

WORKING FOR A LIVING WAGE IN PHILADELPHIA

A Thesis
Submitted to
the Temple University Graduate Board

in Partial Fulfillment
of the Requirements for the Degree
MASTER OF ARTS

by
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January 2010

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ABSTRACT

The living wage movement swept American cities in the mid-1990s, bringing new attention to working poverty and challenging the economic development ethos of urban regimes. This case study of the living wage in Philadelphia merges regime theory and social movement theory to explain the outcomes of two very different campaigns in 1997-1999 and 2005. Documents from the two efforts were examined and interviews were conducted with a variety of actors in social movement organizations, an instrumental union, and from within the regime. Socioeconomic conditions created fertile ground for economic justice advocates and constrained the actions of the regime, but did not predict adoption or defeat of a living wage bill. A social movement analysis of the earlier living wage coalition explains, in part, why it lacked capacity to challenge the regime and prevail, although a similar level of mobilization was adequate in other cities with Democratic regimes. Regime theory provides insights into why the governing coalition mounted opposition in 1998, yet allowed an ostensibly similar bill to pass in 2005. By 2005 social movement organizations were operating on a different geographic scale, and had adopted new strategies that allowed them to use a weak living wage bill (and to be used in turn by a regime politician) as a means to an end, which was to impact working poverty statewide. There has been inadequate enforcement of a policy passed from within city council, without involvement of direct stakeholders.

ACKNOWLEDGMENTS

I am grateful to Melissa Gilbert, my advisor, whose patient suggestions and alternative approaches helped me through my tougher times, and who held me to a higher standard throughout.

To those who gave me interviews, thank you for your interest and for giving generously of your valuable time and opinions.

To everyone who worked for a living wage in Philadelphia, thank you for your commitment to economic justice. I hope I did justice to the struggle and added enough insight to make it worth a read.

I thank all my friends who encouraged me, listened and asked probing questions, and who didn't doubt that I would eventually finish.

Finally, my deepest thanks go to Jeanne Schock for putting up with me, proofreading, inspiring me to be better organized, and giving me unconditional support.

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CHAPTER 1

INTRODUCTION

The objective of the proposed research is to understand vastly different outcomes – first a failure and then passage – of Philadelphia’s two living wage campaigns of 1998 and 2005. Specifically, this research answers two questions: first, were they determined by changing power regimes, different organizing strategies of the living wage campaigns, or broader economic policy questions? Second, did the living wage campaigns constitute urban social movements capable of effecting meaningful social change, specifically the pattern of gendered, racialized poverty in the city? Did they have an impact on power relations? By examining the failure and subsequent success of a living wage campaign from both social movement and regime perspectives, with a lens focused on race and gender, this research enhances our understanding of factors that explain how a living wage campaign can be successful.

Living wage campaigns in the United States have captured the public imagination, appealing to fundamental moral values and addressing a deep concern for economic justice and addressing the conditions of the working poor. They provide an alternative vision to the mainstream economic development schemes advanced by urban regimes, and they have spurred new coalitions of labor, community and progressive faith-based groups to work together in novel ways, forge closer relationships and advance deeper understandings of how to increase the power of marginalized communities. Many living

wage laws have created a role for civil society groups to participate in their implementation, serving as a model for policymaking and more open government.

Living wage campaigns were first and foremost a moral response to the increasing visibility and plight of the working poor in the 1990s and the failure of public policy to respond. On the contrary, neo-liberal federal and state policies contributed to increasing levels of economic inequality in cities, as the buying power of the minimum wage eroded steadily over a 40-year period, depressed workers' wages, and exacerbated a wage dispersion that left low wage jobs increasingly gendered, racialized and performed by immigrants. City governments were at the heart of this restructuring, responding by cutting their workforces and privatizing city services, thus outsourcing previously secure, well-paying jobs. These same cities embarked on projects to bring private investment, with expensive, taxpayer-funded schemes that pitted them against each other to compete for jobs, ultimately resulting in bad jobs (if any) locally and a zero sum loss to cities in general.

In this context of accelerating urban inequality grew the possibility of a social movement to challenge these conditions and the power relations that created them. In the absence of a dynamic poor-people's movement, organizers needed easy, incremental wins. By the 1990s, welfare "reform" was a done deal and the poverty discussion shifted to the working poor, labor unions were open to new organizing models and faith-based groups were searching for a more just alternative to standard economic development strategies.

