

No vacuum: Cleaning up cleaning contracts

A hidden army of workers is at work each day cleaning the world's office blocks. Many office staff never meet the people who empty their garbage and dust their desks, for cleaning contracts often specify that the work is to be undertaken out of normal work time, in the early morning or evening periods. Yet cleaners are an essential part of modern office life. Andrew Bibby reports.

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GENEVA – Millions of people work in the cleaning industry. In the European Union alone it is estimated that about three million workers are cleaners, in a sector which contributes in total about €44 billion to the EU economy. Cleaners are more often than not women, working on a part-time basis and frequently trying to combine several cleaning jobs to make enough to live on. In many countries (including most EU Member States and the United States) cleaners are particularly likely to be immigrants or belong to ethnic minorities.

Cleaning services are now generally outsourced to specialist contractors, so that neither the company whose offices are being cleaned nor – for office premises which are leased – the property company which actually owns the building is directly responsible for the wages paid or the employment terms in force. Because cleaning is a cost centre rather than an income generator for businesses, the emphasis when choosing a contractor is on keeping costs down. As the European Federation of Cleaning Industries (EFCI) and Union Network International (UNI) have pointed out in a joint communiqué, there is a “general trend among the clients (public as well as private) to select their cleaning contractors on the basis of price as the only criterion, without considering the quality of service, the working conditions, personnel training or even the professionalism of the companies bidding on the contract”.

The result, all too often, is that cleaners' wages are low and their employment conditions precarious. As one New Zealand woman cleaner, Rosa Faleniko, has put it, “I am worried that all my company now wants from me is to work harder and faster by cutting our hours. I do not think they understand what I do and they do not appreciate us.” She goes on to ask for a “decent wage” to be paid, “so that I can get my family off being reliant on benefits”.

Encouragingly, it seems that – in some parts of the world at least – her pleas are beginning to be responded to. Unions in, among other places, Australia, Germany, New Zealand, the United Kingdom and the United States, have launched campaigns particularly focused on the plight of contract cleaners. Among businesses, too, some companies have recently chosen to review the arrangements for their contracts. There are pioneering examples of social partnership between large contractors and unions, including a global framework agreement between UNI and the multinational contractor ISS Facility Services.

The problem of an uncontrolled race to the bottom on cleaning contracts is already acknowledged by some of those in the industry. The Australasian trade magazine Inclean recently quoted one executive as describing the industry as “devouring itself from within through nonsensical pricing”. From the union side, Tom Balanoff, president of UNI's Property Services sector, describes meetings with property companies who privately agree with him that conditions need to improve but who also point out that they have to stay competitive in the rents they charge their clients.

The preferred solution of Balanoff's own union, the SEIU (which organizes in Canada, Puerto Rico and the United States), is to seek to establish agreements on wages and conditions for cleaners which apply for office buildings in a whole metropolitan area. These market-wide master contracts have been successfully introduced in approaching 30 cities in the US, including New York, Chicago, Washington DC, and Los Angeles. Because the employers are typically sub-contractors whose contracts with property owners can be cancelled at 30 days' notice, these master contracts have so-called “trigger agreements”, ensuring that improved wages and conditions are introduced only when enough companies in the market have signed up. The purpose, the SEIU explains, is to make sure that no single contractor is put at a competitive disadvantage.

A hundred years of cleaning

Founded in Denmark in 1901, ISS Facility Services is one of the world's largest property service contractors with operations in 50 countries and about 400,000 staff worldwide. 80,000 workers were added to the payroll during 2006 alone, as a result of more than a hundred acquisitions by the company. ISS has recently expanded its operations in countries such as Australia, Bosnia, Israel, Mexico, the Philippines and Turkey.

The Letter of Agreement between ISS and UNI, signed in 2003, establishes a set of goals shared by

both social partners:

- Fair competition and the highest possible standards in the service industry
- Foundations for financial growth and strengthening of the ISS service delivery
- A balanced achievement of financial success on one hand and adequately paid jobs on the other.

In its Responsible Cleaning Contractor Agreement in Australia, ISS and the Australian union LHMU jointly commit to a positive working relationship. The agreement includes the following section:

“ISS takes pride in being an employer of choice in the cleaning industry. The LHMU takes pride in organizing and representing Australian cleaners.

Together we commit to working towards a quality focused cleaning industry:

- where clients receive and pay for good service
- reputable contractors bid and win work based on fair contracting principles and reasonable reward, and
- cleaners enjoy good jobs with sufficient hours, fair pay, reasonable work rates and safe conditions.”

