WHERE HARD WORK DOESN'T PAY OFF: POLICY RECOMMENDATIONS

In June, Oxfam published research that features a robust new index comparing US labor laws to those of economic peer nations. “Where Hard Work Doesn’t Pay Off” tracks 56 policies across 38 nations in three key dimensions: wages, worker protections, and rights to organize.

Not surprisingly, the US is far behind our peers in each of these dimensions. Out of 38, we rank #36 in wage policies, #38 in worker protections, and #32 in rights to organize. The report offers policy solutions including models from other nations, demonstrating ways the US can catch up, and do more to support working families.

The US should take inspiration from our peers, and move toward a labor policy landscape that prioritizes care: policies that care for and protect our workers, that enable them to care for their families and themselves, and that provide the vital social supports they need.

Each policy tracked in the index presents a model for the US government to consider. While the US has a long way to go in enhancing federal policies on wages, worker protections, and rights to organize, below is a selection of recommendations for federal policymakers to help us build a more caring and just economy.

WAGE POLICIES

The US ranks third-to-last on wages among OECD nations. Paying workers enough to support themselves and their families is fundamental to a labor policy landscape that values and cares for workers. We can learn important lessons from our peers. Belgium’s wage policies, for example, provide a useful model: wages are adjusted annually for inflation, so that workers can keep up with the cost of living. And domestic workers, agricultural workers, and workers with disabilities are covered by minimum wage laws.

In the US, on the other hand, Congress’ failure to raise the minimum wage, and ensure that it keeps up with the cost of living, has trapped low-wage workers—especially women, BIPOC communities, women of color, and single parents—in poverty. Federal policymakers must:

• Raise the federal minimum wage.
• Eliminate all exclusions from federal minimum wage standards, including tipped workers, youth, agricultural workers, domestic workers, and workers with disabilities.
• Require annual updates to the minimum wage, indexed to inflation.

WORKER PROTECTIONS

The US ranks dead-last among OECD nations when it comes to protecting workers and supporting them both on and off the job.

We are the only country in the OECD that does not guarantee a single day of paid family or sick leave, which disproportionately harms low wage workers, women, and workers of color. Meanwhile, the US can learn much from a peer nation like Spain, which guarantees 16 weeks of paid parental leave to both parents, helping encourage a more equitable approach to care responsibilities.

In the US, policymakers must ensure that workers don’t have to choose between their health or caring for their loved ones, and a paycheck. Federal policymakers must:

• Provide paid family and sick leave to all workers.
• Invest in childcare and home- and community-based care, including expanding the Child Tax Credit.
• Provide universal healthcare that is not contingent upon employment.
• Strengthen equal pay laws to ensure equal pay for equal work.
• Strengthen discrimination protections.
• Require stable, predictable, flexible scheduling practices that enable workers to handle caregiving responsibilities.
FIGHTING INEQUALITY TO BUILD A BETTER WORLD

Oxfam believes that poverty is a policy choice, and that the ultrawealthy and giant corporations have hijacked our systems to benefit a select few. We are working to redress the balance of power, putting it back in the hands of working families in the US and around the world.

RIGHTS TO ORGANIZE

The US ranks #32 in protecting rights to organize and collectively bargain. Corporations are raking in record profits, while workers and their families struggle to make ends meet. The opportunity to join a union and collectively bargain for better working conditions helps to rebalance the power toward workers. Union workers have higher wages, better benefits, more equal pay, and stronger protections at work.

But not everyone has access to a union, and historical exclusions targeting Black workers and other workers of color remain today. Many of our peer nations—15 in fact—allow sectoral bargaining, which can help reduce gender- and race-based wage gaps while strengthening worker protections across entire industries.

Federal policymakers must:

• Eliminate all exclusions from the right to organize, including for agricultural workers, domestic workers, and independent contractors.
• Support sectoral bargaining alongside workplace-level bargaining.

WHICH COUNTRIES ARE INCLUDED IN THE INDEX?

The index assesses labor policies in each of the 38 countries in the Organisation for Economic Co-operation and Development (OECD). These countries are similar to the United States, in that they commit to democracy and free-market economies, and have relatively robust gross domestic products (GDPs).

Please refer to the interactive map on the Oxfam site, which includes scorecards for all 38 nations.

The interactive map is here: www.oxfamamerica.org/countrylaborindex

BILLS CURRENTLY UNDER CONSIDERATION

There are bills Congress should pass that will help us build an economy that cares for workers, supports them in caring for their loved ones, and enables workers and families to thrive, including:

• The Raise the Wage Act
• The FAMILY Act
• The Healthy Families Act
• The Child Care for Working Families Act
• The Childcare for Every Community Act, and
• The PRO Act.

While none of these bills would encompass all of the above policy recommendations, they’re a start. When we raise the floor on wages, worker protections, and rights to organize, we improve well-being and we reduce inequality.

Our economic peer nations show us that strong economies and strong support for workers go hand-in-hand.

WHY IT MATTERS FOR INEQUALITY

At the same time that we have a thriving economic engine that delivers prosperity and enormous wealth to some of us—from billionaires to the middle class—millions of people are denied these rights; and they are very disproportionately BIPOC, immigrants and refugees, and women.

Without sufficient Congressional action on labor laws, this leads to not just stasis, but an actual exacerbation of inequality for workers. Low-wage workers lose ground as wages stagnate and decline; when they work without healthcare, they may end up with staggering medical debt; when a deadly pandemic sweeps the world, and they have no paid sick leave, they endure exposure and illness.

It’s vital for the US to catch up with our peers, and mandate better for ALL workers.