Even without national coordination or a single definition of "living wage," by mid-2006 campaigns had occurred in at least 140 places (cities or counties, plus a few

universities) – with ongoing campaigns in about 30 others – since the first law was passed in Baltimore in 1994 (Pollin, Brenner, Wicks-Lim, & Luce, 2008). Coverage varies significantly: two thirds of living wage laws apply only to employees of private sector firms with city contracts (Toikka, 2005), and another one in four also cover workers in firms that benefit from public economic development subsidies (Fairris & Reich, 2005). Only a handful actually set a new minimum wage standard that covers employees in private firms. Wage levels range from \$1 per hour higher to double the federal minimum wage (Thompson & Chapman, 2006) – and some mandate higher pay rates when health benefits are not provided. By 2004 the average living wage was \$10.89 per hour while the official poverty level for a family of four was \$9.28 and federal minimum wage remained at \$5.15 (Fairris & Reich, 2005; Luce, 2007). In covered cities, only a small proportion of low-wage workers, perhaps 2%, are directly affected (Bartik, 2005) but nationwide, the total number was estimated at over 100,000 in 2002, a small but significant number (Luce, 2002).

Understanding how and why these campaigns succeed or fail is crucial to understanding governance and policy change and the politics of inequality at the urban level. Two ways of analyzing living wage campaigns are through social movement theory and regime theory. While both have much to offer, few case study analyses combine the two approaches. Furthermore, neither approach adequately integrates race and gender analysis. This research attempts to fuse the two approaches, with a deeper analysis of gender and race.

The social movement approach to an analysis of the living wage movement focuses on social conflict rooted in power relations. It considers whether living wage

campaigns constitute a social movement, how and why the movement diffused, how its internal dynamics contribute to its outcomes, and how it extends the struggle to different scales. This research acknowledges that implementation of living wage laws is spotty and inadequate in many places, and debates the question of whether better implementation is linked to the strength of the initial campaign and the types of organizing strategies that are chosen (Luce, 2004). For the most part, the social movement literature is less concerned with concrete results of living wage campaigns – such as lifting individual workers out of poverty or impacting the local economy – and more concerned with their potential for longer-term change. From this framework, researchers assert that reframing the dominant debate about economic development, building new coalitions among unlikely or fragmented groups, or helping to revitalize the labor movement, may be successful ends in themselves (Figart, 2004; Freeman, 2005; Hackworth, 2007; Luce, 2007).

While social movement literature is concerned with popular movements, it is relatively silent about the forces of opposition. Regime theory takes a more top-down approach, emphasizing local politics and emergence of growth coalitions. Its central concern is how struggles between groups define and fulfill the ‘unitary interest’ of the city and how they constitute the regimes of power (not exclusive to government) for which public policy serves an instrumental function. (Levin-Waldman, 2004). Regime theory has been criticized for ignoring or excluding the poor and dispossessed as active participants in local politics, as well as for a narrow analysis of power relations that fails to incorporate the complex experience of race, class and gender in the lives of urban residents (Gilbert, 1999). Many researchers argue that it overemphasizes the autonomy of

local regimes (Hackworth, 2007; Harvey, 1989). Levin-Waldman's (2004) case studies test some of the assumptions of regime theory by locating the actions of the regime in the context of the city's economic conditions, asking whether these cities have shown a failure of policy in their inability to ease the process for dislocated workers and whether successful living wage campaigns become part of the regime, shift the regime's priorities, or impact who gets to be included in the debates.

This study is the first in-depth examination of the impact and implementation of Philadelphia's living wage law. Philadelphia's living wage experience provides a unique case study and a test of the assumptions of social movement and regime theory approaches. Its first living wage bill, pushed by a coalition initiated by ACORN¹ with labor union backing, was relatively expansive, including a provision that may have been unique: it required private contractors to hire a percentage of former welfare recipients. After city council hearings, it was delayed and finally defeated in committee, reportedly because of opposition from the Chamber of Commerce and the Mayor (Burton, 1998a, 1998b; McDonald, 1998; "Living Wage Would Die Without Facts (Editorial)," 1998; Yant, 1998). Seven years later, a city councilor who had actually opposed the earlier bill initiated a new one that was significantly narrower in scope ("Philadelphia 21st Century Minimum Wage Standard," n.d.). This bill passed easily with minimal involvement by activists and little public notice (Shaffer, 2005). It is still not known to what extent this ordinance has been implemented, and there appears to have been no enforcement of it.

