STATE OF WORKING NORTH CAROLINA

Curing What Ails Us

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2020

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MCSIME HELCO

How COVID-19 reveals what's wrong with our economy and what working people are doing to fix it

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INTRODUCTION

CURING WHAT AILS US

How COVID-19 reveals what's wrong with our economy and what working people are doing to fix it

he COVID-19 pandemic brings out the angels and demons of human nature. We're witness to daily moments of cruelty and heroism, fear and resilience, despair and hope. For all of the challenges, a reckoning like this can lead to positive change. COVID-19 is forcing us to confront uncomfortable realities and is uniting workers to demand their rightful share of the American promise.

This report aims to be a small part of that conversation by identifying some of the roots of the injustices on display in this moment and by connecting the power that working people possess today to previous generations' struggles for a more humane society.

BASIC HUMANITY TOO OFTEN DENIED

The COVID-19 crisis puts into stark relief the racist and dehumanizing nature of work that so many people confront in today's economy. We're being reminded how many working people are used as disposable tools in the service of corporate profits, how little financial cushion is held by millions of families, and how pervasive the stain of racial injustice remains in our country. These dehumanizing roots run deep. Many of the financial institutions and beliefs that created slavery in the United States — and the Industrial Revolution — continue to concentrate wealth and power in the hands of a few while billions of people around the world struggle to survive.

None of this started with the COVID-19 crisis, but the pandemic is revealing and widening fissures already running through our economy.

WORKING PEOPLE ARE SEIZING THE MOMENT

The Great Depression gave us the minimum wage, Social Security, the weekend, bans on child labor, and the right to organize in the workplace. The crucible of COVID-19 also contains the ingredients to forge a better future.

We're being reminded who does the essential work to keep society running and how little financial security many families really have. Overt, structural racism has become harder to ignore with more people recognizing how rich, special interests stoke racial divisions to turn working people against each other.

The good news is working people are seizing this moment of opportunity. Organizing efforts are forming a growing base of power to demand a renewed social and economic contract where the dignity of work is respected, workers are protected, and everyone — Black, brown, and white — can prosper.

CHAPTER 1

COVID-19 REVEALS OUR INHUMANE ECONOMY

he COVID-19 pandemic has put a lot of North Carolina's workers in a horrible bind: either lose a job or be thrown into life-threatening work environments. This dual threat has been particularly dire for women, people of color, and low-wage workers who are far more likely to find themselves either on the frontlines of a global pandemic or out of work. At the same time, many of the biggest corporations are raking in record profits and further enriching their wealthy shareholders.

WORKING ON THE FRONTLINES OF THE COVID-19 CRISIS

A lot of the essential work we all rely on as the pandemic rages on cannot be done from the safety of home. Every day, North Carolinians go to workplaces where the risk of infection is everywhere, often while they're being paid wages that don't cover the basics for their families. The burden falls hardest on women and people of color who make up more than their share of the workers on the frontlines of this crisis. Making matters even worse, some of the governmental institutions charged with enforcing workplace safety are doing little to protect working people in this moment.

People of color, women, and lowwage workers on the frontlines of COVID-19

Many of the worst-paid people in the United States work jobs like customer service, retail, and teaching where social distancing is often impossible, which increases their risk of contracting COVID-19.¹ More than one in four people in the U.S. works in industries with a high risk



(Share of employees in key frontline occupations vs. share of total NC workers)



¹ Rachel Garfield et al., "Double Jeopardy: Low Wage Workers at Risk for Health and Financial Implications of COVID-19" (Kaiser Family Foundation, April 29, 2020), https://www.kff.org/coronavirus-covid-19/issue-brief/double-jeopardy-low-wage-workers-at-risk-for-health-and-financial-implications-of-covid-19/.

of exposure to COVID-19², and 10 percent are employed in workplaces where exposure is a weekly occurrence.³

Occupational segregation is one of the structural forces pushing women and people of color to the frontlines of COVID-19. Barriers to education, hiring discrimination, biases in promotion,



Figure 2: White people are more privileged to work from home

obligations outside of work, and inadequate public transit are all among the factors that have left women and people of color in many of the essential jobs that have to be done to keep society functioning in the midst of this pandemic. Our failure to address these systemic barriers means women make up over 65 percent of the workers in key frontline industries like health care, child care, cleaning services, grocery and convenience stores, and public transit, compared with just under 50 percent of all workers in North Carolina.

Black workers are similarly overrepresented in these industries. Similarly, Hispanic and Latino workers are overrepresented in the many essential jobs necessary to get food to our tables, such as farming, food processing, and grocery stores. In the absence of adequate safety enforcement, these jobs often come with enormous risk of contracting COVID-19.

The inadequacy of our internet infrastructure makes matters even worse. Low-income neighborhoods in both rural and urban communities are often ignored by internet service providers, further cutting off people in these communities

from job opportunities that require reliable broadband access. The combination of occupational segregation and lack of access to internet means that fewer than one in five Black, Hispanic, or Latino people works a job that can be done from the safety of home, compared with nearly one-third of white workers.

The ability to work from home is also a privilege afforded to people who are already better paid. More than 60 percent in the top quartile of wage earners can work from home during the COVID-19 pandemic, compared with 10 percent of workers in the lowest paid quarter of the workforce.

² IBISWorld Inc., "Coronavirus Industry Exposure," 2020, https://www.ibisworld.com/coronavirus-industry-exposure/

³ Marissa G. Baker, Trevor K. Peckham, and Noah S. Seixas, "Estimating the Burden of United States Workers Exposed to Infection or Disease: A Key Factor in Containing Risk of COVID-19 Infection," PLOS ONE 15, no. 4 (April 28, 2020): e0232452, https://doi.org/10.1371/journal.pone

Frontline workers aren't earning living wages

More than half a million North Carolinians working in industries on the frontlines of COVID-19 were not earning a living wage long before the pandemic began. While we do not have detailed employment and wage data since the outbreak took hold, many of the working people we rely on the most in these difficult times are not being paid humane wages. Those doing some of the most vital work during this pandemic in farming, caring for children and seniors, food processing, and home health care are paid on average more than \$10,000 less a year than what it takes to cover basic needs in North Carolina.



The failure to boost earnings for millions of North Carolinians who are paid below the living wage was already an economic and moral crisis before the COVID-19 outbreak, and it has become more pressing as working people are being put in harm's way during the pandemic. While not a permanent fix, providing meaningful hazard pay to workers on the frontline of COVID-19 would at least acknowledge the extraordinary services they provide on a daily basis.

Failure of health and safety enforcement

The Trump Administration and North Carolina Labor Commissioner Cherie Berry both have refused to use their authority to protect workers from the ravages of COVID-19. The Division

Figure 4: Frontline workers aren't earning a living wage

(NC pre-pandemic employment and wages for frontline industries)

Industry	Pre-COVID-19 Employment	Average Weekly Wage	Weekly Difference From Living Wage	Annual Difference From Living Wage
Grocery Stores	89,744	\$425	-\$315	-\$16,390
2017 NAICS General Merchandise Stores, including Warehouse Clubs and Supercenters	68,363	\$443	-\$297	-\$15,433
Nursing Care Facilities (Skilled Nursing Facilities)	44,085	\$643	-\$97	-\$5,051
Home Health Care Services	43,319	\$583	-\$157	-\$8,156
Individual and Family Services	39,402	\$487	-\$253	-\$13,175
Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly	35,901	\$499	-\$241	-\$12,518
Animal Slaughtering and Processing	35,794	\$729	-\$11	-\$561
Gasoline Stations	32,846	\$403	-\$337	-\$17,544
Child Day Care Services	30,796	\$430	-\$310	-\$16,116
Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities	19,637	\$638	-\$102	-\$5,307
Personal Care Services	16,171	\$519	-\$221	-\$11,468
Other Personal Services	9,326	\$425	-\$315	-\$16,365
Dry Cleaning and Laundry Services	8,830	\$581	-\$159	-\$8,258
Vocational Rehabilitation Services	8,649	\$525	-\$215	-\$11,163
Beverage Manufacturing	7,957	\$728	-\$12	-\$647
Civic and Social Organizations	5,928	\$428	-\$312	-\$16,225
Beer, Wine, and Liquor Stores	4,865	\$470	-\$270	-\$14,057
Death Care Services	4,863	\$627	-\$113	-\$5,892
Hog and Pig Farming	4,651	\$720	-\$20	-\$1,054
Other Residential Care Facilities	4,312	\$526	-\$214	-\$11,153
Other Crop Farming	3,726	\$578	-\$162	-\$8,432
Specialty Food Stores	3,682	\$459	-\$281	-\$14,634
Personal and Household Goods Repair and Maintenance	2,674	\$653	-\$87	-\$4,514

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Industry	Pre-COVID-19 Employment	Average Weekly Wage	Weekly Difference From Living Wage	Annual Difference From Living Wage
Support Activities for Crop Production	2,586	\$707	-\$33	-\$1,739
Religious Organizations	2,409	\$643	-\$97	-\$5,019
Vegetable and Melon Farming	1,899	\$516	-\$225	-\$11,674
Urban Transit Systems	1,404	\$739	-\$1	-\$67
Oilseed and Grain Farming	1,183	\$621	-\$119	-\$6,168
Fruit and Tree Nut Farming	913	\$541	-\$199	-\$10,353
Seafood Product Preparation and Packaging	798	\$527	-\$213	-\$11,062
Cattle Ranching and Farming	708	\$650	-\$90	-\$4,688
Sugar and Confectionery Product Manufacturing	678	\$690	-\$50	-\$2,624

Source: https://www.ncjustice.org/publications/the-2019-living-income-standard-for-100-counties

of Occupational Health and Safety (NC OSH), which is charged with creating and enforcing workplace safety regulations, has issued no new rules and has taken no action against North Carolina business owners who are putting their workers in danger. Hundreds of complaints filed with NC OSH during the pandemic have been closed without a single North Carolina employer being fined or punished for putting their workers in deadly peril.⁴ Testing is far less accessible in predominantly Black and brown neighborhoods than in areas where most residents are white, making the risk of contraction and spread even worse.⁵

Terrified employees have reported atrocious working conditions. While many businesses have taken common-sense steps to insulate their employees from COVID-19, reports have poured in from across the state of visibly sick people being forced to work, a lack of protective equipment, and failure to implement even the most modest social distancing measures. Thus far, NC OSH mostly has responded by sending a letter to the employer asking for a description of the steps they are taking to protect employees.

PEOPLE ALREADY DEHUMANIZED BY THE MARKET ARE HIT HARDEST BY JOB LOSSES DURING COVID-19

COVID-19 provides a stern reminder of how often businesses treat human beings as disposable tools that can be easily discarded. The speed with which people were put out of work reveals just how tenuous many North Carolinians' working situations really are. These job losses have been particularly severe for women, people of color, and workers who are paid the worst wages.

^{4 &}quot;COVID-19 OSHA Complaint Map," Strikewave, accessed July 25, 2020, <u>https://www.thestrikewave.com/osha-complaint-map</u>.

⁵ Soo Rin Kim, Matthew Vann, and Laura Bronner, "Want A COVID-19 Test? It's Much Easier to Get in Wealthier, Whiter Neighborhoods," Grace (blog), July 22, 2020, https://fivethirtyeight.com/features/white-neighborhoods-have-more-access-to-covid-19-testing-sites/.

Figure 5: Unprecedented job losses

(Weekly initial claims for Unemployment Insurance)



Nothing in recorded economic history matches how fast jobs disappeared when the COVID-19 outbreak hit North Carolina in March 2020. In just six weeks, nearly 750,000 initial Unemployment Insurance (UI) claims were filed. To put that in context, the week ending March 28, when over 170,000 North Carolinians filed for UI, was three times worse than the hardest week of the Great Recession. Even after the first few months of job losses, businesses have been slow to rehire, and many temporary furloughs are turning into permanent firings.

People of color

Economic downturns are hardest on people who face the most significant barriers to economic opportunity, and the COVID-19 recession is no exception. Just as we saw during the Great Recession,⁶ people of color are far more likely to have been laid off than their white colleagues.

