing economic circumstances over time.

Conclusion

We have important work ahead to make sure that we successfully implement throughout the University the policies and practices outlined above. I urge the entire Harvard community to join me in the task of translating vision into reality in this important domain of University life.

Exhibit 3

The Harvard Living Wage Campaign's Initial Response to President Summers' Decision on Labor Policies

Today, nearly nine months after last Spring's sit-in, President Summers has finally announced his decision on the university's new labor policies in response to the recommendations released on December 19 by the Harvard Committee on Employment and Contracting Policies (HCECP). As the HCECP recommended, Summers has chosen to enact a one-time boost in wages to a minimum of between \$10.83 and \$11.30 per hour, as well as a parity wage policy that requires that subcontracted workers receive wages equal to those of their in-house counterparts. However, despite his praise for the HCECP report, Summers fails to address crucial elements of its proposal, including affordable health benefits, protection for workers' rights to organize, and provisions against bad-faith bargaining. Most importantly, by rejecting the community's long-standing call for a living wage, echoed by eight of the HCECP's nineteen members -- including a majority of its students and workers -- Summers has failed to enact a solution that will end poverty at Harvard in the long run.

Summers' decision not to adopt a permanent living wage standard is dismaying first and foremost because it virtually guarantees that poverty will continue to plague Harvard's service workers. The one-time wage boost to a minimum of between \$10.83 to \$11.30 falls far short of what Harvard janitors and security guards made ten years ago, and what janitors earn at other Boston universities. Although an improvement, it will leave many campus employees' basic needs unmet. Moreover, the lack of a cost of living adjustment is a cause of serious concern: if Harvard's past conduct is any indication, the administration can be counted on to make every effort to erode these wages in future contract negotiations without the protection of a living wage floor. Summers has failed even to adopt the HCECP's recommended "fair bargaining provision," which would guarantee that if Harvard refused to negotiate a contract with its workers, wages would automatically rise with the cost of living until a contract was settled. President Summers should eliminate poverty at Harvard and guarantee the ability of workers to engage in healthy and fair collective bargaining with the university by implementing an annually adjusted living wage policy.

In addition to poverty wages, a number of other crucial problems are left unsolved by Summers' policy changes. While many workers have been offered health benefits, the co-payments are so expensive that the majority of service workers choose to forgo them. Summers' stated policy changes made no commitment to making health care more affordable and accessible to Harvard workers. Summers has also refused to adopt measures protecting workers' rights to organize, severely discrediting his claim that the university supports collective bargaining. And most disturbingly, Summers has only made vague statements about how these policy changes will be executed. By leaving monitoring and implementation in the hands of the Office Human Resources rather than committing to the kind of broad representation embodied in the HCECP, Summers is taking a backward step that further undermines our faith in his consideration for the views of students and workers. If Summers wants to gain the trust of the community, he must allow implementation to be monitored by inclusive body of students, workers, and faculty in addition to administrators.

We are deeply disappointed that Summers has not offered a lasting solution to the persistent disgrace of poverty on our campus, as has been called for by an overwhelming majority of the Harvard community. Whether or not Harvard employees have to live in poverty should not be a decision left to the collective bargaining process. Summers should affirm the moral principle that it is unacceptable for Harvard to pay the workers that keep our campus safe, clean, and well-fed so little that they must decide between medical care or food, between paying the rent or spending time with their families. Significant progress has been made, but the brutal conditions of poverty on our campus remain, and the need for a living wage policy at Harvard is as urgent as ever. We will continue to organize and pressure the administration until a just resolution is achieved.