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One Big Labor Market The New Imperialism and Worker Vulnerability

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In Milwaukee and Racine, Wisconsin, women plant flowers and water shrubs on the islands of highways and cut brush along the shoulders of roads. Participating in Wisconsin's version of welfare reform, with its new "work-first" policies, they clean public housing and the offices of private agencies administering welfare programs. They sort clothing for Goodwill and supervise the disabled in sheltered workshops. These community service job placements—the centerpiece of Wisconsin's welfare program—send women to work for both public and private employers. They pay only \$673 a month, and they count toward what is now a lifetime limit of sixty months of state assistance. But the worst thing, many participants say, is the lack of freedom to choose when, where, and under what conditions to work. As one woman put it: "You can't decide where you want to go. You have no opinion on any of this. It's like you're a child and your parents are running your life for you, because you don't have no choice."

This chapter addresses the question of how U.S. welfare reform fits into a broader set of processes that increase worker vulnerability. I argue that welfare programs create vulnerability through eroding citizenship rights. They require participants to work, while preventing them from choosing the conditions under which they labor and from organizing to improve those conditions. As part of a broader array of policies and practices undermining worker rights, welfare helps

drive a race to the bottom in working conditions that affects even place-bound sectors that were previously seen as relatively insulated from global forces.

For nearly thirty years, I have studied workers and labor processes in Peru, Brazil, Mexico, and the United States, focusing mainly on agricultural workers, domestic laborers, and apparel workers. I have observed the ways that multinational corporations gain benefits from moving production to communities of the developing world, where wages are low, where labor protections may be few, and where companies are insulated by layers of subcontracting from legal responsibility for working conditions. I have written about the ways labor markets are politically constructed and how employers draw on the statuses of workers outside the factory to segment the workforce and implement new forms of workplace control.¹

In 2004, I began a project in Milwaukee and Racine in which I collected work histories of low-wage women in the wake of the state's much-touted welfare reform. The stories that I gathered about women's experiences with the state's new "welfare" provisions were reminiscent—in terms of both labor conditions and lack of freedom—of those I had heard in other parts of the world. As I pondered these women's inability to transform their long hours of work into economic citizenship under welfare, I began to realize that the experiences of poor women in Milwaukee and Racine were connected to those of women working in Brazilian vineyards or Mexican apparel factories in ways that I had not fully anticipated.

In what follows, I document a series of assaults on the citizenship status of women participating in mandatory work activities under U.S. welfare reform. I argue that these assaults on citizenship, like recent attacks on the rights of legal and illegal immigrants, are ways of lowering wages and circumscribing the rights of workers in sectors where jobs are relatively fixed in place. Like certain features of the U.S. immigration system, particular features of welfare reform operate to "construct a new category of forced labor compelled to accept low-wage work."² These reforms churn workers into place-based sectors and occupations where a global labor market cannot easily be constructed (for example, health care, janitorial work, gardening, laundry, and retail work), creating vulnerability and lowering wages in jobs that would otherwise be susceptible to unionization and worker organizing.

LOWERING WAGES AND DISCIPLINING LABOR IN MANUFACTURING

Today, most manufacturing workers find themselves competing in a global labor market. Apparel workers in Los Angeles compete with their peers in Tamaulipas, Mexico; in Jakarta, Indonesia; or increasingly in the coastal cities of China. The same is true in textiles, electronics, household appliances, auto parts, machinery, medical equipment, chemicals, pharmaceuticals ... the list goes on. Across a

growing array of sectors, workers in diverse locations find themselves competing to perform the same operations for the same firms.

The growth of global labor markets has been made necessary by a crisis of overaccumulation in which capital has turned to search abroad for new opportunities for profitable investment. Capitalist firms seek what David Harvey has called a "spatial fix," plowing their surpluses into new regions in order to create new dynamic centers of accumulation around the world. In Harvey's words: "Flows of money capital ... were totally liberated from state controls.... The subsequent devaluation of labor power and ... degradation in the condition of the working class in the advanced capitalist countries was then paralleled by the formation of a huge, amorphous and unorganized proletariat throughout much of the developing world."³

These new investment patterns were made possible by a host of transformations in the global institutional landscape, largely orchestrated by the United States. They began with the abandonment of the gold standard and measures freeing financial transfers from state control in the early 1970s. In the 1980s and 1990s, the International Monetary Fund (IMF), in alliance with Wall Street bankers and the U.S. Treasury Department, imposed wide-ranging new financial rules and practices in developing economies that opened them to transnational investment. The World Trade Organization (WTO), successor to the General Agreement on Tariffs and Trade (GATT), provided a forum for the elaboration of new trade rules, as well as protections for Western intellectual property and technology. At the same time, new technologies and organizational strategies offered previously unimagined possibilities for integrating and managing spatially dispersed global enterprises.