The official unemployment rate for Black working people passed 16 percent in the second

⁶ Patrick McHugh, "Women and People of Color Are Losing Jobs at Higher Rates than White Men Right Now," North Carolina Budget and Tax Center (blog), 2020, https://www.ncjustice.org/publications/women-and-people-of-color-are-losing-jobs-at-higher-rates-than-white-men-right-now/.

quarter of 2020, as did the rate for Hispanic and Latino workers, which is significantly higher than the 12 percent rate for white people. Black and Hispanic or Latino workers also experienced a greater increase in unemployment compared with the level for both groups of people in 2019.

Women

One of the striking differences between the Great Recession and the economic collapse set off by the COVID-19 pandemic is how many more job losses are happening to women. In April 2020, when the largest job losses were occurring, women filed nearly 60 percent of UI claims.7 While the Great Recession hit sectors like manufacturing and construction where men occupy more of the jobs, the COVID-19 recession is hitting occupations like child care, retail, and food service, where women tend to make up a larger share of the workforce. As is so often the case, women of color — being part of two groups that face barriers to economic opportunity — are facing particularly acute job losses during the pandemic.8



Workers who are paid low wages

The axe has fallen hardest on North Carolina workers least able to afford a loss in work and income. Losses since the start of the pandemic have been concentrated in occupations that pay the worst wages.

Over 150,000 jobs disappeared in leisure and hospitality alone between February and June 2020, accounting for over 40 percent of jobs that were lost. With an average wage under \$14 per hour, many of the people who lost their jobs in leisure and hospitality already weren't making enough to support a decent standard of living and had no financial cushion to fall back on. Significant employment losses have occurred in other industries where many people are paid poverty wages, such as health care and social assistance, administrative and waste services, and retail.

⁷ Leila Pederson, "Women More Likely than Men to File for Unemployment in 2020," North Carolina Budget and Tax Center (blog), 2020, <u>https://www.ncjustice.org/</u> publications/women-more-likely-than-men-to-file-for-unemployment-in-2020/.

⁸ Jocelyn Frye, "On the Frontlines at Work and at Home: The Disproportionate Economic Effects of the Coronavirus Pandemic on Women of Color," 2020, <u>https://www.americanprogress.org/issues/women/reports/2020/04/23/483846/frontlines-work-home/</u>.



MANY CORPORATIONS ARE PROFITING WHILE PEOPLE ARE SUFFERING

While much of our attention has rightly been focused on the plight of Main Street businesses and their employees getting hammered by the COVID-19 recession, the pandemic has created a windfall for many of the biggest and most powerful corporations in the United States. These windfalls will largely benefit wealthy white households. They could drive a new wave of corporate buyouts of local businesses, and they will do nothing to help millions of families bearing the brunt of the COVID-19 recession.

Some corporate sectors booming during COVID-19

Increased demand for online purchasing, web services, and other shifts in consumer behavior have created a bonanza for giant corporations that are in a position to exploit these growing markets. In addition, market volatility and uncertainty have created huge profits for many banks and investment managers as wealthy people and companies adjust their portfolios. Seventeen of the top 25 most profitable corporations are expected to rake in \$85 billion more in profits during 2020 than what they averaged in the four years before the pandemic.⁹

Some of the leading household names in corporate America with extensive operations in North Carolina had a good second quarter of 2020, beating projections and many seeing their

⁹ Oxfam, "Who Profits from COVID-19, and How Can We Use That Money to Help Us Get a Vaccine?," 2020, <u>https://www.oxfamamerica.org/explore/stories/who-profits-covid-19-and-how-can-we-use-money-help-us-get-vaccine/</u>.

profits surge over last year, even as families across the country were losing jobs and income. Some notable, but hardly isolated, examples include:

Amazon: Perhaps no company is better positioned than Amazon to take advantage of the COVID-19 crisis. Increased demand for web and delivery services helped to drive Amazon's revenue up 40 percent to nearly \$89 billion in the second quarter of 2020, producing \$5.2 billion in net income.¹⁰

Facebook: The social media powerhouse beat Wall Street projections, taking in revenues of \$18.69 billion in the second quarter of 2020, an 11 percent increase over the second quarter of 2019. The jump in revenue sent Facebook shares up 8 percent.¹¹

Google: Google's parent company Alphabet beat expectations, taking in \$31.6 billion, a small drop from its revenues in the second quarter of 2019, but a surprisingly strong showing given how many advertisers have been forced to pull back during the pandemic.¹²

JP Morgan Chase: The banking behemoth posted an astounding \$4.69 billion in profit for the second quarter of 2020, with revenues of \$33 billion. Part of this massive haul is rooted in the economic uncertainty set off by the COVID-19 crisis, as JP Morgan Chase took in billions in revenue from bond transactions as nervous investors looked for safe harbor.¹³

Bank of America: The banking company's profits of \$3.5 billion exceeded second quarter projections, driven by increased global market trading.¹⁴

Berkshire Hathaway: The multinational company's profits jumped by nearly 90 percent compared with the same quarter in 2019, over \$26 billion.¹⁵

Threat to Main Street North Carolina? Corporate profits drive loss of local companies

A handful of corporations raking in even more cash during the pandemic could further concentrate economic power and make it harder for local businesses to compete. If history is any guide, companies like Amazon, Microsoft, Google, and Facebook will use their growing cash balances to move in on competitors weakened by the pandemic, giving them even more monopoly power over how we shop, search, and communicate with each other.

Seventeen of the top 25 most profitable corporations are expected to rake in \$85 billion more in profits during 2020 than what they averaged in the four years before the pandemic.

¹⁰ Emil Protalinski, "Amazon Reports \$88.9 Billion in Q2 2020 Revenue: AWS up 29%, Subscriptions up 29%, and 'Other' up 41%," VentureBeat (blog), July 30, 2020, https://venturebeat.com/2020/07/30/amazon-earnings-q2-2020/.

¹¹ Rob Price, "Facebook Announces Q2 2020 Earnings - Business Insider," Business Insider, 2020, https://www.businessinsider.com/facebook-q2-earnings-2020-7.

¹² Hugh Langley, "Alphabet Beat Wall Street Expectations in Second-Quarter Earnings but Couldn't Save the Company from Its First Revenue Decline in History," Business Insider, 2020, <u>https://www.businessinsider.com/alphabet-google-q2-earnings-revenue-profit-2020-7</u>.

¹³ Hugh Son, "JPMorgan Shares Jump after Record Trading Revenue Drives Stronger-than-Expected Second Quarter Profit," CNBC, July 14, 2020, sec. Finance, <u>https://www.cnbc.com/2020/07/14/jpmorgan-chase-jpm-earnings-q2-2020.html</u>.

¹⁴ Saloni Sardana, "Bank of America Beats Second-Quarter Earnings Estimates, and Reports an 81% Increase in Global Markets Income | Markets Insider," Markets Insider, 2020, https://markets.businessinsider.com/news/stocks/bank-of-america-2q-earnings-2020-revenues-beat-forecasts-2020-7-1029401093.

¹⁵ Associated Press, "Profit up 87% at Buffett's Berkshire, but Coronavirus Slows Businesses," MarketWatch, 2020, sec. Industries, <u>https://www.marketwatch.com/story/profit-up-87-at-buffetts-berkshire-but-coronavirus-slows-businesses-2020-08-08</u>.

We saw a similar process play out in the wake of the Great Recession when remote investors flush with cash bought up homes that families lost to foreclosure during the economic collapse. If we sit idly by, the same thing could play out on Main Street across North Carolina as corporations and investors swoop in to buy up local businesses and commercial real estate that have been rocked by the COVID-19 recession.

Corporate profits benefit wealthy, older white people

It's no secret that corporate earnings overwhelmingly benefit wealthy, older white people, but the disconnect between how corporations are doing during the COVID-19 pandemic and most people's bank accounts is staggering. Dividends and increased stock value for corporations that are seeing a windfall from COVID-19 will do little or nothing to help most people who are experiencing the worst economic harm from the pandemic.

Benefits from COVID-19 corporate windfalls will overwhelmingly go to very wealthy households. The richest 1 percent of American households controls over half of the total stock



and mutual fund wealth in the United States. To put that in context, it would take nearly 3,600 households in the bottom 50 percent by net wealth to equal the stock and mutual fund holdings of just one household in the top 1 percent. The top 10 percent owns nearly \$9 out of every \$10 of that wealth, leaving just 12 percent for everyone else.

People of color will see almost no benefit from corporate earnings. White households control more than 90 percent of all stock and mutual fund wealth in the country, leaving only 2 percent each for Black and Hispanic households, respectively.

Stock ownership is also out of reach for many people in the most recent generations. A combination of lower pay, increased student debt, and other rising prices have prevented most Generation X and Millennial people from acquiring any meaningful wealth in stocks. Collectively, the Silent Generation and Baby Boomers control nearly 85 percent of the stock and mutual fund wealth in this country.

Taken together, these data show just how few of the people bearing the brunt of the

COVID-19 recession will benefit from corporate windfalls. Women, people of color, and younger generations will see little upside as a handful of corporations and wealthy shareholders gain from the worst economic collapse in decades.





Figure 10: Most stock wealth held by older generations

(Share of corporate stocks and mutual fund shares head by generation, 1Q 2020)



CHAPTER 2

THE RACIST AND DEHUMANIZING ROOTS OF THE AMERICAN ECONOMY

one of the conditions that working people are facing in the COVID-19 crisis happened by accident. To fully understand why so many working people are being forced into unsafe working conditions and tossed aside by companies protecting their bottom lines, we need to look at how we got here.

The United States' unique brand of capitalism is steeped in our history of slavery, exploitation of working people of all races, and the persistent stain of white supremacy. While it's impossible to fully explore the historical legacies reflected in the mirror that COVID-19 is holding up to our country, it's worth connecting some of the dots between what we see happening during this pandemic to the foundations on which our economy was built.

TURNING PEOPLE INTO MACHINES: FROM THE INDUSTRIAL REVOLUTION TO THE GILDED AGE

You can hear the echo of the pre-industrial British economy in many common last names today: Baker, Smith, Brewer, Wainwright, Fisher, and more reflect a time when people's value to their communities was woven into their very names. The artisan craft economy, which existed before the Industrial Revolution emerged in England, created something like what we now call the middle class — people who were able to support their families and were recognized for their role in making their communities function.

The Industrial Revolution changed all that. Unable to compete with cheap manufactured goods, artisans who once enjoyed some economic security and standing in their communities were forced into urban slums and deadly working conditions, where their work was used to create fortunes for a new crop of wealthy tycoons. Global standards of living have certainly increased due to the Industrial Revolution, but when left unchecked, industrialization and automation have a nasty tendency to enrich a fortunate few while leaving millions of people struggling to survive. Many of the Industrial Revolution's inventors saw their projects lead to a world of greater material abundance, but their work also created entirely new systems of exploitation and oppression.

Interchangeable parts made people disposable

The Industrial Revolution was made possible through the innovation of interchangeable parts. Standardizing machine parts permitted factories to grow in scale, allowed industrial machinery to become more complex, and made profound increases in productive efficiency possible.

The same logic, however, soon extended to the people running the machines. Instead of artisans being responsible for all stages in making goods, the production process was deconstructed into discrete stages with workers repeating the same small task. In the process, workers became interchangeable parts that plant operators could swap out if they were injured, killed, or left the factory. It was often cheaper, and therefore more profitable, to replace workers who were injured or killed on the job than to create a safer working environment.

SLAVERY AND THE BIRTH OF AMERICAN CAPITALISM

Perhaps no invention in human history has simultaneously produced more comfort and suffering than the cotton gin. Eli Whitney's device helped to clothe the world and raise the global standard of living, but it also fueled the expansion of the plantation economy and led to industrialized textile manufacturing where to this day adults and children work in oppressive and dangerous conditions.

First patented in 1794, the cotton gin was the kerosene on the fire of slavery, transforming the global economy and eternally linking the growth of commerce in the United States to the institution of human bondage. By automating the most labor-intensive part of preparing cotton for manufacturing, the cotton gin propelled the growth of the plantation system and enslavement.

