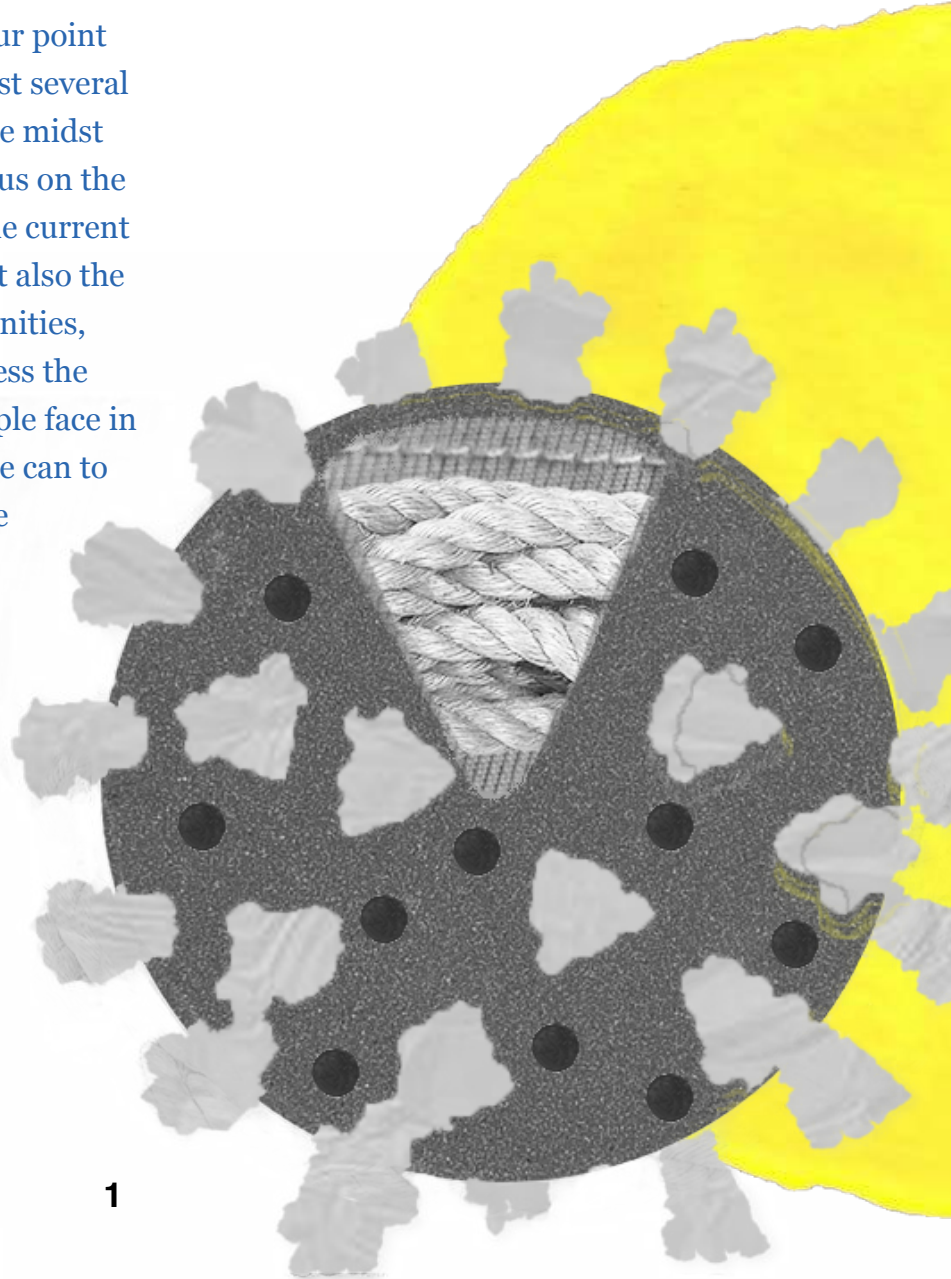


# Our Vision for the Future of Workers and Work

## Worker Power in a Post-Pandemic Era:

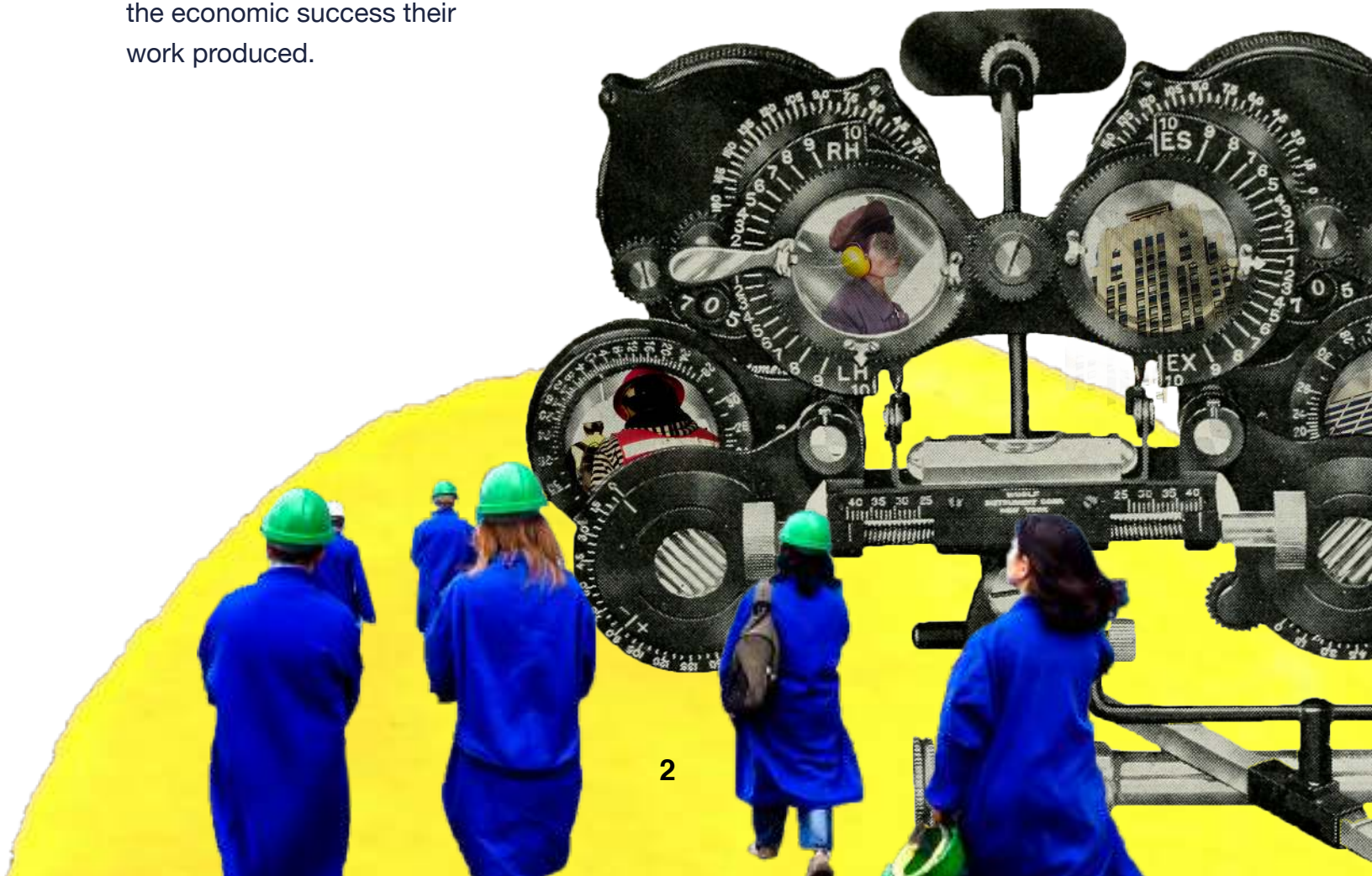
Omidyar Network has been refining our point of view about worker power for the past several months. We are releasing it now, in the midst of the COVID-19 pandemic, with a focus on the United States in particular, because the current situation lays bare the importance, but also the fragile state, of worker rights, opportunities, and protections in the US. As we witness the mounting vulnerabilities working people face in this country, we must do everything we can to fight for a new economic system where they exercise greater power and voice.