¹ The Association of Community Organizations for Reform Now, an organization in over 100 cities that advocates for low- and moderate-income families.

The challenge of this research is to tease out the reasons for these contrasting outcomes, highlighting social movement theory, regime theory and analyses of race and gender. To answer these questions required using a variety of methods to assess and compare the goals, objectives, strengths and weaknesses of the Philadelphia living wage coalitions in both 2005 and 1997-1999. Examination of documents from living wage campaigns and interviews with key actors inside and outside the regime made the analysis possible. It is hoped that the research contributes to the literature about the living wage, as well as shedding light on the evolution of Philadelphia politics of economic justice.

CHAPTER 2

DEBATING THE URBAN LIVING WAGE

Academic debates on the living wage movement by and large reflect the public debates it provoked, especially in the first decade after Baltimore's original policy was passed in 1994. Fundamental differences in framing questions are relevant: while living wage campaigns tend to use overtly moral language relating to social equality and justice, regimes and opposition groups use ostensibly objective economic language that obscures their underlying neoliberal values, and clouds attempts at meaningful debate. Much of the living wage literature consists of economic analyses of the impact on the local economy (sometimes prospective), and these are most often cited by policymakers and mainstream media, as well as by those working to oppose living wage proposals. For the most part these discussions remain discreet, although a few economists have attempted to merge quantitative methodology from economics with a moral social justice framework (Bartik, 2005; Pollin & Luce, 1998; Pollin et al., 2008). Beyond this fundamental difference in approach are other subtle ideological differences that contribute to a more complex matrix of positions on the issue.

These debates are relevant to this research for three critical reasons: first, advocates must have some confidence in the policy's practical effectiveness for relieving working poverty. Second, they must be personally convinced that the living wage struggle is strategically important, i.e., it is worth their time and energy because of its potential for movement building and transforming power relations. Third, advocates must concede that economic studies both reflect and impact how living wage policies are

framed, which may in turn determine whether they receive public support, and most importantly, how they are perceived and implemented by governing regimes. Because they need to win, social movements must be able to translate their own value frames into language and policies that can be understood and claimed by policymakers; living wage campaigns cannot prevail without being able to master the tools of conventional economics and debate them on their merits.

In terms of impact, the divide starts when researchers decide what questions to ask. Any evaluation incorporates an implicit goal: there's a subtle difference between viewing a program as a tool to reduce poverty versus promoting social and economic justice (Bartik, 2005) – although in both cases it probably comes down to some redistributive effect. Economists have studied the impact on affected workers' incomes, as well as on firms, economic growth, and municipal budgets. From 1994 to 1999 the literature was more polarized than post-1999, with opposition groups citing mostly prospective econometric studies that predicted severe distributional effects, job losses, and a heavy burden to municipalities due to vastly higher contract costs. Some of this debate was (and still is) ideologically driven and it often used modeling developed for minimum wage increases, which affect vastly more workers and firms than do living wage policies. Some of the controversy was due to lack of empirical research and agreed upon methods of analysis (Bartik, 2005). Eventually, some consensus has developed among economists, for example, that there is little role for prospective studies (Bartik, 2005). But serious methodological differences remain and these leave open questions about distributional effects, employment effects, and other outcomes.

The most basic question is whether a municipal living wage policy can alleviate poverty, and on this measure it has been criticized from both left and right. Pollin, et al. (2008) argue that the living wage strategy both reduces poverty and is a moral imperative, and works as urban policy because its benefits are concentrated among few employees while its costs are diffused among many: the city, taxpayers, firms, and consumers (Pollin & Luce, 1998). Critics point out that the living wage is not a well targeted anti-poverty measure, because minimum wage workers may not be in poor households and much of poverty is not among fulltime workers (Bartik, 2004). In the case of minimum wage increases, raises have indeed gone to workers in households that are not poor, and the ripple effect benefits many non-poor employees (Sander & Williams, 2005; Toikka, 2005). But other surveys showed a majority of affected workers in households with incomes less than a “basic needs budget” (an alternative to federal poverty guidelines), and the great majority were adults (Thompson & Chapman, 2006).