People outside the South often think of slavery as a uniquely regional legacy, failing to recognize just how much of the United States' economic rise was rooted in slavery. From sea to shining sea, American wealth was built on the violence and exploitation of slavery.

American financial institutions financed, insured, and profited from slavery

Our nation's financial institutions and plantations in the late 18th and early 19th centuries needed each other. Expanding the plantation system westward to exploit the booming global demand for cotton took lots and lots of capital. Land had to be cleared, newly enslaved people were captured and brought to the United States, settlements were erected, equipment was purchased, transportation infrastructure was put in place, and so on. Without loans and insurance, none of this would have been possible.

Many of these financial services were provided by banks and insurance companies located in the northern United States, which also meant that much of the profit from the slave economy flowed northward. By some estimates, New York banks, shipping businesses, and insurance companies collectively took in 40 percent of the revenue associated with U.S. cotton.¹⁶ Capital northern financial institutions used profits from financing plantations and slavery to invest in industry, transportation, and other development projects north of the Mason-Dixon line, further connecting the foundations of the country's early industrial growth to the institution of slavery.

Northern industrialization and commercial development were spurred by plantation cotton

The early growth of the United States' industrial base in the Northeast was deeply

16 Zoe Thomas, "The Hidden Links between Slavery and Wall Street," BBC News, August 29, 2019, sec. Business, https://www.bbc.com/news/business-49476247.

The factory system is one of the worst and cruelest things ever invented to pamper the rich at the expense of the poor. It fattens them, melts their flesh off their bones. It clothes them in grand raiment, and bids us shiver in rags. It brings all indulgences within their reach, and kills the industrious creatures whose toil provides them." — 19th century novelist **Charlotte Elizabeth** Tonna in Helen Fleetwood.

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connected to slavery. The first mechanized textile mills were established in Rhode Island and Massachusetts in the 1790s, and by the time the Civil War broke out, the industry had

"Cotton offered a reason for entrepreneurs and inventors to build manufactories in such places as Lowell, Pawtucket, and Paterson, thereby connecting **New England's Industrial Revolution** to the advancing plantation frontier of the Deep South." Sven Beckert and Seth Rockman from Slavery's Capitalism: **A New History of** American Economic **Development.**

usetts in the 1790s, and by the time the Civil War broke out, the industry had ballooned to more than 1,200 mills, mostly in the North, that all relied on cotton grown and harvested by people living in slavery.¹⁷ The early build out of mechanized textile mills also served as the foundation of industrializing other northern industries. Experience and technology developed to mechanize cotton mills was soon applied to a range of industries, like metal production and farming equipment, where large factories replaced smaller local shops.

"Cotton offered a reason for entrepreneurs and inventors to build manufactories in such places as Lowell, Pawtucket, and Paterson, thereby connecting New England's Industrial Revolution to the advancing plantation frontier of the Deep South,"¹⁸ Sven Beckert and Seth Rockman wrote in *Slavery's Capitalism: A New History of American Economic Development.*

The United States' early emergence from relative economic backwater to global player rested primarily on its role as cotton producer for industrializing Europe. Cotton rapidly emerged as the largest globally traded commodity of the day and greatly expanded trade between the United States, Europe, and the rest of the world. By the early 1860s, the United States supplied more than three-quarters of all cotton used in England's mills, 90 percent of France's, and 92 percent of Russia's.¹⁹ While the cotton was grown in the South, many of the trading companies that moved it around the world were based in New England.

Using enslaved people as subjects for experiments in 'scientific' management

A growing body of literature documents the role that Southern plantation owners played in creating the field of modern "scientific" production management. When cotton prices plummeted below 10 cents per pound in the early 1800s and again in the 1840s,²⁰ plantation owners became obsessed with squeezing more production out of fewer bodies. Some evidence that increasing productive efficiency — which in the plantation context inevitably escalated violence and harsh working conditions for enslaved people — was partially driven by the need to repay debt, often to financial institutions in the North.²¹

One of the key innovations that reverberates to this day is the deconstruction of work into a series of "tasks," which could be quantitatively measured and used to create quota systems. While Fredrick Winslow Taylor's 1911 book *The Principles of Scientific Management*²² was long viewed as the genesis of modern management, the practices measuring how fast workers completed discrete tasks, and creating reward or punishment regimes around meeting

^{17 &}quot;The First American Factories," in US History.org, accessed July 21, 2020, https://www.ushistory.org/us/25d.asp.

¹⁸ Sven Beckert and Seth Rockman, Slavery's Capitalism A New History of American Economic Development (Philadelphia, PA: University of Pennsylvania Press, 2016).

¹⁹ Sven Beckert, "Empire of Cotton," The Atlantic, December 12, 2014, <u>https://www.theatlantic.com/business/archive/2014/12/empire-of-cotton/383660/</u>.

 [&]quot;Cotton Prices More Stable in Recent Years," Farm Progress, February 1, 2002, <u>https://www.farmprogress.com/cotton/cotton-prices-more-stable-recent-years</u>.
John J. Clegg, "Credit Market Discipline and Capitalist Slavery in Antebellum South Carolina," Social Science History 42, no. 2 (ed 2018): 343–76, <u>https://doi.</u>

org/10.1017/ssh.2017.39.

²² Fredrick Winslow Taylor, The Principles of Scientific Management (Harper, 1911).

quotas were born on the plantation.²³

Many of the production management practices first developed on plantations, particularly those focused around maximizing worker efficiency, were part of what gave rise to the General Textile Strike of 1934 (see page 30 for more discussion). A new breed of production consultants used "stretch-out"²⁴ tactics, seeking to squeeze more productivity out of every second that workers were on the job, often at the expense of their safety. While a far cry from the violence of slavery, a clear lineage exists of treating people as interchangeable parts whose productivity must be maximized until they wear out and can be discarded.

Slavery shaped modern business practices

Many of the core accounting practices that companies use today were first created by plantation owners to manage their ownership of human beings. While hardly as monstrous as applying these tools to people, the cold calculous of how to allocate capital and make investment decisions that goes on in corner offices in 2020 can be traced back to Southern plantations.

Accounting practices grown on the plantation: "But by the 1840s, planters were depreciating their slaves. They appraised their inventory at market value, compared that with its past market value to assess appreciation or depreciation, calculated an allowance for interest, and used this to determine their capital costs. In a sense, they were marking slaves to market. It's really as sophisticated as what most firms do today,"²⁵ wrote Caitlin Rosenthal in "Plantations Practiced Modern Management Practices," Harvard Business Review.

The legal structure used by the biggest U.S. corporations today was first invented to take advantage of business opportunities created by slavery. The need to gather enough capital to build and operate large-scale textile manufacturing in the early 19th century is what led to the invention of the limited liability corporation. Instead of being owned by a few partners, this new corporate structure allowed investors to jointly own stock and not be personally liable for any debts incurred by the company. One of the first prominent examples, the Boston Manufacturing Company, was an early example of vertical integration where each stage of turning cotton into completed textile goods was done by a single company.²⁶ The success of this business structure made possible by Southern cotton would ultimately make corporations the favored business structure for the United States' growing industrial economy.

..... "But by the 1840s, planters were depreciating their slaves. They appraised their inventory at market value, compared that with its past market value to assess appreciation or depreciation, calculated an allowance for interest, and used this to determine their capital costs. In a sense, they were marking slaves to market. It's really as sophisticated as what most firms do today."— Caitlin **Rosenthal from "Plantations Practiced Modern Management** Practices," Harvard **Business Review**

²³ Caitlin Rosenthal, Accounting for Slavery (Harvard University Press, 2018), https://www.hup.harvard.edu/catalog.php?isbn=9780674972094.

²⁴ Stephen Wallace Taylor, "Stretch-Out," in South Carolina Encyclopedia (University of South Carolina, Institute for Southern Studies, 2016), <u>http://www.scencyclopedia.org/sce/entries/stretch-out/</u>.

²⁵ Caitlin Rosenthal, "Plantations Practiced Modern Management," Harvard Business Review, September 1, 2013, <u>https://hbr.org/2013/09/plantations-practiced-modern-management</u>.

²⁶ Amy Green, "Francis Cabot Lowell and the Boston Manufacturing Company," Charles River Museum, accessed July 21, 2020, <u>https://www.charlesrivermuseum.org/</u> francis-cabot-lowell-and-the-boston-manufacturing-company.

CHAPTER 3

THE NEW DEAL AND THE RETALIATION OF WHITE SUPREMACY

he Great Depression revealed the precarious condition of prosperity in the United States and required the federal government to step into the breach in a way it never had before. After the Hoover Administration failed to curb the suffering unleashed by the stock market collapse of 1929, the Roosevelt Administration entered office with the task of rebuilding a country on the ropes. The New Deal reformed working conditions for millions of people and helped to rewrite our assumptions about what working people deserve.

While undoubtedly an enormous leap forward, the New Deal did little to immediately undermine white supremacy. Southern members of Congress protected their system of racial economic oppression by inserting provisions that effectively prevented most Black people in the South from enjoying the protections and benefits of the New Deal. Some of these racist elements of law have subsequently been amended, but many remain with us to this day.

KEY PILLARS OF WORKER AGENCY AND PROTECTION

The New Deal did not drop out of thin air. Throughout the 1800s and the first decades of the 20th century, working people from a multitude of backgrounds fought, bled, and died to get our country to live up to its founding ideals. When the crisis of the Great Depression arrived, a series of movements had been building up power to demand for the core pillars of the New Deal, including a minimum wage, restrictions on how many hours people could be forced to work, child labor laws, unemployment insurance, and the right to organize in the workplace. These and other reforms gave working people more power in their efforts to secure decent treatment and shifted many of our assumptions about what employers owe to the people who work for them.

National Labor Relations Act (1935)

The National Labor Relations Act (NLRA) remains one of the most important steps forward for working people in U.S. history. Passed in 1935, the NLRA established working people's right to organize and outlawed many of the abusive practices that captains of industry previously used to defeat organizing efforts. The decades before the NLRA were littered with examples of wealthy business owners regularly deploying private armies — often aided by local law enforcement — to intimidate, attack, and kill working people who were asking for decent pay and treatment. Business interests also had a free hand to fire and blacklist workers who stood up for themselves, infiltrate worker organizing efforts, and use a host of other dirty tricks to hold working people down.

While the NLRA was far from perfect (see below), the fact remains that we don't often see news articles today about private "detectives" and law enforcement gunning down striking workers en masse. Instead, labor disputes are more often resolved over the bargaining table

.....

than through physical violence, and people represented by unions have far more power in securing a good deal from their employers.

Fair Labor Standards Act (1938)

Some of the most basic protections that many working people take for granted today were completely absent before the Fair Labor Standards Act (FLSA) of 1938. If you've ever enjoyed a weekend, played as a child instead of laboring in the workforce, received overtime pay, or always been paid at least the federal minimum wage, the FLSA is likely a big part of why.

Wealthy special interests always attack even the most basic protections: The tradition of special interests attacking worker protections as unjust and unworkable is hardly new. The basic rights and protections in the FLSA were roundly assailed by business interests of the time in similar terms we often see used today to attack the minimum wage, workplace safety, and environmental regulations. As President Franklin D. Roosevelt observed when the FLSA was passed, "Without question it starts us toward a better standard of living and increases purchasing power. ... Do not let any calamity-howling executive with an income of \$1,000 a day, who has been turning his employees over to the government relief rolls in order to preserve his company's undistributed reserves, tell you ... that a wage of \$11 a week is going to have a disastrous effect on all American industry."²⁷

The FLSA was certainly not perfect. As with the National Labor Relations Act, segregationist members of Congress prevented most Black working people in the South from benefitting by excluding agricultural and domestic workers. Many of these holes in worker protections are still in place today. The act also failed to tie the minimum wage to inflation, and salaried positions are increasingly used to skirt overtime laws. Despite these and other limitations, the FLSA fundamentally transformed the nature of work in the 20th century.

Occupational Safety and Health Act (1970)

It may seem hard to believe, but no universal federal system regulated health and safety in the workplace until 1970. Legislation dating back to the Railroad Safety Appliance Act of 1893 addressed specific dangers in particular industries, and a patchwork of state workers' compensation laws created some burden for employers who failed to protect their workers. However, there was no overarching national system requiring employers to create safe workplaces until just a few decades ago.

