Workers’ bargaining power in the early phases of the pandemic: a gender lens

by

Geert Dhondt, John Jay College, City University of New York
Mathieu Dufour, Université du Québec en Outaouais
Ellen Russell, Wilfrid Laurier University
Alain Savard, Fédération du Commerce - Confédération des Syndicats Nationaux
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Abstract

The early stages of the COVID-19 pandemic is characterized by a simultaneous health crisis, economic crisis, and domestic labor crisis that has produced extensive and varied economic consequences for women workers. Using examples from Canada and the US, we employ a bargaining power framework to examine how some prominent aspects of the crisis (such as heightened risk experienced on the job and the closure of schools and daycares) and government response to the crisis (such as income supports and the designation of some occupations as “essential”) have had diverse and gendered impacts on workers. While in general bargaining power analytics indicate that increased unemployment diminishes worker bargaining power, the intersections of income status, racialization, and other of inequality and insecurity interact with gender to produce diverse impacts on women workers’ bargaining power during the pandemic.

COVID-19 poses a simultaneous health crisis, economic crisis, and domestic labor crisis that has diverse and contradictory impacts on women workers. The sudden economic contraction impacts women who are disproportionately represented in some of the jobs and sectors likely to experience extensive – and possible enduring – unemployment (Robertson and Gebeloff 2020). Yet other women face the obverse situation when they are regarded – officially or unofficially – as “essential” in this crisis. Low-income (and often racialized) women who disproportionately perform “essential” jobs in health care and in parts of the broader service sector face heightened risks of contracting the virus. They bear these risks while often lacking access to healthcare and secure housing, and facing the increased incidence of the comorbidities encouraged by persistent precarity and marginalization (Akinyemiju et al. 2016). Both newly unemployed/furloughed and suddenly “essential” women workers must cope with domestic upheaval as schools, daycares, eldercare, and other paid caregiving is destabilized or unavailable during the pandemic. Thus the gendered impacts of the pandemic on households, worklives, and health risks are
diversely influenced by the intersections of income status, racialization, immigration, disability and many other axes of inequality and insecurity.

The analysis of this complex confluence of health, economic, and household pressures is facilitated by a bargaining power framework that emphasizes contextually-specific and intersectionality nuanced factors to examine the heterogeneous – and in particular gendered – impacts on variously-situated workers. While high unemployment typically reduces workers’ bargaining leverage vis-a-vis their employers, the next section outlines a framework to analyze bargaining power that considers four attributes of the pandemic that have diverse impacts on bargaining power despite high unemployment: (1) heightened risk experienced in some jobs; (2) the sizeable emergency income support for unemployed workers; (3) the domestic crisis provoked by disruptions in schools, daycare centers, and other paid caregiving; and (4) the framing of some occupations as “essential.” The framework described in section 2 is applied to several illustrative examples from Canada and the United States to examine particular contextual circumstances that shape the pandemic’s health, economic, and domestic impacts. Canada and the US have experienced long-term wage stagnation (Dufour and Russell 2015; Holder 2020), although Canada has retained a public sector that is the main provider of healthcare services and health insurance. The final section considers some of the potentially enduring effects the pandemic may have on the position of women workers.

*Bargaining power: an analytic framework and its gendered implications*
Bargaining power analysis views wages and other employment conditions as negotiated between workers and their employers. Factors supportive of workers’ bargaining power tend to increase wages, while factors undermining workers’ bargaining power put downward pressure on wages. In an adversarial negotiation, workers’ or employers’ bargaining power is enhanced to the extent that either party can credibly threaten to cause injury to the opposing party. Workers may threaten to strike or work-to-rule in pursuit of their agenda; employers may threaten to fire, lock-out, or discipline workers. An effective threat must be credible (the threatened party believes the threat will be enacted) and sufficiently harmful that the threatened party acquiesces to the counterparty’s demands rather than risk suffering the threatened consequence. Thus the more fearful workers or employers are of the threats made (explicitly or implicitly) by their counterparty, the weaker their bargaining power. Hence high unemployment reduces workers’ bargaining power if employers are emboldened to threaten workers because they believe that finding replacement workers will be feasible.

