

Essential For Whom? An Analysis of the Exploitation of Essential Workers

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Introduction

On the morning of July 6th, 1892, a gruesome display of hostility to working-class Americans took place here in Pittsburgh during an event known as the Homestead Strike. The Homestead Strike consisted of two striking parties. On one side, there were the Carnegie Steel Company and Henry Clay Frick, the operating manager of Carnegie Steel, who was a constant opponent of the strikers. Opposing Frick and Carnegie, there was the Amalgamated Association of Iron and Steel Workers (AAIS). The conflict began over workers still having low wages even after the Carnegie Steel Company had record profits due to selling new high capacity steel. After the workers protested about low pay and dangerous conditions, Frick practically fired all of his workers by locking them out of the building. This caused a riot that resulted in the death of ten employees and three private agents.

The end result of this event is especially relevant because aside from the tragedy of the deaths, it was a turning point for unions in the early 20th century. After the violence in Homestead, the AAIS quickly collapsed, and for years afterwards, strikes in the US would be met with overwhelming force in the favor of owners. Frick's ruthlessness, despite the significance of steel for Pittsburgh and even America's industrial revolution, is an excellent example of a central theme found throughout the history of American capitalism: the consistent, even violent, disregard for the rights and needs of workers who contribute to the prosperity of the nation in favor of the exclusive interests of owners and investors. The exploitation of laborers illustrated in the tragedy of the Homestead Strike helps reveal a pattern of manipulation, coercion, and diminishing prospects for generations of working people. For example, it is shown that if workers knew more about salary inconsistencies than 10% of jobs in the workforce right now would not be valid under law (Jones, 2022). This wage theft and other such examples of business malpractices are shockingly common in modern American society. They show that the manipulative and even illegal actions of corporations against their own workforce have persisted, and while they may have been altered, they have never vanished.

This paper explores how this cycle forms a central theme in the history of American capitalism, as well as the ways exploitation, cultural indifference, and even violence continue to stain so much of the labor ironically deemed "essential" for the functioning of society. The undervaluing and exploitation of essential workers is occurring for three different reasons. First, it is due to corporation's ability to manipulate laws and regulation around labor standards so that the unfair status quo will always remain. Secondly, it is due to their reliance on blatant intimidation, exploitation, and coercion in order to deter workers from retaliating. Thirdly, it is due to the failed responsibility of employers to keep employees safe and protected.

The first section of this paper explores the history and patterns of exploitation and undervaluation of large portions of laborers in this country. The second section looks at the current state of so-called "essential workers," in particular the use and abuse of these workers in light of the Covid-19 pandemic. Finally, it talks about how we as a society can work to address this 'business-as-usual' reliance on exploitation.

Section 1

The exploitation of workers has a long and extensive history. It has been happening for decades and centuries in different times but with a number of consistent features. As previously mentioned, the Homestead Strike is a gruesome example of the lengths that owners and management will go to in order to take from workers what they believe is theirs. On July 6, 1892, there was a violent altercation between the workers of the Carnegie Steel Company and its management, led by Henry Frick. The employees of the Homestead Mill were represented by Amalgamated Association of Iron and Steel Workers (AAIS). While a contract was being negotiated between Carnegie Steel and the AAIS, Andrew Carnegie, the company's owner, ordered Frick to break the agreement early. Frick started by cutting the wages of the workers. Workers understandably rejected the cut; Frick countered by locking the workers out of the building and covering it with barbed wire, giving it the nickname "Fort Frick".

Finally on July 2, Frick dismissed all 3,800 workers from the plant, and on July 6, he instructed 300 Pinkerton agents, security guards hired by Frick, to secure the mill. The now-former employees, angered by Frick's alarming actions, decided to take a stand.

They charged the mill at sunrise to prevent the Pinkertons from reaching the plant. As tensions continued to rise, a fight broke out in the middle of the demonstration and shots were

fired. This would continue on for the next 12 hours and would result in the death of 12 workers and 3 deaths of the Pinkerton agents (Adamczyk, 2022). This event in history is an explicit example of exploitation of industrial workers.

