



Sectoral Bargaining: A Political Aspect to Combating Exploitation in the Fast Food Industry

Zuting Huang

AP Seminar at Weymouth High School
Submitted 1 May 2023

Abstract

Fast food workers are often subject to exploitative labor practices in the workplace. A major cause to blame is the increasing decline of unionization in the United States. As a result, workers are left vulnerable and their working conditions are even worse. Though unionizing is pushed by many as a means to address these workplace struggles, glaring limitations hold it back. Therefore, sectoral bargaining, a form of collective bargaining for negotiations between workers and employers, is the most effective solution. It grants workers power in negotiation, provides wage increases, and encourages ethical labor norms. Though sectoral bargaining is not widely understood and may not resonate in politics, there is enough evidence to support the idea that it is a valuable measure in addressing exploitation in the fast food industry.

Keywords: sectoral bargaining, unionization, fast food, labor movement, working conditions, wages

Introduction

The issue of exploitative labor practices in the United States workforce and its impacts on fast food workers has been increasingly evident with these problems stemming from institutional corruption. Take Elouise Cobell, who once confronted such an issue in her legal battle against the United States government and its mismanagement of the Indian Trust Funds (Melinda 1). Being able to display moral courage and intelligence disobedience are key factors in facing institutional corruption. For retaliation to take place, workers must take acts of moral courage and intelligent disobedience to combat the misuse of power in the industry that has subjected them to these conditions (Thomas and Chaleff 62). Now fast food workers also face corruption similar to the Cobell case, with the median wage being below livable standards at \$11.47 per hour, according to fast food chain owner Michael Latoria and job quality expert Katie Bach (1). This positions the industry among the 12 lowest-paying jobs in America as 40% of its workers live in near poverty, as stated by Washington Post journalist Adam Chandler (1). In addition, around 50% of workers are subject to health and safety hazards in the workplace,

accounting for injuries for 43% of workers (UCLA 1). These concerning statistics beg the question: what impacts do exploitative labor practices have on workers in the fast food industry and how can this be addressed? To understand this issue, we must first look at a sociological standpoint on the lack of unionization, as well as poor working conditions from an ethical view, and the implications of unionizing in a political sense. After thorough research, sectoral bargaining appears to be the most viable solution in combating exploitative labor practices in the fast food industry as it grants workers power in negotiation, provides wage increases, and encourages ethical labor norms.

Lack of Unionization

While many deem unionization as a solution for problems that fast food workers face, its decline is an evident problem, especially in enabling exploitative labor practices. Suresh Naidu, an economist at Columbia University, believes the “decline of US unions is tied up with other forces that have hampered collective action” which can include legal barriers and employer resistance (8). As a result, Naidu stresses that “union density has continued to decline to around 6 percent of

employment” (1). Naidu’s expertise in economics should allow for her perspectives to carry more weight. Shane R. Brady, human resources professor at WMU and Jacob Lesniewski, social work professor at Dominican University, further emphasize the decline in unions as they believe that union density decline has slowed down efforts to reinvigorate the labor movement as well as limited “the ability of the labor movement to arrest the decline in working conditions for low-wage workers” (241). Kate Andrias, a law professor at Columbia Law, shifts to a different angle and claims that “the rise of inequality over the last few decades is closely related to the decline of unions” which leads to unions only representing “roughly a tenth of the labor market” (30). Income inequality plays a factor in this matter due to its role in decreasing union demand by eradicating social cohesion amongst workers, making mobilization difficult. Freelance journalist Isabelle Gius also blames income inequality for union decline, believing that it leads to “the power differential between labor and management” which “enables employers to engage in rampant union-busting and retaliation with minimal penalties” (22). As Naidu, Brady, and Lesniewski place emphasis on union density decline in the United States, Andrias and Gius discuss the role of inequality in this situation.

Poor Working Conditions

Fast food workers face poor working conditions and standards that take a toll on their welfare. Divya Ravindranath and Sarah Siegel, PhD students at Washington University, believe that overwork, unrealistic expectations, and substandard workplace conditions contribute to health concerns (19). Furthermore, they discuss the limited opportunity for advancement in the industry and the restricted ability for workers to voice their concerns (Ravindranath and Siegel 18). As a result, workers remain trapped in this cycle of exploitation. William Beaver, a sociology professor at Robert Morris University, expands upon that impression by describing workers as “cogs in a machine repeating the same task over and over again,” underscoring the idea that workers lack any ability to advance from their marginalized position (469). Other issues Beaver finds prominent within the industry include lousy scheduling practices and unguaranteed hours, as well as the prevalence of wage theft (470). Peter Berg, an employment relations professor at Michigan State, shifts to a different perspective, highlighting the rise of workplace

inequality and its contributions to worsening conditions within the fast food industry. However, his claims align with other experts as he also touches upon issues including wage theft, inflexible schedule arrangements, and health benefits decline as major contributors to inadequate workplaces (Berg 394). As Ravindranath, Siegel, Beaver, and Berg all touch upon similar problems within the fast food industry, Berg expands upon their claims by focusing on the matter of workplace inequality.

