

'Carwasheros' unionise in New York City: community-labour partnerships and the challenges of organising a runaway industry

By Sara Cullinane

New York City carwashes harbour some of the most exploitative labour practices in the city. State law sets carwash workers' hourly minimum wage at nearly three dollars *below* the state minimum – US\$7.25 per hour in 2012, when carwash workers began organising. Employers are expected to pay workers the difference in tips, but minimum wage violations are rampant in this cash-run and largely unregulated industry. A 2008 New York Department of Labour report found 78% of investigated carwash operators violated minimum-wage laws, depriving workers of more than US\$6.5 million (Smith, 2008). Compounding already precarious working conditions, many *carwasheros*, as some workers call themselves, are undocumented immigrants, a vulnerability employers prey upon by threatening to call immigration when workers begin to organise (Center for Popular Democracy, 2013).

Organising this race-to-the-bottom industry poses structural and logistical challenges to even the most determined union drive. The city's estimated 5 000 carwash workers labour in more than 200 shops with 130 different owners – the average carwash employing just 15 and 30 workers (Center for Popular Democracy, 2013). With few large targets, a traditional union drive would yield few organised workers through inefficient, resource-intensive, shop-by-shop struggles that let bosses wise-up to organising tactics before the next campaign begins. Moreover, the lack of wage enforcement historically in the sector has left no meaningful minimum-wage floor to build upon. Indeed, many carwashes appear to employ a business model that depends on paying workers subminimum wages. Therefore, any successful organising drive must take on the additional task of an industry-wide clean-up to improve wage enforcement, so that shops paying better wages stay competitive.

Despite these challenges, New York City *carwasheros* have defied the odds and begun to transform one of the city's most deplorable industries. WASH-New York, an innovative community-labour project initiated by the grassroots organisations Make the Road New York and New York Communities for Change (NYCC) with support from the Retail, Wholesale and Department Store Union (RWDSU), launched a campaign to organise the carwash industry in March 2012. Using a combination of tactics, including strikes, strategic litigation, legislative initiatives and industry sweeps by government enforcement agencies, *carwasheros* swiftly won union contracts, resulting in raises of nearly US\$4 per hour and benefits previously unheard of in the industry: paid vacation, bonuses and enforceable grievance procedures. To date, nine carwashes across New York City have reached collective bargaining agreements with RWDSU and workers from dozens of other carwashes are engaged in the city

-wide campaign to improve working conditions and wages.

More broadly, the *carwasheros'* struggle – which became the focus of media attention and widespread popular support and landed *carwasheros* an audience with Pope Francis when he visited New York – highlighted the dire need to raise the minimum wage for workers across the board. In 2015, New York's governor Andrew Cuomo was propelled by the *carwasheros*, the national mobilisation of fast-food workers, and other efforts to announce plans to raise fast food workers' wages to US\$15 per hour, and to push for the same minimum state-wide. *Carwasheros* were active in the campaign, marching and testifying before a state wage board in support of the increase (Montes, 2014).

Community Unionism

Many of the campaign's successes, including winning contracts, building worker leadership and raising industry standards, can be attributed to the community-labour partnership. Instead of the usual 'rent a rally' model in which unions call on community groups to provide support at key pressure points in a campaign, Make the Road and NYCC – which themselves represent more than 38 000 immigrant and working class, dues paying members – led the effort hand in hand with RWDSU. Workers met at Make the Road and NYCC's storefront centres, located in the same immigrant neighbourhoods where many *carwasheros* live. There, even before winning contracts, *carwasheros* became involved in dynamic organisations, taking English classes and receiving legal services, but also participating in leadership training and in campaigns for immigrant rights, affordable housing and increased minimum-wage enforcement, alongside other immigrant workers. At RWDSU, *carwasheros* held major worker assemblies that addressed workplace and non-workplace issues and became show-cases for the campaign's growing political influence. This engagement is an example of 'whole worker organising,' where workplace organising is not isolated from other pressing fights that shape workers' daily lives (MacAlevey, 2012). This model not only builds stronger worker movements, but is arguably necessary to effectively take on any low-wage, unregulated industry where gains could quickly be lost to unscrupulous competitors in the absence of broader reforms. By fighting for minimum-wage increases and enhanced wage enforcement alongside dishwashers, construction workers, fast-food workers and other low-wage workers who make up the membership of RWDSU, Make the Road, and NYCC, *carwasheros* have built a broader movement that also helps to guarantee that their work-

place victories will hold.

“Carwash Kingpin”

The powerful membership bases of community groups and their critical political relationships were instrumental in one of the key strategic moves of the *carwasheros*' fight. Despite the generally diffuse nature of the industry, WASH-NY identified one large employer as a prime target. John Lage, with associates, owned ten percent of the city's carwashes (Center for Popular Democracy, 2013). Dubbed the 'Carwash Kingpin' by tabloids, Lage pocketed an estimated US\$34 million in annual profits and owned a multi-million dollar, turreted estate, while his workers reported earning as little as US\$3.50 per hour (Pearson, 2014). When workers at Lage carwashes discovered US\$400 000 in business contracts with the New York City Police Department and other city agencies, community groups sought the attention of Bill de Blasio, then the public advocate and currently the mayor of New York City, who called on the city to end contracts with Lage. The New York State Attorney General launched an investigation into Lage carwashes, eventually levying US\$3.9 million in fines and unpaid wages and implementing ongoing wage monitoring (Pearson, 2014). Simultaneously, workers staged strikes supported by WASH-NY membership bases. In this crucible of pressure, Lage and other carwashes capitulated, and workers signed the industry's first-ever union contracts in New York.

Bringing up the floor for all *Carwasheros*: Lessons in community-labour partnerships

After this successful start, organising smaller carwashes with disparate ownership structures predictably posed significant challenges and raised broader questions about winning sustainable victories in low-wage industries.

To enhance wage protections and ensure that high-road and unionised carwashes would not be undercut by unscrupulous competitors, WASH-NY worked with progressive city officials on legislation that would require carwash operators to post a US\$150 000 surety bond to be used if workers could not collect unpaid wages (New York City Council, 2015). The bond decreases to US\$30 000 for businesses subject to a collective bargaining or government monitoring agreement, incentivising employers to negotiate with workers collectively, or at least mitigating the competitive disadvantage that high-road carwashes would otherwise face.

The Carwash Accountability Act was signed into law in June 2015, but implementation is delayed pending a lawsuit by carwash owners, so its twin goals of raising industry standards and protecting unionised and high road employers from being undercut by exploitative competitors have yet to be tested. However the power of robust worker organising that reaches across the industry and involves both union and non-union (or not-yet union) workers, has already been demonstrated in the fight for state minimum-wage hikes. It has also built a stronger working class movement situated not just in the workplace but also in efforts to counter aggressive immigration enforcement, to increase affordable housing and around myriad other issues.

This model can foster a level of continued militancy and engagement that is often otherwise lost in post-contract union shops where the union's focus becomes addressing grievances and providing services to existing members only. Because of their involvement in community organisations, unionised workers can pivot to work on other key issues should there be a lull in workplace organising, while building solidarity with low-wage, non-union workers who may one day want to take on their own employers.

Promisingly, the WASH-NY model, which was piloted with traditionally low-wage workers in a small sector, has found application in larger industries.¹ In New York City, it has become a driving force to raise standards in one of the worst industries and to build a more expansive and powerful working class movement.

¹ For example, the Committee for Better Banks, a similar community-labour partnership, is currently working to build worker organisation among frontline call-centre workers, personal bankers and bank tellers at some of the largest multi-national financial institutions (<http://betterbanks.org/>).

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