The apparel industry provides one of the most dramatic examples of the creation of a global labor market. The 1990s marked an era of corporate consolidation and the construction of behemoth enterprises in many economic sectors, and apparel firms were no exception to this trend. Mergers and acquisitions abounded among retailers and among branded marketers such as Nike or the Gap, whose names are well known to U.S. consumers. One industry analyst suggested that whereas a company doing \$100 million of annual business was large enough to survive in the early 1990s, only firms operating at the \$2 billion mark could hold their share value on Wall Street by 1999. Others noted that "a handful of powerful retailers and manufacturers continu[e]d to grow, often fueling each others' expansion, while small players [found] themselves at ever greater risk."⁴

As these firms gained the upper hand in the apparel commodity chain, they were able to set the rules of the game, including the prices they would pay for garments. The cost of U.S. labor made it difficult for domestic manufacturers to meet these price points; as a result, retailers and marketers began to contract abroad for the production of more and more of their apparel. In the United States, the results of retailer dominance were a steady decline in the price of apparel over

the 1990s, record profits and share prices for a few large firms, the bankruptcy of small to mid-sized manufacturers, and the loss of hundreds of thousands of manufacturing jobs. Outside the United States, the result was a growth in low-waged apparel jobs, and at first, a system of quotas (the Multi-Fiber Arrangement [MFA]) led these jobs to be distributed broadly across developing nations. With the WTO-negotiated end to the MFA in 2005, retailers and branded manufacturers shifted their production contracts to China and other areas with very low wages (which also had the fewest labor protections and most repressive conditions for unions). Originally designed to protect U.S. apparel manufacturers from unbridled competition, quotas were abandoned once the biggest players in the U.S. industry developed a global sourcing network that would allow them to contract out garment manufacture while maintaining their dominance over the commodity chain.

Manufacturing industries less easily mobile than apparel have felt similar pressures. U.S. manufacturing as a whole dropped from its high point of over 19 million jobs in 1978 to just over 14 million in 2003. As recently as the 1990s, some analysts predicted that only unskilled assembly work would be moved to low-wage economies, holding to the belief that highly skilled, capital-intensive work would remain in the industrialized North. The movement of automobiles and airplanes, heavy equipment, and producer goods abroad changed that view. Today, employers in all sectors use threats to close plants or move jobs to bargain with unionized workers or to oppose unionization drives, pushing down wages and forcing concessions in benefits and working conditions.⁵ Job loss is not the only effect of such competition. Saskia Sassen has said: "As industrial production has moved overseas, the traditional U.S. manufacturing base has eroded and been partly replaced by a downgraded manufacturing sector, which is characterized by a growing supply of poorly paid, semiskilled or unskilled production jobs."⁶ Although this spatial reorganization of production draws profit from the low cost of labor in developing nations, it is driven by the power of lead firms in global commodity chains. Consolidation has given firms in many sectors the clout to demand prices that can be met only by offshore manufacturers who hire labor at low wages and under degraded conditions, while simultaneously employing top-notch advertising agents to build the reputation of their brand. The ensuing race to the bottom binds together the fate of manufacturing workers in the United States and in the developing world.

THE STRUGGLE OVER WAGES IN PLACE-BOUND SECTORS

The success of many manufacturing sectors in relocating or subcontracting production operations and constructing a global labor market has led U.S. unions to shift their focus to what have come to be called place-bound sectors. One labor

scholar has noted: "All unions need to focus on those industries that are both profitable and immobile; that is, those that are not likely to move abroad. This leads to a clear focus on the service industries, although parts of manufacturing remain rooted in the United States, for reasons of proximity to markets, suppliers, or partners."⁷

The *Washington Post* describes the strategy of Andrew Stern, who led a coalition of unions that broke ties with the American Federation of Labor and Congress of Industrial Organization (AFL-CIO) in 2005: "Stern ... and his allies cite as prime targets for organizing those workers whose jobs cannot be moved overseas, or shifted from state to state to defeat union mobilization efforts; hospital and home health care workers, hotel and casino employees, wage haulers and public employees."⁸ Ironically, then, employees in some typically low-wage sectors found themselves in a better bargaining position than their peers in manufacturing, simply because their jobs were hard to move.

Nevertheless, wages and working conditions in place-bound sectors have not been improving. The reasons are undeniably complex. Skill levels in many of these positions—particularly retail and janitorial work—are not high. In other occupations, such as child care and health care work, gendered norms depress the pay scale. At the same time, a host of political, economic, and legal decisions have undercut workers' bargaining power since the 1980s, including Federal Reserve policies concentrated on reducing the threat of inflation and a corporate ideological shift that values maximizing shareholder value above all other goals. In addition, the climate for labor has been influenced by free-trade agreements such as the North American Free Trade Agreement (NAFTA) that have facilitated corporate mobility and decreased the capacity of the state to regulate labor and environmental conditions; it has been shaped as well by the wholesale assault on unions and the National Labor Relations Act that followed Ronald Reagan's use of the Taft-Hartley Act to fire striking air traffic controllers. The number of workers fired for trying to organize a union was in the hundreds per year at the height of McCarthyism in the 1950s; in the 1990s, more than 20,000 workers per year claimed discrimination for engaging in union activities.⁹ Even when workers have succeeded in obtaining a union in this climate, there is usually little incentive for employers to reach an agreement.