Unionization

Unionization is pushed by many as a solution to the struggles fast food workers face and experts weigh in on its viability and potential limitations. Ryan Finnigan, a sociology professor at UC Davis, and Jo Mhairi Hale, PhD in sociology at St Andrews, believe “unions could effectively bargain with employers at the workplace, firm, or industry level for stable hours and regular schedules” (1544). Alongside their emphasis on unionization’s ability to stabilize work hours for workers, they also regard unionized workers’ higher wage rates (Finnigan and Hale 1545). Nathan Wilmers, an expert in economic sociology at MIT, emphasizes the effect of unions on worker wages as he believes that “unions remain the only direct civil society influence on the wage structure” (1451). Wilmers also finds that union association consistently grants workers a 10-25% wage premium as opposed to their non-union counterparts (1452). David Brady, a public policy professor at UC Riverside, builds on Wilmers’s perspective, as he regards unionization’s ability to reduce working poverty, a widespread issue associated with low wages (872). He also believes unions promote ethical labor norms through influencing policy and rules governing labor markets (Brady et al. 876). However, unions are held back by their deficiency of social capital, meaning they lack the ability to obtain resources or favors from their connections (Naidu 4). Therefore, unions are without recognition from the government, making it difficult for them to create change in the workplace, especially when labor laws favor employers over employees (Naidu 4). While Finnigan and Hale express unionization’s ability to regulate work hours, Wilmers and Brady address how unions provide better wages to reduce working poverty.

Sectoral Bargaining

Sectoral bargaining, a form of collective bargaining, is a model that aims to

allow negotiation between workers and employers on the subject of workplace issues. The implementation of a sectoral bargaining system would be formed by establishing a tripartite model that would grant representation to workers, employers, and the government in negotiation matters. The government would oversee the legal framework. After thorough research, sectoral bargaining appears to be the most effective solution in opposing exploitative labor practices in the fast food industry as it grants workers power in negotiation, provides wage increases, and encourages ethical labor norms.

Expanded Worker Voice

Fast food workers lack a voice in the industry, a concern frequently addressed by workers. By extending the reach of what the workers have to say, sectoral bargaining garners support and raises awareness for workers' campaigns, which workers' rights advocate Larry Cohen identifies as a crucial component (11). Community support is crucial for campaigns like advocating higher wages. César F. Rosado Marzán, a law professor at Illinois Tech describes tripartism as a means of facilitating negotiations in sectoral bargaining where three parties are involved in setting employment terms, meaning workers are granted a say on regulatory matters with representation from other parties despite lacking presence in negotiations (714). Andrias finds that such a model allows for the mobilization of organizing campaigns that raise awareness for the struggle of workers while representing union and non-union workers alike (34). Gius believes "sectoral bargaining's critical promise is to deliver the benefits of unionization to all workers," meaning wages and benefits negotiated through sectoral bargaining will apply to all workers across the fast food industry, regardless of unionization status (22). Elouise Cobell's battle against the United States government demonstrates the vitality of being able to voice one's grievances, which is effective in pushing for change against corruption. Through the victory of her case, resulting in a \$3.4 billion settlement, she demonstrates the effectiveness of speaking out against injustice (Melinda 1).

Wage Benefits

In addition to expanding worker voice, sectoral bargaining also offers wage benefits, providing much-needed relief when fast food workers' low wages are taken into consideration. Cohen highlights how sectoral bargaining will lead to stimulation in economic growth, reducing wage inequality (12). In turn,

employment conditions would be stabilized and wages would be improved. Gius further emphasizes the topic of inequality, albeit in a different form, claiming "sectoral bargaining is a way to cover those workers who are hardest to reach, reducing inequality to a significantly greater extent than workplace-level bargaining and helping to close gender and racial pay gaps in the process (22). Not only does it help resolve inequality issues, the benefits of sectoral bargaining can extend to workers who are victims of inequality. Tripartite industry committees that facilitate sectoral bargaining can grant workers negotiation power to fight against the lack of guarantees in law that protect them from losing wages/benefits and staying out of poverty (Andrias 33). In correlation to preserving worker wages, it also encourages inspections of violations of prevailing wage laws, which can protect workers from wage theft (Marzán 715). With wage theft being a leading cause of low wages for fast food workers, it aims to combat exploitation and grant workers proper wages.