The Johnson Administration proposed a bill in 1968 to regulate workplace safety, but the legislation never made it out of committee largely due to opposition from the U.S. Chamber of Commerce and National Association of Manufacturers. Throughout much of 1969 and 1970, Congress worked through competing approaches to regulating workplace safety, resulting in the Occupational Safety and Health Act, which was signed into law by President

"Do not let anv calamity-howling executive with an income of \$1,000 a day, who has been turning his employees over to the government relief rolls in order to preserve his company's undistributed reserves, tell you ... that a wage of \$11 a week is going to have a disastrous effect on all American industry." — President Franklin **D.** Roosevelt.

²⁷ Franklin D. Roosevelt, "Fireside Chat, June 24, 1938," 1938, <u>https://millercenter.org/the-presidency/presidential-speeches/june-24-1938-fireside-chat-13-purging-democratic-party.</u>

Nixon in December 1970. The compromise bill created the Occupational Health and Safety Administration (OSHA) within the U.S. Department of Labor to develop and enforce workplace safety regulations that are specific to different types of work environments.

We don't miss it until it's gone: Failure of OSHA during COVID-19

S till seen as a nuisance by many employers (and even some working people sitting through an OSHA training), the importance of OSHA is all the clearer when it fails to act. The Trump Administration and NC Occupational Safety and Health have refused to issue binding guidelines or regulations around what business owners' responsibilities are to protect their employees from COVID-19. An even more flagrant dereliction of duty is a blanket refusal to genuinely investigate complaints brought by employees who are being put in harm's way at their workplaces.

The tendency to treat working people as disposable tools is on full display during the COVID-19 outbreak in many of North Carolina's meat processing plants, already some of the most dangerous workplaces in our state. Facilities across North Carolina and the country have become hotspots of COVID-19 transmission because employers have failed to adequately protect workers from infection and have discouraged workers from taking time off. To make matters even worse, many meat processing companies are pushing for the authority to speed up production lines, which makes following guidance related to social distancing impossible and would further increase the risk of serious accidents in an already dangerous occupation.

WHITE SUPREMACY WON'T GO WITHOUT A FIGHT

Racism, both overt and subtle, is among the most powerful weapons that rich business interests have ever wielded against working people. Many of the laws that have left working people's lives and livelihoods at risk during COVID-19 were originally passed to preserve white supremacy, particularly in the South. With ruthless precision, white supremacist state and federal legislators have undermined working people's ability to unite across racial lines to secure a bigger part of the economic pie.

"Our needs are identical with labor's needs — decent wages, fair working conditions, livable housing, old age security, health and welfare measures, conditions in which families can grow, have education for their children and respect in the community. That is why Negroes support labor's demands and fight laws which curb labor. That is why the labor-hater and labor-baiter is virtually always a twin-headed creature spewing anti-Negro epithets from one mouth and anti-labor propaganda from the other mouth," said the Rev. Martin Luther King Jr. in a 1961 speech to AFL-CIO.²⁸

²⁸ Dr. Martin Luther King, "1961 Speech to the AFL-CIO," https://hornbakelibrary.wordpress.com/2016/01/18/martin-luther-king-jr-s-speech-to-afl-cio/.

Right to work (for less)

Early proponents of what were branded "right-to-work" laws weren't shy about their racist motivations. Seeing how integrated union organizing could upend the system of subjugation that Southern business elites relied on to maintain their economic power, they stoked racial fears among white workers and legislators. One of the most powerful lobbyists of the day, Vance Muse, was particularly plain-spoken about what he was up to, saying, "White women and white men will be forced into organizations with Black African apes whom they will have to call 'brother' and 'sister' or lose their jobs."²⁹ Backed by Southern business elites, Muse's organization, the Christian American Association, played a key role in pushing through the first wave of right-to-work laws during the 1940s.

The North Carolina General Assembly took its first step to stamp out worker organizing in 1947 by passing a bill prohibiting union shops from automatically enrolling new employees. Labor agreements that required new employees to join unions had been key to preserving unions' bargaining position and preventing non-union workers from benefitting from union contracts without paying union dues. Passed through both the NC House and Senate on voice votes so elected representatives could dodge responsibility for assailing working people's ability to organize, the bill dramatically undermined unions' ability to counter-balance the power of white supremacist business owners. Decades later, this piece of legislation is a major reason North Carolina has one of the lowest unionization rates in the country.

Unions were recognized as a threat to white supremacy: "Among other things, they propose to overthrow white supremacy in the South and vote great masses of the ignorant for their foul purposes."³⁰ — North Carolina Sen. Josiah Bailey on how he perceived the ambitions of the Congress of Industrial Organizations, which had successfully organized tens of thousands of Black and white workers in North Carolina.

North Carolina went farther in 1959 with a ban on public sector unionizing, a prohibition that stands today. As was the case for many of these laws, racial fears were woven into the campaign. As N.C. State University historian David Zonderman observed, "Spurred by fears of union corruption, communism, and (gasp) Black and white people organizing together for better jobs and higher wages, the North Carolina legislature imposed a prohibition on public workers collectively bargaining for a legal contract."³¹ Now in the time of COVID-19, public servants deserve more leverage to demand adequate health protections, hazard pay, and other measures that would insulate them from the worst impacts of this pandemic.

"Our needs are identical with labor's needs — decent wages, fair working conditions, livable housing, old age security, health and welfare measures, conditions in which families can grow, have education for their children and respect in the community. That is why Negroes support labor's demands and fight laws which curb labor. That is why the labor-hater and laborbaiter is virtually always a twin-headed creature spewing anti-Negro epithets from one mouth and anti-labor propaganda from the other mouth." — the Rev. Martin Luther King Jr., 1961 speech to AFL-CIO.

²⁹ Pablo Ros, "The Racist Roots of Right to Work" (American Federation of State, County, and Municipal Employees, n.d.), <u>https://www.afscme.org/blog/the-racist-roots-of-right-to-work</u>.

³⁰ Josiah Bailey, "Congressional Record: Proceedings and Debates of the 80th Congress, First Session" 93, no. 10 (1947): A603.

³¹ David Zonderman, "A Last Vestige of the Jim Crow Era," NC Policy Watch (blog), April 29, 2009, <u>http://www.ncpolicywatch.com/2009/04/29/a-last-vestige-of-the-jim-crow-era/</u>.

No New Deal for most Black people in the South

Having gotten rich by exploiting Black labor and preserving conditions not so far removed from outright slavery, Southern business elites correctly saw the New Deal as a direct threat to

"As a result, these new arrangements were friendly to labor but unfriendly to the majority of African Americans who lived below the Mason-**Dixon line. Without** this fine-tuning, a majority of Southern blacks might have had access to protections negotiated by unions that would have quite shaken the political economy of segregation." — Ira Katznelson from When Affirmative Action Was White: An Untold Story of Racial Inequality in Twentieth Century America.

white supremacy. Terrified at the prospect of losing their ability to use economic and physical violence to control Black people in the South, business tycoons and their elected representatives set about inserting poison pills into virtually every meaningful piece of New Deal legislation to ensure that most Black people in the South would not benefit. Southern Democrats occupied many of the committee chairs of the New Deal Congresses and used their positions to perpetuate conditions of Black servitude.³² President Roosevelt knew that Southern members of Congress would stop all of his New Deal plans if his proposals undermined Jim Crow, so he bought their cooperation at the expense of Black people in the South.

The most common way to exclude the Southern Black community was to exempt agricultural and domestic workers from many of the new protections and economic benefits. Because at the time the overwhelming majority of Southern Black people worked either in the fields or domestic service, these provisions effectively put most Black people beyond the reach of the new worker protections and economic safeguards in the New Deal. Domestic and agricultural exemptions included:

- **Right to Organize (The National Labor Relations Act, 1935):** Domestic and agricultural workers still lack the protection of the right to form unions and negotiate for better treatment.
- **Social Security Retirement Accounts (Social Security Act, 1935):** While it was later changed, domestic and agricultural workers initially were not permitted to develop accounts to draw on in old age.
- Unemployment Insurance (Social Security Act, 1935): Agricultural and domestic workers originally were not permitted to access Unemployment Insurance benefits.³³
- Minimum Wage and Overtime (The Fair Labor Standards Act, 1938): Agricultural and domestic workers were exempted from the national minimum wage standards and overtime requirements. Agricultural workers continue to be exempt from overtime, and workers on small farms are exempt from the minimum wage requirements.

"As a result, these new arrangements were friendly to labor but unfriendly to the majority of African Americans who lived below the Mason-Dixon line. Without this fine-tuning, a majority of Southern blacks might have had access to protections negotiated by unions that would have quite shaken the political

economy of segregation,"34 Ira Katznelson wrote in When Affirmative Action Was White: An

³² Juan F. Perea, "The Echoes of Slavery: Recognizing the Racist Origins of the Agricultural and Domestic Worker Exclusion from the National Labor Relations Act," SSRN Electronic Journal, 2010, https://doi.org/10.2139/ssrn.1646496.

³³ Larry DeWitt, "The Decision to Exclude Agricultural and Domestic Workers from the 1935 Social Security Act," Social Security Administration Research, Statistics, and Policy Analysis 70, no. 4 (2010), <u>https://www.ssa.gov/policy/docs/ssb/v70n4/v70n4p49.html</u>.

³⁴ Ira Katznelson, When Affirmative Action Was White: An Untold History of Racial Inequality in Twentieth-Century America. (New York, NY: W.W. Norton & Company, 2005).NY: W.W. Norton & Company, 2005

Untold Story of Racial Inequality in Twentieth Century America.

As noted above, some of the exceptions have been reversed, but some persist even now generations later. This legacy has continued to deprive farm and domestic workers on the frontlines of COVID-19 of the basic protections that many people take for granted. "Many farm and domestic workers are modern-day slaves, a characterization borne out by numerous and recent federal prosecutions for involuntary servitude, i.e., slavery, occurring within these occupations."³⁵

Southern legislators went even further to prevent Black people from accessing Unemployment Insurance (UI) benefits created through the Social Security Act of 1935. Instead of having a truly national system to support workers who lost their jobs through no fault of their own, states were given broad authority to shape UI benefits, including the maximum weekly payment and the number of weeks that benefits can be paid out. In addition, the program is administered at the state and local levels, which gave Southern officials the power to deny benefits to unemployed Black workers. These provisions continue to give the state legislature enormous control over UI benefits and are part of why working people in North Carolina are treated worse than they would be in many other states.

³⁵ Perea, "The Echoes of Slavery."

CHAPTER 4

THE POWER FOR CHANGE IS HERE

Ur current moment offers a choice between two paths. We can either allow wealthy business interests to tighten their grip on our nation and our economy, or we can take another leap forward toward an economy that works for everyone, not just the wealthy, privileged, and white. Every protection that working people have today came from organizing in the past, often against seemingly impossible odds and with life and death stakes. North Carolina has produced generations of working leaders who refuse to be treated as less than human, and that proud tradition is alive and well in this moment. These are scary times to be sure, but they also are strengthening working peoples' resolve to create a better future for themselves and generations of future workers.

UNIONS ARE EVEN MORE VITAL DURING TIMES OF CRISIS LIKE COVID-19

"There's strength in a union."

Unions make it a lot harder for big companies to suppress wages and put workers' lives in danger. Moments of crisis show even more keenly how unions protect the economic and physical well-being of their members. People with union protection generally entered the pandemic in better financial shape, and they have a vital ally making sure that their health is taken seriously.