Alongside these so-called “threat effects,” bargaining power is also influenced by assessments of “fall-back” positions. As each party negotiates, it considers the situation it will likely face if negotiations terminate unfavorably. If an employer makes good on its threats to fire workers, workers must assess the likelihood of finding alternative employment at adequate wages, or surviving a period of unemployment by accessing their savings or government income support. The more fearful workers are of being forced to suffer a negative fall-back position should they fail to attain their bargaining objective, the weaker is their bargaining position. High unemployment worsens worker bargaining power insofar as workers fear that they will be unable
to find alternative employment while many workers are seeking jobs, and that competition among workers will depress the wages they are likely to secure should they find new jobs.

Contextual influences both within and beyond the employment relationship may influence the relative bargaining power of workers and their employers, including many considerations related to gender (Folbre 2016, Folbre and Smith 2017). Elsewhere we have argued that eroding bargaining power is reflected in decades of wage stagnation (Russell and Dufour 2016, Dufour and Russell 2015), which has particularly impacted lower wage jobs (Dufour and Langevin 2016, Mishel et al. 2015), many of which are performed by women (Tranjan 2019, Tucker and Patrick 2017). For example, a “care wage penalty” (Folbre 2017) impairs bargaining power in the healthcare and social assistance occupations, where close to 80% of workers in the US and Canada are women, and between 26% (Canada) and 48% (US) are racialized workers (Hou and Schimmele 2020, Bureau of Labor Statistics 2020, and Statistics Canada 2020). In US nursing care facilities, predominantly Black and Latina women earn a median hourly wage of US$11.73 (Bureau of Labor Statistics 2020). Despite a month-long coordinated strike in 41 private residences in 2016, elder care workers in Québec (who are disproportionately women and often recent immigrants (Boivin, Dufour, and Verville 2018)) could only negotiate mean hourly entry wages of CAN$ 12.68, less than 2$ above the 2016 minimum wage. Ironically, the official designation of these workers as “essential” hampered their bargaining power because they were legally constrained from striking for more than 10% of scheduled working time.

While reduced bargaining power lowers wages, low wages can also reduce bargaining power. As stagnating wages impair workers’ ability to save, this erodes their fall-back position
should they become unemployed. The gendered impacts of this decreased ability to save is illustrated by the lesser net worth of single mothers relative to single fathers (Fox and Moyser 2018, Yamokoski and Keister 2006). With little savings cushion and stagnating wages, workers are more likely to become indebted, particularly when faced with periods of unemployment or with emergency expenses (including sudden pandemic-related childcare and other costs). Debt-service obligations further undermine the bargaining power of the highly-indebted, since they are unable to withstand even a brief interruption or reduction in their income. Precarious household finances may also expose workers to the expenses of payday loans or missed debt-service payments, as well as limit their capacity to afford educational, equipment, and other expenses which might enhance their bargaining power.

Workers’ fall-back positions have deteriorated as government income support programs such as unemployment insurance and welfare have been curtailed in recent decades. While 80% of Canadian unemployed workers qualified for unemployment insurance in the early 1990s, only 42% of all unemployed workers received benefits in 2017, and only 28% of low wage workers qualified (Tranjan 2019). Because Canadian government-provided maternity leave benefits are tied to employment insurance eligibility, in 2017 these onerous eligibility requirements excluded 16% of low wage mothers from these benefits, despite their having paid into the program (ibid.). Welfare programs also enhance worker bargaining power by decreasing the likelihood that unemployment will become poverty. In the US, the 1996 reforms increased poverty as direct government cash assistance was reduced, which was particularly damaging for female headed households with children (Christopher 2004). Because unemployment insurance and welfare reduces low-income workers’ reliance on wages, a diminished social safety net worsen workers’
bargaining position and forces low-income workers to tolerate bad working conditions and wages since they have so few alternatives. Deteriorating fall-back positions are exacerbated in the US because access to health care is typically dependent on employer-provided health insurance. Because a lapse in health insurance can result in high indebtedness, this detriment to workers’ bargaining power is particularly germane during a pandemic.

