

***What Works for Workers?
Public Policies and Innovative Strategies for Low-Wage Workers***

A Conference sponsored by:

The Kalmanovitz Initiative for Labor and the Working Poor, Georgetown University
and

The Joseph S. Murphy Institute for Worker Education and Labor Studies, CUNY

Thursday, February 23, 2012

2:30 – 3:00 pm Welcome and Introductions

3:00 – 5:00 pm ***Setting the Stage: What Do We Know about Low-Wage Work?***

Moderator: Joseph McCartin, Georgetown University

Discussants: Joshua B. Freeman, CUNY
 Heidi Shierholz, Economic Policy Institute

Paper Authors Respond:

- 1) Alice O'Connor, University of California, Santa Barbara, “An Economy That Works For Workers”
- 2) Richard Freeman, Harvard University, “What Can Unions Do In The New Epoch of Inequality, Joblessness, And Fiscal Austerity?”
- 3) Peter B. Edelman and Harry J. Holzer, Georgetown University, “Connecting The Disconnected: Improving Education and Employment Among Disadvantaged Youth”

5:00 – 7:00 pm ***Cocktail Reception***

Friday, February 24, 2012

8:30 – 9:00 am Coffee

9:00 – 11:00 am ***Targeted Policies: Wage Floors, Subsidies and Training***

Moderator: Ruth Milkman, CUNY

Discussants: Arin Dube, University of Massachusetts, Amherst
 Jen Kern, National Employment Law Project

Paper Authors Respond:

- 1) Jeannette Wicks-Lim, University of Massachusetts, Amherst, “An Evidence-Based Proposal To Guarantee U.S. Workers Decent Living Standards With Minimum Wage Laws”
- 2) Stephanie Luce, CUNY, “Living Wages and Low-Wage Workers”
- 3) Sarah Ellen Hamersma, University of Florida, “Employment Subsidies to Firms and Workers: Key Distinctions between the Effects of the Work Opportunity Tax Credit and the Earned Income Tax Credit”

11:00 – 11:15 am Coffee Break

11:15 – 1:15 pm ***The Impact of Social Policies and Workplace Laws***

Moderator: Stephanie Luce, CUNY

Discussants: Theda Skocpol, Harvard University
Heather Boushey, Center for American Progress

Paper Authors Respond:

- 1) John Schmitt, Center for Economic and Policy Research, “Health Insurance Coverage for Low-Wage Workers, 1979-2010”
- 2) Jeffrey B. Wenger, University of Georgia, “Unemployment Benefits and Poverty: A Critical Review of the Administrative and Policy Processes Governing Access, Generosity, and Finances”
- 3) Eileen Appelbaum, Center for Economic and Policy Research and Ruth Milkman, CUNY, “Low-Wage Workers and Family Leave Insurance: The Case for California’s Paid Family Leave Program”

1:15 – 2:30 pm Lunch Break

2:30 – 4:30 pm ***Future Challenges: New Approaches to Low-Wage Work***

Moderator: Jennifer Luff, Georgetown University

Discussants: Michael Piore, Massachusetts Institute of Technology
Cathy Ruckelshaus, National Employment Law Project

Paper Authors Respond:

- 1) Jennifer Gordon, Fordham University School of Law, “Immigration Law as an Impediment to Enforcing and Raising Standards in the Low-Wage Workplace”

- 2) Robert Pollin, University of Massachusetts, Amherst, “Why the Green Economy Is A Jobs Engine”
- 3) Paul Osterman, Massachusetts Institute of Technology, “Policies to Upgrade Work: Training and Career Ladders”
- 4) David Weil, Boston University, “Public Policy Responses to the Fissured Workplace”