Dignified work enables dignified lives. A dignified life means stability and agency. It means we get paid fairly for the work we do, and get a fair return for the time we put in. It means we can make ends meet, sustain our families, and send our kids off to a brighter future. It means we can take time off when needed to care for ourselves and our loved ones. And it means that everyone has a safe workplace, so no one has to choose between their health and their paycheck.

Taken together, dignified work promotes and underpins our health, well-being, and quality of life. While dignified work is important in and of itself, it is also important for our broader democracy and society. They are, in fact, mutually reinforcing. Healthy economies, societies, and democracies are only possible when working people have the agency to demand — and get — a fair share of the economic success their work produced.

*“While dignified work is important in and of itself, it is also important for our broader democracy and society. They are, in fact, mutually reinforcing.”*



We define worker power as the ability of working people acting together to influence the terms of their work — including pay and benefits, but also broader working conditions and terms of employment. People can exercise power through direct bargaining with employers, and also by having the ability to effectively advocate for policies at city, state, and federal levels.

The issue of worker power is more urgent now than ever, as millions of working people stand on the brink of disaster — or go over it — as our economy falters. As is almost always the case in difficult times, the people experiencing the greatest impacts of the crisis are those most vulnerable to them: workers who were already paid low wages with no benefits or protections, thanks to decades of wage stagnation, skyrocketing costs, and fraying benefits coverage. From the caregivers who look after our children and elderly family members, to the clerks at grocery stores keeping shelves stocked, to the local restaurant's waitstaff, to the gig workers still scrambling to get by in precarious jobs since the last recession — suddenly, a vast swath of vulnerable working people in America have been thrust to the frontlines of this pandemic, risking their lives to help the rest of the nation stay safe, healthy, and fed.



In short, the COVID-19 crisis is putting on grand display the stark differences between those who have and those who do not. It's not just about income inequality and access to health insurance. It's about power and voice. People who don't have those things are at greater risk of health and economic calamity, particularly in this moment.

In this document, we share our perspective on the state of working people's power in this country today and what we believe it will take to build a better tomorrow. This paper provides an overview of the key factors affecting the state of working people's power in this country today and what we believe it will take to build a much different tomorrow. As ON embarks on its urgent effort to change the state of play, we examine:

**As ON embarks on its urgent effort to change the state of play, we examine:**

- 1** *The stark realities of work in America, especially for people of color, women, and those paid low wages;*
- 2** *How working people have lost power — and how corporate management, policy, and legal decisions have seized rights, protections, and benefits from them over the past 50 years; and*
- 3** *A range of solutions that can fundamentally alter our economic system by restoring authority, autonomy and voice to working people in this country when this crisis ends.*

