

# 1 The Struggle Below the Surface: Declining Working Conditions

THE QUALITY AND THE AVAILABILITY OF WORK dramatically affect the texture of our daily lives. While unemployment lines are lengthening in the United States and around the globe, the number of people who lack work is far exceeded by the hundreds of millions who are employed but lack basic decent working conditions. In national economies gone awry, real wages and benefits among low-skilled workers in many sectors have plummeted. All too frequently people are fired or have little choice but to leave their jobs as a result of the lack of such basic protections as the provision of paid time off to care for their own health or that of their aging parents and newborn infants. Under the threat of companies relocating to nations with lower labor standards, countries have forgone guaranteeing decent working conditions; out of fear of unemployment, workers settle for jobs with poor work protections and benefits. Excerpts from our thousands of interviews with working men and women around the world present some of the consequences of this ongoing struggle below the surface.

Poor working conditions have a profound impact on the health and well-being of individuals:

At thirty-seven years old, Janet Litvak was a short-order cook in the United States. Like many in the business, she received no paid sick leave. When she caught influenza, she went to work. It did not matter that the Centers for Disease Control and Prevention said stay home, she could not afford to miss a day's wages or risk losing her job. Likewise when she caught gastroenteritis, she knew it was a bad idea to cook for others, but she had to show up at the restaurant.

In the United States, many direct service workers—from those working in food service to nursing homes—lack any ability to take leave. In fact, 43 percent of all private-sector workers are not guaranteed paid sick leave through their employers. As a result, fifty-two million workers in the United States either go to work sick or risk wage or job loss by taking unpaid or unauthorized time off.<sup>1</sup> Over the last twenty years, the number of employers who provide paid sick leave has decreased.<sup>2</sup>

Gabriela Saavedra worked seven days a week in a Korean-owned sweatshop in Honduras. Her days typically began at 7 A.M. and ended at 6 P.M., but her boss frequently demanded that everyone work until at least 9 P.M. without prior notice. Overtime was not a choice, it was a requirement. Employees were given an ultimatum: either they worked the extra hours or they lost their jobs. Some days Gabriela had gone without sleep because she had been forced to work until 5 A.M. She had little time to eat or go to the bathroom. When she and her coworkers asked for one day off per month, they were told that the factory would simply relocate to China if they complained about their conditions.

According to the International Labour Organization (ILO), this form of extreme mandatory overtime under threat of termination constitutes forced labor.<sup>3</sup> Forced labor captures the lives of more than twelve million adults worldwide,<sup>4</sup> and tens of millions more work under sweatshop conditions “voluntarily” because they have no other way to survive.

The lack of basic workplace protections has severe repercussions for families as well as individuals:

Nearby in Tegucigalpa, Leti Marta, a twenty-three-year-old bilingual secretary, wanted to breastfeed her newborn daughter. But she had had to return to work immediately after her short forty-two-day maternity leave ended because the baby’s father had left them during the pregnancy and it was the only way for her to manage financially. She had tried to express milk at work, but was not able to sustain this practice and was soon forced to stop breastfeeding. Leti’s mother, Maria, fed her granddaughter milk “from a can,” but having been weaned too young, the child suffered from acute malnutrition, weighing at seven months what she should have weighed at four.

Despite the fact that breastfed babies have a one-and-a-half- to fivefold reduction in infant mortality rates and are significantly less likely to suffer from a wide range of infectious diseases than babies that are not breastfed, nearly

one in three nations has no legislation guaranteeing breastfeeding breaks at work. Twenty-seven countries offer less than twelve weeks of leave for new mothers—requiring mothers to return to work earlier than is often healthy to end breastfeeding.

In the United States, Agnes Charles saw that her two-year-old daughter Katie's asthma was acting up, but she knew that she would risk losing her job if she took her to the doctor and showed up late for work. For fear of losing her family's sole source of income, Agnes had left her sick daughter with a babysitter, who did not always administer her medication properly. If Agnes had been able to stay with her daughter, she would have recognized the symptoms of her worsening condition; the babysitter simply thought the baby was being cranky when she cried more frequently. By the time Agnes picked her daughter up after work, her breathing had gotten so bad that she took her straight to the emergency room, where she was admitted to the hospital for a week. After work, Agnes spent each night in the hospital with her sick daughter.

