Every day, millions of Americans work in dismal conditions at pay levels that often fall below the minimum wage. Such degraded work is a surprisingly common problem that combines low pay with poor working conditions (physical danger, radically flexible work schedules, fast-paced work, and employment insecurity) and systematic employer retaliation against workers’ efforts to secure more hours, higher wages, and better working conditions (Doussard 2013). Degraded working arrangements aggravate two of the basic problems workforce development programs aim to remedy. First, they confine workers to deskilled, low-paying jobs that inhibit attempts at upward mobility (Luce and Fujita 2012; Milkman 2014). Second, they weaken regional economic competitiveness by institutionalizing low labor productivity, high levels of household insecurity, and high poverty rates, all of which work against the common economic development goals of growth, diversification, and rising incomes (Feldman et al. 2016; Leigh and Blakely 2016).

Degraded working arrangements resist orthodox efforts to train workers and work with employers. To begin with, the very factors that identify degraded work as a target for public policy—low pay, insecurity, constantly varying work schedules—also restrict workers’ ability to participate in job training programs that require fixed schedules and a base level of income (Lambert, Haley-Lock, and Henly 2012). Equally important, abusive labor practices cluster in retail and personal services industries that receive comparatively little attention from economic and workforce development programs focused on manufacturers and exporting industries (Schrock 2013). Thus, economic development and job training programs often ignore jobs, industries, and firms at the very bottom of the labor market.
Responses to the problem of degraded work typically emerge from organizing rather than public programs. Workers, community organizations, labor organizations, and other activist groups have responded to declining pay and working conditions with increasing effectiveness through the basic strategies of building organizations, bargaining, and advocating policy change. In cities of increasingly varied size, economic status, and political climate, worker centers, community-labor organizing campaigns, and political organizing campaigns establish standards on the job, link the most marginal workers to career paths, and help raise the pay and skill levels understood to be central to durable urban economic development (Doussard 2016; Milkman and Ott 2014; Reich, Jacobs, and Dietz 2014; Simmons 2016).

This chapter identifies two principal and substantial ways in which worker organizing campaigns contribute to the goals of workforce development. First, many campaigns directly achieve central goals of workforce development programs, including higher pay, better skills, and industry-level paths to upward mobility. Second, the growing political successes of worker organizing campaigns result in high minimum wages, earned sick-time laws, and other measures that lead employers to seek higher productivity, stronger commitment, and greater degrees of skill from their increasingly well-paid workforces. By 2018, state-level minimum wages of $10 or more will cover a minimum of 46 million participants in the U.S. labor force (see National Conference of State Legislatures [2017]); other city- and state-level employment mandates will add to these totals. Evidence from cities currently featuring high minimum wages, paid sick-time laws, and other employment standards shows that employers respond by raising skill requirements and attempting to diminish the persistent turnover that has long marked their industries (Schmitt 2013). The data needed to measure in detail the impact of such mandates on employer practice remain unavailable, speculative, or piecemeal. Nevertheless, the existing evidence shows that these mandates expand the types of businesses, employers, and workers seeking assistance from the workforce development system.
THE PROBLEM OF DEGRADED WORK

Academic and popular concern with the problem of inequality typically focuses on income, the clearest and easiest way to track the widening gulf in individual- and household-level prosperity. Repetition does not dull the numbers’ impact: Since 1990, the top 5 percent of U.S. households has experienced real income growth of more than 50 percent, while the bottom 20 percent has seen no gain (Stone et al. 2015). Gains for high-earning households come primarily from growth to income from investments and assets, yet those households have also seen their hourly wages increase at a significantly steeper rate than in households that rely on wage income alone (Stone et al. 2015).

Although quite striking on their own terms, these simple measures of hourly pay and wage income obfuscate what are in many ways more profound differences between high- and low-wage jobs. Low-paying jobs in retail, construction, and personal services are not simply cheaper carbon-copies of more sought-after positions. To begin with, hourly pay rates provide misleading measures of compensation because the typical service-sector worker faces systematic wage theft, or the underpayment or nonpayment of agreed-upon wages (Bernhardt et al. 2009; Bobo 2008). Wage theft takes dozens of forms, including failing to pay time-and-a-half for overtime, managers clocking workers out midshift, denying meal and rest breaks, and paying workers subminimum “tipped” wages for work that does not bring in tips (Bernhardt et al. 2009). The reality of wage theft means that existing measures of pay inequality are inaccurate. It also points to a broader imbalance of power in the workplace.