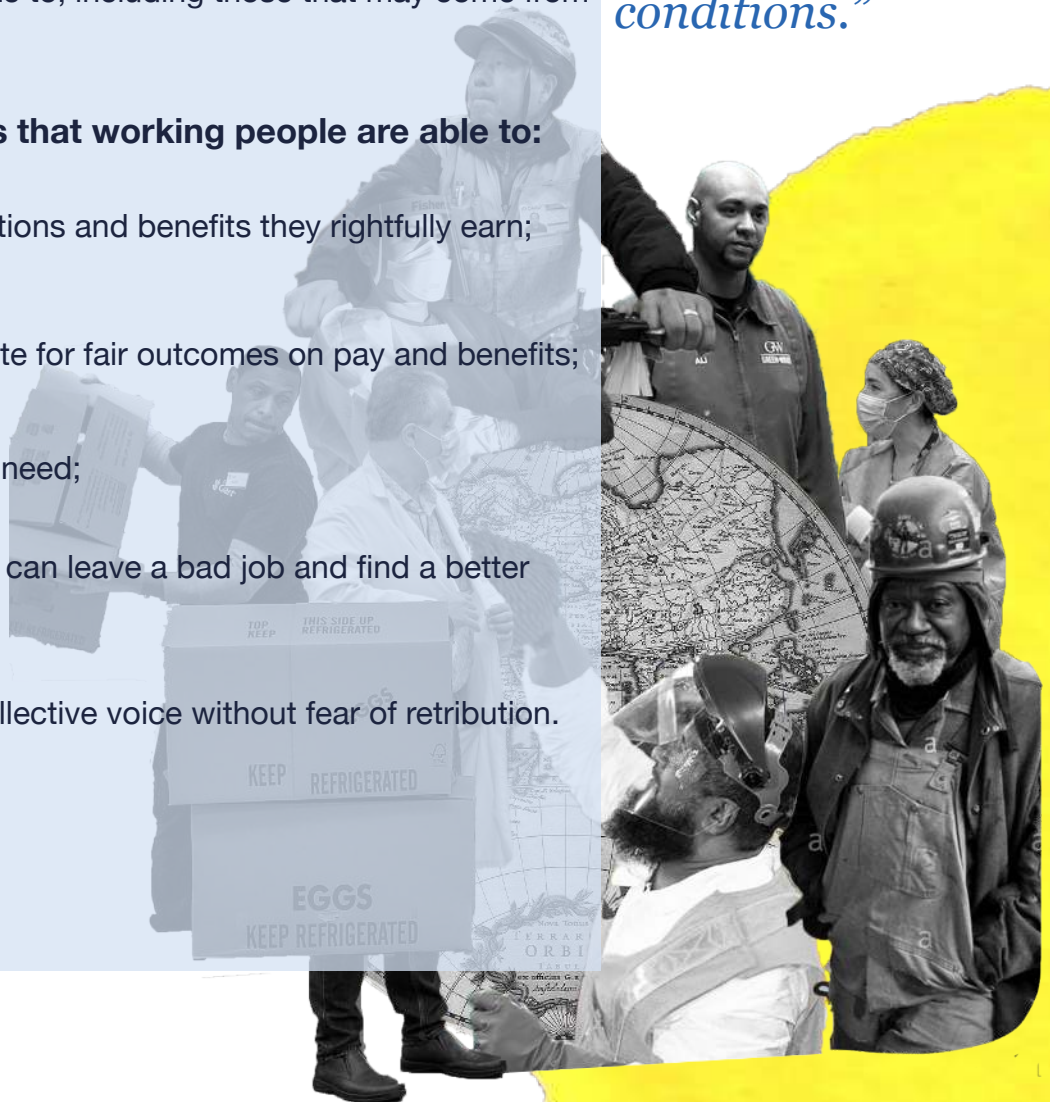
**At Omidyar Network, we believe in a world where:**