There is also a question of unintended effects: an extensive debate over assessments by Neumark and Adams (2003) concluding that while living wage laws “achieve modest reductions in urban poverty,” they also impose a modest employment effect that negatively impacts the least-skilled workers (Adams & Neumark, 2005; Brenner, 2004; Brenner, Wicks-Lim, & Pollin, 2002). The “poverty trap” or “leakage” criticism points out that poor workers face high marginal tax rates, and slight increases in wages may phase them out of means-tested benefit programs such as Medicaid, food stamps and EITC, thus leaving them no better off and favoring single-person households over single parent families (Freeman, 2005; Toikka, 2005). There is a consensus that a targeted tax credit, such as a local or state EITC, is a more focused tool to help poor

workers who are heads of families (Freeman, 2005; Sander & Williams, 2005; Toikka, 2005; Von Bergen, Mawer, & Soper, 2007). Meanwhile, a policy that shifts costs from federal and state government to local employers raises questions about the appropriateness of scale at which wage policy should be created.

Another argument that does not reflect a typical conservative/liberal debate asks whether a living wage law is an appropriate way for local government to set standards that reflect the community's values around fairness and economic justice. The debate over whether to address poverty through after-market solutions – such as social welfare programs or tax subsidies – or labor market institutions that raise wages, is both moral and ideological. Left-leaning economist Robert Pollin (1998; 2008) argues that it is more dignified for workers to be able to pay their own way, and feel independent of government programs. In a similar vein, Waltman (2004) argues that the development of welfare state policies not linked to work were a serious mistake. They undercut the “bedrock American principle” underpinning the century-old living wage argument: fulltime year-round work should provide the worker with a decent standard of living. Nadeem points out that this moral argument in favor of living wage policies is consistent with a traditional individual-rights frame (Nadeem, 2008). Yet liberal economist Paul Krugman argued from basically the same underlying frame that non-labor market solutions (social programs) are the right approach and the living wage movement is “doomed to failure” because “the amorality of the market is part of its essence and cannot be legislated away” (Krugman's essay is reproduced in Robert Pollin et al., 2008, p. 37). Ciscel (2000) argues essentially the same thing from a more radical perspective: living wage campaigns are going in the wrong direction because wages are not high enough to

actually support a family; instead, advocates should be working to de-link healthcare and other benefits from employment so that they can be more universally accessible.

The mainstream economic literature mostly neglects race and gender impact, yet both are relevant with regard to living wage and minimum wage policies, since women and people of color are overrepresented among the working poor. A gender analysis shows that two-thirds of minimum wage workers are women, and they are more likely than men to be poor (Hansen, 2006, p. 148). Therefore, raising the minimum wage should help to close the gender and race gaps (Bernstein, Hartmann, & Schmitt, 1999; Figart, 2002).

The Social Movement Approach Shifts the Debate

The social movement approach to an analysis of living wage movement focuses on social conflict rooted in power relations. It considers whether living wage campaigns constitute a social movement, how and why the movement diffused, and how activists choose the scale of organizing. For the most part, this social movement literature is less concerned with concrete results of living wage campaigns – such as lifting individual workers out of poverty or impacting the local economy – and more concerned with their potential for longer-term change. Reframing the dominant debate about economic development, building new coalitions among unlikely or fragmented groups, or helping to revitalize the labor movement, may be successful ends in themselves (Figart, 2004; Freeman, 2005; Hackworth, 2007; Luce, 2007).

Characteristics of social movements that have been analyzed by researchers include the mobilizing structures (the forms of organizations), framing processes, and the political opportunities and constraints that influence the inside vs. outside tactics that are

adopted. Also important is whether the movement is “organic,” i.e., driven by the oppressed groups who will gain from the change they seek (Nissen, 2000). Their primary questions are whether living wage campaigns have shifted the public debate toward a more social justice focus, built a broad coalition, mobilized grassroots action, and were part of a larger project. These researchers concluded that the campaigns show a broad spectrum of social movement characteristics and have the capacity to move activism towards social movements (Nissen, 2000; Reynolds, 2001). The current research examines the Philadelphia case study in terms of movement characteristics to determine if they help to explain the failure and subsequent success of the two local campaigns.

