

**BUSINESS DAY**

# Advocates for Workers Raise the Ire of Business

By STEVEN GREENHOUSE JAN. 16, 2014

As America's labor unions have lost members and clout, new types of worker advocacy groups have sprouted nationwide, and they have started to get on businesses' nerves — protesting low wages at Capital Grille restaurants, for instance, and demonstrating outside Austin City Hall in Texas against giving Apple tax breaks.

After ignoring these groups for years, business groups and powerful lobbyists, heavily backed by the restaurant industry, are mounting an aggressive campaign against them, maintaining that they are fronts for organized labor.

Business officials say these groups often demonize companies unfairly and inaccurately, while the groups question why corporations have attacked such fledgling organizations.

The United States Chamber of Commerce issued a detailed report in November criticizing what it calls “progressive activist foundations” that donate millions of dollars to these groups, which are often called worker centers. The business-backed Worker Center Watch has asked Florida's attorney general to investigate the finances of the Coalition of Immokalee Workers. That group sponsored a protest last March in which more than 100 workers marched 200 miles to the headquarters of Publix supermarkets to urge it to pay more for tomatoes so farmworkers could be paid more.

A prominent Washington lobbyist, Richard Berman, has run full-page ads attacking the Restaurant Opportunities Center, accusing it of intimidating opponents. He has even set up a separate website, ROCexposed.com, to attack the group.

The Restaurant Opportunities Center is one of the nation's largest worker

centers, sponsoring repeated protests inside Capital Grille restaurants and winning sizable settlements from famous chefs. The group even infiltrated the National Restaurant Association's lobbying day on Capitol Hill, learning about the association's goals and strategies.

Business groups argue that worker centers should face the same strictures as labor unions under federal law, including detailed financial disclosure, regular election of leaders and bans on certain types of picketing. Business groups say worker centers act like unions by targeting specific employers and pushing them to improve wages.

Regarding the Restaurant Opportunities Center, Scott DeFife, an executive vice president at the National Restaurant Association, said: "They're trying to have it both ways. They're a union and not a union. They're organizing workers but not organizing workers. They have a history of tactics unions couldn't get away with."

Business groups say they have grown far more concerned about these new organizations since Richard L. Trumka, the A.F.L.-C.I.O.'s president, announced last March that organized labor would work closely with these groups, many of which were formed to help immigrant workers whom unions had long overlooked. "For the employer community, it's a question of what does this grow into," said Glenn Spencer, executive director of the Chamber's Workforce Freedom Initiative, which commissioned the study on foundation funding. "Judging from Trumka's remarks, organized labor sees a lot of potential in this model."

According to that study, millions of dollars have flowed to worker centers from 21 foundations. From 2009 to 2012, it found, the Marguerite Casey Foundation gave \$300,000 to the Southwest Workers Union and \$300,000 to the Coalition of Immokalee Workers. The Ford Foundation gave \$717,000 to the National Domestic Workers Alliance, \$1.15 million to the New Orleans Workers Center for Racial Justice and \$2.4 million to the Restaurant Opportunities Center.

Mr. Berman, who receives millions of dollars from business to fight unions and oppose a higher minimum wage, acknowledges that he is using a hammer to

prevent these groups from growing far more powerful and troublesome.

“There’s quite a range of activity among worker centers,” said Mr. Berman, whose lobbying firm has spawned numerous spinoff nonprofits, including the Center for Union Facts. “They have yet to reach the point of being a long-term problem. We’re trying to stay ahead of the curve.”

Saru Jayaraman, a co-founder of the Restaurant Opportunities Center, has repeatedly strategized to get under the industry’s skin. Her group does an annual dining guide, giving a thumbs down to restaurants it says treats employees poorly by, for instance, avoiding paid sick days.

The group enraged one of New York’s top chefs, Daniel Boulud, by demonstrating outside his Daniel restaurant with a 12-foot-tall inflatable cockroach, asserting that the restaurant’s Hispanic and Bangladeshi employees faced discrimination when they applied to become waiters. Her group reached a confidential settlement with Mr. Boulud. After a similar protest against Mario Batali’s Del Posto restaurant in Manhattan, he reached a settlement that called for paying \$1.15 million over misappropriated tips and unpaid overtime and included new policies on promotions and paid sick days.

Because of its in-your-face tactics and numerous successes, the restaurant group has faced many attacks from business.

“It’s flattering,” Ms. Jayaraman said. “The fact that they’re attacking us is a sign that they feel threatened. That’s what happens when you challenge the industry to do the right thing.”

Greg Asbed, co-founder of the Coalition of Immokalee Workers, noted that numerous companies had signed onto his group’s far-reaching “Fair Food Program” to improve pay and working conditions. The group announced on Thursday that Walmart had joined the program, which calls for paying a penny more per pound for Florida tomatoes. But Mr. Asbed criticized some attacks leveled by business as “McCarthy-era tactics.” “Attacking workers who are fighting poverty wages, sexual harassment and other problems in the food industry is doing a disservice to those companies that are working to prepare the industry for the challenges of the 21st century,” he said.

The chamber questions not just the millions that foundations are giving

worker centers but also the image that they run on a shoestring budget.

But worker center leaders say they need foundation funding to get off the ground and keep operating. Some foundations viewed the chamber's report as a brushback pitch intended to discourage them from giving.

In a statement, the Ford Foundation said: "Growing numbers of workers are finding themselves in low-wage jobs with limited resources to support a family and move up the economic ladder. The foundation's support for worker centers is one part of our effort to help more hard-working people climb out of poverty and achieve economic security."

Industry officials say that when the Restaurant Opportunities Center negotiated with Mr. Batali about promotions and other policies after suing him, those negotiations resembled collective bargaining. But in 2006, the general counsel's office of the National Labor Relations Board concluded that ROC was not a labor organization under federal law, finding that it was not engaged in a pattern of dealing with specific employers.

Ms. Jayaraman said her group was not bargaining, but instead seeking injunctive relief to settle a lawsuit. Mr. Berman, the lobbyist whom the CBS program "60 Minutes" once called "Dr. Evil," has mounted a multipronged offensive against worker centers. He is hitting not just ROC and the Immokalee coalition, but also the recent fast-food strikes and Black Friday protests at Walmart, which have strong union backing. "They put on a costume and call themselves something other than a union," Mr. Berman said. "They're doing Potemkin-village unionization." He declined to disclose his sources of funding.

Janice R. Fine, a labor relations professor at Rutgers, said one should distinguish between efforts like the Walmart protests, which were largely organized by a labor union, and worker centers, which are generally independent of unions.

"Business groups have this notion that unions have created worker centers as front groups, that they are creatures of these big institutions," Professor Fine said. "The idea that they are sort of offspring of organized labor is just wrong. They were often set up because of a vacuum left by the labor movement. There was often downright hostility between them."

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