In addition to and interacting with these forces, however, the ambiguous and uncertain citizenship status of many workers undermines pay and working conditions in place-bound service work. In some instances, this is a question of immigration and documentation of membership in the national community. In his research on the California lettuce industry in the 1980s, Robert Thomas observed the differential distribution of labor rights to documented and undocumented immigrants and citizen workers as well as across gender. He found that working conditions in the lettuce industry as a whole were affected by the inability of undocumented workers to make claims on the state or their employers. These workers

could not bargain for higher wages through unions and thus could not obtain a return to their skill level because they were not able to withhold their labor for the purpose of negotiating wages or working conditions. They could not make claims against the collectivity for welfare supports, workers' compensation, or unemployment compensation. And they could not complain about unsafe working conditions or violations of labor law without fearing deportation. Because citizen workers and documented immigrant workers competed in the same labor market with undocumented workers, their vulnerability led to a decrease in overall wage levels associated with those jobs and to declining working conditions.¹⁰

Subsequent studies of immigrant workers have documented organizing success among even the most vulnerable segments of labor, partly reflecting their more favorable attitudes toward unions.¹¹ Nonetheless, immigrant workers remain vulnerable to threats and harassment linked to their uncertain status, and they continue to have little recourse if their rights are violated. The AFL-CIO claims that by hiring immigrant workers, "industries where jobs cannot be exported—like those in the construction industry, in meatpacking, or in the service industry—have been able to import the labor standards of developing nations into the U.S."¹² It cites as an example a ruling by a New York Appeals Court judge that an undocumented Mexican man injured on the job due to employer negligence could collect wages for the time he was unable to work but only at the rate he would have earned had he been working in Mexico (*Balbuena v. IDR Realty LLC, Inc.*).

But the connection between the erosion of labor rights and citizenship status is broader than this. In his book *The Price of Citizenship*, Michael Katz lays out a larger dilemma. In recent decades, he says, the links between employment and citizenship have tightened, leading to a situation in which, in the minds of many, only those Americans with real jobs are considered citizens.¹³ Citizenship has been turned, he says, into a commodity purchased with a job.¹⁴ In keeping with this understanding of citizenship, government has encouraged a tightening of links between benefits and employment. Though employers are paying a smaller and smaller share of employee benefits such as health care and retirement, it is they, not the state, who manage these benefits for workers who have them at all. But this conflation of employment and citizenship confronts two other trends. First, employers also have demanded more flexibility in work contracts, thus heightening the insecurity of work. And second, public institutions continue to refuse to recognize socially valuable labor outside the world of paid work, most notably care for children, the elderly, and the ill. These two counterrends continually churn workers out of the labor market into periods of unemployment or underemployment, in the first case, or into care work, in the second. And those who even temporarily lose their footing within the labor market lose aspects of their citizenship.

One of the most vivid examples of the erosion of citizenship rights is found in the new institutions of the post-1996 reformed welfare system, where poor

women who struggle to meet the competing demands of motherhood and mandatory work find their activities dictated by the state. As Sandra Morgen and Jeff Maskovsky have written, "Welfare 'reform' casts out a significant number of poor women from neoliberal citizenship, now defined in terms of independence . . . and self-sufficiency through labor-force attachment and productivity . . . repositioning poor single mothers as subcitizens with reduced rights and heavy state-enforced social restrictions and penalties."¹⁵ For many analysts, this process is understood as a reduction in social rights—the rights to make need-based claims on state assistance programs. But increasingly, with mandatory welfare requirements, welfare reform involves a reduction in civil rights as well, including the freedom of contract under the Fourteenth Amendment. The current system of welfare deprives women of basic rights that allow them to negotiate with their employers or to seek redress if their rights are violated.

CITIZENSHIP STRUGGLES: WORKFARE, THE LOW-WAGE LABOR MARKET, AND GLOBAL COMPETITION

Many authors, from Karl Polanyi to Frances Piven and Richard Cloward, have addressed the ways that welfare provision intersects with labor market processes.¹⁶ Jamie Peck, studying the effects of the 1996 welfare reform (the Personal Responsibility and Work Opportunity Reconciliation Act [PRWORA]), claims that workfare "is not about creating jobs for people who don't have them" but about creating "workers for jobs that nobody wants." He sees welfare as establishing a floor under the labor market, setting the conditions under which certain groups, at certain times, have access to means of subsistence outside the market. He decries the rhetoric that presents workfare as being about overcoming the motivational deficiencies of the poor; instead, he argues that it is designed to counteract the weak pull of contingent and undesirable work at poverty wages. In his analysis of local workfare regimes, Peck focuses on what he calls the "boundary institutions" of the labor market: these include welfare offices but also schools, hospitals, and prisons. Peck argues that these institutions adjust the flow of workers into and out of the labor market and also remake the workers themselves, shaping their attitudes toward work and wages, their expectations about employment continuity and promotion, and their identities.¹⁷

In 2004, I worked with a research team to conduct the interviews discussed in this chapter, as part of a project at the Institute for Research on Poverty at the University of Wisconsin.¹⁸ Using a sampling frame that ensured proportional coverage of differences in race and other important factors, we randomly selected potential participants who had recently been enrolled in a "lower tier" of the Wisconsin Works (W-2) program from the state welfare system's administrative records.¹⁹ Sixty-nine percent of the women we contacted in Milwaukee and Racine

counties agreed to be interviewed. Our interviews covered household composition, work and income, work-family balance, livelihood problems and solutions, social networks and support, and social program participation. We collected work histories for each woman, focusing in particular on her last five jobs.²⁰