A second rampant problem for low-wage workers is the growing practice of on-call (sometimes referred to as “just-in-time” or “flexible”) scheduling. Fewer than 10 percent of workers in common service and retail jobs enjoy control over their hours and shifts (Lambert, Fugiel, and Henly 2014). More problematic, many retail and service firms have dispensed with standard work schedules, instead requiring workers to have “open availability” to work any day or shift, and routinely rearranging schedules (Carrillo et al. 2016). Workers across several studies report problems such as being called into work with one or two hours’ notice, being sent home early, and attempting to juggle
schedules that involve, for example, Monday-morning and Wednesday-afternoon shifts one week, but Tuesday-afternoon and Wednesday-morning shifts the next. Workers in these jobs attempt to take classes, earn degrees, and participate in workforce development programs, but they rarely succeed in aligning work and education schedules for longer than a week (Epstein and Kalleberg 2004; Luce and Fujita 2012). Similarly, these unpredictable schedules limit low-wage workers’ ability to work multiple jobs.

Beyond the common characteristics of wage theft and flexible scheduling, degraded working conditions manifest differently across industries and workplaces. Many workers must negotiate subcontracting arrangements that deny them employment benefits (Bernhardt et al. 2016; Weil 2014); others are ordered to treat injuries earned on the job without leaving the shop floor (Doussard 2013). Still others face routine verbal and physical abuse, and virtually all these workers are threatened with job loss if their productivity slips or they contest their pay, hours, or employment conditions (Gleeson 2016).

Degraded work problems are especially prevalent and severe for immigrant workers, particularly those without legal work authorization (Doussard 2013). But they are not immigrant-only problems—the typical service-sector employee faces wage theft at least once per month, regardless of her citizenship status (Bernhardt et al. 2009). The retail jobs that implement flexible scheduling most aggressively are held primarily by U.S. citizens (Bernhardt et al. 2009). Just as the problem of inequality has found traction because it spans divides of race, gender, and education, the problem of degraded work applies to a large segment of the labor market, rather than just a select set of worker populations.

COMMUNITIES AND WORKERS ORGANIZE FOR BETTER JOBS

The recent success of laws regarding minimum wage, paid sick time, wage theft, and fair scheduling builds on two decades of intensive efforts to organize workers in degraded work arrangements. Both these long-term organizing efforts and their recent policy victories matter for workforce development organizations. The former emerges from
many of the same neighborhood and labor movements that engage
the workforce development system; their efforts often lead to goals
widely held within workforce development. The recent policy fruits of
these campaigns will potentially have a greater impact on workforce
development as they incentivize firms to make new investments in their
workers’ productivity and loyalty. This section identifies the actors
involved in organizing campaigns and the results of those campaigns.

Worker Centers

Beginning in the late 1990s, community-based organizations
whose memberships faced recurrent problems at work formed worker
centers—neighborhood, industry, or population-based organizations
that attempted to regulate the low-wage labor market by negotiating
between workers and employers (Fine 2006, 2011). Like one-stop
centers and organizations funded by the workforce development sys-
tem, worker centers see intermediation as central to their work. Unlike
Workforce Innovation and Opportunity Act (WIOA)–funded organiza-
tions, however, they achieve their ends through a mix of negotiation,
confrontation, and community and political organizing.

Worker centers began as ad hoc and speculative efforts from
individual community organizations, or hopeful partnerships between
community organizations and labor union locals (Fine 2006). Chicago’s
Albany Park Worker Center, for example, was founded by organizers
who worked with day laborers at a street-corner shape-up on the
city’s northwest side. It grew gradually, eventually securing dedicated
space, developing relationships with contractors and other community
organizations, and moving from direct service into advocacy and
political organizing (Doussard 2013). Today, major national worker
center alliances, including the National Day Labor Organizing Network,
ROC United, Interfaith Worker Justice, and the National Black Worker
Center project count 122 total members (Table 17.1). To different
degrees, each of these worker center types engages in common labor
market intermediation efforts, such as certifying and improving worker
skill levels, linking job seekers to employers, and focusing public
resources on areas of recurrent labor market failure.