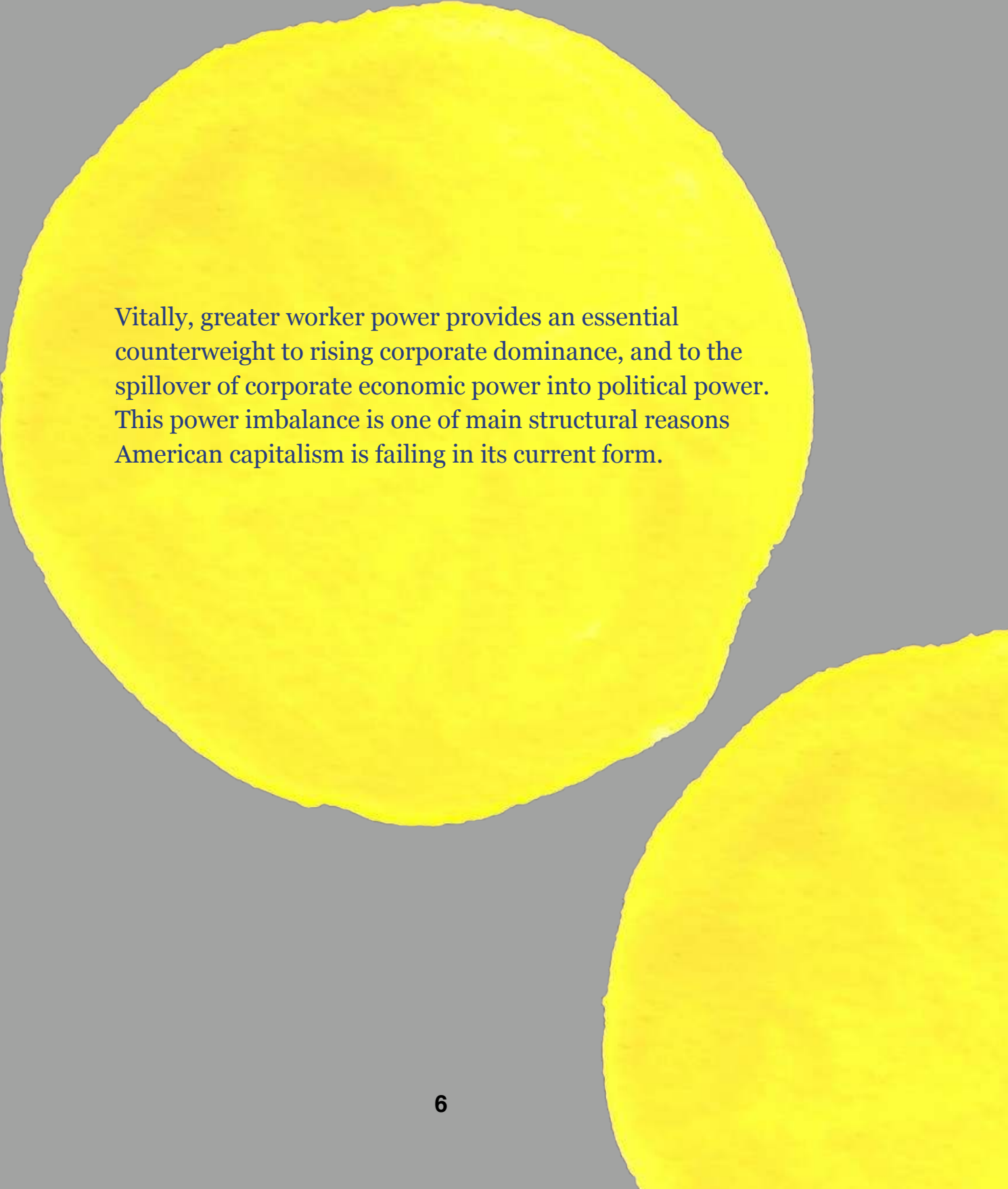
- 1** Work is productive and purposeful, where all forms of work are respected, and where all people have meaningful agency in the workplace;
- 2** Every working person can earn a family-sustaining wage;
- 3** Everyone has basic rights, protections, and benefits (e.g., health, disability, retirement plans) regardless of employment status, whether employed traditionally, in alternative or gig roles, serving as caregivers, or working in multiple jobs; and
- 4** People share meaningfully in the profits and productivity increases they contribute to, including those that may come from automation.

**For us, power means that working people are able to:**

- 1** Receive the pay, protections and benefits they rightfully earn;
- 2** Join together to advocate for fair outcomes on pay and benefits;
- 3** Speak up for what they need;
- 4** Feel confident that they can leave a bad job and find a better one; and
- 5** Exercise a sustained collective voice without fear of retribution.

*“For this vision to become a reality, people need to have meaningful mechanisms to shape their destiny at work. Power allows working people to advocate for better policies, benefits, training, job opportunities, and working conditions.”*





Vitality, greater worker power provides an essential counterweight to rising corporate dominance, and to the spillover of corporate economic power into political power. This power imbalance is one of main structural reasons American capitalism is failing in its current form.

# Why Omidyar Network

Across Omidyar Network, we focus on structural change to fundamentally shift the systems in which we operate. While many philanthropies support critical work that improves daily conditions for working people within our current structures, we believe there has been a relative gap in efforts that build longer-term worker power that would give people greater agency in their workplaces and policy decisions that impact their lives.

Given our history as impact investors and our Silicon Valley roots, we offer unique assets to this space, especially our understanding of technology and the risks and opportunities it poses, as well as our experience in building financially sustainable organizations. Our hybrid organizational structure enables us to fund non-profits, for-profits, and advocacy.

We support new models, tools, and policies that build the power and agency of working people, partnering with the many funders (and our hope is that more join us in this space), organizers, unions, worker centers and other worker advocates, innovators, businesses, scholars, and others who are already tackling this critical challenge.