As stated previously, the AAIS quickly collapsed after the riot. This was due primarily to an assassination attempt on Frick himself by a Russian anarchist named Alexander Berkmen. This violent attack caused monopoly owners to panic and crack down on their workers and unions even harder due to fear of inspired retaliation. This repression of worker's unions would carry on for several decades until change would be brought about in the form of a new era of unionism (Krauss, 2015).

Labor unrest was a clear motivator for regulatory reforms such as the 40-hour work week and improved safety regulations. However, as shown in the Homestead Strike, Labor unrest had to overcome the massive resistance to reform found in corporate and governmental leadership. For instance, even before Homestead, the Haymarket Affair provided clear evidence that any progress on labor issues would have to overcome powerful opposition. On May 4, 1886, during a union demonstration in Chicago, an unidentified individual threw a bomb into the protest, causing the police—who were at the demonstration in order to disperse the crowd—to fire at random. This resulted in seven police officers being killed and another 60 being wounded, while on the other hand four to eight civilians died and another 30-40 were injured. This event would cause a sudden and extensive rise in suspicion against radical labor activists. Eight people were convicted of murder and conspiring with the unknown attacker, despite the fact that they were not even present at said rally. In the end, four of the suspects were hanged for their crimes, while another committed suicide. While the Haymarket Riot was a tragedy within itself, the lasting effects it would have on efforts for labor rights would last for decades to come. Due to the violence that took place, big businesses would crack down and substantially weaken unions (*Haymarket Affair | History, Aftermath, & Influence | Britannica, 2023*). This would be the practical end of the radical faction of the labor movement for years to come.

Due to the economic crisis caused by the Great Depression beginning in 1929, labor policies that only a few years earlier had been greatly disapproved of, suddenly had the potential to be instituted. In 1932, Democrat Franklin Roosevelt was elected in a landslide, providing an opportunity for considerable progress on labor issues. This opportunity became a reality with the

creation of the National Labor Relations Board (NLRB). As Stanford University political scientist Terry Moe writes,

The NLRB was a quintessential product of the New Deal. It was created by a Democratic president and Congress as an administrative means of stabilizing labor-management relations, and, as such, was part of a much larger attempt to regulate and manage an economy that had gone spiraling out of control. It was also the centerpiece of an explicit effort to enhance the power of labor in the political economy by nurturing the growth of unions (Moe 1985, 1096).

Roosevelt was able to achieve this victory due to his major support in Congress, which allowed him to pursue progressive policies for the first time in federal policies. The NLRB's main purposes included making sure the rules and regulations of union elections were being followed, investigating instances where said rules may have been broken, and deciding the outcome of the investigations. It was also to judge cases that were brought to them by unions who wanted to press charges against their employers who committed unjust labor practices.

Over the next decade, the NLRB would serve as a fair arbiter for unionism, but all that would change in 1947 when the Republican Party swept Congress and passed the Taft-Hartley Act. The Taft-Hartley Act was, according to Moe, made in order to "clean house at the NLRB, and reorient its behavior toward an accommodation of the 'legitimate' concerns and interests of business." There are many things that the act established, such as allowing states to pass right-to-work laws¹, expanding the NLRB's court to five members instead of three, and ending the use of closed shops². But perhaps most importantly, it allowed particular actions of unions to be deemed as inequitable labor practices. This would include secondary boycotts and the act of forcing employers to fire disliked workers. This would mean, ironically, the NLRB would have to judge and prosecute unions based on cases brought by often-unjust employers (Moe, 1985, 1096).

With this new radical change in the policy, many of its staff would leave the agency, and soon enough the revolutionary time period of political unionization would be over. As said by legal scholar Nelson Lichtenstein,

¹ Right-to-work legislation makes it possible for states to ban unions from compelling employees to join. Since the passage of Taft-Hartley, right-to-work laws have been passed in 28 states.