4:30 – 5:00 pm

Closing Reflections

AN ECONOMY THAT WORKS FOR WORKERS

Alice O'Connor, Department of History, UC Santa Barbara

The aim of this paper is to situate our discussion of current and future policies for low-wage workers in historical context, in the interest of framing a conversation that links specific interventions designed to help low wage workers to broader questions of economic reform. The paper will trace the major trends in social provision for low-income individuals and families since the late 1960s while also relating them to developments in politics, political economy, and politically mobilized social thought that have undermined wage-earning as a source of economic security, opportunity, civic standing, and, more generally, the entitlements associated with full social and political citizenship as envisioned (though never fully realized) in the New Deal social contract. It will then use the experience of the past four decades to argue that to achieve an economy that “works for *all* workers” we need to think about but also to think beyond “making work pay” through targeted social policy interventions to generate a longer range program of economic development and restructuring that reverses the long-range trend toward wage inequality, distributes wealth more equitably, redresses the imbalance between finance and more socially productive sectors of the economy, and reasserts the achievement of shared working- as well as middle-class prosperity as a legitimate aim of social and economic policy.

The paper will highlight the major changes and trends in post 1960s social and economic policy that have had direct implications for the well-being of low-wage workers, including (among others) the series of “reforms” in the social safety net that eventuated in the “end of welfare as we know it” in 1996 (and that well before then basically eliminated the “working poor” from eligibility for most welfare benefits); the erosion of minimum wage standards; the growing emphasis on tax subsidies and expenditures such as the Earned Income Tax Credit even as payroll taxes were going up; and the retreat from, if not outright abandonment of full employment as a goal of economic policy. It will also discuss the more recent, and increasingly popular emphasis in both official and nongovernmental organization policy circles on a variety of so-called “ownership,” “asset-building,” and “social capital” initiatives (ranging from homeownership, subsidized savings, and microlending to marriage promotion, which is officially embraced in TANF) as post-welfare remedies for poverty amidst declining wages and growing inequality. But the paper will also frame those specific policy changes as part of a more basic economic and social policy restructuring that, even while insisting that more and more people should become “self-sufficient” and provide for their own needs through saving, investment, and participation in the paid labor force, actually undermined their capacity to do so through strategies of globalization, deregulation, financialization, and de-unionization that left already-disadvantaged workers more insecure and vulnerable to life’s vicissitudes in economic “good” times as well as bad. I will conclude by laying out the key issues a program that combines economic with social policy reform will need to address, emphasizing the importance of recognizing that the future status of workers is not a reflection of inevitable historical forces, but of political choices we make today.

WHAT CAN UNIONS DO IN THE NEW EPOCH OF INEQUALITY, JOBLESSNESS, AND FISCAL AUSTERITY?

Richard Freeman, Harvard University

American workers did not benefit much from the past 30 or so years of economic growth. The wages of all but the highest paid failed to keep pace with increased productivity. The distribution of income shifted massively to the upper 10% and within that group to the upper 1% and within that group to the upper 0.1% of earners. The financial crisis and ensuing recession (and potential double dip economic disaster), anemic jobs recovery, and rising national debt/GDP ratio will make exceedingly difficult for workers to maintain, much less increase, living standards in the near future. The union share of the private sector fell to 7.2% while public sector unions faced a political onslaught from Republicans. Can unions do anything to overcome these problems and prevent a lost decade or worse for average workers (as well as their own demise)?

The paper examines union strategies in three areas that offer some potential for preventing further economic decline for workers and the economy: 1) Sparking a spurt in minority unionism that would establish groups within major firms to contest policies inimical to worker interests and the interests of the broader economy. The model I will look at is the UFCW effort to establish a presence in Walmart; 2) Strengthening the Working America organization and related non-collective bargaining groups, Here I will focus on encouraging local groups to experiment with ways to affect workplace decisions as well as politics; 3) Developing new internet-based modes of giving voice to groups of union members and other concerned workers and citizens to challenge the new set of policies that risk maintaining high joblessness for the foreseeable future.

