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Privatizing Philly vs. AFSCME DC 33

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Abstract

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In the 15 years since Stout's declaration, things have changed dramatically both for the City and the union. By the 1980s, the union faced a fundamental threat from the contracting out of bargaining unit work. This article will describe how DC 33 moved from a one-dimensional confrontational approach to its problems of the 1970s to a successful multifaceted fight against privatization.

Keywords
privatization, Philadelphia, AFSCME
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DC 33 Up to Goode

District Council 33 is comprised of 14 semi-autonomous locals, 10 of which form a single bargaining unit representing virtually all nonsupervisory, nonuniformed employees of the City. DC 33

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has the capacity, as Stout proclaimed, to shut down the city's vital operations. This is primarily because its bargaining relationship with the City predates the enactment of public sector labor relations legislation in Pennsylvania. The first local received City Council recognition in 1939, with formal recognition of the entire District Council being granted in 1961, a decade before similar rights were granted to other public employees in the state. The extraordinary strength of DC 33 is also related to the strength of the labor movement in Philadelphia during this time.

The breadth of the District Council's representation rights is the foundation of its power. The union was organized around the sanitation workers, presently represented by Local 427. These 2,400 workers, responsible for trash and garbage collection and disposal, are the historic core of the union and pose its biggest strike threat. Other strategic locals include those representing water department, corrections, health, highway, and building maintenance employees.

Like other big city AFSCME councils, DC 33 expanded its scope and strength in the 1960s and early 1970s. During this time AFSCME affiliates across the country benefited from a rising sense of black empowerment and militancy derived from the civil rights movement. In Philadelphia municipal workers, who had been among the lowest paid, won quick and dramatic gains as a result of increases in federal aid to cities and the union's strategic bargaining position. It was during this period that Earl Stout, a charismatic Sanitation Department mechanic, rose through the ranks of Local 427 to become DC president in 1974.

During this time, AFSCME's relationship with the City was characterized by direct action. Through a combination of walkouts and slowdowns, DC 33 could usually get its way from a city government that had a multitude of funding sources and could be intimidated by a union with a militant black leadership. The union's commitment to direct action was so complete that arbitration was not a part of its grievance procedure until 1984.

With federal and state cutbacks beginning in the late 1970s and intensifying after 1982, the terrain shifted for both the union and the city government. One-term Mayor William Green's hiring of Wilson Goode, a black Wharton Business School graduate, to the top nonelected post of managing director was a recognition of the city's growing black political base. Reflecting Green's desire to promote his administration as being "professionally managed," Green regularly touted the managerial skills of Goode.

It was Wilson Goode who negotiated the union contract without a strike when Green laid off bargaining unit members in early
1980 in response to shrinking public aid. The new contract provided the union with important safeguards against future diminution of the bargaining unit; it prevented the City from contracting out work without first meeting important notice and economic analysis requirements.

Goode’s reputation as a hands-on manager laid the groundwork for his entry into city politics as a candidate for mayor who could capture votes beyond the black community. Goode was elected as Philadelphia’s first black mayor in 1983, with the active and enthusiastic support of DC 33. The honeymoon was not to last.

**Philadelphia Under Goode**

Goode’s first term as mayor was marked by cutbacks in services that resulted in membership losses for most AFSCME locals. Goode also increased contracting out of work that had historically been performed by union members.

A good example of this is Local 1637, whose members had long been responsible for the repair and maintenance of city buildings. The Goode administration’s response to the decay of the city’s infrastructure was not to restaff the trades jobs which provided ongoing maintenance, but to subcontract for those areas in worst shape and neglect all others. In response, Local 1637 began using
newly won arbitration rights to enforce the 1980 contracting-out language. The union successfully utilized that language to enjoin the City from privatizing a public riding stable. In those parts of the bargaining unit where concerted attention to enforcing the contract was absent, however, contracting out became more widespread.

Goode has often publicly expressed his ambition to run the city like a Fortune 500 company, and has in fact pursued policies that resemble those of corporate America. His obsession with the bottom line and his focus on the short-term at the expense of long-term investments in human and capital resources closely reflect the practices and priorities of many large corporations.

Prior to 1986, contracting out was an expedient short-term approach used by various department commissioners, rather than an overall management policy. In 1986 the union attempted to address contracting out and the resulting loss of jobs in negotiations, and it became one of several issues at the heart of the longest municipal strike in the city’s history [21 days]. Several locals emerged from the strike with side-letters to the master agreement that stemmed contracting out and restored bargaining unit positions.

However, the 1986 strike was an unpopular one with the membership, who widely perceived it as the result of personal rancor between Goode and Stout rather than an inability to resolve issues. The press heralded the end of the strike as an unqualified win for the Mayor and a crushing defeat for the union. The City had finally begun to tame the mighty District Council 33.

