

A Fairer Sort of Harvard

By Richard Freeman

CAMBRIDGE, Mass. Last spring protesting students at Harvard demanded that the university pay all of its workers at least a living wage and that it stop contracting with outside companies for low-wage work. Faced with unflattering national publicity, Harvard set up a committee of faculty members, administrators, students and employees to look at the situation of its low-wage workers and make recommendations. The protests had raised a fundamental question: Does a major employer like Harvard have a responsibility to be a good employer to workers, or should it seek to get by with the least it can in the labor market?

The last time Harvard faced this question was in December 1929, when the State of Massachusetts ordered it to pay female building cleaners the state minimum wage of 37 cents an hour, 2 cents above what the university had been paying. Choosing to get by with the least it could, Harvard fired the cleaning women and directed other workers to do their jobs.

This time Harvard is going in a very different direction. Its committee's report, which came out this week, documents the substantial decline in the real wages of custodians and other low-paid employees. It describes how the threat that work would be contracted out has put pressure on union-

Setting wages by a process others should emulate.

ized workers to accede to low pay. If the committee's recommendations are adopted next month by Harvard's president, Lawrence Summers — as is likely, given his positive reaction to the report — the university will be committed to treating its lower-wage workers as full members of the university community and to giving them decent wages, respect for their work and opportunities for further training.

The committee also recommends pay increases that would take the lowest wages to between \$10.83 and \$11.30 an hour from \$8.50. These rates are based on what the committee felt collective bargaining would have produced absent the threat of outsourcing to lower-wage contractors. The recommended pay levels exceed the levels in the living wage law that the City of Cambridge applies to municipal employees and city contractors.

Contrary to the fears of some alumni, students and administrators, the committee did not cave in to student demands for setting low-level pay according to a living wage formula, about which there could be considerable controversy, or to end outsourcing. Though it recommends a wage floor for the present, the heart of its proposal is something else: a parity wage and benefits policy for contractors, based on collective bargaining. Companies under contract to provide workers at Harvard would have to pay wages equivalent to the wages for Harvard's unionized employees doing comparable work. The Harvard unions would be bargaining, in effect, for minimum wages and benefits for the employees of contractors as well as for themselves, even though those outside workers might not be union members.

This policy has greater applicability to other major employers than a living wage would. And it does not lead the university into the difficult task of regularly evaluating living standards for workers with different family structures.

Falling real wages for low-paid workers are not unique to Harvard or to universities. Failure to spread prosperity widely has been the major failure in America's economic success. Treating low-wage workers as hired hands rather than as part of the work community is also not unique to Harvard. Many employers use contractors for low-wage work to avoid being responsible for what they know are abysmal wages, benefits and working conditions.

The Harvard committee's response of parity in compensation and working conditions between union and non-union workers shows one way to deal with this problem. Other major employers, particularly those without unions, might find different ways, like committing to a definition of a living wage and paying accordingly.

For the United States to come together in the face of economic disparity, it is important to recognize that there is virtue as well as economic sense in being a good employer. Harvard December 2001, not Harvard December 1929, should be a model for the American economy. □

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Frank Rich is on vacation.