Milwaukee and Racine share a past as industrial centers and a present characterized by struggles to move to a service-based economy. Both have experienced substantial deindustrialization since the 1970s. Milwaukee, for example, has lost 60 percent of its manufacturing jobs since the 1970s, and its rate of overall job growth has been slow. Most of the new jobs are in the suburbs, leaving zones of high unemployment in the central city. In 2003, the unemployment rate for the city of Milwaukee was 9.3 percent, at a time when the average for the fifty largest U.S. cities was 6.9 percent.²¹ But this number hid massive disparities. Unemployment for white workers was 3.3 percent in 2000; for black workers, it was 16 percent. In 2002, nearly 60 percent of working-age black men in the city were jobless, by far the highest rate of any city surveyed by the Bureau of Labor Statistics.²²

Not unexpectedly, these trends affected income and poverty. African American household income in Milwaukee was 50 percent of white household income; in 2000, Milwaukee ranked forty-ninth among the fifty largest urban areas on this measure. The black poverty rate in metro Milwaukee in 2000 was 32.5 percent, six times the white rate. And white residents of Milwaukee were twice as likely to own their homes as black residents. Pervasive patterns of residential segregation led some inner-city neighborhoods to be 95 percent black.²³ The per capita income and educational attainment of Racine's inhabitants are slightly higher than those for Milwaukee residents, and its proportion of African American and Latino residents is somewhat smaller. But like Milwaukee, it is a divided city. A report on concentrated poverty notes that, in 2000, Racine had one center-city census tract with a poverty rate of over 45 percent. This tract was 75 percent black.²⁴

Under the Republican administration of Tommy Thompson, the state of Wisconsin experimented with welfare-to-work programs long before the passage of PRWORA in 1996. But in that year, it implemented the comprehensive work-first plan known as Wisconsin Works, or W-2. The plan placed welfare participants in several categories. The two most widely used were "transitional placements," for those who "because of severe barriers are unable to perform independent, self-sustaining work," and "community service jobs," which targeted women "who lack the basic skills and work habits needed in a job environment" and which were to provide "an opportunity to practice work habits and skills."²⁵ Caseworkers assigned about 60 percent of W-2 participants to CSJs in 2002.²⁶

As part of welfare reform, Wisconsin hired five private agencies to manage its welfare caseload. The staff of these agencies determined whether workers were ready for employment and assigned them to activities, including job placements

with nonprofit, for-profit, or public organizations. In practice, most of the larger sites in Milwaukee belonged to the administrator agencies themselves (Goodwill, the YWCA, United Migrant Opportunity Services, and the Opportunities Industrial Center, as well as for-profit Maximus). The privatization of services gave caseworkers tremendous discretion. Although some listened to participants' needs and tried to make appropriate matches, others offered no opportunities to express preferences or make choices.

Participation in community service jobs undermined women's economic citizenship in several ways. First, it was associated, in a disturbing number of cases, with downward job mobility for the women we interviewed. This pattern was shaped by changes in the job market as well as changes in social programs. Women who left or lost a good job in the late 1990s could not always find an equivalent job a year or two later because the labor market was weaker and the quality of jobs was declining.²⁷ In addition, available training opportunities narrowed during this period, as two agencies lost their contracts with the state due to corruption or mismanagement.²⁸ Several women told of leaving clerical or managerial positions and then moving through a series of less responsible jobs. When they turned to W-2 in a crisis, they were placed in CSJs that involved unskilled manual work. Of the women we spoke to who had CSJs, six had not held very responsible jobs in the past but had worked mainly in fast food or cleaning businesses. For these women, a CSJ sorting clothes or cutting brush was arguably a formative experience. But for eight of the women (25 percent of the total interviewed and 57 percent of those placed in CSJs), these placements were an experience in downward mobility.

A woman who had formerly worked as an executive assistant in a nonprofit said: "They stuck us all in factories and had us doing jobs nobody else wanted to do. And that's the honest-to-God truth—from picking up trash on the street, like the people at the county jail had to do, to working in the Goodwill with the disabled people." Another woman, who had formerly worked as a manager of a group home, remarked: "They send me places to work. One of them is on the north side—you help them cut down their rubbish and their trees. Another one—they send me down to the City of Milwaukee Department of Public Works and you help them fix the streets. Or that island out there, you know, they have people from W-2 go out there and water the grass and plant the flowers. What am I going to do cutting down bushes? Am I gonna put that on my resume?"

A second way in which welfare programs undermine economic citizenship is by fostering a broader trend in the low-wage labor market: turning to the state for subsidies to wages and for benefits formerly provided by employers. This shift became clear to me when I heard one of the women we were interviewing refer to her W-2 check as her "unemployment." She had stopped working in 2004 when doctors diagnosed a pituitary tumor, and she received benefits through the Wisconsin Works Transitions program (W-2T) during her surgery and recovery.

She did not receive unemployment compensation or disability pay because the fast food job she had held for three years was part-time and had irregular hours, although she often worked forty-hour weeks.

These kinds of casualized work relations (no long-term contracts, part-time schedules, fluctuating hours, temporary placements) denied women access to programs such as unemployment compensation that have been key elements of economic security for workers since the Depression. Without access to these entitlements, they turned to the state for "aid." In addition, all of the women participating in community service jobs received food stamps and child care subsidies from the state, and a large proportion (60 percent) received some kind of housing subsidy. If a decent wage and health insurance were formerly rights of economic citizens, earned in return for hard work, that route is now closed to poor women, no matter how many hours a week they labor.