Day labor worker centers exemplify the work of these organizations
most clearly (see Table 17.1). The typical U.S. day labor worker center
<table>
<thead>
<tr>
<th>Organization</th>
<th>Affiliate count</th>
<th>Supply-side activities</th>
<th>Demand-side activities</th>
<th>Intermediation activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Day Laborer Organizing Network (construction)</td>
<td>42</td>
<td>• Screen workers for skills</td>
<td>• Certify law-abiding construction contractors</td>
<td>• Match day laborers to work openings</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Set hiring standards (wages, etc.)</td>
<td>• Protest/lead legal action against contractors who violate the law</td>
<td>• Set local pay floors and standards</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Determine daily priority for workers</td>
<td></td>
<td>• Extend the activities of state regulators</td>
</tr>
<tr>
<td>Interfaith Worker Justice</td>
<td>61</td>
<td>• Organize workers in low-wage industries</td>
<td>• Identify industries, industry segments, and workplaces with high rates of labor-law violation</td>
<td>• Negotiate agreements between workers and employers, including union authorization</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Link workers to ESL classes and basic social services</td>
<td>• Lead coordinated protests against law-breaking employers and industries</td>
<td></td>
</tr>
<tr>
<td>Restaurant Opportunity Centers United</td>
<td>10</td>
<td>• Develop information on restaurant labor practices</td>
<td>• Screen, train, and advocate for workers</td>
<td>• Develop sector-specific employment standards</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Identify model and law-breaking employers</td>
<td></td>
<td>• Develop mechanisms for occupational mobility within the industry</td>
</tr>
<tr>
<td>National Black Worker Center Project</td>
<td>9</td>
<td>• Connect Black workers to labor unions</td>
<td>• Organize interventions for employers and industries with past and present discrimination and/or substandard working conditions</td>
<td>• Link workers to quality employment opportunities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Link neighborhood and race advocacy groups to city- and state-level organizations</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

grew out of a community organization whose members worked in low-wage construction jobs, or from a cohort of workers who sought daily work at the same informal hiring site. In response to the fluctuating wage rates, unsure payment, and general unreliability of work procured on the street corner, worker centers attempt to structure and regulate daily construction work. On the supply side, they limit workers’ waiting time by setting standardized hiring hours, screen workers for skills and priority placement for particular construction jobs (such as demolition, painting, or framing), and implement daily job queue rules to ensure that work opportunities are spread out relatively evenly over their members (Theodore, Valenzuela, and Meléndez 2009).

On the demand side of the labor market, day labor worker centers screen contractors for reliability and potential value as long-term employers. They typically require contractors to provide a license plate, business name, and other information necessary for filing a lien or small-claims court case in (frequent) instances of under- or nonpayment. By collecting worker evaluations of contractors, they build lists of priority contractors, who may offer additional on-the-job training and prospective long-term employment, and lists of contractors to be excluded for past problems (Doussard 2013). Worker centers gain the access, trust, and influence needed to undertake this work by providing labor market intermediation that benefits all parties. Chaotic and unreliable day labor shape-ups often provide employers with workers ill-suited to the jobs for which they are hired, and give workers employment that proves more dangerous, shorter in duration, and lower in pay than advertised. The basic work of matching supply and demand provides certainty and value that draw both labor demand and labor supply to worker centers.

In addition to these basic labor market services, worker centers also engage in a range of community and political organizing activities far removed from the activities of other workforce intermediaries. In response to frequent underpayment, nonpayment, and workplace injury, worker centers serving day laborers and other populations of low-wage workers use the basic pressure-building techniques of community organizing. Worker delegations frequently visit the job sites, homes, or offices of employers who degraded labor conditions (Fine 2006). To escalate conflict and force resolution, worker centers can engage neighborhood members, faith leaders, and other community organizations in high-visibility protests and media campaigns that focus public and
policymaker attention on an employer’s history of noncompliance with labor laws (Sziarto 2008; Valenzuela et al. 2006).

Community-Labor Coalitions

Worker centers’ efforts to intermediate between labor supply and demand benefit from broader community and political organizing undertaken by community-labor coalitions (CLCs). CLCs and worker centers initially developed in tandem as efforts to localize responses to labor market problems rooted in national policy and structural changes to the economy (Clawson 2003; Jayaraman and Ness 2005; Nissen 2004). CLCs combine the political and financial resources of labor organizations with the community connections of community-based organizations. Operating at the level of cities and urbanized regions, they tie not-for-profit organizations, labor groups, and policy organizations into a flexible advocacy network. Regionally strong CLCs play key roles in advancing minimum wage increases, fair scheduling laws, and other policy responses to the problem of degraded work.