CONNECTING THE DISCONNECTED: IMPROVING EDUCATION AND EMPLOYMENT AMONG DISADVANTAGED YOUTH

Peter B. Edelman and Harry J. Holzer, Georgetown University

In this paper we will briefly review recent trends in employment outcomes for disadvantaged youth, focusing specifically on those who have become "disconnected" from school and the labor market, and why these trends have occurred. The trends show a secular rise in the rates of disconnection among certain groups of youth, such as African-American men, reflecting their declining rates of employment over time and rising rates of incarceration. The Great Recession has no doubt raised the rates of youth nonemployment and disconnection in the past few years, and we expect them to decline only slowly as the labor market gradually recovers.

We will then review a range of policy prescriptions that might improve those outcomes. These policies might include: 1) Efforts to enhance education and employment outcomes, both among in-school youth who are at risk of dropping out and becoming disconnected as well as out-of-school youth who have already done so; 2) Policies to incent more labor force participation, such as expanding the eligibility of childless adults (and especially non-custodial parents) for the Earned Income Tax Credit (EITC); and 3) Specific policies to reduce barriers to employment faced by ex-offenders and non-custodial parents. We will highlight proposals from our book *Reconnecting Disadvantaged Young Men* (2006, Urban Institute Press, coauthored with Paul Offner) and others that we developed more recently as part of our work at the Georgetown Center on Poverty, Inequality and Public Policy.

Finally, we will discuss the implications of recent developments in education and labor market policy for this population. While there has been some significant innovation in K-12 education (spurred by the Race to the Top funds and other initiatives) and some temporary funding under the American Recovery and Reinvestment Act (ARRA) for training and public employment, there has been no broader effort to improve education or employment outcomes for at-risk or disconnected youth. The American Graduation Initiative that the Obama Administration proposed during 2009, that would have funded a range of efforts at community colleges, might have provided a vehicle for such efforts; but funding for the proposal has been extremely limited. Similarly, proposed innovation funds for youth in the Workforce Investment Act (WIA) have thus far failed to materialize. The recent acceptance of a Common Core Curriculum for secondary schools in many states has created an environment where the future of high-quality career and technical education is uncertain and more disadvantaged youth may be at risk of dropping out of school. And the nation's dismal fiscal situation implies very limited and perhaps reduced resources in the future for any such efforts. We will discuss these developments in the recent past and their implications for disconnected youth over the next several years.

AN EVIDENCE-BASED PROPOSAL TO GUARANTEE U.S. WORKERS DECENT LIVING STANDARDS WITH MINIMUM WAGE LAWS

Jeannette Wicks-Lim, University of Massachusetts-Amherst

In this paper, I consider the potential for minimum wage rates to fill the gap between the earnings of a full-time year-round minimum wage worker and a decent living standard. The key figure I identify is the minimum wage tipping point—the largest minimum wage hike that the U.S. economy would be able to absorb without producing significant layoffs or reductions in workers' hours. I identify this figure by bringing together past estimates on how much minimum wage hikes cause business costs to rise together with industry research on how firms can adjust to such cost increases before cutting back on employment. I conclude that under current conditions minimum wage rates could rise by 70-percent before generating noticeable negative effects on employment. This is a conservative estimate: I make the strong assumption that firms will primarily adjust by passing on their new costs onto their customers and make no adjustment whatsoever in their profit rates or distribution of earnings among workers within the firm.

I will expand this examination by looking at the experience of other countries with minimum wage laws to further develop empirically-based insights on how minimum wage laws could be used in the U.S. to support decent living standards. There are two areas, in particular, that I will investigate. First, I will review the empirical evidence around the relationship between minimum wage rates and employment in other countries that have raised their minimum wage rates at least as high, relatively speaking, as the minimum wage rate that I identify in the first part of this paper. This piece will include a discussion about what other labor market institutions may work towards supporting high minimum wage rates, as well as, what the net impact they have on the living standards of workers at the low-end of the labor markets. Second, I will evaluate current practices on how minimum wage rates are adjusted over time to maintain or increase their purchasing power. The goal of this section will be to gain insight on how to move U.S. minimum wage rates upward over time to not only achieve a decent living standard for low-wage workers, but also a more equitable earnings distribution.