Access to health benefits and maternity leave were among the most common examples of areas in which state aid substituted for employer benefits. Several women told us that when they became pregnant, their bosses suggested that they stop work and apply to the state's caretaker-of-newborn program, which provides benefits for twelve weeks after a birth, promising that women will get their jobs back when they return. The employers in question ranged from factories to large retailers to small service franchises. Some women also said that their firms offered health insurance for a high monthly payment and that personnel officers told them "off the record" that, with their salaries, they would still be eligible for state medical assistance and that "that might be a better value." A Wisconsin legislative audit in 2005 noted a large increase in women who received caretaker-of-newborn support between 1998 and 2004, adding, "The reason may be that some of these individuals were already employed before they entered W-2 and were using the program as a form of paid maternity leave."²⁹ As this trend was covered in the Wisconsin papers in 2004, the danger was that public outrage would lead to program cuts rather than holding corporations' feet to the fire, leaving low-wage workers bereft—not only of the benefits that used to come with a job but also of the means-tested "handouts" that now substituted for them.

A third way that welfare undermined poor women's economic citizenship was through undermining their status as workers and their right to freedom of contract. When women participate in the W-2 welfare program, the wages they received are considered aid. At the federal level, Temporary Assistance for Needy Families (TANF) eliminated any entitlement to federal assistance and required states to establish plans that made benefits available to participants in exchange for their participation in assigned activities. This approach is distinct from publicly funded wage-paying jobs in which the participant receives a subsidized paycheck.³⁰ Wisconsin's program sought to imitate the reward and sanction system of a private sector job, reducing each participant's payment by the equivalent of the minimum hourly wage for each hour of activity missed without good cause.

But the program is still welfare, in the sense that the "time clock" that limits lifetime benefits is ticking. The state (through its contracted agencies) monitors a participant's attendance at work and imposes sanctions if she misses hours. This ambiguous status—eerily reminiscent of the workhouses of the nineteenth century and before—denies women the independence and autonomy associated with wage earning since the 1840s.

Because they are assigned to jobs by the state, many women find it impossible to transform hard work into economic citizenship. They are unable to forge a direct contract with their employers, who prefer to continue using their labor on an indirect and subsidized basis. As one participant explained it: "I had that job for over a year. As a W-2 participant, you are supposed to be hired [on a regular contract] after six months, legally. I didn't know any of that. I just kept working because I liked working. But the company took advantage of me because the label 'welfare recipient' was tagged to my head, so they refused to hire me regardless of all the skills and talent that I had."

There are several issues of grave concern here. One is the way in which moving thousands of poor women into these jobs drives down wages and undermines public employee unions. Frances Piven and Eileen Boris report examples of public and private agencies failing to renew contracts with workers at a market wage in order to take advantage of subsidized welfare participants.³¹ Both the federal laws and the Wisconsin state laws establishing welfare reform include "nondisplacement provisions" that prohibit using welfare participants in any way that would lead to terminating a regular employee, reducing the workforce, or filling the position of striking employees or those engaged in a labor dispute.³² Nevertheless, the American Federation of State, County, and Municipal Employees (AFSCME) expressed strong concerns that the rules were not enforceable and that Wisconsin policymakers were not measuring the effects.³³

The second issue is whether the women who participate in welfare are entitled to the protections of current labor laws. Questions of whether participants are entitled to the minimum wage, to unemployment insurance, or to protections under the Occupational Safety and Health Administration (OSHA) have been disputed at state and federal levels. The initial PRWORA legislation did not provide for minimal employment standards. However, a number of subsequent administrative rulings by federal agencies have clarified the circumstances under which federal employment law covers welfare participants.³⁴ For example, the U.S. Department of Labor issued rulings in February 1999 indicating that federal laws apply equally to welfare workers, and the final TANF regulations issued in April 1999 stated that federal employment laws apply. In addition, the 105th Congress established that welfare participants were covered under minimum wage laws and entitled to health, safety, and fair labor protections.

Nevertheless, the National Employment Law Project (NELP) suggests that the law and relevant administrative rulings are not as clear-cut as they may seem.

For example, women who are placed in "work training" programs, including community service jobs, are not covered by unemployment insurance. NELP lawyers argue that administrative rulings tend to guarantee participants in welfare programs the same protections as others who can establish an employment relationship under similar circumstances. If there are no comparable others, it is difficult to establish a protection standard. Additionally, the administrative rulings are not self-executing, and NELP claims that "many workers continue to suffer terms and conditions of work which are vastly inferior to those of the paid employees with whom they often work side by side." They express particular concern that a lack of Title VII enforcement for women in welfare placements creates opportunities for sexual harassment and that the lack of explicit provision for workers' compensation results in a failure to recompense workers injured on the job. Finally, they point out that workers who complain—whether of unsafe conditions or sexual harassment—are especially vulnerable to losing their benefits and have no access to an appeals process in most states.³⁵

