

Industrial & Labor Relations Review

Volume 58, Issue 1

2004

Article 87

Low-Wage America: How Employers Are Reshaping Opportunity in the Workplace

Eileen Appelbaum*

Annette Bernhardt†

Richard J. Murnane‡

*,
†,
‡,

Copyright ©2004 by the authors. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of the publisher, bepress, which has been given certain exclusive rights by the author. *Industrial & Labor Relations Review* is produced by The Berkeley Electronic Press (bepress). <http://digitalcommons.ilr.cornell.edu/ilrreview>

in its early years at least, the UFW was an effective and progressive organization. Indeed, it was a precursor of the type of social movement unionism now being touted by some academics and union reformers. The UFW won adherents by reaching out to California's largely Mexican farm labor population through the workers' shared cultural and religious heritage. It provided members with dignity and respect, offered mutual aid and assistance, promoted protective labor legislation, and forged productive alliances with activist religious, consumer, student, and civil rights groups. Discussion of these achievements, if only to balance coverage of the UFW's missteps, is curiously absent from Martin's text.

Given the ongoing national debate about immigration and increasing income polarization, a more reasoned, critical, and informed treatment of the material is warranted. But even if Martin had written such a book, we would still need more research on the causal connections among farm workers, unions, and immigration. For example, anecdotal evidence suggests an inverse relationship between immigrant flows and union density. Do the data prove that immigration affects union density? If so, under what circumstances, in which industries, for what kinds of workers? Several unions are now trying to organize immigrant workers. Does immigration alter the way unions define themselves, their value as a socio-political institution, their place in the economy? How does the changing composition of the low-wage immigrant labor force (more ethnic diversity, less human capital) influence unions' organizing and representational strategies? Agricultural practices, planting and harvesting schedules, and labor market structure vary by region and product. Have unions been more successful in reaching out to farm workers under one set of circumstances than another? What institutional arrangements are most/least conducive to farm worker organizing? And finally, what can unions offer today's farm workers when immigration, legal and otherwise, keeps swelling the supply of labor, and when the social, political, and economic environment remains decidedly unfriendly toward unions and relatively indifferent to the plight of the underclass?

As we begin sorting out answers to such questions, we may only reaffirm how intractable the farm workers' situation remains—or we may begin to see a route by which they can climb out of this morass. Unfortunately,

Promise Unfulfilled does not get us very far along either path.

Maralyn Edid

Senior Extension Associate
New York State School of
Industrial and Labor Relations
Cornell University

Low-Wage America: How Employers Are Reshaping Opportunity in the Workplace. Edited by Eileen Appelbaum, Annette Bernhardt, and Richard J. Murnane. New York: Russell Sage Foundation, 2003. xii, 535 pp. ISBN 0-87154-025-8, \$45.00 (cloth).

In the past few years several books on low-wage work have achieved popular success. That is surprising, because conventional political wisdom holds that explicit discussions of inequality will fall prey to charges of "class warfare" and are unlikely to receive favorable popular attention. This view to the contrary, there is evidently widespread interest in understanding what has been happening to work in the lower levels of the job market.

Low-Wage America brings a rich scholarly perspective to these concerns. Growing out of a Russell Sage Foundation project, this book reports on studies of a wide range of low-wage industries. The chapters have more thematic and structural unity than is found in most edited collections, in part because most of them follow the same basic design—describing the trajectory of work in the industry at hand, explaining the forces that have pushed firms in the modal direction of that industry, examining the consequences for employee welfare, and then considering whether there are alternative ("high road") paths that can produce better results.

The result of this effort is by far the best portrait available of the lower reaches of the job market (but not the very bottom: casual day labor, sweatshops, and the like are excluded). Taking the chapters together, readers of this book can come to understand the pressures that are pushing firms and industries to adopt a strategy of lowering job quality along numerous dimensions (not just wages), and they can understand the various mechanisms (outsourcing, temporary agencies, work reorganization, wage concessions) through which this strategy is implemented.

The book also is important because it is a

model of good institutional labor market research. At a time when many scholars content themselves with running regressions on large national data-sets, the researchers represented in this book demonstrate that an alternative tradition is alive and well. (This is not to say that the authors avoid statistics. There are plenty of regressions, but they are embedded in a textured understanding of their context.)

It is not easy to distill a single story from these chapters. They mostly agree that firms are rethinking how they organize work, and they agree that a combination of competitive pressures, new technological opportunities, and new organizational ideas (such as outsourcing) have reconfigured employment. However, the reported consequences for employee welfare are not always the same. For example, whereas in the hotel industry most employees have experienced bad outcomes, in the auto supply industry and even the hosiery industry the picture is more upbeat.

What most of the authors do agree on is the importance of managerial strategy. In most of the industries studied, at least a few firms choose what is termed the “high road,” that is, a competitive employment strategy that entails better outcomes for employees. In other industries the bulk of firms seem to have adapted to new conditions in less constructive ways. To some extent, this variation in strategy is shaped by constraints and incentives, such as the presence or absence of a union or the creativity of local government in supporting firms. However, these constraints and incentives do not appear to be the whole story, and there is much more to be learned on this theme.

It may seem unfair to complain about what is missing from a book as rich as this, but there are three areas that I wish had been dealt with more deeply. As the previous paragraph makes clear, more systematic discussion of the determinants of and constraints on managerial strategy would have been very useful. Second, a number of the chapters mention, almost in passing, the role that immigrants play in the industries examined, but the book provides little systematic discussion of the relationship between immigration and low-wage work in America. There is clearly considerable interaction between the growth of low-wage work and the recent surge of immigration, and it would have been helpful if the book had played this out in more depth.

The final gap is the absence of a chapter on retail work. A large fraction of low-wage workers in America are employed in retail, and the recent attention focused on the employment

practices of Wal-Mart (the largest employer in America) underlines the importance of this segment. The book’s neglect of this subject is particularly conspicuous given the attention it lavishes on manufacturing, a sector that represents a small and diminishing fraction of employment.

These concerns do not detract from what is an outstanding book. The topic is important and the research is original and fresh. The authors demonstrate the huge gains from going into the field and learning about an employment setting in depth.

Paul Osterman

Deputy Dean and NTU Professor of
Human Resources and Management
MIT Sloan School

International and Comparative Industrial Relations

Corporate Responsibility and Labour Rights: Codes of Conduct in the Global Economy. By Rhys Jenkins, Ruth Pearson, and Gill Seyfang. Dulles, Va.: Stylus, 2002. xvi, 232 pp. ISBN 1-85383-930-2, \$79.95 (cloth); ISBN 1-85383-931-0, \$27.95 (paper).

Market liberalization in the 1990s created a boom in foreign direct investment in many developing countries through the expansion of global production networks. In low-end sectors like apparel and footwear where competitive pressure pushed firms to keep labor costs low, anti-sweatshop activists accused brand-name corporations of outsourcing to factories that routinely violated human rights, labor rights, and women’s rights. Corporate executives acknowledged the problem and determined that the best way to end sweatshop practices was not through state regulation but through voluntary codes of conduct. These codes established principles or guidelines that required suppliers to provide decent working conditions, comply with local laws, and—in some cases—respect freedom of association. By the end of the 1990s, there were hundreds of codes in all shapes and sizes.

Corporate Responsibility and Labour Rights: Codes of Conduct in the Global Economy explores the development of these codes, compares their contents, and investigates their impact. To do this, it brings together a qualified group of