Another area of inquiry is how, or whether, living wage campaigns so quickly became a national “movement” when central coordination around the country was weak. Local chapters of several national organizations – IAF, ACORN, AFSCME and SEIU², to name a few – have played leading roles in multiple localities, but none played a national role until ACORN’s national office created the Living Wage Resource Center and took on a “brokerage” role providing technical assistance in campaigns (Chris Tilly, 2005). ACORN’s guide was published in 2002 and the Spin Project’s guide to messaging was not published until 2005 (ACORN, n.d.; Bray, 2003), after the living wage movement had peaked.

Martin (2001, 2006) identified diffusion factors predicting a living wage ordinance: a location outside the South, larger population, a high poverty rate,

² Industrial Areas Foundation (IAF) is a community organizing network founded by Saul Alinsky whose local affiliate was Philadelphia Interfaith Action. The American Federation of State, County and Municipal Employees (AFSCME) and the Service Employees International Union (SEIU) are large labor unions that were part of the AFL-CIO until a split in 2005.

privatization or threats to job standards, a liberal electorate, and dense organization of community based organizations (CBOs) and business associations. Levin-Waldman (2008) concluded that despite the important role of unions in living wage coalitions, specific labor market characteristics are strongest factors associated with such organizing, specifically high union density, high levels of income inequality, more immigrants, smaller white populations, low labor force participation, stratified levels of education and lack of opportunity for low-skilled, well-paying jobs. Gallet's (2004) analysis of living wage rates associated higher rates with local per-capita income, cost of living, minimum wage levels, proximity to other living wage cities, and the timing of the campaign. All these analyses suggest that Philadelphia would likely have passed an expansive and generous living wage bill in the 1990s. These diffusion studies beg the question of why Philadelphia's living wage campaign did not organize even earlier, as well as why the city passed a living wage law only in 2005, and even then with a lower than average wage rate. This research examines these factors in relation to Philadelphia from 1997–2005 to determine if and how they impacted the outcomes of the living wage debate.

The social movement literature has also concerned itself with the scale of organizing, asking why *national* organizations that want to build power for workers would invest energy at the local level (Freeman, 2005), when the problem of the diminishing minimum wage is clearly a national issue. The urban scale may be appropriate because that's where the working class can fight capital and win (Merrifield, 2000). At the urban scale, the form of organizing is more aligned with the realities of the largely poor, female and immigrant workers who predominate in today's largely contingent, low-wage workforce, and poor workers have more power at the local political

level than they have economic power (Fine, 2005). New coalitions or organizations may also provide infrastructure for social movements that operate at other scales. For example, Luce (2007) recounts how the Chicago living wage campaign expanded to include an anti-Wal-Mart campaign and regulations on retail/big box stores, and links living wage advocacy to increased state minimum wages in six states. At the workplace level, unions have had a less successful track record of using living wage campaigns to form unions among affected workers (Luce, 2007). But there remains a lack of comprehensive study on the extent to which living wage campaigns resulted in more permanent coalitions that have successfully scaled up to benefit workers more broadly (Freeman, 2005). This research investigates whether similar links were made through either Philadelphia campaign.

Labor's Crisis, Social and Community Unionism

Union involvement in the living wage movement was tied closely to two other developments in labor occurring in the mid 1990s that also concerned scale and its larger, or longer-term mission. When the AFL-CIO passed its 1997 resolution supporting living wage campaigns, the national body was undergoing massive change. The newly elected insurgent leader, John Sweeney, won with an agenda to rebuild organized labor that would require deep institutional change: a shift from servicing members to new organizing, and openness to diversity in race and gender at all levels of leadership. Its Union Cities campaign put Central Labor Councils (CLCs) – traditionally the voice of labor at the urban level and the locus of local political organizing and lobbying – at the center of new forms of organizing such as community unions and promoting a new

perspective on the role of organized labor called social unionism (Clawson & Clawson, 1999; Fine, 2005; Gapasin & Wial, 1998; Luce, 2001).