LIVING WAGES AND LOW-WAGE WORKERS

Stephanie Luce, The Murphy Institute-CUNY

Labor-community coalitions have been organizing and winning living wage ordinances for over 15 years. Today there are ordinances in over 150 cities and counties around the country, as well as a handful of colleges. The ordinances primarily cover firms that hold service contracts with cities but some cover city or county employees. Three cities passed living wage laws that establish citywide minimum wage rates higher than the state and federal minimum wage. Maryland has a statewide living wage ordinance covering service contracts.

After 15 years, we know that the living wage movement has had some major successes but also has weaknesses. Many ordinances are not fully enforced, and a few have been repealed. In addition, it is clear that living wage ordinances are far from a solution to poverty. Obviously, they don't affect workers without jobs. But even for those with jobs, the living wage ordinance is no guarantee that the employee will have full-time hours. And even with full-time hours, the wage rates won are only high enough to meet the federal poverty line. Finally, the ordinances have been limited in their scope. The bulk of the ordinances cover a relatively small number of workers per city.

Despite the weaknesses, the living wage concept remains highly popular among voters and coalitions. Activists are committed to finding ways to raise wages for workers who lack power to win higher wages through other channels. Living wage campaigns have proven an excellent vehicle for forming new alliances, building coalitions, engaging in economic education, and raising key questions about the direction of our economy. Finally, because labor has so little power to enact change on the federal level, and often the state level, the local level remains the best opportunity for passing pro-worker legislation. Is it possible to continue using local living wage campaigns to raise wages for more low-wage workers? Is it possible to expand the scope and scale of living wage ordinances?

This paper will do three things:

1. Review the state of research on the impact of living wage ordinances. What do we know about how many workers are covered, and what impact the wage increase has on their income?
2. Discuss the limitations of the campaigns to cover more workers.
3. Explore the potential of expanding the scale of living wage ordinances. In particular, I will examine a few economic development subsidy programs in select cities to determine the number of firms and workers that might be covered under more rigorous ordinances. Living wage activists have already been working to expand ordinances of this type, such as the current campaign in New York City and the "Big Box" campaign in Chicago. In this paper I will examine in more detail the kinds of industries and jobs that could

potentially be covered under various forms of ordinances. I will also discuss the challenges that will likely arise in trying to pass these kinds of ordinances.

**EMPLOYMENT SUBSIDIES TO FIRMS AND WORKERS:
KEY DISTINCTIONS BETWEEN THE EFFECTS OF THE WORK
OPPORTUNITY TAX CREDIT AND THE EARNED INCOME TAX CREDIT**

Sarah Hamersma, Department of Economics. University of Florida

While classic economic theory suggests similar effects of an employment subsidy regardless of whether it is received by the firm or the worker, the targeting and implementation of each type of subsidy program can differ substantially, resulting in widely varying outcomes. In this paper I provide an examination of the key distinctions between these two styles of subsidies as they have been implemented in the U.S., most recently via the Work Opportunity Tax Credit (firm subsidy) and Earned Income Tax Credit (worker subsidy). These two programs have different eligibility requirements, administrative burdens, and payment schemes, despite their shared goal of increased work and income for disadvantaged individuals. As a result, participation rates in the programs differ, as does their measured effectiveness in improving outcomes. This paper synthesizes the existing literature on these findings, suggests possible explanations for the differences in effectiveness, and provides new estimates of participation rates in the two programs.

