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Regular Work in an Irregular Economy

Ending the temp agencies' control of low-wage labor markets

CARMEN MARTINO AND DAVID BENSMAN | *September 22, 2008*

Imagine that you are a young person trying to find your first full-time job in New Brunswick, New Jersey, a small city about 35 miles southwest of New York. You don't want to work in a restaurant or a fast-food joint, because they won't give you enough hours to make a living, and they don't provide benefits. There aren't many full-time opportunities in your neighborhoods, because most factories and warehouses have left town for the suburbs. Commuting to suburban regions where there are more employers is impractical; mass transit is inadequate, you can't afford a decent car, and fuel prices are high.

If you are a Latino worker, your only option is to register at one of the labor agencies that have flocked to your neighborhood in recent years. One is probably within walking distance, with a big sign saying, "Workers wanted." Most of these labor agencies are organized along racial and ethnic lines. If you're African American, chances are there won't be a labor agency for you nearby. These firms locate where desired workers live; most employers request Latinos, who are promoted as reliable, compliant -- and often desperate.

If you are serious about finding work, you arrive at the temp office at 6 A.M. and begin your wait. At 7, the boss begins issuing work orders; if you're lucky, you'll be told the name of the company where you'll work that day. Nothing's in writing: not your assignment, not your pay rate, not the length of your contract.

For most jobs, you'll be paid the minimum wage, and you can forget health insurance or other benefits. The pay is not only low; it's unpredictable. You don't know whether you'll have six hours of work or eight, and you don't know whether you'll be paid the advertised rate or less, without explanation. The agency issues you a separate check for each job you work that week, and somehow, when your hours for all the jobs are added up, you're never paid the overtime rate.

This system is also costly to you. The agency -- or the business that rents space at the agency office -- charges you \$1 to \$2 to cash each check, and since your neighborhood has no bank where you can open an account, you have to pay. For your transportation, the agency deducts \$7 per day, regardless of how far you are going and no matter how long you have to wait for the van to pick you up before and after work or how many stops it makes on the way to the workplace. Many of the vans are overcrowded, old, and unsafe; their drivers may be unqualified or unlicensed; and they're still getting into well-publicized accidents, despite the "van safety" law passed by the New Jersey legislature.

When you get to the workplace -- it makes little difference whether it's a well-known company's warehouse or the backroom of a local grocery store -- you will receive little training or instructions. Whether you are unloading trucks, filling pallets, digging a ditch, or cleaning a bathroom, your chances of working with dangerous materials are high, but you're not told about any hazards to which you may be exposed. If you are injured, you won't be paid for your time out of work, regardless of whether or not the agency has paid its workers'-compensation insurance. And more than likely, you won't know your rights under the state's laws, because no one has told you what they are.

At the end of the day, you wait for the van to take you back to the agency office. You may have to wait an hour or two, for which you won't be paid, and if the van never shows, you'll have to walk home or pay for a cab. Whatever the case, your van fee will still be deducted from your paycheck, and after the fees for check cashing and transportation have been deducted, more than a third of your earnings are gone.

Next week won't be any better; there are no job ladders in the temporary-labor industry, no pay increases, no paths to permanent employment. (You have to sign a form agreeing not to go to work for the agency's client.) When you tire of the temp agency and you go back out on the job market, you'll find once again that few full-time jobs are available at any wage rate.

And street-corner day labor also feeds into ethnic stereotypes and fuels anti-immigrant feelings. It is in the interest of everyone -- except exploitive businesses -- to regularize these employment relations.

The exploitation of today's temporary low-wage labor markets is made possible by several factors. One is the impact of residential segregation, which

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