# Reality Check

Long before this crisis hit our country, too many working people struggled to live a dignified life. It's not because they are lazy. They do not lack sufficient skills, intellect, or ambition. Skills are undoubtedly important, but *people have struggled because there has been an organized, deliberate effort to systematically strip working people of their power in the workplace, the broader economy, politics, and civil society.* As a result, America's working people have seen a reduction in their bargaining power, their buying power, and their hope for a better future for their children, despite the fact that they are the engine that has driven our historic economic growth.

Having a job is no longer enough to fulfill the American Dream. For the first time in recent memory, young people in [the US are likely to be worse off than their parents](#). While 90% of children born in 1940 grew up to earn more than their parents, the same is true for [only half of children born in the 1980s](#). Before COVID-19's decimation of the economy, [we had low unemployment rates](#), high levels of job creation, and [claims of a booming economy](#). Yet wages had long been stagnating for all but those at the very top of the income ladder. The pandemic makes clear how fragile our economy was, as tens of millions of people face economic calamity. [Nearly one-quarter didn't have access to paid leave](#), millions lacked sufficient health insurance, and according to the Federal Reserve, 40% of Americans couldn't afford an unexpected \$400 expense.

Recently, ON joined the Bill & Melinda Gates Foundation and Lumina Foundation to conduct a [survey](#) by Gallup to understand the quality of jobs in America. The findings yielded sobering results: as of late last year, less than half of working people in America are in good jobs (40%), with people paid low wages and people of color faring especially poorly.



The future looks bleak if we do not act. Even before the current economic crisis, two of the five American occupations predicted to grow most quickly in the next decade — both in the care sector — offered average wages of under \$25,000 a year. That's the equivalent of poverty level for a family of four. Entry- and mid-level wages in a [variety of large and growing sectors](#), including care, retail, janitorial, and transportation (which are among those least likely to be substituted for by foreign trade), are stagnant. While the work in these sectors becomes more volatile, the cost of living continues to rise. These realities are markedly worse for [people of color and women](#). Both are persistently denied equal pay for equal work, and centuries of prejudice, oppression, and racism have constrained opportunities for generations.



The challenges working people face in this country extend beyond wages alone. Some of the most critical barriers include:

- 1 *Unpredictable and unfair work schedules* that make it difficult to manage child care, elder care, education, or other family and life demands;
- 2 *Limited or no paid time off* — and as the COVID-19 pandemic makes clear, time off when you or a family member is sick shouldn't be a “nice to have” but rather a given in a humane, productive and healthy society;
- 3 *Benefits packages that are too weak and too closely tied to employment*, so working people risk losing what little protection they have if they quit or get laid off;
- 4 *Scarce career advancement opportunities*, especially as employers choose to outsource work — cutting off access to upward mobility that once existed in a wide range of careers, from programmers to drivers to office administration.
- 5 *Misclassification of workers as independent contractors*, notably in gig work, denying them protections and safety nets they ought to be entitled to, such as minimum wages and unemployment insurance.
- 6 *Rampant wage theft, especially from people who are paid low wages*, with billions of dollars stolen by employers from wages each year.
- 7 *Employer retaliation against people who try to organize*, something the pandemic is also bringing to light with people allegedly getting fired for organizing walkouts.
- 8 *Forced arbitration clauses and non-compete agreements*, which further weaken people's ability to hold employers to account or find better job opportunities.

Taken together, the reality for working people in America today makes clear that fundamental changes are needed if we are to meaningfully address longstanding inequities. We must look broadly at how working people can achieve agency in the workplace, in our political system, and more broadly in our society.

# How Did This Happen?

Our current reality poses a direct challenge to the widespread assumption that economic growth in free markets will automatically lead to fair outcomes — especially for women and communities of color, where centuries of prejudice, oppression and racism have shaped opportunities for work. To make matters worse, starting in the 1970s, [wages decoupled from productivity growth](#) and have persistently lagged ever since. As a result, [laborers' share of income has declined steadily over the last six decades, dropping sharply since the 2000s](#). And while these broad trends are [global](#), the US is a particularly egregious example.

Structural factors are also at play. Technological progress has made it easier for business leaders to look to technology to replace people. Senator Mark Warner (D-VA) said in a speech last year that “[Our government] [provides a tax deduction to the company that replaces a human with a robot, but offers nothing to the company that trains that worker to remain employable](#).” And global trade agreements make it easier for businesses to look overseas for labor rather than negotiate with their employees at home, a practice that has led to [stifled wages and increased unemployment in the US](#).

