

An Introduction to

The Gloves-Off Economy: Workplace Standards at the Bottom of America's Labor Market

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- A set of employer strategies and practices that either evade or outright violate the core laws and standards that govern job quality and protect workers in the U.S.

The laws:

Wages & hours, health and safety, anti-discrimination, right to organize, and social security, UI and workers' comp

The standards:

Norms that have enough weight – and organizing force behind them – to shape employers' decisions about wages and working conditions (e.g. annual raises, health benefits, sick days, etc.)

Definition of gloves-off economy

	Evasion strategies	Violation strategies
Employment and labor laws	Subcontracting, misclassifying workers, using temp and contract workers -- in order to create legal distance between employer and worker	Outright violation of employment and labor laws
	Erosion strategies	Abandonment strategies
Normative workplace standards	Increasing worker contributions to health insurance; shifting to defined-contribution pensions; shifting to piece-rate or project-based pay; legal union avoidance tactics	Dropping health insurance and pensions; freezing wages and instituting two-tiered pay systems; converting full-time to part-time jobs

Examples of 'gloves-off' employer strategies

1. Representative employer surveys (very few)
2. Representative worker surveys (very few)
3. Convenience samples of workers (few)
4. Administrative data (promising but under-used)
5. Qualitative research on unregulated work (most developed)
6. Indirect indicators (deunionization, industry deregulation, declining enforcement), which correlate with violations

How prevalent are violations?



Source: *Broken Laws, Unprotected Workers: Violations of Employment and Labor Laws in America's Cities* (Center for Urban Economic Development at UIC, National Employment Law Project, and UCLA Institute for Research on Labor and Employment, 2009)

How common are workplace violations?

- **Overall framework:** Employers' decisions about how to organize work and production are shaped by competitive forces and regulatory & institutional constraints – each of which they also influence.
- **Structuralist explanation:** Unregulated work is generated by capitalist strategies to contain/reduce labor costs

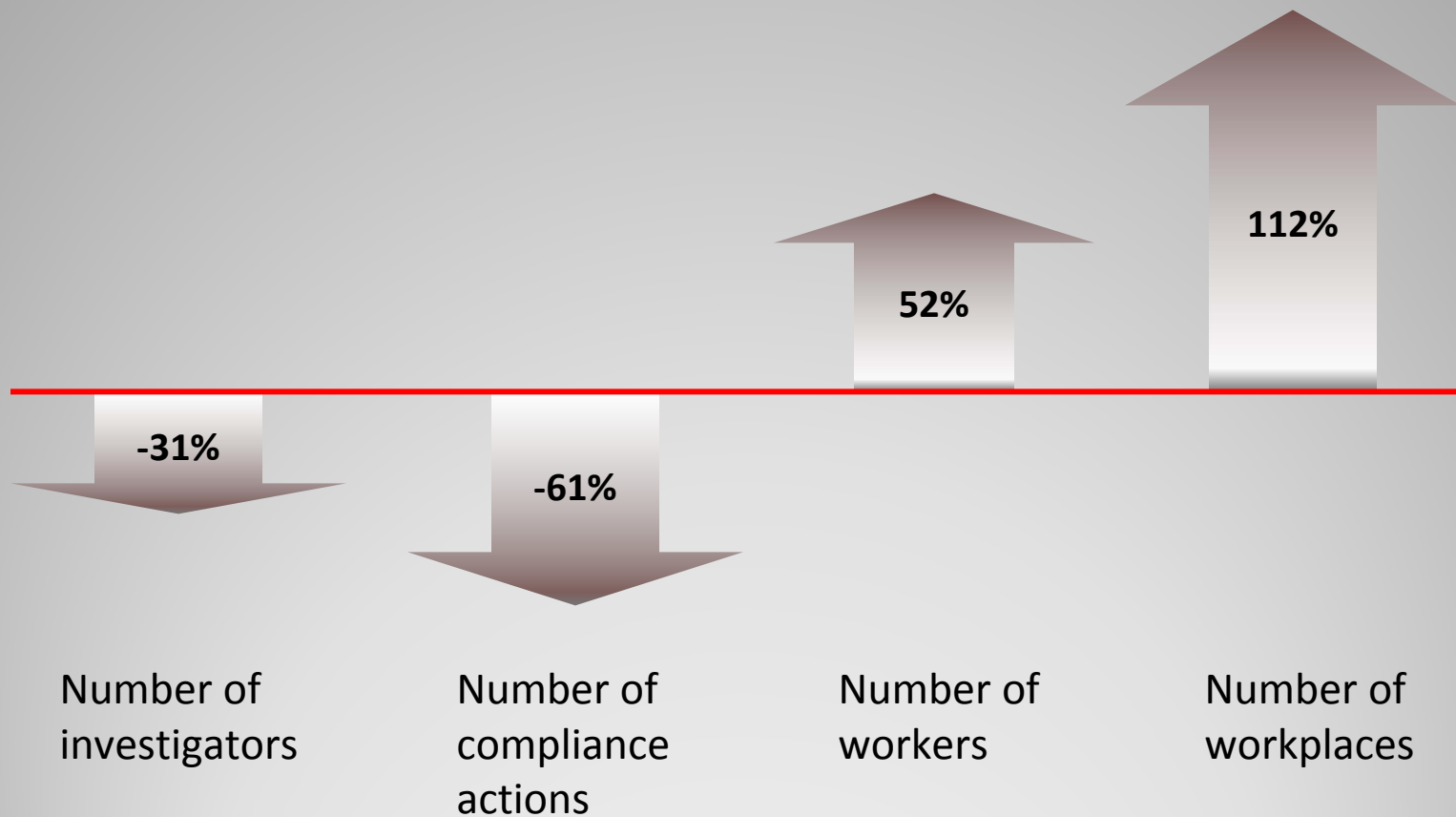
The rise and fall of the regulation of work

- Changes in business self-regulation
 - Vertical integration, oligopoly
 - Internal labor markets, human resource management
 - Rent sharing
- Changes in government regulation of employers
 - Early state laws: child labor, minimum wage, hours
 - 1930s: federal laws, FLSA, NLRA
 - 1960s-70s: Civil Rights Act, OSHA
- Changes in union/civil society regulation of employers
 - Rapid growth of unions, federally-funded Legal Services
- Changes in government regulation of workers
 - Social Security Act – safety net, especially unemployment insurance

The gloves go on: 1890-1975

- Changes in business self-regulation
 - Vertical disintegration, mobile capital
 - Subcontracting, outsourcing, increased use of nonstandard work
- Changes in government regulation of employers
 - *Not* a decrease in number of regulatory programs
 - Reductions in staffing, resources, and regulatory stance
 - Failure of laws to adjust to new employment relationships
- Changes in union/civil society regulation of employers
 - Union density fell, funding for Legal Services fell
- Changes in government regulation of workers
 - Criminalization of undocumented immigration
 - “End of welfare as we know it”
 - War on Drugs

The gloves come off: 1975-present



Enforcement by US DOL, 1980-2007

- Public policy
 - Strong laws, strong enforcement
- Organizing
 - Worker centers, unions, living wage movement, accountable development movement, etc.
- For both:
 - Local, state and federal strategies
 - Industry-specific strategies

Putting the gloves back on

Better enforcement of employment and labor laws

- Proactive government enforcement
- Stronger penalties
- Better anti-retaliation protection

Stronger standards for the 21st century workplace

- Robust standards in employment and labor laws
- Broader reach of workplace regulation

Equal status for all workers in the workplace

- Comprehensive immigration reform
- Firewall between enforcement of immigration and labor laws

Three principles for public policy