HEALTH-INSURANCE COVERAGE FOR LOW-WAGE WORKERS, 1979-2010

John Schmitt, Center for Economic and Policy Research

This paper reviews changes over the last three decades in health-insurance coverage for low-wage workers (defined as the bottom fifth or bottom third of the hourly wage distribution). It follows a procedure developed in Rho and Schmitt (2010) to create consistent time series of health-insurance coverage rates for low-wage workers (separately) through employer-provided plans, spousal coverage, individual plans, Medicaid, Medicare, and other government plans. Since women, immigrants, African Americans, and Latinos are over-represented among low-wage workers, we also provide (where sample sizes permit) separate coverage breakdowns for these sub-groups of low-wage workers. Over the last three decades, overall health-care coverage rates have dropped dramatically (from about 80 percent of low-wage workers in 1979 to about 60 percent in the most recent data). The decline in employer-provided plans and spousal coverage has been particularly sharp. Meanwhile, publicly provided health insurance, especially through Medicaid, has risen somewhat, but has fallen far short of what would have been necessary to fill the growing gap in private coverage.

**UNEMPLOYMENT BENEFITS AND POVERTY:
A CRITICAL REVIEW OF THE ADMINISTRATIVE AND POLICY
PROCESSES GOVERNING ACCESS, GENEROSITY, AND FINANCES**

Jeffrey B. Wenger, University of Georgia

Numerous studies have examined the role of policy in improving access to unemployment insurance for the poor. Research indicates that earnings for some workers are so low or intermittent that some workers fail to qualify for benefits, or if they do the number of weeks that they qualify for is minimal. More importantly, other research indicates that many poor workers fail to qualify for benefits due to job separation reasons. Workers who are discharged by their employers for performance reasons are not typically eligible to receive UI benefits. Reasons that are not considered legitimate include child care responsibilities, personal illness or lack of reliable transportation. While many higher earnings workers have sick time and resources to cope with these contingencies, poorer workers often do not. When these lower-income workers are discharged from work, they are not typically eligible for UI benefits.

Apart from the particular aspects of state UI policies, there are also the administrative hurdles of attaining benefits. Data on UI performance indicate that there are a large number of errors made in making determinations. These errors disproportionately affect the poor.

In this paper, I propose reviewing the current UI policies governing eligibility in each of the 50 states, critically analyzing the policies' impact on those in poverty. Secondly, I focus on benefit generosity and tax burden on the poor and discuss the extent that the program is redistributive and progressively financed. Finally, using administrative data, I examine the likelihood of the state agency making an error on a claim. I discuss the types of errors that are most common and how those errors correlate with poverty status.

The American Recovery and Reinvestment Act of 2009 filled many gaps in UI program coverage and represents a significant reform to the program. Those who were eligible for benefits received additional income and weeks of eligibility. Additionally, states were encouraged to expand provisions for part-time worker eligibility, eligibility for trailing spouses, and allowing victims of domestic violence to leave work and attain benefits. Finally, the ARRA expanded provisions for determining monetary eligibility by requiring states to use an "alternate base period." Each of these provisions increased access to benefits for the poor and served to "modernize" UI. Despite these changes, UI is still in need of significant reform. Much of the reform is required to adequately fund the system. Recognizing the crisis in UI financing, some analysts have begun arguing for a nationally financed program. Here I will argue that national financing is the correct financing system, and will argue that the experience rated system (that employers with higher layoffs pay higher premia) is outdated and should be significantly curtailed.

LOW-WAGE WORKERS AND FAMILY LEAVE INSURANCE: THE CASE OF CALIFORNIA'S PAID FAMILY LEAVE PROGRAM

**Ruth Milkman, City University of New York
Eileen Appelbaum, Center for Economic and Policy Research**

The United States is notoriously lacking in public policies that support workers who need time off to attend to family needs. Less well-known is the fact that, while many managerial and professional workers have access to employer-provided benefits that help support their family-related needs, the nation's low-wage workers – a disproportionately female group – often lack even such basic benefits as paid sick days and paid vacations, much less paid parental or family leave, and thus have virtually no access to income support when they need to take time off from work to attend to family needs.