At the same time, working people are losing their ability to advocate for themselves in the face of an [organized, aggressive legal and policy agenda](#) — supported by corporate interests — designed to boost mistrust of unions and erode worker power and the right to organize. Following the 2008 Great Recession, [states](#) used reduced revenues as justification to hollow out public sector unions — a lesson we should remember as we enter our current economic downturn.



Traditionally, many had a voice through labor unions, which were seen as entry into the middle class. That's no longer true. Today:

- 1 Many [US unions are on the decline](#);
- 2 Union membership dropped from 20% in 1983 to 11% in 2017, with only 6.5% percent in the private sector today; and
- 3 The rise of [corporate concentration and labor market monopsonies](#) exacerbate this trend, and increase employers' ability to influence government policies and unilaterally set the terms of employment.

The COVID-19 pandemic clearly shows the benefits of organized labor, who have become some of the strongest and most effective voices advocating for workers. Unions like UFCW successfully negotiated for increased pay and benefits for people working at grocery stores and food manufacturing facilities that are essential to protecting the food supply chain during the pandemic. Teachers unions are doing everything they can to protect the health and safety of their members, including nurses, while also supporting the transition to online learning. Transportation unions are insisting riders enter buses in the back door and cutting routes to avoid exposing drivers. Without unions advocating on behalf of their members, working people have to rely on employers to do the right thing, or on policies that force them to do so. And too often, those policies don't exist.



All of this is happening in the shadow of another looming threat: automation. While we don't yet know the full effects of automation, the most certain impact will be disruption, especially for those in sectors highly susceptible to automation like manufacturing, hospitality, transportation, warehousing, and retail. The McKinsey Global Institute suggests that as much as one third of the American workforce will have to switch occupations by 2030. Economic downturns — like the one we are fast approaching due to the pandemic — can accelerate automation as people who are laid off are increasingly replaced by technology. In addition, evidence suggests that, absent intervention, automation will continue to polarize the workforce into low wage vs. high wage jobs, further hollowing out the middle class and worsening inequality. And we know that increases in worker power will, in turn, have the potential to further incentivize firms to substitute AI for workers, so we recognize the complex dynamics that any solution must navigate.

The consequences of these trends are profound. The US workforce is in crisis, and we see that playing out across multiple populations:

- 1 Poor people and people of color are sicker and dying younger because they cannot escape poverty;
- 2 Women and people of color remain disproportionately represented in jobs that pay low wages — a direct legacy of historic patterns of oppression and discrimination;
- 3 Middle-aged white Americans without college degrees are committing suicide at higher rates, a notable trend among those who once had good blue-collar jobs;
- 4 The social safety net, meant to protect people who are facing extraordinary challenges, is haphazard in its design, coverage, and ability to backstop working people facing shocks and transitions, as the current crisis has also demonstrated;
- 5 The vast majority of working people — the bottom 90% — hold less than one-quarter of the country's wealth, thus lacking both economic security and political power in a system where money holds too much sway over our politics.

*“Women and people of color remain disproportionately represented in jobs that pay low wages — a direct legacy of historic patterns of oppression and discrimination;”*



# Where We Should Go

For all of these reasons, we believe that we will have a healthier economy — one that is better for employees, businesses, and society — only when working people have greater power, agency, and voice at work, individually and collectively.

While there are other promising solutions on the horizon — including upskilling and re-skilling, portable benefits, increased minimum wages, new employment metrics, and employee classifications — they are not sufficient. Such improvements will be stronger, sustainable, and more authentic if people have the power and voice to consistently advocate for their needs and hold employers, elected leaders, regulators, and others to account.

It will take multiple pathways to get there. While unions fueled worker power and voice in the 20th century, they have been [on the decline](#) and under attack — most recently [in the judiciary](#). To build a more inclusive capitalism for the 21st century, we urgently need to increase the agency and voice of working people, building on traditional models and finding new opportunities.

As the [“Clean Slate for Worker Power”](#) report notes, “labor law must create pathways to collective power everywhere that corporate power impacts workers’ lives: in the workplace and across industries, in the boardroom, and in our political system.”