² Closed shops- a place of work where a membership in a union is a condition for being hired and continued employment

“the Taft-Hartley law stands like a fulcrum upon which the entire New Deal order teetered. Before 1947 it was possible to imagine a continuing expansion and vitalization of the New Deal impulse. After that date, however, labor and the left were forced into an increasingly defensive posture,” (1998, 765)

After the passage of Taft-Hartley, the long twilight of union power would continue steadily down through the decades. About 30 years after Taft Hartley, deindustrialization, being the decline in industrial activity in a region or economy, would rapidly take the country by storm. This would cause the roles of union to be greatly diminished. By 2010, private sector union membership had dwindled to just about 7 million workers (Combs, 2021). In the 21st century, we see a new era of labor policies that completely mirrored the unfairness displayed in the 1800's. However, labor was about to see huge disruptions due to a global pandemic and its effects on all aspects of working life.

Section 2

America's working class are made up of everyday, essential workers, but what does it mean to be essential? As established by scholars Celine McNicholas and Margaret Poydock, who used the language found in executive orders from the governors of California and Maryland for their definition, essential work is work that involves food, medical care, transportation, manufacturing, chemical and wastewater management. An experiment was conducted where McNicholas and Poydock took 55 million essential workers from California and Maryland and conducted a survey on their wages, union coverages, and demographics. They observed twelve essential industries –Food and Agriculture; Emergency Services; Transportation, Warehouse and Delivery; Industrial, Commercial, and Residential Services; Healthcare; Government and Community Based Services; Communications and IT; Financial Sector; Energy Sector; Water and Wastewater Management; Chemical Sector; and Critical Manufacturing. Health care had the highest number of workers, composing 30% of the entirety of essential workers, while water and wastewater management had the lowest number of workers, only making up 0.2% of the industry. It was also found that those working in the financial sector earn the highest median hourly wage, being \$29.55. Those in the food and agriculture sector have the lowest median hourly wage, being \$13.12; just \$0.62 above Maryland's minimum wage and \$1.88 below California's minimum wage (McNicholas & Poydock, 2020).

During the COVID-19 pandemic, many workers were treated unjustly. They were forced to work without protective gear, have no access to paid leave, take little to no breaks during work, all while doing “essential” work that humanity as a whole relies on. Due to these various injustices, the covid pandemic brought about a new interest in unions due to their collective tactics and outspoken need for change. Unions set the rules and qualities for the industry through having collective voices speak out for better working conditions, higher wages, paid sick time, and so on. It is imperative to have workers to have a say in how they do their work. However, McNicholas and Poydock found that only 12% of all essential workers are covered by a union contract. The emergency services sector has the highest coverage of 51%, while the financial sector has the lowest, only being 3% (McNicholas & Poydock, 2020).

Employers technically do not have to pay their workers according to their value as an employee. Their wages just have to match the following alternative job by another employer (Galles, 2022).

For example, let’s say Emily and James are possible employers. First, Emily offers you \$45,500 per year, but James deems your value of work to be \$60,000. James technically does not have to pay you \$60,000 he just has to pay you equally or higher than Emily. He could pay you \$45,501 or \$59,999, just as long as equal to or higher than what Emily would pay you. This essentially means that the more your work is wanted, the more your income becomes closer to your worth as an employee. This may sound advantageous to potential employees looking for a fruitful income, however, big companies and governments have a loophole in order to exploit this concept. They create laws that force barricades to restrict increased competition in order to preserve their selected groups from competition with other employers. With no other competition, employers of favored businesses do not have to raise their prices to match anyone else and workers do not get any other offers of higher wages (Galles, 2022). Similarly, there are also other restrictive covenants also called “non-compete agreements”. As Adam Hayes puts it,

“A non-compete agreement is a legal agreement or clause in a contract specifying that an employee must not enter into competition with an employer after the employment period is over. These agreements also prohibit the employee from revealing proprietary information or secrets to any other parties during or after employment (Hayes et al., 2023).”