Worker-employer relations in the early phase of the pandemic

The pandemic has reconfigured workers’ bargaining power in diverse and complex ways. The economic shutdown prompted to mitigate the virus’ spread and subsequent bankruptcies reinforce generalized downward pressure on workers’ bargaining power insofar as increased unemployment is typically disadvantageous for workers. Yet this generalized unemployment has been experienced differently by diversely-located workers. Workers uncertain about when – and if – they will resume their jobs, and those in jobs or industries facing uncertain post-pandemic viability, are in the least advantageous bargaining position. Other workers have continued their employment by physically moving their worklives into their domestic sphere. Those working in “essential” services have been compelled to continue working, despite the associated health risks. These diverse situations are further impacted by (1) the sizeable income support given to unemployed workers; (2) heightened risk experienced on the job; (3) the domestic crisis provoked by the disruption in schools, daycare centers, and other paid caregiving; and (4) the framing of some occupations as “essential.”
Despite widespread unemployment, some policy responses to COVID-19 pandemic have enhanced the bargaining power of many workers. To enable the physical isolation necessary to mitigate disease transmission, governments have been obliged to provide relatively generous income supports that mitigate the disciplinary force of unemployment, particularly where workers are optimistic about returning to employment. Canada Emergency Response Benefits are more widely available and generous than the typical employment insurance program (even surpassing full time minimum wage earnings). In the United States, many workers earned more from the benefits than from their paychecks (Thomson-DeVeaux 2020). The greater universality and accessibility of these programs attenuate many eligibility rigidities that typically disadvantage women workers. However, improvements to workers’ fall-back positions are made more ambiguous because of the explicitly temporary and uncertain duration of these programs. Thus workers must form expectations about their prospects when this assistance is terminated at some unknown future point when the pandemic-related economic crisis may still be unfolding. But where factors converge to support workers’ bargaining power vis-a-vis their employers’, workers are more likely to secure increased pay and other workplace goals such as better safety precautions and benefits.

Despite the substantial quotidian workplace risks of injury, illness, and death, these risks have often been normalized, minimized, and denied outright, since many workers have no alternative but to tolerate the risks to get paid. Potential exposure to COVID-19 in the workplace has provoked a new perspective on workplace risk. The possibility of strict physical distancing and other preventive practices vary across workplaces. Caring labor typically requires close proximity in circumstances conducive to disease transmission. Healthcare workers are especially
exposed, and the gendered dimension of healthcare work is evident in that 73% of the confirmed COVID-19 cases among healthcare workers in the early part of the pandemic were women (UN Women 2020). Where workers continue to have the possibility of paid employment, their decision to work must weigh their tolerance for heightened risk versus their eligibility for, generosity of, and duration of income supports as well as their future employment prospects should they (and their families) choose to avoid the health risks of continuing to work. Thus worker bargaining power is enhanced to the extent that alternative income supports alongside the disincentive to work posed by heightened health risks increase employers’ inability to attract and retain workers despite increased unemployment (at least in the early phases of the pandemic while many workers qualify for government support). Where employers’ fall-back positions have deteriorated because of new employment risks and stresses, they may be compelled to pay bonuses, wage increases, and make improvements to workplace safety.

The impacts of workplace risk and access to income support is made more complex by many intersectionally diverse factors. For example, firms that oriented their hiring strategies toward disenfranchised workers are often able to resist pressures to enhance pay and work conditions. The Tyson Food slaughterhouse in Waterloo, Iowa has an increasingly feminized and racialized workforce, 25% of which live in limited English-speaking households (Fremstad et al. 2020). Between a third and a half of all meatpackers are undocumented immigrants and are targets of ICE raids, which threatens them with deportation (Orrell 2020). Frontline meatpackers work in dangerous low-wage jobs, where their median hourly wage is US$ 13.23 and 45% of the households live below the 200% poverty threshold (Fremstad et al. 2020, BLS 2020). While meatpacking work processes carry high risks of Covid-19 transmission, it was declared an
essential industry by the Defense Production Act to protect the nation’s meat supply, which enabled employers to override or disregard CDC recommendations. In part because they did not qualify for unemployment benefits (Orrell 2020), workers continued working despite health risks. Disease transmission was further encouraged by punitive sick leave policies, which incited workers to continue working “until they went from their job to an Emergency Department and then directly to an ICU” (Smith 2020). This unbearable situation soon led to a wildcat strike organized by the workers and their families at the Waterloo Tyson Food plant, and subsequent wildcat strikes spread across the midwest which led to the shutdown of most plants. Factories eventually reopened with new safety measures, enhanced temporary sick leave benefits, and temporary pay increases for workers. These temporary gains ended by June 30 and workers are back in the plants, given their limited alternatives to support their families at home and abroad. Achut Deng, a Sudanese refugee working in a slaughterhouse explained: “I can’t wait to go back to work for the simple reason that this is the only thing that supports my family. (...) I do feel sorry for everyone who is going through this, I feel sorry for myself, but it’s like, I feel better now so I’d rather go back to work” (Dickerson and Jordan 2020).

