

Wal-Mart Makes Workers Pay

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By Annette Bernhardt

On Thursday, federal officials took a seriously wrong turn when they arrested 300 undocumented workers who had been hired by contractors to clean Wal-Mart stores. The government is targeting workers, when the real offenders here are the employers, and not because they use undocumented labor. Wal-Mart relentlessly and systematically cuts costs on the wages and health benefits of both in-house and subcontracted workers, regardless of immigration status. This doesn't just leave Wal-Mart workers in the cold — all taxpayers are hurt by this practice.

Jailing janitors after a long night shift of cleaning up after shoppers isn't the answer. Ultimately, the only answer to Wal-Mart and other low-wage employers who follow its lead is to reinstate the wage and workplace standards that have been decimated over the past thirty years.

Consider the following. Wal-Mart's pay for in-house workers is only \$7 to \$8 an hour, which is below the federal poverty line. The company's health insurance is so costly that less than half of its workers can afford it. Many aren't even eligible for it. Lawsuits against the company are pending in 30 states charging that workers are routinely forced to work off-the-clock without pay — locked in stores until they finished cleaning up. Meanwhile, Wal-Mart had profits last year of \$820 billion and the CEO received \$18 million in total compensation.

Turning the tide will take an enormous commitment by all of us.

It will take re-establishing the right to organize for all workers – both by enforcing existing labor laws, and by instituting long-overdue changes in those laws in order to cover millions of Americans, including many “new economy” workers.

It will take re-establishing our national wage floor. The minimum wage has been stuck at \$5.15 an hour since 1997. That’s 40 percent lower in real terms than what it was in 1968, and a full \$3.50 an hour below the federal poverty line for a family of four. This falling wage floor has created all the wrong incentives: High-wage employers can simply subcontract jobs to other firms who have no problem paying poverty wages.

It will take charting a clear path to citizenship for undocumented workers. With or without papers, immigrants have become an absolutely vital part of America’s economy. They do the backbone work that keeps this country running – in construction and restaurants, child care and home care. Ensuring their right to the protections that the rest of us take for granted will go a long way toward stopping exploitative employers.

Above all, we have to escape the trap that Wal-Mart has set for us – pitting consumers against workers with the myth that living wages are incompatible with affordable goods. The truth is that in the long run, poverty wages undermine the health of our workers, our families, our communities and, ultimately, our economy.

ABOUT THE AUTHOR

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