A third issue concerns the Fourteenth Amendment rights of women in welfare assignments. Not only are women unable to exercise many of the rights associated with fair employment, they are also denied a choice about the kinds of jobs they will take and conditions under which they will work—a choice that has been an inviolable element of the employment relationship for over a century. The Fourteenth Amendment states that "included in the right of personal liberty and the right of private property . . . is the right to make contracts. . . . Chief among such contracts is that of personal employment, by which labor and other services are exchanged for money or other forms of property. If this right be struck down or arbitrarily interfered with, there is a substantial impairment of liberty in the long-established Constitutional sense."³⁶ As historians have pointed out, freedom of contract has never been absolute, and many labor struggles (over the minimum wage, maximum hours, and health safety regulations, for example) have given government power to regulate the terms under which individuals can make a deal.³⁷ Still, as Alice Kessler-Harris notes, our legal system has historically "treated workers as individuals, each capable of negotiating and each protected by the Fourteenth Amendment's prohibitions on deprivation of property . . . its right to freely contract to sell itself . . . commonly known as freedom of contract."³⁸ And for political theorist T. H. Marshall, the ability to follow the occupation of one's choice in the place of one's choice is a key aspect of citizenship.³⁹ Thus, it is a disturbing fact that under Wisconsin's welfare reform, signing an employability plan appears to cancel an individual's right to choose when, where, and under what conditions she will work.

Many of the women we interviewed complained about this aspect of welfare. As the quote with which this chapter opened suggests, many felt that they were being treated like children. Another said: "I do what they want me to do. Things I don't want to do. . . . Like right now, they gave me an activity to

work at a pantry shop [a food pantry] that I'm not interested in whatsoever. My interest was computer and office assistant classes and they don't want to put me in that. My worker tells me 'well you have to do it because our supervisor tell us for you to do it.'

Many women were concerned that their employment plans did not allow enough time for them to shuttle their children between school and afterschool care or to arrange for the medical care of children with special needs. One woman had difficulty with the fact that her employment plan required her to put her nineteen-month-old son in day care even when he was having trouble with asthma. It had been difficult to find a provider who would take him, and when she did, it was on the condition that she would pick him up if he had an attack.

So I go to pick him up and they don't understand that, they really don't. So it's hard ... the things they want you to do that we don't want to do. But they force us to do it just to get our little paycheck. And it's not worth it. Sometimes I feel like saying "screw W-2." You know? But I can't, because I can't afford my rent or my bills, so I have to do the things they want me to do. The main thing ... I think we should be able to do what we want to do and not what they want us to do. I think we should just choose our activities and our job skills and education. Let us do what we want to do.

Another woman, who was training to be a drug and alcohol counselor, was engaged in a battle with her employment planner, who felt that she was working too many unpaid hours in her required internship: "She says I shouldn't be wasting my time at the [counseling training]. That I need to make more time to do my job logs or I need to find a full-time job, you know, like working as a waitress, rather than having a part-time job and doing what I want to do for my future. She wants me to give up my hopes, my dreams. What the hell am I gonna do that for? Give up all this I accomplished just to be a waitress?"

Women in community service jobs are considered by the state to be able to work. All of the women we interviewed *had* worked, in jobs they found on their own account, in the past. All of them had experienced some kind of crisis or event that led them to withdraw from work and turn to welfare. For the majority of these women, that event was simply childbirth, in an economy where maternity benefits do not come with a job. Most of these women received only caretaker-of-newborn benefits, but some—those who had difficult pregnancies or whose children were born early or with health problems—received additional months of support.

Because of their poverty (which brings with it things such as inferior health care and a lack of access to transportation) and because of the demands of raising children (with chickenpox, teacher's meetings, ear infections), these women need flexible jobs more than most of us do. But the jobs they were able to get in fast food, retail, care work, or housekeeping were among the least flexible in the

economy. They did not offer sick leave or personal days, much less paid vacation time, and they often required irregular and nonstandard shifts. They also had the most punitive work rules—employers such as Wal-Mart consider the slightest tardiness to be "time theft." Thus, when these women were about to have a child or when they or others in their families required care, they had little alternative but to quit their jobs.

For women who find themselves in this position, the welfare system still provides a safety net. It may have narrow eligibility requirements and time limits and may be extremely punitive in its own right, but it provides them with the "benefits" they do not get from their jobs. In this way, it allows employers to continue offering employment under conditions that do not provide a living and cannot reproduce the labor force. But women who accept this kind of aid must give up their claim to economic citizenship in order to receive it. They must agree to be treated as dependents and surrender their rights to choose when, where, and under what conditions they will work; to sue for fair treatment; and to receive many of the benefits that have traditionally come to workers through their jobs. Participating in these programs propels them into the labor market with the racialized label of "welfare recipient tagged to their head." This bargain traps women at the lower end of the labor market, making upward mobility into jobs that pay a wage that will support a family all but impossible. The way out, of course, is to get a job independently. But unless that job provides benefits and flexibility, most women will return to welfare programs as soon as they need supplementary income or time off.

