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The New Silicon Valley Movement That Is Taking on the Tech Giants

Gabriel Thompson | March 10, 2015

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Image

Supporters of Silicon Valley Rising hold signs at the coalition's launch. (Photo by Tri Nguyen)

On a warm afternoon in late February, 200 people filed into the social hall of Our Lady of Guadalupe Parish, set back from a busy street on San Jose's eastside. The large crowd was excited and boisterous—the event has been months in the making—with people calling out loud greetings to each other in Spanish and English. During a quiet moment, Chava Bustamante stepped up to the podium. A longtime union organizer, he now runs a group called LUNA—Latinos United for a New America—whose logo was emblazoned across his bright yellow shirt. “Make a mental note of today,” he told the group. “When we look back, we’re going to say, ‘I was part of this historic moment.’”

The moment he was referring to was the launch of Silicon Valley Rising. Born in the heart of a booming tech empire, this broad coalition of labor, community and faith groups hopes to use that boom to benefit, instead of displace, the working poor. Apple's headquarters in Cupertino is just a dozen miles away. Facebook is further down the highway, in Menlo Park. But those tech companies are only one side of the valley, with their sleek gadgets and social networks and, above all, enormous wealth. This modest social hall, with its cracked ceiling tiles and twice-a-week food service to the hungry, was a reminder that out here, in the center of all that is new and shiny, the age-old problem of poverty persists.

A group of young Latinas stepped forward to share their vision for the future: a Silicon Valley where tents are only used for camping, not as shelters of last resort; where workers are no longer invisible and disposable; where paychecks cover the cost of housing and food. These dreams sound basic, but they are ambitious. Rents in San Jose increased 13 percent last year, to a median that now exceeds \$3,000 a month [1]. Until recently the city was home to “the Jungle,” reported to be the largest homeless encampment in the nation. A 2015 report from the Silicon Valley Institute for Regional Studies [2] found that three in ten Silicon Valley residents don't earn enough to support themselves; this includes many of tech's invisible workers—the security officers, shuttle drivers, janitors, cooks and landscapers—who are supporting an industry that is pricing them out.

“Things are definitely getting worse,” said Michael Johnson, during an interview several days later.

Johnson is an officer with Universal Protection Service, a large security contractor that the union seeks to organize. He has spent a decade guarding tech offices for a handful of security companies, and has seen his pay remain flat—as he puts it, “not a whole lot more than the minimum wage”—and benefits disappear. He lives in a rented room, depending on donated food from a friend, a fellow guard whose worksite has catered meals. He places the blame squarely on the high--tech companies, who have forced contractors to cut costs to win bids.

“We’ve participated in their success,” he said of the tech industry. “Why can’t we participate in their prosperity?”

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Can the outsized influence of tech somehow be harnessed to benefit low-wage workers in Silicon Valley?

While this is still a distant dream, there are some promising signs. When anti-gentrification protesters stood in front of Google buses last winter, the news traveled far and wide. Less well known is that the drivers who shuttle tech workers to and fro are going union. Last fall, the drivers at Loop Transportation who drive for Facebook voted to join the Teamsters. Before, their wages averaged \$17.93 an hour, and some paid \$1,200 a month for family health insurance. Under their new contract, wages increased by an average of \$5.73 an hour and healthcare is entirely covered by the employer.

Meanwhile, at the end of February, the Teamsters celebrated another victory, when workers at Compass Transportation, which shuttles employees at Apple, eBay, Genentech, Yahoo and Zynga, voted 104-38 to join the union [3]. “It’s on the fringe of even being able to support a family, still,” admits Rome Aloise, a Teamsters vice president, about the new contracts. “Frankly, what it means to these companies is about what they spend on ping-pong balls for the year.” Still, it is a start, and the Teamsters, who are members of Silicon Valley Rising, hope that their success will embolden other contracted workers on tech campuses to organize.

There is also evidence that the tech companies can be moved. Last fall, after a lengthy campaign by SEIU, Google got rid of Security Industry Specialists (SIS), and took the security workers in house, where they receive the same generous benefits as other Google employees. And on March 3, Apple, which Silicon Valley Rising had planned to protest at its shareholder meeting today, announced that it was following Google’s lead and ditching SIS as well. Guards will now be Apple employees, receiving paid family healthcare and retirement benefits (and presumably, raises).