These influences on bargaining power are further complicated by the many ways in which the pandemic constitutes a crisis for households. As schools, daycares, eldercare, and disability support services are less available or unavailable, unpaid domestic labor must provide this childcare, education, and healthcare. Some workers manage these additional responsibilities by being absent from the labor market (which is made more feasible where income support programs apply), while others have attempted to perform this labor while physically moving their paid work into the household. Others who continue working outside the home must absorb
this additional labor or pay to accomplish it by other means. Women’s disproportionate role in
unpaid domestic and caregiving labor, as well as the differential possibilities of relocating paid
work, have diverse impacts on women workers (Folbre and Smith 2017). For example, those
who have retained their jobs by performing them from home may have their career paths
negatively impacted, given the difficulties of simultaneously performing paid and unpaid labor in
the household. Preliminary evidence suggests a negative impact on the submission of academic
articles by women early in the pandemic, which impairs their future bargaining power and
academic career progression (Flaherty 2020).

The gendered dimensions of these preceding factors are further impacted by official or
unofficial declarations that some workers are deemed “essential.” While this designation varies
in different national and even local contexts, healthcare workers were typically deemed
“essential,” as were grocery, delivery workers, cleaners, and other workers whose contributions
to social wellbeing are typically overlooked. Frequently “essential” workers also perform jobs
exposing them to considerable risk of contracting COVID-19. “Essential” workers run the
spectrum from well paid, highly credentialed workers with secure jobs to poorly paid,
marginalized, and precarious workers. It would seem that the workers dubbed “essential” should
be able to parlay that status into enhanced bargaining power, since their indispensable roles make
them well-positioned to make credible threats that will pose considerable harm to their employer
should they strike or quit. Workers’ fall-back positions are also improved insofar as they can
more easily find alternative employment if they are in high demand, and they may qualify for
government income support. Moreover, public sympathies for essential workers enhance their
bargaining power if employers worry that they will sustain reputational damage if they do not meet their workers’ demands.

All “essential” workers are not on equal footing. The impact of this designation hinges on at least two other dimensions: their status and the ease with which they can be replaced. Accordingly, workers’ bargaining power may be positively or negatively affected by a designation of “essential.” In general, easily replaced workers will likely see negligible gains under the pandemic, while hard to replace workers with a high status could see their bargaining position improve. The outcome for workers who have low status but are hard to replace will likely be mixed and may change over time. These characteristics are highly context-dependent: workers in similar jobs may be “easily replaceable” in some workplaces and sectors and not in others. For example, New Orleans, low-wage sanitary workers who went on strike for personal protective equipment and hazard pay were fired and replaced by prison labor, while this outcome would be unlikely for the highly unionized and influential New York City sanitary workers.

In general, workers are easily replaceable if there are low barriers to entry (such as education requirements) in their jobs, and if replacement workers are easily recruited. Early in the pandemic in Canada, many workers left positions in long-term care facilities because of bad working conditions, low pay and heightened risk, particularly when they were able to secure government income support. To avoid raising wages, some provincial governments called for volunteers, and ultimately deployed the military to replace these workers, thereby undermining the bargaining power of these workers. When soldiers or volunteers could no longer continue filling these roles, governments were forced to introduce recruitment programs and improve
work conditions. For example, the Quebec government offered a special training program paying trainees CAN$ 760 weekly and guaranteeing a position at CAN$ 26/hour upon graduation. Since the strategy used to replace workers was only available for a limited period of time, so was the downward effect on their bargaining power and in the end, the importance of their role (and public sympathies for their social contribution during the crisis) led to an improvement in their position. In the US, comparable workers did not leave their jobs en masse, in part because government pandemic benefits were restricted to laid-off workers, and also because they feared losing job-related health insurance.

At Volailles Marvid, a Montreal meatpacking facility, workers were not easily replaceable despite the low barriers to entry in their jobs. Their unionized workforce had a history of militancy (traditionally led by a sizable portion of women of Haitian origin) which enabled rapid union mobilization when upcoming Jewish holidays meant that this kosher slaughterhouse stood to incur substantial losses if work was interrupted. The firm acquiesced to workers demands for a temporary pay increase and protective health measures. This favorable outcome was facilitated by a combination of time pressure, increased fallback income, and the risks of workplace COVID transmission which made finding replacement workers difficult.