Only 30 percent of U.S. workers receive paid sick leave that can be used to care for their children. Even fewer have paid leave to care for an adult family member who is ill, leaving at least eighty-six million working men and women in the lurch.<sup>5</sup>

Workers often accept poor working conditions for fear of income and job loss, and the risk of being fired weighs heavily on the choices they make:

Fifty-two-year-old Viktoriya Danilovna Kozlova worked as a transport dispatcher in Russia while raising her two sons. In an economy where jobs were scarce and where companies provided little support for working parents, she feared getting fired if she took time off to care for her children when they were sick. She explained: "We need money. My child is sick and . . . I cannot even take one day [off] a week because I'm afraid I will be fired."

Ngo Van Cuong, a young father in Vietnam, was left with few choices when his infant son, Kinh, developed a serious allergic reaction to some food he'd eaten the night before. Because the couple could not afford to lose the money his wife would make selling pots and pans at the market that day, Cuong tried to get the day off to care for their sick son. "I asked my boss to take that day off, but he insisted that I couldn't . . . or else he would fire me." Cuong went to work that morning, but when he returned home on his afternoon break, he saw how sick his son was and decided to stay home to care for him. His boss followed through on his threat, and Cuong was fired.

Families and individuals are ultimately the casualties when there are no decent conditions at work, but countries and companies have the ability to transform the impact of the workplace on human health and well-being:

Tomasz Nowak, a Polish immigrant in Iceland, worked as an electrical foreman on a construction project. He was earning 400,000 krs per month, the equivalent in dollars of ninefold more than the 2,000 Polish zloty he would have been earning at home. When Tomasz needed a knee operation, the company paid for his hospitalization and for his ten days of sick leave.

Iceland's labor standards guarantee paid leave to all workers—temporary immigrants, long-term residents, and citizens alike.

Nguyen Thi Sau, a thirty-nine-year-old accountant from Vietnam, reported that her employers were understanding when she had to take three months off work to care for her father at the end of his life. The availability of short-term leave also made it possible for her to provide her aging aunt with essential care, taking her food and medication when she became ill and arranging for a cousin to look in on her.

The company provided what a growing number of countries are guaranteeing: the ability to keep one's job while providing essential care to sick and dying family members.

## A Rocky Transformation

The global economy has been dramatically transformed over the past three decades. The size of the international labor force competing for opportunities has doubled and global economic competition has intensified because of the breakup of the Soviet Union and the transition of largely state-controlled economies to capitalism in the Eastern Bloc countries; the opening of the Chinese economy to foreign investment and increased trade in the 1980s and 1990s; and the decreased regulation of the Indian economy, which opened the door to subcontracted labor.

The resulting outsourcing of jobs to lower-wage countries has been frequently lamented in the media and elsewhere across Europe, the United States, and Canada.<sup>6</sup> Following the North American Free Trade Agreement (NAFTA) and other similar treaties, first jobs in manufacturing, in industries from clothing to footwear to machinery, and then those in business services, from customer service to technical support to billing operations, increasingly

relocated from the United States, Canada, and Europe to lower-income nations. Manufacturing jobs that first went to Mexico and other middle-income producers subsequently left for China and Vietnam.

Employers have used the threat of relocating jobs and factories to another country as a way to lower wages and working conditions. The fear of job loss, of being “outsourced,” and of factory and business closures has left many in the workforce feeling that they have no power to negotiate for better work protections and benefits. This has led to an increase in the prevalence of longer working hours, unpaid overtime, lower wages, and fewer benefits within high-income countries.<sup>7</sup>

On the surface, we see jobs relocating away from countries such as the United States; below the surface, the quality of many of the remaining jobs is deteriorating. These remaining jobs have lower wages and fewer benefits than many of the jobs that left. Moreover, the new jobs emerging in the United States and Europe are increasingly “contingent.” A rise in casual, temporary, and part-time employment contracts has been documented in high-income countries across the Organisation for Economic Co-operation and Development (OECD), from North America to Japan to Europe to Australia.<sup>8</sup> While in 1997, one in nine adults in the European Union (EU) had a temporary position, by 2007, one in seven did.<sup>9</sup> The average American born between 1957 and 1969 held nearly eleven jobs by the age of forty-two.<sup>10</sup>

With each job transition, working families face the potential loss of critical work-related benefits. Whereas one year, an American father could take a day of paid leave from work to stay home to care for his sick ten-year-old daughter, ensuring that she took her medicine and got enough rest, the next year, his family could not afford any medication because he had lost his job when his factory relocated to Mexico and he had to take a new job with no benefits. Three months pregnant and facing job loss, a twenty-three-year-old woman in New Zealand will have trouble supporting her new baby, because even if she finds a new job she will not have access to maternity leave due to the year-long job-tenure prerequisite. When his company goes out of business, a fifty-seven-year-old man in Singapore battling cancer can no longer rely on paid sick leave because it was provided through his employer rather than through government social assistance.