Workplace Norm Reform

In order to resolve the poor working conditions fast food workers are subject to, a reform in workplace standards is key to promoting a better working environment. According to Gius, negotiations from sectoral bargaining can hold employers accountable for unjust decision-making, thus being able to "tackle the root of exploitation" and promote better working conditions (22). Sectoral bargaining can further keep employers in check as it removes wage competition among companies, requiring them to adhere to the same principles, which prevents a race to the bottom that drives down worker wages and living standards. (Gius 22). Essentially, sectoral bargaining's capacity to provide workers with negotiation power allows for standards to be set that prevent companies from undercutting each other, which worsens worker wages and working conditions. Sectoral bargaining can also involve the establishment of wage boards, allowing for management, unions, and public members to set new workplace standards (Cohen 12). A tripartite sectoral bargaining model allows for capital, labor, and government to all have a "say on rules related to economic activity and on rules for the workplace in particular" (Marzán 705). As a result, workers are granted that representation they previously lacked in negotiations, allowing for ethical standards to be developed against corrupt employers. When moral courage is displayed, "it is of real

value in preventing and righting wrongs” (Thomas and Chaleff 60). Workers that apply moral courage can effectively maintain healthy norms that have been established through sectoral bargaining.

Limitations and Implications

Though experts have found sectoral bargaining to be a potential counter to exploitative labor practices in the fast food industry, there are limits to its viability. Marzán finds a lack of employer participation in such a model, which can hinder its power in bargaining (735). He also specifies parties appointed to participate in negotiations are not necessarily representative of workers and employer beliefs (703). Peter Ackers, an industrial relations professor at Loughborough, questions whether sectoral bargaining is “effective at promoting efficiency and equality than individual employment rights and a well monitored minimum wage (179). Labor law scholar at McMaster University Judy Fudge emphasizes a lack of widespread understanding and political resonance regarding sectoral bargaining, which creates difficulty in garnering support for it (33). Though such limitations exist towards the

implementation of sectoral bargaining, the implications outweigh the limitations. Marzán highlights its ability to provide workers protection against wage theft (715). Sectoral bargaining’s ability to promote ethical norms at the higher levels of the fast food industry is vital (Gius 22). Workers will be able to further voice their concerns on setting workplace standards (Cohen 12). These implications prove the beneficiality of sectoral bargaining towards fast food workers.

Conclusion

The struggle of workers being victims of exploitative labor practices in the fast food industry has been rampant for years. Many experts have agreed upon the solution of implementing sectoral bargaining to grant workers power in negotiation, provide wage increases, and encourage ethical labor norms. While sectoral bargaining is capable of solving many of the issues that come as a result of exploitative labor practices, for actual change to occur, further research must be done to prove the effectiveness of incorporating sectoral bargaining and how it can deter exploitation from occurring in the fast food workplace.

References

- Ackers, Peter. “Industrial Relations and the Limits of the State: Can a Left Labour Government Resurrect Comprehensive Sectoral Collective Bargaining and Restore Trade Union Power?” *Political Quarterly*, vol. 91, no. 1, Jan. 2020, pp. 173–81. EBSCOhost, <https://search.ebscohost.com/login.aspx?direct=true&db=asn&AN=142479751&site=ehost-live>.
- Andrias, Kate. “A Seat at the Table: Sectoral Bargaining for the Common Good.” *Dissent* (0012-3846), vol. 66, no. 2, Spring 2019, pp. 30–36. EBSCOhost, <https://search.ebscohost.com/login.aspx?direct=true&db=asn&AN=135659078&site=ehost-live>.
- Beaver, William. “Fast-Food Unionization.” *Society*, vol. 53, no. 5, Oct. 2016, pp. 469–73. EBSCOhost, <https://search.ebscohost.com/login.aspx?direct=true&db=asn&AN=117923293&site=ehost-live>.
- Berg, Peter. “Representing Worker Interests: Past, Present, and Future.” *Social Service Review*, vol. 89, no. 2, 2015, pp. 393–406. JSTOR, <https://www.jstor.org/stable/10.1086/681629>.
- Brady, Shane R., and Jacob Lesniewski. “Rabble Rousing in a Red State: Lessons Learned From Organizing for Worker Rights in a Highly Conservative State.” *Journal of Community Practice*, vol. 26, no. 2, Apr. 2018, pp. 236–51. EBSCOhost, <https://search.ebscohost.com/login.aspx?direct=true&db=asn&AN=128995937&site=ehost-live>.
- Brady, David, et al. “When Unionization Disappears: State-Level Unionization and Working Poverty in the United States.” *American Sociological Review*, vol. 78, no. 5, 2013, pp. 872–96. JSTOR, <http://www.jstor.org/stable/43187509>.
- Chandler, Adam. “Perspective | The Fast-Food Industry’s Dismal Labor Practices Are Just the Tip of the Iceberg.” *Washington Post*, 3 June 2019, www.washingtonpost.com/outlook/2019/06/03/fast-food-industrys-dismal-labor-practices-are-just-tip-iceberg/.