The specific form, goals, and effectiveness of CLCs vary from one location to the next. But most participate in the same network of national campaigns (Table 17.2). The $15 minimum wage movement, inaugurated by retail worker strikes in 2012, currently contains hundreds of local affiliate campaigns, each of which combines a mix of union locals or worker centers, community-advocacy organizations, service providers, and policy organizations. Other nationally networked campaigns include the Domestic Workers Alliance, whose 70 affiliates work to formalize and regulate personal services employment that typically entails subminimum wages, the Food Chain Workers Alliance, Our Wal-Mart, and Warehouse Workers for Justice.

As these organizations and the CLCs encompassing them grow, the terrain of potential organizing and political reform concerning degraded work expands to smaller cities and cities that historically lacked labor organizing (Doussard 2016). This growth should extend organizing campaigns and political reforms that will directly and indirectly shape the labor markets negotiated by workforce development organizations.
THE IMPACT OF WORKER CENTERS AND COMMUNITY-LABOR COALITIONS ON WORKFORCE DEVELOPMENT GOALS

The actions of worker centers and community-labor coalitions result in changes to low-wage labor markets. Many of these organizations’ direct actions, such as reform to individual workplaces, increased inspections from enforcement agencies, and the development of career mobility for low-wage workers, lead directly to the attainment of several basic goals common to workforce development systems.
However, policy changes that elevate labor standards—in particular, high minimum wages, earned sick time, and predictable scheduling—are likely to have a greater impact on firms’ expectations of workers and the workforce development system.

**Direct Impacts**

In addition to policy changes, workplace and community organizing campaigns seek and win improvements to both pay and working conditions at the level of individual workplaces. These outcomes directly match the common workforce development goal of moving workers into higher-paying, higher-opportunity jobs. As site-specific benefits and changes won at the level of individual workplaces, firms, or industries, these impacts resist direct quantification. Nevertheless, changes to labor standards share several common characteristics that provide a useful framework for practitioners seeking to identify the impacts of organizing campaigns in the labor markets where they work (see Table 17.2).

Workplace-specific organizing campaigns yield the most heterogeneous results. They can lead to small or large pay increases, union elections, agreements for job training and promotion, and other measures sought by workers. Firm-level agreements represent comparatively infrequent outcomes to regional or national campaigns for floors on wages and working conditions. These campaigns necessarily accept smaller returns in exchange for covering far more workplaces. Industry-level campaigns target firms within a given city or region and typically offer good publicity in return for employer promises to change workplace practices (Jayaraman and Ness 2005).

The numerous policies directed at the bottom of the labor market have a far more extensive impact on work, its terms, and its rewards. Thirty-one U.S. states have minimum wage rates above the federal floor of $7.25, and several states have scheduled increases to levels approaching or exceeding double that level (National Conference of State Legislatures 2017). Additionally, 39 cities and counties have their own minimum wages (UC Berkeley Labor Center 2017), dozens of city councils can be found considering wage changes at any time, and a growing number of cities and states have laws to provide earned sick time, fair schedules, and timely paychecks.
Each of these measures changes the expected outcome to placing graduates of the workforce development system in a given job. Long-run studies of the impact of minimum wages on employment indicate that elevated wage floors carry either no or negligibly small impacts on expected job growth (Dube, Lester, and Reich 2010; Lester 2012). Those studies concern past wage increases significantly smaller in magnitude than the double-digit wage floors scheduled for California, Oregon, Washington, New York, the District of Columbia, and several large cities. Studies of Seattle’s current $13 minimum wage disagree on its short-term employment effects (Jardim et al. 2017; Reich, Allegretto, and Godoey 2017). However, even the most negative of these studies finds no job loss for the low-wage restaurant sector; those studies that conclude minimum wages of $13 and higher lead to reductions in hours worked also conclude that the hourly pay increase offsets the financial loss from reduced hours worked (Jardim et al. 2017). These numbers suggest that the number and types of jobs capable of providing self-sufficiency income to graduates of workforce development programs will grow.

Minimum wage increases represent only the most easily measured way in which employment policy changes impact the outcomes to workforce development and job-training programs. Fully anticipating the changes these policies will induce to the labor market requires an answer to the question of what employers will expect from workers to whom they are obligated to pay higher wages.