The financial crisis of 2008 has heightened the economic instability of families. It is raising the specter of further job loss and worsening working conditions in affluent and developing nations alike. At times like these, the need to

guarantee decent work and the possibility of achieving it are, respectively, both more urgent and seemingly more remote. Amid this turmoil, nations often act as though they have no options with respect to ensuring decent working conditions. Some nations contend that in a global economy where countries compete for jobs, mandating good working conditions will lead businesses to move from higher- to lower-income countries and from lower-income countries to the poorest. While there have been some cases of political leaders addressing bad working conditions through speeches or rare legislative proposals, perhaps due to the belief that their hands are tied, nations have often released themselves from the responsibility of guaranteeing a floor of decent working conditions for all of their citizens, leaving individuals to face precarious conditions on their own. Workers have been told that a bad job is better than no job, and that there is nothing that their governments can do to help.

The global failure to respond to poor working conditions is unparalleled. Nations have proven that global efforts can be feasible and effective by coming together to address other widespread societal and public health needs. Although the initial response of national governments and the global community to the AIDS pandemic was inadequate, the scope of efforts eventually grew more effective and wide reaching.<sup>11</sup> If countries have responded both individually and collaboratively to other threats to health and human welfare, why then has more not been done to ensure decent conditions at work? It is as ineffective to tell people to “go find a good job” in order to experience humane working conditions as it is to advise them to “stay away from sick people” in order to avoid illness. Individuals alone cannot change the availability and the quality of work; a societal response is needed to ensure decent conditions for all women and men at work.

This book addresses the fundamental question: Can societies do better at guaranteeing decent work for everyone?

## **Our Research**

More than a decade ago, we started with a deep concern about how to increase equity and address intergenerational poverty and entrenched gender disparities. These fundamental concerns about reducing costly inequalities rapidly led us to assess the impact of work. Around the world, people’s living conditions—including their access to adequate housing, water, food, and fuel—are determined by their income. Their income is in turn determined

by their work or that of their partners or parents. In many countries around the world, the schools children can attend are likewise determined directly by their families' incomes and indirectly by their parents' work—both by delimiting what they can afford, and by influencing where they live. The details of the daily lives of three billion working adults in the world<sup>12</sup> are defined by the environments in which they spend the majority of their time, which is typically split between their work and their home community.

The nature of available work influences the lifetime opportunities, health, and welfare of employed individuals around the world by affecting the type of labor they are engaged in, the amount of their compensation, the hours they work, and their ability to stay home when sick without risking job loss, among other characteristics. The nature of work also affects the welfare and life chances of family members by determining factors such as the availability of parental leave or flexibility to care for a newborn child, leave for adults to provide essential care to an aging parent, and leave or flexibility for parents to meet children's educational needs or for people to care for a disabled family member.

Given the importance of the quality of work to the quality of our lives and to the foundations of equity both within and across countries, we began over a decade of research to examine how the characteristics of work were distributed across social class, gender, race, ethnicity, and national borders. Our goal was to understand how this distribution influenced people's life chances and how societies can work toward equalizing opportunities.

Our studies included examining the working conditions faced by fifty-five thousand households in seven countries on five continents, conducting in-depth interviews of over two thousand working adults and employers in fourteen countries around the world, and then examining policies in 190 countries.<sup>13</sup>

The first step toward finding solutions is identifying the scope and nature of problems. The following is a summary of some of our main findings.

### *Inequalities at Work*

When both paid and unpaid work are included, around the world women are substantially more likely than men to work long hours, and less likely to have protections at work. For example, in dual-earner households in Mexico, 51 percent of men worked sixty or more hours of paid and unpaid work per week, compared to 84 percent of women. In Brazil, the gap was equally large between the 36 percent of men and 69 percent of women working over sixty hours per week.<sup>14</sup> Data from the United States confirm that this inequitable

distribution of paid and unpaid labor is not limited to middle-income nations and continues to be largely due to the dual responsibilities shouldered by working women. Our analysis of data from the Survey of Midlife Development in the United States showed that 78 percent of female working adult caregivers reported performing more household chores than their spouses or partners, while only 15 percent of men reported the same.<sup>15</sup> In addition, working women in the United States are more likely than working men to be caring for a child with a disability or special needs.<sup>16</sup>