To realize this vision, we aim to support new models, tools, and policies that help to build the power of working people, partnering with the many funders, organizers, unions, businesses, innovators, and scholars already tackling this critical challenge.



**We are exploring a number of ways to build power for working people:**

**Supporting innovative ways of organizing working people that build on new models.** Unions and workplace organizing will continue to be a critical backbone of efforts to build worker power, and we fully support efforts to strengthen and expand the unionized workforce in the US. But given the current limited reach of unions, and the dramatically changing nature of the “workplace” in the 21st century, we also need new models. These should include technology tools that enable organizing, non-union organizing models (such as through worker centers, benefits delivery, or interest groups), and training partnerships. With expanded models for organizing, we can create complementary capabilities, trigger focused action in windows of opportunity, and broaden the coalition of voices advocating for working people.

**Discovering and bolstering revenue models to support organizing.** Unions managed to scale and grow because they had the revenue engine built on member dues. Because unions are financially self-sustaining, they have been able to effectively contend for power within the workplace as well as the policy and political arenas. Other organizing models have struggled to raise revenue to support the work of organizing. We are looking at a number of potential revenue models, including technology products, portable benefits, enforcement models (e.g., where governments contract worker organizations to enforce labor standards), job training and placement, certification/labelling, and member dues.

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**Enacting policies that enable and build worker power, agency, and voice,** both by addressing the shortcomings within our current outdated labor laws and by introducing new policies to institutionalize worker power, especially policies that encourage membership in unions and worker organizations and promote broad-based bargaining that can cover more people, such as wage boards and forms of multi-employer and sectoral bargaining (e.g., [the Domestic Workers Standards Board created in Seattle](#)).

**Exploring business and corporate governance models that incorporate worker voice** to better address the balance of power within a company and structurally take into account the interests of workers. We are glad to see issues of worker representation gaining traction and prompting discussion in other domains, including in [Senator Elizabeth Warren’s Accountable Capitalism Act](#).

**Introducing and normalizing data that better describes the experience of working people in America.** We believe that current unemployment data mask substantial insecurity and fragility in the labor market. Better data indicators are required to more accurately reflect real worker sentiment about the quality of their jobs and anchor different narratives. That is why we recently partnered with Gallup on a landmark survey of job quality, where working people build their own definition of job quality and share how their jobs stack up against that standard.

*“We believe that current unemployment data mask substantial insecurity and fragility in the labor market.”*

**Putting deliberate focus on the imperative to correct racial and gender inequities in the workplace and in worker power.**

We must not replicate the exclusionary policies of the past. [The National Labor Relations Act deliberately excluded domestic workers and agricultural workers, the price of a political deal that has now denied many women and people of color equal rights at work for decades.](#) We must affirmatively fight for worker power for all workers, especially those who have been chronically excluded.

**Challenging the hostile narrative around working people's rights, protections, and benefits.**

As union membership has declined in America, non-union working people have been plied with messaging that casts good wages and basic rights as privileges that eat into their employers' profitability. Instead of looking at the better pay and benefits of our unionized counterparts and asking why our employers cannot do better, too many of us have been encouraged to join a race to the bottom, where no one gets essential benefits like paid sick days, health insurance, or family leave.

**Tracking how the current global pandemic impacts working**

**people and our economy** (e.g., as state budgets shrink, pensions are jeopardized; public sector unions are weakened, and jobs are eliminated because of long-term social distancing). The response to the pandemic and the resulting deep economic downturn will require new and innovative policies because the challenge is bigger than anything we have faced in generations. The economic and social impact of COVID-19 is going to permeate federal, state, and local policymaking for years to come. But it is important to remember that the last great leap in empowering workers — passage of the National Labor Relations Act — came as a response to the Great Depression. We recognize that we are putting forth our point of view as the COVID-19 crisis unfolds, and we pledge to be supportive, proactive, and nimble to rise to the great challenge this pandemic presents.

# Working people built our economy

Working people built our economy and enable our continued success as a country. Amplifying their power, agency, and voice so they can speak up for themselves, have good jobs, and live lives they can be proud of, will provide resilience in the face of disruption. It will also help us create and preserve a healthy society and democracy, where prosperity is fairly shared, and the American Dream is available to everyone.