Better pay

Being part of a union is one of the best routes to economic security. On average, unionized workers earn over 13 percent more than non-unionized workers doing the same jobs with the same levels of education and experience.³⁶

Undermining unions helps wealthy elites and corporate interests siphon off much of the wealth that our economy generates. Up until the New Deal, fewer than one in five U.S. workers belonged to a union, and over 40 percent of the nation's income went to the most fortunate 10 percent. The explosion of unionization and increased bargaining power made possible by the National Labor Relations Act pushed unionization rates above 30 percent, and working people saw much more of the wealth they were creating. While still top-heavy, the distribution of wealth following World War II was as equal as it has ever been. Subsequent attacks undermining union rights have helped to return the country to an economy just about as top-heavy as the early 20th century.³⁷

This story is not unique to the United States. Countries where unionization has declined over the last few decades have seen the rich get richer, while developed nations where unions have

37 Bivens et al

³⁶ Josh Bivens et al., "How Today's Unions Help Working People: Giving Workers the Power to Improve Their Jobs and Unrig the Economy," 2017, <u>https://www.epi.org/</u> publication/how-todays-unions-help-working-people-giving-workers-the-power-to-improve-their-jobs-and-unrig-the-economy/.



retained more of their power generally have lower levels of inequality.³⁸

Inequality can seem like an abstract idea, but its consequences become strikingly clear when a crisis like COVID-19 comes along. A lack of living wages has left millions of North Carolinians with little or no financial cushion to fall back on when the COVID-19 recession hit. Over 40 percent of North Carolinian households lacked the accessible savings needed to survive for three months above the poverty line before the pandemic,³⁹ making any loss of employment or income an immediate financial crisis. If more North Carolinians had been working for union wages, then families and our state would have been better prepared to weather the current economic storm.

Unions keep working people healthy

Increased unionization brings a greater likelihood that workers will have paid sick leave,

³⁸ Florence Jaumotte and Carolina Buitron, "Inequality and Labor Market Institutions" (International Monetary Fund, 2015), <u>https://www.imf.org/en/Publications/</u> <u>Staff-Discussion-Notes/Issues/2016/12/31/Inequality-and-Labor-Market-Institutions-42987.</u>

^{39 &}quot;Prosperity Now Scorecard" (Prosperity Now, 2020), https://scorecard.prosperitynow.org/data-by-location#state/nc.



Figure 12: Unionization brings essential compensation that ensures health, well-being

health insurance coverage, and other essential compensation to ensure that health and well-being is supported and not put at risk simply by going into work. Lacking these protections is often a life and death reality — right-to-work laws have increased workplace deaths by 14 percent compared with states that do not have laws designed to undermine unions.⁴⁰

One vital feature of unions, particularly during times of upheaval such as the COVID-19 pandemic, is the ability of working people to negotiate the terms of their work with their employers and to access a grievance process in the event of a problem between employees and employers. The rights and protections of unions are governed by the National Labor Relations Act and the National Labor Relations Board (see pages 20-21 for more on the NLRA and NLRB).

Unions in North Carolina today

Despite sustained efforts to undermine unionization, more than 100,000 North Carolina workers were union members in 2019, and unions represented the interests of 150,000 working people across the state.⁴¹ Even more North Carolinians are supported by organizations like the North Carolina Association of Educators, the Farm Labor Organizing Committee, and public employee associations that provide some of the functions that unions traditionally perform.

Workers and labor organizations in North Carolina are engaged in a number of ongoing efforts to unionize non-traditional workplaces. The Service Employees International Union (SEIU) is waging a multi-year campaign to organize fast food workers, child care providers,

⁴⁰ Michael Zoorob, "Does' Right to Work' Imperil the Right to Health? The Effect of Labour Unions on Workplace Fatalities," Occupational and Environmental Medicine 75, no. 10 (October 1, 2018): 736–38, https://doi.org/10.1136/oemed-2017-104747.

⁴¹ Bureau of Labor Statistics, "Union Affiliation of Employed Wage and Salary Workers by State," 2019, https://www.bls.gov/news.release/union2.t05.htm.

home health aides, and other low-wage workers in North Carolina to demand a \$15 an hour wage and union representation. Graduate students, nonprofit employees, and university staff also have increasingly begun to organize under the banner of labor unions.

NORTH CAROLINA WORKING PEOPLE — PAST AND PRESENT — ARE BUILDING POWER FOR CHANGE

North Carolina's history is rich with examples of working people organizing to demand dignity in the workplace and economic security for their families. From union organizing to strikes and protests, North Carolinians have long understood the value of working together to confront unsafe and inhumane conditions on the job. Particularly in the face of a global pandemic, it's of vital importance to celebrate how working North Carolinians — past and present — have changed their lives for the better.

Strikes

Strikes are an extremely powerful way for working people to show their collective strength by withholding their work, disrupting the operations of an employer, or both. While often associated with unionized workforces, many groups of non-unionized working people in North Carolina have deployed strikes to push back against problems in their workplaces.

1619: the year slavery and political labor organizing came to America

The civil rights and labor rights movements in the United States have a complicated history dating back to the very foundations of the country. The first labor strike in what would become the United States took place in 1619, the year that the first enslaved African people were brought to these shores. While historical records are sketchy, it appears Polish craftsmen put down their tools demanding the right to vote in the English colony of Jamestown, Virginia, and were ultimately granted suffrage that previously had been extended only to English settlers.⁴² At the very least, it's a remarkable historical coincidence that the first strike to secure political rights happened the same year that slavery began on this continent, speaking to the deep connections between race, labor organizing, and building political power for reshaping the United States.

The centuries between 1619 and now are full of moments of alignment between the struggle for racial justice and labor organizing, as well as cases where racial divisions were used to undermine both movements. Given the long and intertwined relationship between race and the condition of all working people, it is no accident that many of the most powerful labor actions have explicitly worked to overcome white supremacy and build cross-racial power among working people.

^{42 &}quot;Polish Artisans Strike for the Right to Vote, Jamestown, Virginia, 1619, Global Nonviolent Action Database," in Global Nonviolent Action Database, accessed August 10, 2020, <u>https://nvdatabase.swarthmore.edu/content/polish-artisans-strike-right-vote-jamestownvirginia-1619</u>.

• Fight for \$15

Today, the work of Fight for \$15 provides one of the most powerful examples of how strikes aim to transform working conditions. A campaign of the Service Employees International Union (SEIU), Fight for \$15 is working to organize fast food, child care, and home care employees in North Carolina and across the United States to combat low wages and poor benefits. The campaign has deployed strikes in various cities to bring public and media attention to exploitative labor practices, including low pay, wage theft, lack of paid sick days and paid leave, sexual harassment, and workplace discrimination.

General Textile Strike of 1934

North Carolinians played an underappreciated role in securing many of the basic protections that working people across the country enjoy today. The General Textile Strike of 1934 was the largest work stoppage in the United States at that point and played a pivotal role in the creation of the National Labor Relations Act.

Fed up with stretch-out practices to boost productivity — practices that have roots in plantation-style time management — 400,000 textile mill workers up and down the Eastern Seaboard walked off the job. Striking workers demanded decent pay and an end to oppressive working conditions. Roughly 65,000 North Carolina textile workers participated in work stoppages in September 1934, drastically expanding labor organizing,^{43 44} with many new members coming from Southern cotton mills where working people previously had little or no organized voice at the bargaining table.

Mill owners, particularly in the Southern states, responded with violence, threats, and retaliation against organizing leaders. The actions of mill owners, the plight of mill workers, and the threat to the nation's economy at large helped convince President Roosevelt and many leaders in Congress that industry leaders could not be trusted to negotiate peaceably with their workers. This concern ultimately led to creating the National Labor Relations Board to protect workers' right to organize and mediate labor disputes. In a cruel twist of historical irony, Southern workers helped to usher in an era of unionization that provided far more benefits to working people in other parts of the country. Workers in North Carolina effectively used the leverage provided by the NLRA to secure better pay and working conditions for several years, but state legislation passed in 1947 substantially undermined the ability of unions to secure concessions from business owners in North Carolina.

Local 22: Building multiracial worker power in Jim Crow North Carolina

One chapter of North Carolina history to keep close to mind during these difficult times is the story of Local 22, one of the most remarkable and unlikely examples of working people fighting for their rights.

Winston-Salem in the 1940s was a company town. Three families effectively ruled over the economic and political life of the city, and they enforced a strict racial and class hierarchy.

⁴³ Jonathan Murray, "Textile Strike of 1934," in North Carolina History Project, accessed July 18, 2020, <u>https://northcarolinahistory.org/encyclopedia/textile-strike-of-1934/</u>.

⁴⁴ Special to People's World, "Today in Labor History: 1934 Textile Workers Strike Begins," People's World (blog), September 18, 2012, https://www.peoplesworld.org/article/today-in-labor-history-1934-textile-workers-strike-begins/.

Against all odds, Local 22 became one of the most successful organizing efforts in North Carolina history. While the gains were only partial, and some were eroded by the elites' efforts to break the growing base of worker power, the episode helped chart a path forward and remains a shining example of what is possible when working people fight for justice.

Efforts to organize started in 1941 and reached a crucial moment in June 1943 when workers in the R.J. Reynolds Tobacco Company, led by women who worked stemming tobacco leaves, staged a sit-down strike. The strike quickly spread to other parts of the R.J. Reynolds facility, grinding production to a halt and sparking stoppages in nearby companies. When workers voted to ratify Local 22 of the Food, Tobacco, Agriculture, and Allied Workers, it became one of the largest multiracial unions anywhere in the country. Negotiations with R.J. Reynolds management ultimately secured significant concessions, including recognizing legal holidays, seniority-based promotions, bathroom breaks, and a more robust process for addressing worker grievances.⁴⁵

Local 22 was also remarkable in being decidedly more egalitarian than many other unions, with representatives of the lowest paid occupations having the same vote in union decisions as their peers with more technical and better paid positions. From the earliest moments of the first strike in 1943, women were far more prominent in Local 22's leadership than most unions at the time.

"After we built our union, we told the people that just to build a union is not going to solve all of our problems. ... If you are going to defeat these people, not only do you do it across the negotiating table in the R.J. Reynolds Building, but you go to the City Hall, you elect people down there that's going to be favorable and sympathetic and represent the best interest of the working class.,⁴⁶ said Robert Black as presented in *Civil Rights Unionism: Tobacco Workers and the Struggle for Democracy in the Mid-Twentieth-Century South* by Robert Korstad.

The leaders of Local 22 recognized that strength at the negotiating table had to be paired with political power to truly change the conditions for working people. Local 22 founded a political action committee; educated local residents about how political power at the federal, state, and local levels shapes people's everyday lives; conducted voter registration campaigns; mobilized networks in the Black community to get people to the polls; and sent delegations to lobby Congress. Local 22 also played a key role in strengthening the local NAACP chapter, which had only 11 members in 1941. Within a few months of starting an NAACP membership campaign, the local chapter had swelled to nearly 2,000 members, making it the largest in North Carolina at the time.⁴⁷ After we built our union, we told the people that just to build a union is not going to solve all of our problems. ... If you are going to defeat these people, not only do you do it across the negotiating table in the **R.J. Reynolds Building**, but you go to the City Hall, you elect people down there that's going to be favorable and sympathetic and represent the best interest of the working class."— Robert Black as presented in Civil **Rights Unionism: Tobacco** Workers and the Struggle for Democracy in the Mid-**Twentieth-Century South** by Robert Korstad.

Local 22 posed such an existential threat to the status of Winston-Salem's leading families and

⁴⁵ Philip Gerard, "Workers Unite," Our State, August 27, 2018, https://www.ourstate.com/workers-unite/.

⁴⁶ Robert Korstad, Civil Rights Unionism: Tobacco Workers and the Struggle for Democracy in the Mid-Twentieth-Century South (University of North Carolina Press,

^{2003).} 47 Korstad.

to white supremacy more broadly that it immediately became a target. City fathers stoked racial tensions and preyed on fears of communist influences in the union. After leaders were arrested on the picket line and sentenced to hard labor on chain gangs, Local 22 was dissolved just a few years after it had been formed. Worries among white elites that Local 22 would lead to a wave of multiracial labor and political organizing also motivated subsequent state laws to undermine unions in North Carolina.

Victories may have been impermanent and one of the reasons white supremacists in the North Carolina General Assembly moved to undermine unions, but the creation of Local 22 showed that working people often possess more power than they recognize. The experience also demonstrated how to overcome racial divides between working people and helped to develop tactics used in the Civil Rights Movement decades later.