**Indirect Effects**

Arguments for the minimum wage’s ability to raise pay without inducing job loss often center on claims of “efficiency wage” effects, or the increased productivity and reduced rate of employee turnover firms receive when they pay higher wages (Schmitt 2013). The concept of an efficiency wage usefully points to the relationship between pay and job duties. Raising the minimum wage to $10, $12, or $15 for an entire region changes the way employers can be expected to organize work, hire workers, and provide training. These indirect impacts of campaigns to address degraded work through legislation are likely to change employers’ expectations from the labor market, and thus their expectations from workforce development.
As a starting point, studies of regions enacting high minimum wages point to several “channels of adjustment” for firms facing legislated increases to the minimum wage (Pollin and Wicks-Lim 2016; Schmitt 2013). These studies note that wages constitute a relatively small portion of the overall cost of doing business, and that “managers regard employment and hours cuts as a relatively costly and perhaps counter-productive option [to responding to legislated pay increases], regarding them as a last resort” (Hirsch, Kaufman, and Zelenska 2011, p. 33). Rather than pare employment and hours, managers respond with a mix of higher prices and changes to their expectations from workers, and by substituting higher-productivity jobs for deskilld ones. Evidence from multiple studies suggests that employers in high minimum wage jurisdictions hire older and more experienced workers, expect greater productivity from those workers, and benefit from higher productivity and decreased turnover (Lester 2018; Reich, Allegretto, and Godoey 2017).

Workforce development programs already cater to employers interested in securing greater productivity, higher levels of employee effort, and diminished employee turnover. Studies of firm responses to minimum wage hikes suggest that the number of industries whose firms seek workforce development outcomes and assistance, and the types of jobs for which firms desire training, will increase (Schmitt 2013; Lester 2018). Considerably less evidence is available concerning the impact of paid sick time, predictable scheduling, and other (at this point unknown) employment mandates. Efficiency-wage theories, however, and the consonance of current outcomes with those theories, suggest that such mandates will intensify employers’ interests in placing skilled, dedicated workers in previously deskilld jobs.

The few available industry-level studies of employers’ responses to wage mandates suggest that responses go beyond simple adjustments to wages and working conditions. Lester’s (2018) study of restaurant employers’ responses to mandated wage increases in San Francisco and Raleigh-Durham finds that professionalization of restaurant employment is increasing, particularly at minimum wage levels of $10 or above. San Francisco restaurant managers preparing for a $15 minimum wage interviewed in the study discussed hiring, firing, and promotion in ways more typically associated with higher-wage and professionalized businesses: They demanded references and prior experience for employment, screened waiters for the ability to sell high-margin
items, and began offering benefits to secure top worker prospects. San Francisco’s trademark restaurant culture, and the proliferation of high-income consumers in the region almost certainly help to support these practices. Significantly, however, Lester and others also find evidence of up-skilling in less affluent locales (Lester 2018; Meketon 2017).

The extent to which employers respond to legislated employment standards by up-skilling and creating internal labor markets depends on specifics of market structure, firm composition, and industry competition that will vary by city and sector. However, the application of minimum wage increases to all employers within a city will likely push at least some of them to undertake these strategies. These strategies and goals will likely lead employers to seek targeted assistance from the workforce development system. The presence of workforce development programs fitted to these needs may also provide workforce intermediaries the ability to steer employers toward strategies that compensate for minimum wage increases by enhancing productivity and effort, rather than cutting costs.

CONCLUSION

Wages and working conditions at the bottom of the labor market lock workers into positions of insecurity, low earnings, and limited potential to acquire skills or move up in the labor market. The majority of these jobs currently lie beyond the reach of the workforce development system. However, the vigorous and growing set of organizing campaigns that workers and labor and community organizations undertake to stem problems on the job impact workforce development needs, efforts, and goals.

Empirical studies of working conditions in low-wage workplaces, and of employers’ responses to negotiated agreements or political mandates to raise pay and improve working conditions by necessity build on in-depth interviews, and on surveys with difficult-to-reach populations. These characteristics limit the ability to estimate with confidence the size and extent of degraded working conditions and employers’ responses to organizing. But practitioners should not allow these necessary drawbacks to obscure the relevant point: Economic theory, the
available quantitative data, and a robust set of in-depth interviews all suggest that organizing on behalf of low-wage workers leads employers to seek greater experience, higher levels of formal skill acquisition, higher productivity, and greater job commitment from the workers they hire. This changing employer perspective helps improve job quality in lower-skilled work and creates an opportunity for workforce development programs.

These employer demands and expectations represent fertile ground for workforce development programs, which work most effectively in contexts in which higher pay rates and more generous working conditions buy employers better performance and more effort on the job (Schrock 2013). While the direct response to the problem of degraded work comes from organizers rather than policymakers, workplace organizing and policy change are pushing hundreds of thousands of employers to seek the very employment traits the workforce development system delivers.

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