Against this background, the nation's first comprehensive Paid Family Leave (PFL) program, which began operating in 2004, was an historic breakthrough. Unlike the 1993 federal FMLA, which excludes vast sectors of the workforce from the unpaid leaves it provides, the California PFL program covers the entire private sector, regardless of employer size. (Self-employed workers are not automatically covered but can opt in to the program, and public sector workers can also opt in via collective bargaining). This paper will evaluate the program's effectiveness as a social leveler, examining the extent to which it has benefitted low-wage workers in the state as well as the reasons its benefits have not been more extensive. We will address such questions as: How well has the program served the state's growing numbers of low-wage workers, including immigrants and other workers of color? How widespread are awareness and usage of the program among these groups? What has been the experience of low-wage workers who have used the program? Has it supported their family needs, including infant and maternal health? How has the program affected retention of low-wage workers?

Our paper draws on unique data that we collected in 2009 and 2010 on California's PFL program, including surveys of California employers and employees. The employer survey was conducted in 2010 with a size-stratified sample of 253 establishments, drawn from a Dun and Bradstreet list of all worksites in the state. The 2009-10 employee survey was a screening survey of 500 individuals who had experienced an event in the preceding four years that could have triggered a paid family leave. It was conducted by telephone, in English and Spanish. Fifty of the 500 respondents lived in households whose only telephone was a cellular phone; on the average, these respondents were younger and had lower incomes than the rest of the sample.

On the basis of these data for California, the potential benefits of paid leave program for the nation's low-wage workers will be evaluated more broadly. New Jersey has a program similar to California's that began operating in 2009, and many other states are considering such programs. Federal legislation has also been proposed. Thus the lessons of California's experience with PFL are relevant for the nation as a whole.

**IMMIGRATION LAW AS AN IMPEDIMENT TO
ENFORCING AND RAISING STANDARDS IN THE LOW-WAGE
WORKPLACE**

(What We've Learned Over The Past 25 Years And Where To Go From Here)

Jennifer Gordon. Fordham University School of Law

In 1986, Congress passed employer sanctions, the first federal law making employers liable for hiring undocumented workers. Sanctions received the support of most labor unions, on the theory that jobs were a magnet for undocumented immigration, and that penalizing employers for hiring them was a necessary complement to border enforcement and other measures that targeted immigrants themselves. This paper will begin by discussing the impact of this and other incursions of immigration law into the low-wage workplace over the past 25 years. Drawing on lessons from organizing campaigns in immigrant-heavy industries and from cases brought by advocates for low-wage workers, it will explore the ways that sanctions and other aspects of immigration law have impeded immigrants and other workers from enforcing their basic rights and organizing for higher standards.

The paper then focuses on the question of what should be done to change this dynamic. It notes, as a critically important first step, calls for moving immigration enforcement out of the workplace and prioritizing the effective enforcement of workplace standards. It argues, however, that to make immigrant workers full “labor citizens,” able to meaningfully enforce their rights and stand with native workers to fight for better working conditions, immigration law itself needs to change, to guarantee labor migrants full mobility and fully equal rights. To imagine how such a regime might work, the paper looks to the experiences of low-wage Eastern and Central European migrants in the UK in the wake of the EU’s 2004 enlargement, which included ten Eastern and Central European countries in the EU’s free movement regime. This case study offers a set of insights about what would need to be done beyond the grant of mobility and rights to put immigrant workers in a position to *act* as labor citizens. These lessons include the need to regulate actors beyond just workers and employers, in particular recruitment agencies; to recognize and seek to shape the incentives of labor migrants so that rights enforcement becomes a desirable alternative to lumping complaints and moving on; and to create institutional support for migrants’ seeking to enforce their rights, including collaborative approaches to government enforcement of workplace laws, and retooled labor organizing strategies and structures that address the needs of short-term migrants.