Workers are more difficult to replace, particularly in the short term, if their jobs require some degree of training, certification, or licencing, or where other barriers to occupational entry exist. While nurses and doctors are not easily replaceable, the elevated status of doctors relative to nurses in the healthcare sector translates into different implications for bargaining power. Quebec nurses were offered bonuses to continue working, but their collective agreements were
suspended by decree to prevent vacations or leave, all workers were forced to work full time, and employers were allowed to threaten workers with loss of seniority if they refused work reassignments. There was no such decree for doctors, who were offered handsome bonuses amounting to several times the salary of nurses or other healthcare workers. The perceived importance and deference to doctors relative to nurses (and doctor’s resulting ability to render themselves indispensable for such things as drug prescription) interacts with the hierarchical gendered perceptions attached to these professional identities, and has contributed to the elevated bargaining power of doctors and their corresponding remuneration (Dufour and Laurin-Lamothe, 2019).

While health care workers are widely regarded as essential in the US and Canada, the for-profit provision of health care in the US has important impacts on these workers’ bargaining power. Because hospitals were avoided for all but emergencies and COVID-19 care, and more than 16 million American workers lost employer-provided health insurance (Zipperer and Bivens 2020), the precipitous drop in consumer spending on healthcare (Chetty et al, 2020) posed an “existential threat” to for-profit hospitals (Fadel et al. 2020). Despite some federal government support for private hospitals, nurses and healthcare workers were laid off to buttress profitability. The Canadian public hospital system ties goals to public welfare. In response to the pandemic, nurses were deemed “essential” and were compelled to work more. In both cases, nurses bore the brunt of the required adjustments in having to work too much or not at all.

Conclusion
Bargaining power analytics highlight the diverse gendered impacts of the pandemic. Gendered bargaining power dynamics are impacted by a range of contextual factors such as workers’ tolerance to health risk, their fall-back positions, their domestic labor situation, their workplace replaceability and their capacities to relocate their work processes, and many government policy responses. Thus women workers’ bargaining power reflects the intersection of gender with many considerations such as income status, domestic arrangements, racialization, and immigration status. For example, the differing policy and social contexts in Canada and the US can produce both similar and different outcomes, depending on how these contextual factors interact.

Even when women workers’ bargaining power is enhanced, the employment relationship remains animated by antagonistic considerations in a capitalist workplace which incentivize employers to attempt to limit or reverse improvements to worker bargaining power. They may prevail on governments that have (temporarily) enhanced worker income security to terminate these programs that they regard as a disincentive to work, and to ensure that future policy redesign is disadvantageous to worker bargaining power. Employers may also seek regulatory and other concessions to mitigate upward pressure on wages, such as farmers who request special dispensation to be able to bring in temporary foreign workers who are not admissible for government benefits. Thus in an adversarial employment relationship, even elements that enhance worker bargaining power may incite employer responses that ultimately diminish or reverse this favorable development for workers.
The pandemic may also embolden workers, as is suggested by the various forms of resistance and struggle that have arisen in Canada and the US. Questions of workplace health risk highlight both the risks borne by workers, and employers’ incentives to overlook these risks, often at great cost to both workers’ health and public health more broadly. The pandemic also highlights the widespread social consequences of struggles to accomplish paid and unpaid domestic labor responsibilities and the many gendered repercussions of these struggles. As it becomes clear that workers’ capacity to work – and the economic recovery more broadly – is predicated on a range of caregiving work being performed, this might serve as an opportunity to problematize society’s responsibility towards care work in general. As some forms of caregiving work have been given elevated social acknowledgement and respect, social and economic priorities may be reordered to reflect this new recognition of the social importance of caregiving in its many forms.

These antagonisms between workers and employers will unfold in a context that has been transformed by the pandemic. After generations of wage stagnation and fraying social safety nets, the mantra “there is no alternative” seems less plausible when there is evidently endless financial capacity available if employers and governments face extreme circumstances. As the pandemic demonstrates that public wellbeing invites substantial challenges to the status quo, and that tools exist to accomplish these transformations, the precedent set by emergency government programs and sudden workplace changes illustrate that there are many alternatives. Women in particular have ample motive to ask these critical questions, since this confluence of economic, health, and domestic crises is likely to be borne disproportionately by women unless workplaces
and public policies are fundamentally challenged as they are restructured to emerge from the pandemic.

Works Cited