These one-off fights targeting the world’s most recognizable companies have highlighted the plight of tech’s impoverished service workers, but the coalition plans to scale up quickly. “We have to convince the private sector to change strategies,” says Derecka Mehrens, the executive director of Working Partnerships USA, a community-labor alliance that was critical to the formation of Silicon Valley Rising. “They are driving major income inequality—but we can show them there is a model” to help combat this inequality.

The model is based on the innovative living wage ordinance advocates pushed through Santa Clara County last fall, which covers the 17,000 employees whose companies do business with the county. Along with a minimum wage of \$19.06 an hour, the measure provides workers with protection against unpredictable scheduling and anti-union harassment. The challenge now is to get the tech industry to voluntarily agree to similar standards.

Left unchecked, the economy—no matter how fast it grows—will do little to raise people out of

poverty. There are 1.1 million low-wage workers in the Bay Area, which includes Silicon Valley, and it is projected that only about 310,000 middle-class jobs will be created by 2020. Members of the coalition have played a key role in trying to raise the floor for these low-wage workers. In 2012, they spearheaded San Jose’s successful ballot measure to increase the minimum wage to \$10 an hour, an improbable effort that grew out of the [class project](#) ^[4] of a group of undergraduate students at San Jose State University. And other cities in Silicon Valley are following suit, including Sunnyvale and Mountain View—home to Google—which raised the minimum wage last fall to \$10.30, with plans to increase it to \$15 an hour. But coalition members see these efforts as only the beginning of a long project to turn traditionally low-wage jobs into something more sustainable.

“What we’re talking about is occupational segregation,” says Ben Field of the South Bay Labor Council. “We believe this problem cannot be solved without major reforms.”

The other giant challenge is housing. Last fall, San Jose passed a new surcharge for developers, which the city expects to raise as much as [\\$30 million](#) ^[5] a year to fund the construction of affordable housing. “The problem is that we need billions,” says Mehrens of Working Partnerships. Much of the state funding has long since dried up, and the coalition hopes to bring tech on board to push for new solutions. While it will be a big lift to get tech to the table, Mehrens says that there is already a natural interest, as executives often cite the need to house their workforce as one of their most pressing concerns.

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More immediately, coalition partners like the Affordable Housing Network seek to strengthen San Jose’s weak rent protections, which allow landlords to raise rents 8 percent a year, and bar landlords from rejecting applicants simply because they receive Section 8 housing subsidies. (In California, such discrimination is legal.)

Robert Aguirre lived with his wife in the sprawling homeless encampment known as the Jungle until it was dismantled by the city last December. The 61-year-old was lucky enough to find a landlord that would accept his subsidy, but he knows many people who are still searching for a home. He now spends his days coordinating food deliveries and trash pick-ups at the dispersed homeless camps that have sprouted up in the wake of the Jungle’s closure. “People out here are in survival mode,” he said. “They are evicted from camp after camp, but there is nowhere for them to go. This can be a very hostile city.”

* * *

Back in East San Jose, the people who had gathered at the church social hall knew all about the challenges facing the working poor. They also knew the road ahead would not be easy. But the mood was still upbeat and the event ended with optimistic chants of “*¡Si se puede!*” Many of the speakers likened their current fight to that of the late farmworker leader Cesar Chavez, who lived just a few blocks away from the church and whose turn to organizing was encouraged by a local activist priest named Father Donald McDonnell, for whom the social hall where the group was gathered had been named.

That was back in the early 1950s, before the computer revolution, when this area was still known as the Santa Clara Valley. Much has changed since then, but there is still much that is recognizable. In Chavez’s day, the region relied upon the invisible workers—mostly Latino—who spent long days in the surrounding fields and orchards, harvesting the bounty that helped make the state an agricultural powerhouse. Today it is still mostly people of color who do much of the valley’s invisible labor,

including those who put in long hours cleaning and protecting tech's sparkling campuses.

“It was here in this neighborhood that Cesar Chavez began his work,” Ben Field of the South Bay Labor Council told the crowd. “And it is here that we have chose to begin our work—towards a new vision for Silicon Valley where all workers are valued.”

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[2] <http://siliconvalleyindicators.org/data/economy/income/poverty-and-self-sufficiency/>

[3] http://www.mercurynews.com/business/ci_27613667/teamsters-win-vote-unionize-more-tech-shuttle-bus

[4] <http://www.thenation.com/article/171510/how-students-san-jose-raised-minimum-wage>

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