What does it mean to have large numbers of women entering the workforce under such conditions? Michael Reisch has provided a succinct summary: "First, It helps to drive down the wage scale by increasing competition for unskilled jobs. Second, it strengthens the drive for greater workforce discipline and compliance, particularly in the service sector."⁴⁰ Sanford Schram has pointed to the racial and global dimensions of this process:

The neoliberal insistence on scaling back the welfare state and enforcing work in the name of global competitiveness results in re-creating racial hierarchy. ... Welfare reform involves integrating disproportionately nonwhite welfare recipients into low-wage jobs to make local labor markets in the United States more flexible and competitive with other low-wage labor markets elsewhere that are themselves disproportionately nonwhite. Race is an important marker in the global economy for designating who is available for the exploitations of low-wage work.⁴¹

Undermining the citizenship status of women entering work through welfare also disadvantages them in the struggle to improve their wages and working conditions. As Thomas has said of undocumented immigrants, "They are severely restricted in their ability to make claims against employers ... for higher status

or reward. They cannot make claims on the state to regulate or enforce their occupational, labor market, or organizational position.... Furthermore, [they] are denied the capacity to use citizenship entitlements [such as] unemployment compensation."⁴² As Peck has argued, such restrictions "remake workers," shaping their attitudes toward work and wages, their expectations about employment continuity and promotion, and their identities.⁴³ Such remaking is not completely successful. We have seen that many women have a keen sense of injustice and a deep-seated anger about current arrangements. Nevertheless, these processes have effects that reverberate in the low-wage labor market as a whole, as others working in retail, as personal care assistants or certified nursing assistants, or in janitorial work are "forced to compete on the same terrain with the most vulnerable category of labor."⁴⁴

CONCLUSION

It has taken a while for most of us to realize that the global race to the bottom in wages and working conditions is an equal opportunity juggernaut, dashing the hopes and destroying the livelihoods of skilled and unskilled manufacturing and service workers in the industrial North and the developing South. As recently as the 1990s, some analysts felt confident in predicting that only unskilled assembly work would be moved to low-wage economies, holding to the belief, as Bill Greider has put it, "that certain high caliber work can only be done by well-educated white people in a few chosen countries."⁴⁵ Once Boeing began building 737s in China and Caterpillar moved its union jobs to Malaysia and Indonesia, pundits abandoned that stance.

"Only manufacturing" was the next prediction. Two intertwined processes in the 1990s shattered this illusion: the first was the development of new information and telecommunications technologies that made it possible to send images, words, and capital whizzing around the world at the tap of a keyboard; the second was negotiations leading up to the World Trade Organization's General Agreement on Trade in Services, which opened legal and political possibilities for outsourcing service sector activity. Soon, Motorola was moving its software engineering operations to Bangalore, Dell was providing customer service from the Philippines, and a plethora of order fulfillment and back office tasks were being moved to low-wage locales. By 2004, outsourcing these services was considered a "best practice." Gregory Mankiw, then chair of the President's Council of Economic Advisors, aroused the ire of unemployed U.S. workers by praising the practice of outsourcing computer programming jobs, claiming that moving them abroad increased productivity and was good for the economy.⁴⁶

For a while, low-waged service jobs seemed an exception to the outsourcing exodus, and the labor movement pumped resources into service sector unions,

targeting hospital and home health workers, hotel and retail employees, and laundry workers and janitors. The assumption was that a line could be drawn and held at those jobs that could not be moved overseas—the services had to be provided directly in the community where they were needed. Yet it soon became clear that the wage arbitrage that drives the race to the bottom extends even to these industries. As one labor analyst notes: "Employers are making ... threats even in industries that are not mobile.... Although you cannot move a nursing home to Mexico, you can contract out the work, and that has the same effect for the workers involved."⁴⁷ Subcontracting creates distance between employer and employee, in many cases absolving the beneficiary of the work from legal responsibility for working conditions. It lowers the cost of labor because contractors must bid for jobs, and it inhibits union organizing because the contracting firm can simply refuse to do business with unionized shops.⁴⁸ This arrangement provides advantages to employers who are working in a global economy where manufacturing wages have been driven down by similar processes played out on a global scale.

But institutionalized processes that undermine the citizenship of workers give place-bound employers additional advantages. The contradictions unleashed when a social policy regime makes work the mark and guarantee of citizenship while simultaneously undermining the security of employment weakens both the rights of workers and the ability of workers to struggle for and defend them. In Katz's words, "It pushes anyone out of employment to the margins of society."⁴⁹ As Judith Shklar puts it, it forces them "to forfeit their claim to civic equality ... and to be treated with that mixture of paternalism and contempt that has always been reserved for the dependent classes."⁵⁰ The insecurities thus created undermine unionization, the capacity to withhold labor to bargain for wages, and the ability of workers to claim their employment rights as defined by law. Workfare programs are but one of the most salient examples of new institutional arrangements that contribute to circumscribing citizenship and thus our capacity to act in the public sphere.