In addition to the longer working hours resulting from women's dual work and caregiving responsibilities, women carry these responsibilities with fewer job protections. In the United States, women are less likely than men to receive paid sick leave or annual leave, to be able to decide when to take breaks from work, or to determine their starting and quitting times at work<sup>17</sup>—each important for finding ways to balance caregiving and paid work successfully.<sup>18</sup> Women's disadvantage in working conditions holds true across borders and continents. A study of working men and women in eight European countries found that women are less likely than men to be able to use flexible schedules and to have job autonomy and supervisor support.<sup>19</sup> In our interviews in Botswana, Mexico, and Vietnam, women similarly had less flexibility and worse working conditions than men. Thirty-six percent of women lacked access to paid leave compared to 25 percent of men, and 24 percent of women lacked both paid leave and flexibility compared to 19 percent of men.<sup>20</sup>

Low-income adults, like women, are disadvantaged in their access to nearly every labor protection, from the availability of paid leave to scheduling flexibility. The low-income working adults we studied were less likely to have access to any leave from work than were middle- and higher-income adults, and more important, they were less likely to have access to *paid* leave, which was the only form of leave they could afford to take. Half of low-income working adults in Vietnam, Botswana, and Mexico received paid leave, compared to 81 percent of adults who had middle and higher incomes. The income gap exists in the United States as well. Our analysis of data from the U.S. National Longitudinal Survey of Youth showed that lower-income employees are significantly more likely than middle- and higher-income employees to lack sick or vacation leave, and are more likely to have two weeks or less of combined sick and vacation leave, if they receive any leave at all. Lower-income workers in the United States also had less autonomy and control at their jobs, and they were not able to decide when to take breaks or to choose and change their own



schedules. In countries with gaps in protective labor legislation, while better off than the poor, the middle class was also affected by the lack of decent standards.

Our research documented the often devastating impact of the lack of leave for family health needs on working adults and their families. As just one example, 62 percent of parents we interviewed in Vietnam, 48 percent in Mexico, and 28 percent in Botswana reported losing pay or job promotions or having difficulty keeping their jobs because of their need to care for sick children. Across these countries, 76 percent of parents of children with chronic conditions had experienced difficulties at work or had lost pay, jobs, or promotions due to caring for their children.

The lack of labor protections exacerbates gender and income inequalities. Taking the case of caring for family health, 49 percent of women in our study, compared to 28 percent of men, had lost pay or job promotions or had difficulty retaining jobs because of their need to care for sick children. Tragically, families who are in greatest need are most severely affected, and are often driven deeper into poverty: 67 percent of low-income adults, whose earned income was below ten dollars a day, faced a choice between losing pay in order to care for sick children or leaving children home alone.<sup>21</sup>

Many parents who need to work can only find jobs with poor conditions, and they are often unable to find or afford decent childcare. Long, inflexible work hours, evening and night shifts, and the unavailability of childcare often forces families to leave young children home alone or in the care of siblings. Thirty-six percent of the families we interviewed had left a young child home alone, and 27 percent had left a child in the care of another paid or unpaid child. Thirty-nine percent had left a sick child home alone or had sent them to school or daycare while sick. Sixty-one percent of parents who had lost a job or a promotion or had experienced difficulty retaining a job as a result of caring for a sick child had subsequently left a child home alone or in the care of another child.

Unsupervised children risk being victims of violence or injuring themselves without having access to medical advice or assistance. In half of the families we interviewed in Botswana and Mexico and more than a third of those we interviewed in Vietnam, children had suffered from accidents or emergencies while their parents were at work. The associated risks to children's health go beyond physical injuries, as children's development and mental health are deeply affected by their parents' working conditions. Forty-nine

percent of families that had been forced to leave young children on their own had a child with behavioral or developmental difficulties; this was double the number of those from families that were able to send their children to formal childcare.

Lacking leave or childcare alternatives, parents sometimes opt to take their children to work rather than leaving them home alone. Twenty-eight percent of parents who were poor and 26 percent of those with a middle-school education or less reported taking their children to work on a regular basis, as did 49 percent of parents working in the informal economy. The results can be devastating for these young children when parents have no choice but to leave them unsupervised at the workplace near hazards, in crowded urban marketplaces, or on busy streets, as occurred for a disproportionately high number of the low-income families, especially those working in the informal economy.