The after-effects of the 1986 strike have led many to question the union’s ability to use its once mighty strike weapon, and this uncertainty has haunted the union and influenced the actions of both parties. For the Mayor, it represented the beginning of his political comeback after the MOVE disaster, and he rode the wave of popularity back into the mayor’s seat in 1987.

As part of his 1987 re-election campaign, Goode announced his intention to contract out trash collection, making privatization the centerpiece of his strategy for dealing with the city’s problems. The easiest way to justify this strategy was to blame the workers and union work rules for the declining quality of city services. Goode received strong support from the press, especially the Philadelphia Inquirer, which had designated itself as the leader of a public crusade to tame the union. DC President Stout’s public image as autocratic, corrupt and arrogant made this crusade an easy one to conduct. The 1986 strike was still fresh in the minds of the public. Further, Stout’s self-imposed isolation from the rest
of the local labor movement made it difficult for the union to gain the support of other unions. The Mayor's policy and its press support represented a fundamental threat to the entire union.

The Fight in Sanitation

The campaign against the sanitation workers, which portrayed them as lazy drunks, was laden with racist overtones. Because of their high visibility, they became the focus of Goode's campaign against the entire city workforce. Led by President James Sutton, AFSCME Local 427 immediately launched its counterattack, involving a variety of tactics, many of them new to a union that had traditionally solved problems through job actions. "We knew job actions would play right into their hands. It would have been the worst thing we could have done," explains Sutton.

Local 427's campaign involved intensive lobbying of City Council, developing community allies, and taking the offensive with the press through a well-conceived public relations campaign, which directly addressed the issue of productivity.

The Mayor's plan to privatize trash collection needed the approval of City Council. For months the officers and members of Local 427 became regular fixtures in City Council chambers and offices as the union presented testimony and lobbied individual Councilpersons. "Instead of stopping work, we had members coming down on their days off to talk to their Council members," Sutton emphasized. This approach helped change the image of the Sanitation Local, as well as solidify support among Council members, who had often received political action support from the union.

Local 427 started its own campaign in the community. Representatives of the local began attending neighborhood meetings across the city. Philadelphians United to Save City Services, led by Shafik Abu Tahir, became the local's most important ally. This coalition organization, made up of a wide range of community and labor organizations, had addressed a host of issues impacting the community, including the Mayor's closing of fire houses and declining services in city health centers. Philadelphians United, through their successful organizing of demonstrations and ability to get favorable press coverage, had made themselves a force to be reckoned with in city politics. Through the coalition and its own community contacts, the union brought its case directly to grassroots groups and labor allies.

The union was determined to get its story on privatization to the public. Through a series of press releases and news confer-
ences, the union took on the two companies bidding for the trash service contract, exposing their histories of criminal practices, corruption and anti-trust violations. Sutton began to emerge as a new style of union leader—professional, well-informed, and sensitive to the public interest.

Local 427 also sought to energize its own ranks with the creation of a Publicity Committee. The Committee published a newsletter, involved family members, developed rank-and-file spokespeople, and in January 1988, after Goode had been reelected to his second term as mayor, organized a major rally on Martin Luther King Day. The fact that King died in Memphis while he was helping striking AFSCME sanitation workers added emotional fire to the cause of Local 427. The rally was an unqualified success, reinvigorating the fight against privatization. It also gave new credibility to Sutton, especially compared to DC 33 President Stout, who was absent that day.

**A New Direction for the Union**

The City Council eventually rejected the Mayor’s plan to privatize the Sanitation Department, but Goode expanded his privatization agenda to other areas, including the City’s public health centers and nursing home. With the expansion of the City’s efforts to privatize city services, others became involved. AFSCME DC 47, the city’s white-collar union, along with Local 488 of DC 33, organized a campaign with other groups—including senior
citizens, homeless advocates and health care consumers—to fight
the privatization of health services. Once again, Philadelphians
United played a leading role in bringing key constituency groups
together and bringing new allies to the sanitation workers’ struggle,
as the common interests of these groups became more apparent.

The whole tenor of the union’s campaign in the community, the
press and City Council was to emphasize that City workers were
taxpayers and consumers of city services, as concerned with the
quality of those services as every other Philadelphian. When the
City Council alleged that restrictive union work rules necessitated
contracting out, Sutton countered that the union could offer
suggestions that would save the city money.

This response characterized the union’s approach to the City’s
charge that union workers were unproductive and that union rules
prohibited technological change. In Sutton’s office today, photos
spanning the better part of this century show the changes in sani-
tation work. From horses and wagons to the first truck, the first
compactor and so on. These pictures show, according to Sutton,
“If you don’t change with the times, you don’t survive.”