The ultimate effect of these changes is to place workers in different parts of the world on closer to the same footing. We can see the race to the bottom as a play in two acts. In the first, U.S. imperialist policies effectuated through financial institutions, the IMF, and the WTO pave the way for transnational investment and global sourcing strategies that draw new workers into a global labor market at low wages and under degraded and repressive conditions. In sectors where work is mobile, the specter of job loss then drives down wages and undermines working conditions in older industrial regions. In the second act, U.S. imperialism turns its face homeward, disenfranchising workers through binding citizenship ever more tightly to work while undermining the security of jobs. Workers in place-bound jobs, who should be able to resist the depredations of mobile capital, thus see the ground they stand on disappear. That ground is citizenship in their polity and

the right to participate in debates and actions that establish a fair return for labor. The ultimate effect of these changes is to place workers in different parts of the world on closer to the same footing, fueling the race to the bottom and, to quote Greider once again, creating "a fateful connection . . . between first and last."⁵¹

NOTES

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3. David Harvey, *The New Imperialism* (New York: Oxford University Press, 2003), 62–63.
4. Andée Conrad, "Scaling the Heights in a Discount World," *Apparel Industry Magazine* (June 1999); S. Edelson and A. D'Innocenzo, "Seminar's Focus: Megafirm's Clout," *Women's Wear Daily*, March 26, 1998. See also Collins, *Threads*, 36–48.
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13. The origins of this link between employment and citizenship can be traced to the Jacksonian Democrats. See Judith Sklar, *American Citizenship: The Quest for Inclusion* (Cambridge, MA: Harvard University Press, 1991).
14. Michael Katz, *The Price of Citizenship: Redefining the American Welfare State* (New York: Owl Books, 2002).
15. Sandra Morgen and Jeff Maskovsky, "The Anthropology of Welfare: Reform? New Perspectives on U.S. Urban Poverty in the Post-Welfare Era," *Annual Review of Anthropology* 32 (2003): 329.

16. Karl Polanyi, *The Great Transformation* (Boston: Beacon, 2001 [1944]); Frances Fox Piven and Richard A. Cloward, *Regulating the Poor: The Functions of Public Welfare* (New York: Vintage, 1993 [1971]); Peck, *Workfare States*; Piven, "Welfare and Work," in Gwendolyn Mink, ed., *Whose Welfare?* (Ithaca, NY: Cornell University Press, 1999), 83–99; and Eileen Boris, "When Work Is Slavery," in Gwendolyn Mink, ed., *Whose Welfare?* (Ithaca, NY: Cornell University Press, 1999), 36–55.
17. Peck, *Workfare States*, 6, 52, 185.
18. The project was the "W-2 Child Support Demonstration Evaluation, Phase III," led by Maria Cancian and Daniel Meyer and funded by the Wisconsin Department of Workforce Development. The research team included three graduate students at the University of Wisconsin: Victoria Mayer, Nicole Brezazale, and Angela Cunningham. Patricia Brown and Steve Cook helped draw the sample. The project covered three counties: Milwaukee (twenty interviews), Racine (ten interviews), and Dane (ten interviews). Because the labor market of Dane County is very different, this chapter focuses only on Milwaukee and Racine.
19. Wisconsin Works, the Wisconsin version of welfare reform, has an especially heavy focus on work. "Since 1997, no cash assistance has been available to families unless they participate in work or work-like activities . . . or have a child less than 13 weeks old Cash benefits are available only after a period of program participation." Wisconsin began work-based welfare reform in the late 1980s, well ahead of the rest of the nation. Maria Cancian, Robert Haveman, Daniel Meyer, and Barbara Wolfe, "Before and after TANF: The Economic Well-Being of Women Leaving Welfare," Institute for Research on Poverty Discussion Paper no. 1244-02, 2002. "Lower tier" programs include community service jobs, caretaker-of-newborn benefits (available to mothers of children up to thirteen weeks), and W-2 Transitions (a program for women with obstacles to immediate employment, including health or mental health problems or substance abuse).
20. Because we had access to state data on W-2 participation, food stamp receipt, and supplemental security income (SSI) as well as unemployment insurance data on jobs, we verified each woman's personal account with state records. Women's responses to our interview questions were consistent with the official data in all instances.
21. Annette Bernhardt, Laura Dresser, and Joel Rogers, "Taking the High Road in Milwaukee: The Wisconsin Regional Training Partnership," in David Reynolds, ed., *Partnering for Change: Unions and Community Groups Build Conditions for Economic Justice* (New York: M. E. Sharpe, 2004), 230–248; Marc V. Levine, "Sealth Depression: joblessness in the City of Milwaukee since 1990," University of Wisconsin Milwaukee Center for Economic Development Report, August 25, 2003, available at <http://www.ced.uwm.edu>.
22. Marc Levine, "The Two Milwaukees: Separate and Unequal," paper presented at the Milwaukee County Task Force on Segregation and Race Relations, April 30, 2003; Levine, "After the Boom: Joblessness in Milwaukee since 2000," University of Wisconsin Milwaukee Center for Economic Development Report, April 5, 2004, available at <http://www.ced.uwm.edu>. The large number of African American men that Levine found to be "outside" the labor market is connected to rates of black imprisonment in the state. The ratio of black-white imprisonment rates in Wisconsin at the end of the 1990s was 20:1—the third highest in the nation. The black-white ratio of new prison sentences for drug offenses rose from 22:1 in 1990 to 67:1 in 1999. Nearly half of these new sentences were for the ambiguous category of "intent to deliver." Researchers attribute much of this disparity to "back-end" criminal justice processing, such as sentencing decisions, but also to law enforcement practices such as "sweeps," whereby police clear out "high-crime" neighborhoods by arresting everyone possible on any charge possible. Pamela Oliver, "Summary of Findings on Racial Disparities in Criminal Justice in Wisconsin," paper presented at Community Justice Action Coalition Conference, November 2, 2001; Oliver and James Yocum, "Racial Disparities in Criminal Justice: Madison and Dane County in Context," Institute for Research on Poverty

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