Our research showed that the detrimental consequences of poor parental working conditions for children worldwide persist after they start school. Working parents still need to find caregivers to look after their children during nonschool hours, and their working conditions often reduce their ability to be involved in their children's education. Work-related barriers to helping with homework, participating in school events, and other forms of involvement in children's schooling were reported by 51 percent of parents in Vietnam, 66 percent of parents in Mexico, and 82 percent of parents in Botswana. The most common work-related barriers to parental involvement in children's education were extreme work hours and a lack of paid leave and scheduling flexibility. When parents faced barriers to becoming involved in their children's education, their children were twice as likely to experience behavioral or academic difficulties in school.

The impact of working conditions on the health and life chances of individuals is discussed in greater detail in *Global Inequalities at Work*, which pulls together the findings of researchers and policy makers from around the world.<sup>22</sup> We further describe the impact of working and social conditions on the health and well-being of families on five continents in *Forgotten Families* as well as other books, articles, and reports.<sup>23</sup>

### *Finding Solutions*

Recognizing and understanding these problems is an important first step, but finding economically feasible solutions is essential in order to effect change. This book reports findings from an eight-year study looking at effective ways

of improving solutions in the public sector. An accompanying volume, *Profit at the Bottom of the Ladder*, examines solutions from the private sector. In examining the public sector, we chose to focus on policies that have been translated into national legislation that guarantees individuals the right to a floor of decent working conditions.

Although most nations around the world have agreed to a series of international conventions sponsored by the International Labour Organization that set minimum labor standards for all, the ILO has limited power to ensure that promises turn into practice. A country's ratification of these conventions does not in and of itself ensure that its citizens are guaranteed the rights enshrined in these conventions. While a relatively small number of countries attribute the same authority as national laws to United Nations (UN) agreements, most countries require their own parliament, congress, or other legislative bodies to pass laws in order for these minimum standards to be enforceable. Countries that sign ILO conventions agree to self-report on their implementation, and non-governmental organizations (NGOs) have an opportunity to comment on this process, but these conventions are not legally enforceable. Because legally binding social policy is still developed primarily at a national rather than a global level, we chose to examine national laws in all UN countries. Although nearly all governments have important policies that are not legislated, unlegislated policies do not guarantee basic rights, and they can rapidly change from year to year. We therefore opted to focus on countries' longer-term commitments embodied in legislation.

Although we had initially hoped to build on the work of UN agencies and simply analyze the relationship between national laws and economic and human outcomes, we quickly discovered that there was no existing data center of this magnitude. We therefore undertook to build one that would support comparisons of basic working protections in the 192 UN countries. To this end, we recruited a research team with members who were fluent in five of the six UN languages (English, French, Spanish, Chinese, and Arabic), as well as five additional languages. We used labor codes and legislation from around the world as a foundation, as well as data on national social security programs.<sup>24</sup> The methods are described in further detail in the Appendix.

We examined initiatives designed to guarantee that adults would have the working conditions they need to be able to care for their own health and

that of their families and to support themselves financially. While numerous public policies could be examined in each of these areas, given our goal of comparing all UN nations, we needed to select a subset of policies that, although not comprehensive, were among those central to human welfare. As protections crucial to workers' health and well-being, we examined the availability of paid sick leave and annual leave, guarantees of at least one day of rest per week, and limits on and wage premiums for night work and overtime. As provisions central to economic outcomes, we examined job protection for illness, one of the most common sources of job loss, and the availability of time off in times of need, the lack of which is frequently associated with wage or salary loss. We would have liked to examine minimum wages across all countries, but sufficient comparable data were not available at the time of data collection.

We also examined public policies that are designed to support the health, development, and economic survival of working women's and men's family members. In particular, we examined the availability of leave to care for the health of children, aging parents, and disabled family members; the availability of maternity, paternity, and parental leave, which have been shown to have crucial impacts on the health and development of infants; and the ability of working mothers to breastfeed, due to its substantial impact on infant and maternal health and child cognitive development. Because children's cognitive and social development extends far beyond the preschool years, we studied the availability of leave or scheduling flexibility to meet children's educational needs and to deal with family emergencies.

This book reports findings on the global availability of each of these labor protections, and it addresses some of the common contentions regarding the perceived barriers to providing decent working conditions. Central to the debate about whether countries can afford to improve working conditions has always been the question of whether they can do so without increasing their unemployment and decreasing their economic competitiveness. While the economic implications of guaranteeing decent work have always been important, they are particularly critical during the economic downturn that began in 2008 and that will likely affect countries around the world for years to come. This book presents the results of unique analyses of the relationship between labor conditions and national competitiveness and unemployment rates. It then examines the impact of legislation on the improvement of working conditions in countries around the world.