- Cohen, Larry. "The Time Has Come for Sectoral Bargaining." *New Labor Forum*, vol. 27, no. 3, 2018, pp. 10–13. JSTOR, <https://www.jstor.org/stable/26503645>.
 - "Fast-Food Workers Face Increased Health Risks and Labor Violations During Pandemic." *UCLA Labor Center*, 4 Jan. 2022, <https://www.labor.ucla.edu/press-release/fast-food-workers-face-increased-health-risks-and-labor-violations-during-pandemic/#:~:text=According%20to%20the%20study%2C%20violations,injuries%20for%2043%25%20of%20workers>.
 - Finnigan, Ryan, and Jo Mhairi Hale. "Union Membership and Work Hours and Schedules Working 9 to 5? Union Membership and Work Hours and Schedules." *Social Forces*, vol. 96, no. 4, June 2018, pp. 1541–68. EBSCOhost, <https://search.ebscohost.com/login.aspx?direct=true&db=asn&AN=129602039&site=ehost-live>.
 - Fudge, Judy. "Labour Needs Sectoral Bargaining Now." *Canadian Dimension*, vol. 27, no. 2, Mar. 1993, pp. 33. EBSCOhost, <https://search.ebscohost.com/login.aspx?direct=true&db=asn&AN=9308115416&site=ehost-live>.
 - Gius, Isabelle. "Thinking Sectorally." *The American Prospect*, vol. 33, no. 4, Aug. 2022, pp. 22+. Gale OneFile: Economics and Theory, link.gale.com/apps/doc/A713751137/P-PBE?u=mclin_s_weyh&sid=bookmark-PPBE&xid=0a9f07e5.
 - Janko, Melinda. "Elouise Cobell: A Small Measure of Justice." AP Seminar Performance Task 2: Individual Research-Based Essay and Presentation, compiled by College Board, 2024, pp. 25-29. Originally published in *American Indian Magazine*, summer 2013.
 - Lastoria, Michael, and Katie Bach. "If the Fast Food Industry Is to Survive, Workers Need a Greater Voice." *Fast Company*, 20 Jan. 2022, <https://www.fastcompany.com/90714685/we-are-fast-food-executives-if-our-industry-is-to-survive-workers-need-a-greater-voice#:~:text=Less%20than%2015%25%20of%20fast,to%20work%20off%20the%20clock>.
 - Marzán, César F. Rosado. "Quasi Tripartism: Limits of Co-Regulation and Sectoral Bargaining in the United States." *The University of Chicago Law Review*, vol. 90, no. 2, 2023, pp. 703–38. JSTOR, <https://www.jstor.org/stable/27222254>.
 - Naidu, Suresh. "Is There Any Future for a US Labor Movement?" *The Journal of Economic Perspectives*, vol. 36, no. 4, 2022, pp. 3–28. JSTOR, <https://www.jstor.org/stable/27171128>.
 - Ravindranath, Divya, and Sarah Siegel. "Low Wages and Fast Food." *Economic and Political Weekly*, vol. 50, no. 18, 2015, pp. 18–21. JSTOR, <http://www.jstor.org/stable/24481905>.
 - Thomas, Ted, and Ira Chaleff. "Moral Courage and Intelligent Disobedience." AP Seminar Performance Task 2: Individual Research-Based Essay and Presentation, compiled by College Board, 2024, pp. 8-16. Originally published in *InterAgency Journal*, vol. 8, no. 1, winter 2017, pp. 58-66.
 - Wilmers, Nathan. "Labor Unions as Activist Organizations: A Union Power Approach to Estimating Union Wage Effects." *Social Forces*, vol. 95, no. 4, 2017, pp. 1451–77. JSTOR, <http://www.jstor.org/stable/26166881>.
-