Another reason why workers are underpaid is because they “earn too much” to get overtime payment. Overtime pay is when “employees must receive pay for hours worked in excess of 40 in a workweek at a rate not less than one and one-half (1½) times their regular rate of pay” (*OT and Tipped Worker Rules*, n.d.) In 1975, almost 60% of workers qualified for overtime. By 2016, only 41 years later, that had dropped to 7%. This is because the overtime pay eligibility bracket, which was much lower than average median salary even then at \$23,000 never changed throughout the decade, meaning it never kept pace with inflation. As inflation began increasing, many began to see overtime pay being taken away for earning too much. During this year, President Obama proposed to raise the maximum income limit to \$47,000. This would allow an additional 4.2 million workers to qualify for overtime and would drastically increase income for workers by \$12 million. Unfortunately yet expectedly, half a year after the president gave the speech that proposed the plan multiple interest groups and states sued the government in order to block the proposal, claiming that it was a case of “government overreach” (Baram & Bacon, 2022). The project that would benefit millions of Americans would never come to fruition. As of 2020, only 15% of workers can only qualify for overtime pay. (work in 2023 in order to tie together importance of history)

Section 3

In order to fully analyze the human element of the pandemic's effects of essential workers, consider this thought experiment.

I was inspired to talk about this topic because one day I was simply washing my hands and suddenly realized that the tap water doesn't just randomly appear. It has to be treated, maintained, filtered, and chlorinated by water management workers. The upkeep of water is such a crucial thing to humanity as whole, you would think that water management workers would earn something that would be on par with their contribution to society. However, the average water treatment worker only makes about \$22.40 per hour (McNicholas & Poydock, 2020). Another example of this are those who work in food and agriculture. Food is the staple of humanity and yet the average food and agriculture worker in Maryland earns \$13.12 per hour (McNicholas & Poydock, 2020). That's only 62 ¢ above Maryland's minimum wage. This brings up the controversial difference between the necessity of these worker's labor and how terrible they are treated.

To elaborate, it is extremely oxymoronic to be called essential yet to be treated as less than. To be imperative to the function of society and yet to be manipulated and controlled to the point of burn-out. To be the hardest-working and yet the least recognized, especially in an environment where your life is constantly on the line.

The effect of this treatment is apparent in all aspects. As Joanna Gaitens phrases it, “Many ‘essential’ workers are in a ‘no win’ situation, forced to choose between the benefits of continued employment and the potential for increased risk of illness and death for themselves, their family, and their community (Gaitens et al. 2021, 8).” This means that essential workers are essentially stuck in positions that present tribulations regardless of what route they choose going forward. The first choice being to quit their job for the sake of their and or their family’s safety, but in contrast, not having a stable source of income and not being able to provide for themselves or others. The second option being to continue to work in an unstable, unsafe environment despite the risk of catching a life-threatening illness, for a paycheck that most essential laborers can barely sustain themselves on, much less support their family members or spouses with.

This distressing decision that frontline workers have to make not only physically affects them, as working in the frontline raises your chances of being infected with covid by 5x, but also emotionally, as those who work constantly work with people in places like grocery stores have increased rates of anxiety and depression, compared to workers who don’t. Because these workers are essentially in constant physical and emotional danger, they must rely on their employer to keep them safe with regulations and rules. However, no employer is required to do this. When employers fail to protect their worker and fail their duty as management, it leaves employees feeling betrayed, disgruntled, and hopeless. Gaitens refers to this phenomenon as “moral injury” (Gaitens et al. 2021, 8). All this say, this leaves the exploitation of workers as an cause and effect cycle; , Employers fail their responsibility to employees safe, ultimately leaving workers in no-win situations of being safe but being unable to provides themselves or their loved ones or living off pay to paycheck but constantly putting themselves and others in harm’s way.

Conclusion

Throughout this paper, I have explored the mistreatment of workers and laborers throughout history to the present. This mistreatment has never stopped or been terminated, it has instead only changed and transformed. The complexities of life as an essential worker is a reflection of the diminished influence of the labor movement over the 20th Century. We are now at a turning point in American history, where the struggle for a just economic system has taken on a new and urgent importance. It is Corporate America's duty to treat and value their workers like they say they do. It is not impossible to resolve this issue because America has done it before. If we could take inspiration from the uprightness of NLRB and the illustriousness of Obama's plans, we could alter the essential for the better and give essential workers the economical and physical credit they deserve.

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