WHY THE GREEN ECONOMY IS A JOBS ENGINE

Robert Pollin, University of Massachusetts-Amherst

For most of the past generation in the United States, the aims of environmental sustainability and the expansion of decent job opportunities were seen as equally worthy, yet painfully and unavoidably in conflict. Indeed, the competing demands of the environmental and job creation were frequently cited as a classic example of how public policy choices were fraught with trade-offs and unintended consequences—how you could end up doing harm while seeking only to do good. Over the past five years, a dramatic reversal of thinking has occurred: the idea has emerged that protecting the environment—and defeating global warming in particular—can also be an effective engine of economic growth, job creation, and even poverty reduction. Indeed, the project of building a green economy can be properly seen more broadly as central to a social justice agenda, because it is capable of promoting full employment at decent wages. It will also disproportionately expand job opportunities for people with relatively low formal employment credentials.

The green investment project can effectively advance a decent employment agenda because it will create nearly 20 jobs within the U.S. economy for every \$1 million in outlays, while spending the same \$1 million within the oil and coal industries in equal parts creates about 5.5 jobs. The main reasons green investments are a source of net job creation relative to spending within the traditional fossil fuel industries actually has nothing to do whether the investments are “green.” Rather, there are two primary factors at play. The first factor is higher “labor intensity” of spending—that is, more money is being spent on hiring people and less on machines, supplies, and consuming energy. The second factor is the “domestic content” of spending—how much money is staying within the U.S. economy as opposed to buying imports or spending abroad.

This paper will present basic evidence supporting these positions, and will explore policy alternatives for accelerating the advance of a green investment/full employment agenda.

POLICIES TO UPGRADE WORK: TRAINING AND CAREER LADDERS

Paul Osterman, MIT

This paper will examine the role of job training and career ladders in improving the quality of work in low wage settings. Training takes place in different venues—inside of firms, in community colleges, and in public training programs—and under various auspices: unions, business associations, non-profits, and community groups. The paper will discuss what we do and do not know about the effectiveness of these programs, what strategies work well, and the limits of these efforts. The empirical basis of the paper will be fieldwork that the author has conducted as well as published accounts of programs.

In addition, the paper will critique two myths that are threatening to become conventional wisdom. The first of these is that training does not work. This is an impression gained from a misreading of the evaluations reported in literature and it has seeped into accepted thinking in some policy circles. The second is that the future trajectory of labor demand means that there will be only job growth at the bottom and at the top and that there will be few opportunities for today's low-wage workers to aspire to better jobs that are reasonably attainable. Neither of these myths is correct.

The paper will conclude by seeking to place training programs in the context of the broad array of strategies available to improve low wage work.

PUBLIC POLICY RESPONSES TO THE FISSURED WORKPLACE

David Weil, Boston University

During much of the 20th Century, the critical employment relationship was between large businesses and workers in major sectors of the economy. Most workplace policies are designed around this employment model. Increasingly, however, the foci of employment have shifted away from being between major businesses and the workforce that made or delivered their products. Large businesses with national and international reputations that operate at the “top” of their industries continue to dominate the private sector landscape and play critical roles in shaping competition in their markets. However, they no longer directly employ legions of workers. Instead, like rocks split by elements, employment has been *fissured* away from these market leaders and transferred to a complicated network of smaller business units. Lower-level businesses typically operate in far more competitive markets than those of the firms that shifted employment to them, often with negative consequences on employment conditions.

After briefly discussing the causes of fissuring and its consequences on workplace conditions, this paper will focus on public policies to improve labor standards compliance in light of fissured employment. Drawing on a variety of new initiatives that have been developed for labor standards enforcement, it will explore a variety of policy responses that harness existing enforcement tools in innovative ways by focusing regulatory pressure on higher levels of industry structures that often drive non-compliance in low wage jobs. The paper will pay particular attention to the experience of the US Wage and Hour Division in a variety of recent industry-based initiatives and analyze their success at changing employer behavior and improving compliance.