Electoral accountability and policy change

Building political power is critical to ensuring that working people are treated with decency in the workplace and have an opportunity to achieve economic prosperity. But, gains made at the bargaining table and through other forms of collective action often prove to be short-lived in the absence of elected officials who are accountable to the demands of working people.

Across a range of issues, policy choices have the power to support the well-being of workers. Even during challenging times both past and present, key wins are made possible when the lived experiences of workers mobilize broad outrage, galvanize political alliances, and compel policymakers to act. In these ways, public policy campaigns are effective tools in building the systems that can improve outcomes for workers.

Fusion Movement

The Wilmington Massacre and coup in 1898 that overthrew a duly elected city government has received increased attention recently, but not enough attention has been paid to the instructive story of how a multiracial coalition of organized Black and white working people managed to gain power in the first place.

When white farmers supporting the Populist Party joined forces with both Black and white members of the Republican Party, a coalition was born that managed to wrest control of the NC General Assembly, NC Supreme Court, and most of the NC Congressional delegation from segregationist Democrats in 1894. That same coalition later won majority control of local government in Wilmington, the state's most populous city at the time. Several important reforms emerged from the 1895 General Assembly, including increased access to voting for Black North Carolinians, increased funding for education, and limits on interest rates for loans.⁴⁸

While this coalition drew on many bases of support, a critical bloc emerged from Black tenant farmers organizing through the Knights of Labor. Even before the political breakthrough of 1894, the Knights of Labor were instrumental in backing the successful candidacy of Henry Cheatham, a man born into slavery who was elected as the first Black member of Congress from North Carolina's 2nd Congressional District in 1888.⁴⁹

^{48 &}quot;Fusion of Republicans and Populists," in NCpedia, 2006, https://www.ncpedia.org/fusion-republicans-and-populists.

^{49 &}quot;Marker: E-122 – Knights of Labor," in North Carolina Highway Historical Marker Program, 2012, http://ncmarkers.com/Markers.aspx?Markerld=E-122.

Disagreements over economic policy and a sustained campaign of violence in Wilmington and beyond ultimately destroyed this alliance, but the mere fact that it existed is a testament to the power of working people coming together over the boundaries of race, region, and specific economic interests.

Worker safety

The horrifying deaths of 25 workers in a fire at Imperial Food Products, a chicken-processing plant in Hamlet, in 1991⁵⁰ helped spur long-overdue workplace safety reforms. The plant had not received a state inspection, fire doors were locked and blocked the exits, and emergency response was slow due to limited telephones inside the facility. The deaths prompted public outrage as well as the mobilization of workers and workers' rights advocates to push the NC General Assembly to enact several pieces of legislation that created protections for workers. Public attention also led to the conviction of the plant's owners and the temporary federal takeover of the state's responsibility for workplace health and safety inspections.

In 2007, Senate Bill 1466 improved the NC Department of Labor's inspection and enforcement processes to ensure that farmworkers have safe housing and clean mattresses on which to sleep. These changes amended the state's Migrant Housing Law, which was enacted in 1989. The policy change was prompted by documentation and workers' stories of conditions in migrant farmworkers' housing that were collected by the Farmworker Advocacy Network of worker advocates, workers, academic researchers, lawyers, and public health professionals. Workers, including the Farm Labor Organizing Committee of the AFL-CIO, the Farmworker Advocacy Network, and Student Action for Farmworkers, have continued to document and work toward changes to policies governing the growers' practices, including the use of pesticides, child labor, and health and safety conditions.⁵¹

Expanding Unemployment Insurance

In 2003, a series of omnibus changes to the state's Unemployment Insurance (UI) were prompted by the early 2000s recession and workers' experiences with the system when they lost jobs through no fault of their own. The changes in Senate Bill 439 made significant updates to the state's UI law, including:

- Preserving people's eligibility if they were forced to leave work to attend to a disabled family member.
- Allowing part-time workers to look for part-time work.
- Expanding the types of evidence that can be considered in preserving eligibility if someone was forced to leave work to avoid domestic violence, sexual assault, or stalking.
- Reducing the period of disqualification if someone was forced to leave work to accompany a relocating spouse.
- Providing that moving with a spouse who has been reassigned by the military is not a disqualifying event.

Ahead of their time, these changes to the UI system were advanced by workers and advocates.

⁵⁰ Chris Fitzsimon, "Remembering the Lessons of the Hamlet Fire," NC Policy Watch (blog), August 31, 2011, <u>http://www.ncpolicywatch.com/2011/08/31/</u> remembering-the-lessons-of-the-hamlet-fire/.

⁵¹ Oxfam America, "A State of Fear: Human Rights Abuses in North Carolina's Tobacco Industry," 2011, https://doi.org/10.1163/2210-7975_HRD-4208-0203.

The improvements also allowed the state to quickly access federal UI assistance during the second recession of the 2000s when adopting such modernization features was a condition of federal government support.

Boosting the minimum wage

After 10 years of stymied efforts, the North Carolinians for Fair Wages (NCFW) and supporters in the NC General Assembly succeeded in raising wages for North Carolina's lowest paid workers in 2006 by raising the state minimum wage above the federal floor. The bill increased North Carolina's minimum wage by \$1 per hour — to \$6.15 per hour — beginning Jan. 1, 2007. NCFW collected over 700 endorsements supporting an increase, held press events, distributed flyers and information, and generated thousands of emails and phone calls to legislators. The coalition was comprised of labor organizations, economic and social justice advocates, faith leaders, local activists, and workers.

Removing barriers to work for returning workers

Since the mid-2000s, the NC Second Chance Alliance has worked to give people leaving prison greater access to quality jobs and community life across North Carolina.⁵² The work of the alliance has centered on the experience of workers who face significant barriers in securing employment after release and in advancing along a career pathway that provides a living wage. This advocacy was rooted in leveraging stories, building relationships with local and state elected officials, and establishing a shared bipartisan narrative around redemption and second chances.

With significant organizing of local re-entry efforts and the establishment of the potential for local re-entry councils, legislative changes in 2018 and 2019 provided workers with new tools to secure relief and improve access to jobs. House Bill 774 expanded the certificate of relief process to include a greater number of convictions and ensure that people who had served their sentences could not be further blocked from connecting to employment.

One bill passed in 2019 required state agency occupational licensing boards to follow existing statutes but said boards may not deny a license based on a determination that a conviction is a "crime of moral turpitude." Every board must include in its applications and on its websites whether the board requires a criminal record check, factors that will be considered pursuant to the existing statute and the appeals process. Among additional changes, this policy provides for greater access to credentials and licensure that can increase the wages and career progress of workers across the state.

Worker centers

First established in the United States in the 1970s, worker centers serve communities of working people who often have been left behind by conventional trade union organizing. These centers assist immigrant workers, day laborers, and others whose work takes place at the margins of American society. Worker centers focus on the concerns of workers, which can range from topics like immigration reform to more worker-centric issues like wage theft.⁵³

^{52 &}quot;NC Second Chance Alliance," NC Second Chance Alliance, accessed August 12, 2020, https://ncsecondchance.org/about/.

⁵³ Janice Fine, "Worker Centers: Organizing Communities at the Edge of the Dream," New York Law School Law Review 50, no. 2 (2006).

Western North Carolina Workers' Center

The Western North Carolina Workers' Center was established in 2002, and it advocates for the rights and safety of the majority immigrant community that works in the poultry processing industry. The center provides training and education on workplace health and safety, campaigns against wage theft and workplace harassment, and runs programs to cultivate worker leadership. As the COVID-19 pandemic hit the region, the center created a rapid response fund to support immigrant workers who were cut off from the \$1,200 payments in the CARES Act, paid sick leave requirements in the Families First Coronavirus Relief Act, and Unemployment Insurance benefits.⁵⁴

Worker advisory boards

Also referred to as "wage boards" or "industry committees," worker advisory boards are government-convened groups that investigate and make policy recommendations. Often established by local governments, these boards are tasked with providing a venue for workers to advocate for their needs, including the minimum wage; benefits such as health insurance, paid leave, paid sick days and pensions; scheduling; workplace safety; and training standards. Boards typically include representatives from the workforce, employers, and the general public. They are often formed on an industry or sector basis, which means that all people working in a sector can benefit from the decisions of the board.

Worker boards are especially useful in industries with low rates of unionization and can provide a vehicle for worker-employer bargaining. Research indicates that wage boards are especially effective at combatting problems like workplace discrimination as well as the racial, gender, and sexual orientation pay gaps.⁵⁵

Durham Workers' Rights Commission

In 2019, the City of Durham established the Durham Workers' Rights Commission. The commission consists of working people from low-wage industries, representatives from the city's largest employers, and union members. The purpose of the board is to serve as a forum to discuss, investigate, and make recommendations to the city government related to working people's rights in Durham.⁵⁶

Boycotts

Boycotts are a way to put pressure on a company by organizing members of the public to stop buying the company's products. This method is intended to hurt a company's profits and public image, and well-organized boycotts can be extremely effective at forcing positive changes in employer practices, as well as workers' pay and benefits. North Carolina has seen several successful boycotts, drawing attention to working conditions and forcing employers to change their behavior.

^{54 &}quot;Rapid Response Fund for Immigrant Workers in WNC," Western North Carolina Workers' Center, March 27, 2020, sec. News & Events, <u>https://wncworkerscenter.org/</u> rapid-response-fund-for-immigrant-workers-in-wnc/.

⁵⁵ David Madland, "Wage Boards for American Workers" (Center for American Progress, 2018), <u>https://www.americanprogress.org/issues/economy/ reports/2018/04/09/448515/wage-boards-american-workers/</u>.

⁵⁶ City of Durham, "Boards, Committees & Commissions – Durham, NC," accessed August 3, 2020, https://durhamnc.gov/238/Boards-Committees-Commissions.

Mt. Olive Pickle Company boycott

The Farm Labor Organizing Committee (FLOC) began investigating the working conditions in the North Carolina cucumber industry during the mid-1990s. Because of exemptions to New Deal legislation meant to preserve white supremacy, many migrant farmworkers lacked federal protections that other working people enjoy, including minimum wage and overtime pay. Many workers were paid instead at a piecemeal rate, often a fixed amount for each bucket or flat of crop harvested.

In 1997, FLOC proposed a three-way contract between the Mt. Olive Pickle Company, the North Carolina Growers Association, and the union. Mt. Olive refused the contract, claiming that since the company bought their cucumbers from farmers, they did not directly employ farmworkers. The controversy over who in the supply chain was responsible for working conditions dominated public discussion. After two years without meaningful change in the industry, FLOC called for a boycott of all Mt. Olive products. The boycott garnered significant public attention, especially from religious groups like the National Council of Churches. Many grocery stores abided by the boycott and refrained from offering Mt. Olive products.

In September 2004, after nearly six years, Mt. Olive Pickle Company relented and signed a three-part contract with FLOC and the NCGA. The contract established a grievance procedure and the presence of camp representatives, along with better pay and an increased price for cucumbers. Furthermore, the contract allowed some 8,000 H-2A workers (temporary guest workers) to unionize with FLOC. Organizers in Mexico ensure that the contract is honored on both sides of the border.

The campaign against Mt. Olive Pickle Company demonstrates the power of public boycotts. It also casts light on important strategies for organizing those workers who earn low wages in the labor movement, including the contract between three parties and transnational organizing.

Mass protests

As we've seen recently with the Black Lives Matter movement, protest also can be a powerful tool for many forms of social change. In a workers' rights context, protest is often a vital strategy, especially in situations where the employer has a large number of employees in a region (like Smithfield or Amazon); when there's an industry-wide problem (like safety in construction work); or when multiple kinds of workers are impacted by the same issue (like low wages).

