

Preface and Acknowledgments

THE DRAMATIC OCTOBER 2003 RECALL ELECTION, IN WHICH FILM STAR Arnold Schwarzenegger was elected governor on a “pro-business,” Republican ticket, once again propelled California into the political limelight. It is still much too early to assess the meaning of this electoral earthquake, but thus far, at least, its impact has been far less sweeping than many initial forecasts suggested. The state legislature remains in Democratic hands, ensuring that the proverbial checks and balances in the system exert a strong moderating influence. Moreover, despite his penchant for fiery rhetoric, the indisputably popular new governor generally has trod the path of pragmatism and compromise (much to the chagrin of some of his supporters) as he tries to find his way through a morass of economic and policy problems. California’s budget woes present an especially formidable challenge, with no recovery in sight for the high-tech sector that fueled the state’s long economic boom in the 1990s. The new administration will also have to come to terms with a variety of broader economic policy dilemmas in the coming months and years.

Among those dilemmas is the unrelenting growth of inequality in the state and, especially, the continuing proliferation of low-wage jobs at the bottom of the labor market—a trend that, as previous issues of *The State of California Labor* have documented, is even more pronounced in California than it is in the United States as a whole. In this volume’s opening chapter, Carol Zabin, Arindrajit Dube, and Ken Jacobs document the hidden costs to the state’s taxpayers of the unrestrained growth of jobs that offer pay levels at or just above the state’s official minimum wage of \$6.75 and that include few or no fringe benefits.

Many of California’s working poor today depend on subsidies from the state’s array of social safety net programs for their basic survival needs. As Zabin and her coauthors demonstrate, not only California’s unemployed and unemployable but also many workers who are employed in full-time jobs must regularly draw on public assistance programs simply to make ends meet. Indeed, in 2002 almost half (48%) of the state’s spending on public assistance to low-income families went to those with at least one full-time worker—in most cases a worker earning less than \$8.00 an hour. Such low-wage jobs are by no means limited to sectors impacted by globalization: on the contrary, most are private sector retail and service jobs that are

largely immobile and thus insulated from international competition. In effect, this chapter argues, California taxpayers are subsidizing the state's "low-road" corporate employers who pay substandard wages and who fail to provide health insurance and other benefits to their employees.

The first part of the volume also includes another analysis of the interaction of the state's social support programs and inequality, although from a different perspective. Chapter 2 focuses on one of California's most important recent legislative initiatives: the paid family leave law that was passed in 2002 and took effect in mid-2004. For over a decade the federal Family and Medical Leave Act (FMLA) has guaranteed job protection and unpaid leave for many workers in the United States who need to take time off from work to care for family members or to receive medical attention, but California is the first state in the nation to provide *paid* family leave to its workers.

In this chapter Ruth Milkman and Eileen Appelbaum review the developments leading to the establishment of this new program, which builds on California's long-standing State Disability Insurance system and which offers a model that several other states around the country are considering emulating. The paid leave program covers virtually all private-sector workers (unlike the FMLA, which is restricted to relatively large employers), and thus should in principle provide universal coverage. As Milkman and Appelbaum's analysis of recent survey data reveals, however, this universality is compromised by the fact that relatively few Californians—only about one in five—are aware that the new paid family leave program exists. Moreover, the chapter notes, workers with the most family-friendly employers are more likely to learn about the paid family leave law than are those who are employed by "low-road" companies and who are most in need of paid leave. The danger is that the benefits from the new program will go disproportionately to the state's more privileged workers, many of whom already enjoy the functional equivalent of paid family leave via other employer-sponsored fringe benefits. If nothing is done to increase the visibility of the state's much-celebrated paid family leave program among low-wage workers, immigrants, and others who need it most, the already entrenched inequality that is so deeply embedded in the state's labor market and wider social organization will become characteristic of this arena as well, despite the fact that the clear intent of the law is to provide universal coverage.

Part 2 of the volume turns to the issue of job upgrading, specifically examining the ways in which unionization and political intervention can help transform low-wage jobs into positions that enable their occupants to earn a living wage and to gain a modicum of dignity. A case in point, dissected in the chapter by Candace Howes, is the recent history of one of the state's rapidly growing occupations: home care. As Howes's analysis demonstrates, home care has been extensively transformed in recent years through large-scale unionization and coalition-based political action, which have led to major improvements in wages and benefits. Apart from providing many home care workers with better pay, the upgrading of this occupation has also improved the quality of care that clients receive, since higher wages make for lower

turnover. The improved working and living conditions that result benefit caregivers and those they serve alike. Howes's empirical analysis is limited to this particular occupation, but it has obvious ramifications for low-wage employment generally, particularly in the burgeoning health care and personal services sector.

Part 2 also includes a chapter by Lisa Catanzarite that documents the ameliorative effects of unionization on low-wage workers from a more macroscopic perspective. Her analysis focuses on Latino males who are recent immigrants to the United States and the occupations in which they are especially concentrated. In earlier work Catanzarite has found that wage levels tend to be depressed in occupations that employ large numbers of recently arrived immigrant Latino males. The wage penalties affect not only the immigrants themselves but also their native-born co-workers in these impacted occupations. In Chapter 4 Catanzarite examines this phenomenon from a different angle, showing that these immigration-based wage penalties are significantly reduced by the presence of unionization.

Finally, in Part 3, Daniel J. B. Mitchell provides an assessment of labor relations in the state over the past year, reviewing such major events as the massive four-month southern California supermarket strike of 2003–04, as well as a variety of other important collective bargaining developments. This final chapter also includes an analysis of recent union membership trends and summary data on union contracts in California.

A great deal of invisible work goes into the making of a volume of this kind. Heartfelt thanks to Eileen Boris, Kate Bronfenbrenner, Janet Currie, Chris Erickson, David Fairris, and Roger Waldinger, as well as our editorial and advisory boards, for their assistance in critically reviewing the articles included in these pages. We also are indebted to the production staff at the University of California Press, and to Judy and John Waller of Scientific Illustrators. Most of all I want to express my appreciation of the many contributions of Rebecca Frazier, our managing editor, who once again effortlessly steered us through the many steps involved in the publication process and made it a highly pleasurable undertaking.

Ruth Milkman
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