The latest city to be successfully targeted by the SEIU is Houston, where it took a strike by over 5,000 cleaners at the end of last year to bring in the new city-wide agreement. The strike attracted active support from what the SEIU described as a “strong coalition of faith, political and community leaders”, who came out in favour of the cleaners’ case. The agreement has seen cleaners’ wages rise typically by 21 per cent this year, and has given the workers access to affordable health insurance and to paid holidays.

Tom Balanoff says that the SEIU has deliberately focused its attention on the companies who own and rent the office blocks rather than the individual sub-contractors. The union has also been able to apply leverage through large public sector pension funds, such as the Californian retirement scheme CalPERS, who invest significant funds in commercial property, though trustees of private pension funds have been more difficult to convince. But Balanoff argues that the use of city-wide master contracts makes good sense all round: “In the end, it is to the owners’ advantage and to the contractors’ advantage. They don’t want high turnover of staff, and I don’t think they feel good about paying low wages,” he says.

The LHMU and SFWU unions in, respectively, Australia and New Zealand, have adopted a similar approach in a combined “Clean Start” campaign launched last year to help improve conditions for cleaning staff. The campaign, which has involved the hiring of fifty organizers, aims to establish what the unions describe as a cooperative relationship with property owners and contractors. Cleaning costs make up, they argue, a very small part of the overall costs of maintaining property, so that significant improvements in wages could be introduced with very little effect on the returns from rental income. “Our aim is for the property industry to recognize its vested interest in ensuring the adoption of high standards of cleaning and security through the use of contractors committed to a high quality of work,” they say. The campaign has drawn up a ten-point checklist of principles for what the unions describe as a responsible contracting policy.

Where property owners are resistant to this message, however, the LHMU and SFWU unions are prepared to try to shame the companies into action. One tactic has been to award “Golden Toilet Brush” awards to employers who fail to agree to improve standards in cleaning contracts. A similar approach has been adopted by the union Unite (formerly TGWU) in the United Kingdom, which has been running a campaign in recent years to try to improve cleaners’ wages in the City of London and Docklands business areas. Unite’s tactic has been to focus on the companies actually occupying the office blocks, trying to embarrass some of the highest profile financial institutions in London with the prospect of poor PR. Several major companies have been presented with a “Golden Vacuum” award, given – according to the union – “for sucking their cleaners dry”. Unite’s campaign for better treatment for cleaners is starting to strike a chord. Barclays Bank, for example, recently arranged for their cleaners to have a substantial pay rise, to £7.50 (\$15) an hour, above the union’s recommended minimum hourly rate. Unite has also signed collective agreements with the three largest contractors in the City of London. “Those companies to their credit know that the future must lie in competing on quality and innovation, not a race to the bottom on wages,” says Unite’s deputy general secretary Jack Dromey.

At the European regional level, the European Union's structures for dialogue between the social partners have been successfully operating for the cleaning industry since 1999, bringing together the trade association the European Federation of Cleaning Industries and the property services sector of UNI Europa. Their work includes the joint communiqué mentioned earlier, which calls among other things for greater professionalism in the sector, an end to the "vicious circle" of cost cutting, and an emphasis on employee retention and the promotion of full-time work. The EFCI and UNI have also focused specifically on the need to encourage cleaning during ordinary daytime working hours. Daytime cleaning helps workers, they say, by allowing them to work longer hours and to better combine work with family and private life. They argue as well that it can help clients and contractors as well, by reducing costs and increasing the pool of available workers. Daytime cleaning is safer, too, they maintain.

UNI has also been a partner to a Letter of Agreement signed in 2003 with the multinational cleaning contractor ISS. This agreement (see sidebar) puts in place a framework for industrial relations across the group's worldwide operations, based closely on the ILO's core labour standards. The agreement includes among other things a commitment by the company not to use forced, bonded or child labour, a recognition of the right of workers of freedom of association and the right to collective bargaining, and an acceptance of the need to ensure that working conditions are decent. ISS has signed a Responsible Cleaning Contractor agreement in Australia with LHMU, is moving towards a similar agreement with the SFWU in New Zealand and has also recently signed an agreement in the Netherlands giving organizing rights to the union FNV Bondgenoten.

Initiatives like these suggest a way forward for the industry. Nevertheless, in many parts of the world cleaners continue to find themselves right at the bottom of the pay ladder. In Hong Kong, for example, 54,000 cleaners remain on very low wages after the High Court in May last year dismissed a case which sought to force the government to establish a minimum wage for cleaners. The Court found that there was no such requirement.