#RedforEd

A contemporary example of successful mass protest in North Carolina is the #RedforEd Day of Action in 2019, when thousands of teachers, school staff, parents, and their supporters flooded the streets of Raleigh to protest inadequate pay, underfunded schools, and overcrowded classrooms. Teachers used the "sickout" strategy — where sick leave is used as a form of group protest — to shut down school systems across the state, with many parents also calling out of work to attend the protests with their children. The protests resulted in a new surge in memberships with the North Carolina Association of Educators, the organization that supports teachers in the state, and many parents and community members became more deeply engaged in the fight for better funding for school systems.
Making violence and oppression visible

From images of children working in mills to Civil Rights protestors being trampled by mounted sheriffs on the Edmund Pettus Bridge to the killing of George Floyd, photos and video have often served as a spark for long-overdue change. Visual representations of injuries, abuses, and deaths on the job are a long-standing way to let the public know what is happening inside a workplace or an industry. Often this occurs through media coverage, but it also can take the form of protest art and public installations.

Lewis Hine's images of child labor

The photographs taken by Lewis Hine were the early 20th century's equivalent to viral video, forcing the United States to reckon with the conditions of child laborers. Posing as a Bible salesman (among other ruses), Hines worked with the National Child Labor Committee, traveling the country to interview and photograph children in cotton mills, farms, coal mines, and other workplaces. The haunting images of incredibly young children doing back-breaking work helped galvanize public outcry for change, which ultimately led to banning many forms of child labor as part of the Fair Labor Standards Act of 1938.

Workers' Memorial Day

Each year in North Carolina, workers' rights and faith groups gather to observe Workers' Memorial Day, a day to honor workers who died on the job and call on those in power to do more to protect working people.

Mutual aid

The United States has a long, proud history of working people helping each other. Particularly in communities facing entrenched systems of economic oppression and the absence of needed government action, many working families only make it from one day to the next through mutual aid involving food, housing, transportation, child care, and loans. While the strength and resilience of many communities is often undervalued by people who are not part of these networks of mutual care, it's one of the most important forms of collective action that working people engage in every day.

Worker empowerment and mutual aid

The COVID-19 crisis underscores the power of what happens when working people are empowered to influence how their industries operate. When the COVID-19 crisis hit, Opportunity Threads, a worker-owned cooperative in the NC town of Morganton immediately leapt into action to protect fellow workers on the frontlines of the pandemic. Recognizing that home health care providers in New York were in danger even before the pandemic spread in our state, the cut-and-sew manufacturing company started producing protective masks for the roughly 2,000 worker owners of Cooperative Health Care Associates. "We are igniting the economy — unleashing the power to produce these items safely, and at the same time, saving jobs in impoverished rural communities,³⁵⁷ said Molly Hemstreet, founder of Opportunity Threads.

Opportunity Threads also helped galvanize a whole industrial sector to address the need for personal protective equipment (PPE) as a member of the Industrial Commons, an industry network that supports manufacturing businesses and working people in western North Carolina. The Industrial Commons supported a network of over 60 firms to ramp up production of PPE by sourcing and testing fabric, developing patterns, consulting with medical professionals, and acquiring the new machinery needed to transition production.

INTERVIEWS WITH ORGANIZERS

Nothing compares to hearing from organizers, in their own words, about the experiences of building power among working people. Inspiring work is happening across North Carolina to shine a light on the injustices that working people face and the fight for a better world that we can build together.

Keith Bullard with NC Raise Up and Fight for \$15

This interview has been lightly edited for clarity and length.

- **Justice Center:** Can you tell us a bit about the history of Raise Up and what you all are doing to organize and build power among North Carolinians with low incomes?
- **Keith Bullard:** The work we've been doing in North Carolina since 2013 has really been incredible. We started with fast food workers, grocery store workers, gas station workers, and dollar store workers. But then there are so many people in North Carolina specifically, that are making less than \$15 an hour and are having a hard time. It was a natural transition to outreach to the masses. And one thing that we've really been doing is uniting fast food workers with grocery store workers and with gas station workers.

We're showing them the power that we have as low-wage workers, especially in North Carolina, to fight for not only \$15 an hour but a voice on the job. It's more than just \$15 an hour. It's fighting for respect on the job, fighting to end sexual harassment, which is rampant in the fast-food industry as well across the low-wage spectrum in general. Even before the pandemic, we were fighting for proper safety equipment, like gloves for changing the hot oil in fryers. We really look at our work with a three-part approach. That is outreach to all low-wage workers, uplifting and sharing stories, and mobilizing and uniting them.

- JC: Has your work changed in response to the coronavirus pandemic? If so, how?
- **KB:** The work has changed, but in so many ways it has stayed the same. There is one phrase that constantly comes up with one of our worker leaders, Jamila Allen. She says, "Low wage workers have been in a pandemic even before the coronavirus." So, they have been in survival mode before COVID-19. Getting workers that are facing situations like food insecurity, housing insecurity, has been a struggle even before the pandemic.

The pandemic has made it even more apparent and put [low-income workers] in more

⁵⁷ Karen Kahn, "Cooperatives Cooperate to Protect Home Health Aides with Masks," Fifty by Fifty, April 7, 2020, <u>https://www.fiftybyfifty.org/2020/04/cooperatives-cooperate-to-protect-home-health-aides-with-masks/</u>.

of a hole. If you think back to the early days of the pandemic while people were rushing to the store to get toilet tissue, unfortunately, fast food workers that didn't get paid until Friday were unable able to stock up on any. One thing that we have been able to do through community projects is meet the needs of people right now with the Fed Up food distribution program, which helps get food and cleaning supplies to people.

One thing that I am very proud of is since the first week of March, right at the beginning of the pandemic, we've been having weekly mass meeting calls where workers from all over the state and from other states have been joining and saying, "This is the community I have been looking for and that I want to be a part of. This is the group of people that understands what I have been going through."

But it's hard. A lot of workers don't have access to the Internet, let alone devices. There are people who at one point in time were able to come out and unite in person but can't do that anymore because they are homeless. And they've been homeless. They've been working at these places for years, but they do not have a home. And when you don't have that, you don't have access to electricity, let alone the internet. There are workers we are deeply concerned about that we have not been able to connect with.

One thing that has been beautiful is just last week we had a call with 72 workers that called to talk about the strike for Black Lives and the things that they go through. These are real, honest spaces that have been created for them.

We have a relational style of organizing where it's person to person and building relationships. Going digital kind of takes that aspect away. But the people who have reached out and gotten involved feel more connected. We're not physically bringing them to a meeting. They're thinking, "It's 6 p.m. on a Thursday. What do I want to do right now?" And they are making a conscious decision of getting on a call to be in community with others.

- **JC:** Mutual aid has been a big part of your organization's response to the coronavirus pandemic. Can you say more about the Fed Up project?
- **KB:** The Fed Up project has been incredible. It's much more than mutual aid. This is a political food drive that carries on the legacy ... of the Black Panther Party, Project to Survival, on the backs of the Poor People's Campaign. This is people in the community coming out and supporting each other. One of the best things about it is when someone drives up and they say, "No, I'm not here to receive food. but I have a garden and here's a case of tomatoes for you to pass out." Or when you have 80 people that you don't even know their names, but they come out to deliver to over 480 people in the Triangle. This is not sponsored by McDonald's. This is not sponsored by the good people at Food Lion. This is not sponsored by Coca-Cola. This is Black farmers, community members, and people that are fed up coming together to say, "Hey! Let's come together and do something about it."

There are political discussions at every bag/box of food. You get information on survival mechanisms, you know, [things like] how to apply for assistance, but you also get educational pieces to get you thinking about what put us in this pandemic in the first place, how people were already living in a pandemic, and ways for people to unite to come out of this. It's hopeful and it's beautiful. The unity, the solidarity, and the collaboration has been incredible. You have nurses standing side by side with fast food workers, saying, "We are essential workers." People are not saying, "Hey, I'm in a higher class," but are saying, "We both deserve to have a mask. We both deserve to have gloves." And these

are two totally different industries but very important industries to our survival. It has brought people together in ways like never before.

People who love their job are now questioning why they only get one mask every 14 days. People who were saying, "My job is paying me \$15 [an hour]. It's really good," are now asking why they aren't provided with cleaning supplies. People are beginning to ask these questions and beginning to see that something isn't right. And people are coming together who will find a solution together.

- **JC:** What are that main concerns and challenges you are hearing about from your membership right now?
- **KB:** The main concern is that people are forced to go to work because they can't survive either way. Let's just walk a day in the life of workers and people that I know. They have to catch the bus, which means being in contact with more people than you would like to. Some catch multiple buses to get to work. Then you get to work, and you bring that same mask that you've had for 14 days. [Safety] is not being enforced. You have employers that are letting people come inside of stores on either side of the doors. It's just a huge health risk that they are facing.

I know quite a few of our members are facing eviction even in this pandemic. Let's be clear, Durham already had a housing crisis before COVID-19. There were already people screaming out for help when it came to housing. People screaming out on McDougal and other places talking about the inadequacies of the Durham Housing Authority. But now you have people who are forced to go to work or else they won't have a place to stay. Or else they won't have food. Or else they won't have their utilities.

Right now, as [eviction and utility cutoff] moratoriums are [ending], it puts a lot of people in fear. People that weren't able to pay their light bill off of a McDonald's salary in the first place, and for a moment in time, they got a little bit of relief. They didn't have to use the money for the light bill and could use it to put food on their table. Now they are about to be faced with an onslaught of debt that is terrifying. And there's no help. So, they're facing not only the health problems but the economic crisis that they had been living with long before and the issues that have yet to come.

- JC: What is making you most worried right now?
- **KB:** Losing connection. Like I said, there are a number of people that I am deeply concerned about because since the pandemic, there are some we haven't been able to get connected with. There are members of ours that used to come to the meetings regularly. Regularly! They don't have a phone because some would say that's a luxury. They don't have a residence. They don't have internet.

The other day, my wife and I were driving in downtown Durham, and we saw one of the people involved in our organization. I jumped out of my car and was genuinely happy to see them. We don't know how the people we lost connection with are doing. We don't know if they have challenges getting to work. We don't know if they have COVID. Even knowing they have the feeling of being disconnected from their community is worrying enough. How are they surviving right now? What happens when we lose someone who is involved today but their internet or phone gets cut off tomorrow? The easiest way to lose connection with someone is by a phone number being cut off.

If there is anything that quarantine has taught us, it's that we are social beings. We need

one another. We need to stay connected. We are not meant to be isolated. We are doing our utmost best to stay connected and outreach. The No. 1 goal is to see how many we can reach. Then it's uplifting their stories so that people can see that they are not alone. Everyone is going through the same thing, and if everyone is going through the same thing, then it must be the system. Then mobilize. But we can't do any of that if we lose connection.

- **JC:** What opportunities are you seeing currently with regard to organizing among working people earning low incomes?
- **KB:** The Fed Up food distribution program is bringing our members together. What's amazing about it is that it operates in two ways: We're not only giving out food, but people who are receiving these food boxes are now also the ones who are helping to pack the bags and giving them out. We are activating the community in a whole new way. Members are having conversations with one another and creating real connections with each other. People are beginning to ask why.
- JC: What is making you most excited or hopeful in your work?
- **KB:** There are leaders that are being developed in this time that are going to move mountains. I'm talking about people who were afraid to talk in the beginning in January. People that didn't find value in their stories. These people are now asking about what is next. These people are no longer settling. These people are now facilitating and organizing calls. I am most excited about seeing the development of these leaders. I challenge all organizers to step away from their bubble and appreciate the new leadership that is being created.
- JC: What role do race and racism play in the issues you are seeing?
- **KB:** White supremacy and economic exploitation go hand in hand. Think about it: The states that refuse to increase minimum wage are in the South.

What was really powerful on July 20th was the Strike for Black Lives. McDonald's and other corporations put out a statement, hoisted up a BLM flag inside and outside of their store. That's amazing if they mean it. But the truth is when Black workers speak out against sexual harassment, they do nothing. When Black workers come out and say we can't survive on \$7.25 an hour, they put out a budget and tell them to get another job. When workers speak up and say, "We deserve PPE," they are being told they are only required to give them one every 14 days. That doesn't sound like Black lives matter.

You're not going to raise up a flag the says Black Lives Matter unless you're showing it in your budget. You have these corporations that refuse to come to the table to discuss grievances. Black lives don't matter to them. You have the corporate McDonald's in Florida, and the manager is outwardly saying racist things to their employees, and nothing happens. Black lives don't matter. We cannot let them get away with their empty statements as their peace offering. The peace offering is a livable wage. Actions speak louder words. Put your money where your mouth is. They refuse to do either.

