

Study exposes sweatshop conditions in US workplaces

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A detailed study released Wednesday reveals that violations of labor laws are the rule, not the exception, in low-wage industries in the US.

The study, conducted by the Center for Urban Economic Development, the National Employment Law Project and the UCLA Institute for Research on Labor and Employment, surveyed over 4,000 low-wage workers in the three largest US cities.

The study's findings show levels of workforce exploitation and outright illegality not much different from that of developing countries. More than two thirds of the workers surveyed were subjected to at least one pay violation over the previous week, amounting to an average of \$51 per week for all respondents. That means that the average worker lost 15 percent of his or her wages, or \$2,634 every year, due to illegal pay practices.

The survey represents a scientific landmark, using new statistical techniques to survey people who are unrepresented in official statistics and politics. A staff of 62 researchers conducted 90-minute interviews with over 4,000 people over six months, using referrals to gain the trust of people who typically shy away from surveys because they are so often scammed.

The results, the first of their kind, show a dramatic deterioration of labor standards over previous years. The study concluded that in a given week, over 1 million workers in Chicago, New York and Los Angeles have at least one pay-related violation against them, and that "front line workers in low-wage industries" in these cities have some \$56.4 million taken from them every week.

The survey polled front-line workers (not managers or technical workers) who were 18 or older in low-wage industries. About one third of the respondents

were native-born citizens, one third were documented immigrants, and one third were undocumented.

The report found that 26 percent of workers were paid below the minimum wage, with the majority of those being underpaid by \$1 or more. Of those who worked more than 40 hours per week, 76 percent received no overtime pay. The average worker put in 11 hours unpaid overtime.

Of those workers who arrived early or stayed late, 70 percent received no pay for extra work outside their normal shift. Of those workers who worked long enough to be entitled to a meal break, 69 percent had their break interrupted, cut short, or taken away altogether.

Some 57 percent of workers did not receive mandatory pay notices, and over 43 percent of workers whose pay was docked reported illegal deductions.

Among tipped employees, 30 percent did not receive minimum tipped wages, and 12 percent reported that their employers took part of their tips illegally.

When workers are injured, they very rarely file for workers compensation for fear of reprisals. Of those workers who were injured at work, only 8 percent applied for workers compensation. Half of those workers who told their employers about their injuries experienced some form of illegal retaliation.

Of those employees that made complaints to their employers or attempted to form unions, 43 percent faced some form of illegal retaliation, including layoffs, pay reductions or threats to call immigration authorities.

Childcare workers had the highest prevalence of pay violations, with 66 percent reporting getting paid less than the minimum wage, and 90 percent reporting working overtime without being paid. Among cashiers, a more representative occupation, 21 percent reported

minimum wage violations and 59 percent reported overtime violations.

The survey specifically targeted low-wage industries. According to the authors, the study is an accurate reflection of conditions for 15 percent of all workers in the three cities, or 30 percent of front-line workers. It is a fair assumption, however, that similar conditions or worse exist for workers in cities across the US.

The data was collected in 2008, but, as the report notes, “since then there is reason to believe that the situation has deteriorated further. Legal services organizations and community groups are reporting that the recession has intensified exploitation, as employers are ever more focused on cutting costs, and workers feel increased pressure to accept subminimum wages and unpaid overtime in the face of high unemployment.”

The findings show that the decline in workers’ wages has had a significant impact on employers’ compliance with employment laws. While all workers’ wages have fallen over the past decades, and unemployment affects all sections of society, the lowest paid workers have been worst affected. But as the economic crisis deepens, there is every indication that such sweatshop conditions will spread to a broader section of the workforce.



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