The union met the issue of productivity head-on, instead of
denying it. Sutton suggested that new equipment and redesigning
of routes would lead to more efficient operations, in contrast to
Stout who viewed any discussion of change as surrender. Sud-
denly, Stout’s confrontational style had become obsolete.

In May 1988 the delegates of DC 33, in a bitterly contested
election, voted James Sutton the new DC president, removing
Stout from a position he had occupied for 14 years. This election
marked not only a change in leaders, but a change in approach.

The first task confronting Sutton upon his election was the
negotiation of a new contract. The old one was set to expire on
June 30, 1988. While contracting out had been the union’s issue
in 1986, now privatization was the city’s; its negotiating team
viewed unions as “counterproductive” and “dragons that should
be slain” in pursuit of the bottom line. Some observers believe
that Goode played his contracting-out card too early as part of his
election campaign, allowing the union enough time to respond.
Still, the threat of privatization hung over contract negotiations.
It is doubtful that anyone in the administration anticipated the
degree of broad-based success the union’s anti-privatization
campaign would enjoy.

The negotiations finally concluded in late July with the union
agreeing to early retirement incentives as the means of workforce
reduction. Layoffs and privatization had been averted. The funda-
mental threat to the union had passed. But as Sutton has warned,
“Privatization is not dead. Wherever we’re not competitive, it can be held over our head.”

The degree to which public sector unions can adapt to the threat of privatization is crucial to their future. As it enters the 1990s, DC 33 combines both the old and new methods of labor relations. Local 394, representing workers in the Water Department, for example, has continued to rely on direct militant action. The Water Department, a self-funded entity, has not been subject to the same kinds of fiscal pressures as other city departments and has responded by increasing bargaining unit jobs when confronted by Local 394 on contracting-out issues.

Local 403, perhaps the hardest hit of all locals by contracting out, won restoration of highway and street lighting repair work through its 1986 side-letter and subsequent enforcement arbitrations. After a three-year legal battle, the union has finally seen those positions reinstated and has established a minimum level of employees.

In Local 1637 a policy of vigorous contract enforcement through the grievance procedure, in concert with small-scale job actions and aggressive court action when necessary, has been in practice for a number of years. As a result, the city has been forced to think long and hard before attempting to contract out 1637 work. Recently, when the Department of Public Property attempted to circumvent the notice provisions of the contracting-out language in the union contract, the union was able to force a settlement that included large wage payments and guaranteed overtime. The City was unwilling to risk another loss in court and was not eager to be further embarrassed by union members on an informational picket line at the site of the proposed contracting out.

Preparations for a major arbitration regarding the privatization of prison health services are underway. Arbitration victories in Local 1637 have forced management to adopt a much more cautious approach to contracting out in the Department of Public Property. The price of complex litigation—and the price of losing—has become a powerful threat for the union. That threat must be extended throughout the bargaining unit.

**Conclusion**

These various victories show that the union is finding its way in a changing environment. Work with Philadelphians United is continuing. The union is actively building new allies in the community and becoming reinvolved in the labor movement. The union is convinced that spreading its message and expanding its
relationship with the broader community is crucial at a time when various interests are competing for their piece of an ever-shrinking pie.

The union retains a public relations firm for the use of the various locals and the District Council. The union’s powerful political action committee has played key roles in voter registration and local election efforts and is now moving more actively into lobbying. The big political and economic issues that affect our members get played out in the press and City Council. The union cannot afford to have its viewpoint missing from the dialogue.

Membership involvement continues to play a central role. Successes in City Council have come as a result of the combined impact of lobbying, public relations, and demonstrations in City Council chambers. Informational picketing and other job actions that directly confront management and contractors have also proven extremely effective.

“This is only a beginning. There needs to be more coordination inside the union. We need to train our people and meet privatization head on,” concludes DC 33 President Sutton. It appears that AFSCME in Philadelphia is well on its way to doing just that.

**Resources**

**Economic Policy Institute**

One of the ways the Reagan Revolution (being continued by our kinder and Bushier President) has established its power is through its control of the way public issues get framed. And one of the ways right-wing, anti-union conservatives shape public debate is through the intellectual products of their “think tanks.”

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- **The Limits of Privatization**, by Paul Starr (20 pages, $3).
- **The Emperor’s New Clothes: Transit Privatization and Public Policy**, by Sclar, Schaeffer and Brandwein (37 pages, $8).

These are available from: Economic Policy Institute, 1730 Rhode Island Avenue N.W., #812, Washington D.C. 20036.