This is a critical and amazing time for workers. This is the time that we have to get organized.

Brigid Flaherty with Down Home NC

This interview has been lightly edited for clarity and length.

Justice Center: Can you give us the elevator pitch for your organization?

- **Brigid Flaherty:** Down Home North Carolina is a statewide grassroots organization that builds power for working people across race in rural and small town North Carolina.
- JC: How would you describe your work?
- **BF:** At Down Home, we believe in building in people power. What that means for us is three things. One: leadership development. We believe that people closest to the problem are closest to the solution. We want to be able to make sure that their voices are heard. We invest in people to bring about real change. Two: We also participate in campaign work. We are working at the state level to expand Medicaid, to increase the minimum wage, and at the local level, we are fighting for the needs of housing, ending overdoses, and ending cash bail. Three: civic engagement we believe the people need to be the ones governing our policies at a local level. We are working to expand the electorate. We're working to bring members into running for office. We are hoping to make a change at the ballot box in order to win on the issues that we care about.
- JC: How has the work changed in response to the coronavirus pandemic?
- **BF:** Our work has changed dramatically as the world has changed dramatically. We believe that people are at their most powerful when they are together. Right now, we don't have the ability to be together in person. We've had to shift our model in meeting people and bringing them into the organization. When you are working in rural North Carolina, it's pretty obvious that a lot of the ways that we are now communicating with folks (not being at front doors or front porches) is through phones and internet. For a lot of folks in rural North Carolina that is inaccessible. The digital divide is real. Folks don't have easy access to the internet or stable phone lines, so reaching folks has been a creative endeavor.

We are continuing to outreach and base build with our working class members in rural North Carolina. We are experimenting with how to do outreach and still doing our best to overcome those challenges. We know in this moment we need to be organizing at a higher level of scale and with more people participating because of the enormous challenges ahead of us. We've also shifted our work because we genuinely need to keep people alive at this moment. With the lack of unemployment benefits coming in for working people of rural North Carolina, we started a mutual aid fund. We have been reaching out across our counties and across our state just saying, "What do you need?" We're able to give people financial assistance in order to ensure that folks have just a little bit to help keep their lights on, to help keep themselves housed, to help keep their children fed. That is something that we've been doing the last few months and will continue to do because we need to keep each other safe.

- **JC:** What are the main concerns and challenges you are hearing about from workers earning low incomes at this time?
- **BF:** I am pretty disgusted with how low-income workers have been treated during the pandemic. We have members who are working in Walmart. We have members who are working in recovery homes. We have members working as teachers. The lack of care to literally keep these people alive! I am just hearing of so many stories of no PPE on the

job, and of continuing to not give folks any kind of stability in their hours, which is only exacerbating issues with working parents when trying to navigate child care.

You know, it's just completely destabilizing for working people in rural North Carolina. And the hypocrisy is especially infuriating when we are in lip service, saying they are essential but would 100 percent sacrifice them because we're not giving them PPE. I just don't understand how we are able to do that to the folks who are literally holding up this state and holding up the world. Those are the things that I am seeing right now for those who are working up at the frontline.

- JC: What is making you most worried in your work at this time?
- **BF:** My worry is for the safety and well-being of our members and their families. I'm worried that our government does not care nor have a plan to keep people alive during the pandemic, which isn't just going to be about how we get a vaccine. It is the years, if not decades, ahead of deep economic pain that will not get better if we are not thinking about the next stage of an economy that actually puts working people first.

I think when we're thinking about how to get out of this mess, we have to both think about it as a worker strategy and put pressure on employers to do the right thing in terms of doing better with PPE and paid sick and family leave.

But also, we really need to put in some effort in the electoral organizing. Getting people into elected position that actually care about workers who know what it's like to have to have a job where you're making minimum wage but doing essential work. If we are able to do that well, then we might have a better outcome. But if that doesn't happen, I fear that it will only get worse.

- **JC:** What opportunities are you seeing currently with regard to organizing working people who are earning low incomes?
- **BF:** I'm watching workers rise up and make their voices heard even when it is so scary to do so. The righteous anger that I am seeing to actually fight for their lives is a real opportunity right now, even with the challenges of in-person organizing. We have a real moment where workers are standing up and speaking out. We really should be doing all that we can to allow that to continue in order for them to be able to get what they need in their jobs. I am also seeing an opportunity with the elections coming up. Elected officials are being held accountable around their performance with [coronavirus].
- JC: What is making you most excited and hopeful in your work right now?
- **BF:** I remember when I was younger, and I felt like I would never be in a moment of historymaking change. It felt like that was something that happened other decades or generations ago. I will say — even with all this pain I'm seeing with the pandemic, with the recession, with police violence, climate change — the world is coming together for something better. I love what I'm seeing in the streets with the uprising and the millions of people around the world saying, "We deserve better. We deserve to live! Now is the time we are going to make change." It's that type of uprising that will allow us to build a new world. Without that people power, we won't get anywhere. So, I really feel hopeful that with the momentum of folks in the streets that we're going to see some real change because the people united will never be defeated! I'm really loving that.

Ana Ilarraza-Blackburn with the Poor People's Campaign

This interview has been lightly edited for clarity and length.

Justice Center: Can you tell us a little about the history of the Poor People's Campaign?

- **Ana llarraza-Blackburn:** The Poor People's Campaign first emerged in 1968. It was being led by Martin Luther King Jr. as well as the Southern Christian Leadership Conference. The PPC's multiracial effort included the African Americans, white Americans, Asian Americans, Hispanics, and Native Americans. It aimed at elevating poverty issues regardless of race, gender, or faith. It was about the people. And today, its agenda is the same ... because we rise together, and we leave no one behind. The PPC of today is the same campaign that Martin Luther King began, and it was the last campaign that he was involved with right before he was assassinated.
- JC: Can you describe the work of the campaign?
- **AIB:** One of the first things we did was create The Souls of Poor Folk audit in America. It traces back 50 years since in 1968 when the campaign first emerged. It discusses the challenges of systemic racism, poverty, ecological devastation, and militarism.

The other thing that we did was create the Poor People's Audit. We live in a nation that has an abundant amount of resources. Policymakers have always had the money, but it has always come down to what they deem to be a priority for them. One of the other things that we have done is created fact sheets for each state. We wanted to ensure that the people knew the money was there for them, but the policymakers were not prioritizing the people and that we could together enforce those demands and lift the people's agenda.

In 2018, we set out to do 40 days of moral action across the nation simultaneously where we engaged in all the interlocking issues that the campaign is uplifting. Then we did a Truth and Poverty Tour here in North Carolina. We went to various places for a whole week on a bus lifting up the issues. We went to Sanford where we had the massive ICE raids. Then we went to Stokes in Robeson County and showed them the ecological devastation that was occurring there.

One of the other things that we just did was the June 2020 digital Mass Poor People's Assembly [& Moral] March on Washington where 2.5 million people participated. Over 42,000 uploaded selfies and stories of how they're being impacted and why the people's agenda is so important, not only to them, but for people across the nation. That was incredible.

- JC: How has the work changed in response to the coronavirus pandemic?
- **AIB:** Because of the pandemic, like everyone else, we are relying heavily on digital communication. An important difference to note with the campaign is that we are not a service organization. For instance, El Centro Hispano provides language and training services; we don't do that. But, we do consider ourselves as an organism. We grow according to what's happening in society and according to community issues that need to be addressed.

For example, our Triangle circle within the campaign teamed up with Fight for \$15, [Carolina] Jews for Justice, and El Centro Hispano. We found out that a lot of the people in Fight for \$15 were losing their jobs, or they were put in a predicament in their workspace where they didn't have equipment issued to them to protect themselves, thus making them susceptible when they went home to passing the virus to their families. We also found out that a lot of people were left out of that stimulus package. There were also a lot of people unable to meet daily needs like food, so Fed Up [food distribution project] was created. Fed Up has done incredible work in feeding people while engaging in political education.

We're focusing on food and education access, but we're also focusing on faith community access. The campaign has a committee which focuses on clergy and faith communities, and what our co-chair for the faith community found was that a lot of churches and faith communities don't have pantries, so she decided that this was something that we needed to tap into. Now, she's helping churches start establishing panties so that communities that are highly impacted are able to get resources. It's been very powerful.

- **JC:** What are the main concerns and challenges you are hearing about from workers with low incomes at this time?
- **AIB:** We are hearing about the fact that people who are considered to be low-wage workers are suddenly regarded as essential workers. They're so essential, but this nation is not making enough effort to give them PPE that they need to be in those essential positions. That's a huge concern around low-wage workers. There's also the fact that they have no leave. If they don't work, they don't get paid. Therefore, how do they sustain their household? The other issue that we are encountering is [lack of] day care and education access.
- JC: What is making you most worried in your work at this time?
- **AIB:** The work we are doing is a lot more difficult. What is worrisome for me is the stress on the households. There was already an enormous amount of stress because of the inequalities. and now you add this pandemic. It's very worrisome to me as to what that does to a family. The mandate for us to all stay home during this pandemic is also worrisome because it is unnatural for us all to be separated. We have people who are now becoming depressed, deflated. and disconnected. The mental aspect of this pandemic is troubling to me. It worries me that our state did not pass Medicaid expansion.
- **JC:** What opportunities are you seeing currently with regard to organizing working people with low incomes?
- **AIB:** One of the things we are seeing is because of the quarantine we are forced to come out of our silos. It's really amazing to see how many resources are really out there. It also forces us to come out of our silos and lift up each other's missions. When we are doing it together, we gain more power. Not only do we gain more power, but we move forward in our mission to lift up our communities. To me, organizing in that manner is very powerful and uplifting.
- JC: What is making you most excited and hopeful in your work right now?
- **AIB:** Though there is a lot that we can say is going wrong, I am truly excited seeing people excited when they are woke. To me, it's exciting to see someone realize their own power. This pandemic brought us so many coalition partners to lift up the mission. To watch the people own and utilize the power they didn't realize they had before in the voting booth is exciting! Now they realize they have a voice and that voice has power. When I am feeling deflated as an individual or an organizer, that uplifts, energizes, and propels me forward to continue this work. This work is important, and this work is power. Power is to the people,

and when they get woke about that, we can do amazing things together. I am feeling relief knowing there are others who are also doing this work.

- **JC:** What do you see as the roles of race, racial equity, and racial justice in the problems that we are seeing and in the solutions we are striving for?
- **AIB:** I think ... if we want to live in a humane and more civilized society, it's going to take all of us to be engaged in this work. The Black community can't do it alone. The Latino community can't do it alone. The poor white communities can't do it alone. We have to do it together.

CONCLUSION

FORWARD TOGETHER

e have the opportunity create a new social compact. A shared agreement that everyone has the right to be paid living wages, to join with their fellow working people, to have their voices heard in the political process, to be free from discrimination, to have their health and welfare protected, to be paid for overtime work, to have the flexibility to tend to loved ones in times of need, to retire with dignity, to have their work respected whether it is paid or not, to educate and enrich themselves, and to make the fullest possible use of their brief time on this earth.

COVID-19 underscores the need for a Workers' Bill of Rights

If rom grocery store workers to nurses, from home care workers to janitors, from teachers to delivery workers to domestic workers — there is an invisible, undervalued army of people who make our lives possible. Their work is essential, and it always has been."⁵⁸ — Ai-jen Poo, executive director of the National Domestic Workers Alliance

58 Ai-jen Poo, "We Need an Essential Workers Bill of Rights to Make Sure Working People Have the Protections They Need," The Appeal, 2020, <u>https://theappeal.org/we-need-an-essential-workers-bill-of-rights-to-make-sure-working-people-have-the-protections-theyneed/.</u>

The COVID-19 crisis will end someday, and we may well look back on this as a time when our state turned down a brighter path. We've already seen a new reckoning with some of our nation's darkest history, a new appreciation for who does the work that we all rely on to keep society functioning, and new alliances across working people fighting for their rights. The present moment reveals how much work remains to build a truly humane economy, but it also points more clearly to how we can get there together.

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