As the stable industrial jobs sector disappeared, organized labor was shrinking fast, and unions knew they needed to look elsewhere if they wanted to stay relevant. Community unionism presented challenging new models that forced labor unions out of their comfort zone both in terms of workplace organizing and how they would access and wield political power. At the bottom of the restructured urban workforce, workers were far more likely to be female, immigrants and/or people of color, and unorganized (94%). Many of these jobs are temporary and/or part-time, creating a mismatch between the traditional unit of labor organizing – the workplace or ‘shop floor’ – and the conditions of their work (Fine, 2005). With a union density of only 3% in the service sector, traditional unionism was unlikely to impact the wage floor through direct labor market intervention. However, organizing at the neighborhood or urban scale, building on bonds of class, gender, race and ethnic identity, provided an opportunity to impact public policy in ways that could benefit these workers because “low-wage workers in America today have greater political than economic power.” (Fine, 2005, p. 153). In Baltimore, AFSCME and an interfaith project of black churches collaborated on an experimental community union whose goal was to “raise the floor of wages in a city” with this “new form of labor organizing” and “building portable leadership” not tied to the shop floor, a project that developed into the living wage campaign (Harvey, 2000, p. 125). In Los Angeles, new Latino and female leadership took the reins and began a series of creative and experimental campaigns, of which the living wage campaign was one phase of a multi-year project (Gapasin, 2001; Levin-Waldman, 2004).

For many unions, living wage activism was their introduction to social unionism, “an activist mobilization-based unionism that, in contrast to established insider unionism, pushes for substantial social change” (Turner & Cornfield, 2007, p. 15). By participating in movements for social justice, the unions had the opportunity to transform themselves as well as the conditions in their environment. But while some local labor councils were at the center of these transformative changes within organized labor, others retained the characteristic old-style labor council – with no political agenda independent of the Democratic party, and to whom community alliances were “afterthoughts, not part of unions' strategic thinking” (Gapasin, 2001) – or made changes that were skin-deep (Gapasin & Wial, 1998). Even a number of radicals embedded in those unions might not be enough to sway the balance. This research identifies Philadelphia as one of the latter cities, where unions in the mid-to-late 1990s showed a lack of commitment to transforming organizing from within and in relation to social change movements in the community.

Meanwhile, in the mid-to-late 1990s welfare rights organizing was ‘jumping scale’ in the opposite direction, taking city-wide organizing to state and national targets and ultimately to the UN (Gilbert, 2001). In Philadelphia in particular, welfare rights struggles were highly visible, had some union support, and consciously created common ground for unemployed and poverty-wage workers. This research investigates the connections between welfare rights and labor organizing, as well as the regime’s perceptions of these struggles and their impact on living wage legislation in 1998.

Stephanie Luce’s (2004) unique contribution to literature on the living wage, based on a comprehensive analysis of living wage laws, provides insights on how the

form of the campaign impacts its eventual implementation. She finds that enforcement (and thus impact) has been wildly inconsistent around the country; strong enforcement is often linked to the involvement of organizations with worker representation *or a direct stake in enforcement*; implementation begins with the campaign itself; and inside and outside strategies together make for more effective implementation and citizen engagement. Her most controversial finding is that contentious campaigns, if they are not blocked, are more likely to result in expansive implementation because they are forced to build stronger, broader coalitions. I will test Luce's theory about successful implementation, using the criteria she identified in regards to Philadelphia's 2005 living wage law. Luce, provides less insight into why some campaigns are blocked, however, and omits Philadelphia's 1998 blocked campaign from her list. While social movement literature is concerned with popular movements, it is relatively silent about the forces of opposition. By combining regime and social movement theory, this research looks beyond purely social movement factors to explain why the 1998 campaign was blocked.

Contributions and Limitations of Regime Theory

This research analyzes the living wage campaign and its outcome from perspectives of both the local regime and the demands by groups that were excluded from power. Inasmuch as the impact of the declining minimum wage, municipal outsourcing, job loss, homelessness and welfare reform fell disproportionately on women and people of color, these groups had a strong interest in the living wage campaign. The regime needs to promote the city – or an image of the city – as business-friendly, but is also sensitive to accusations that its policies are racist or sexist, or that they help the rich over the needs of the poor (Bissinger, 1998; Levin-Waldman, 2004; Luce, 2004). By

combining social movement and regime approaches, this research attempts to tease out varying perspectives within or represented by the living wage campaign, as well as the regime's response to race, class and gender issues raised by them.

Oren Levin-Waldman's (2004) case studies test assumptions of regime theory, asking whether these cities have shown a failure of policy in their inability to ease the process for dislocated workers. The case studies locate the actions of the regime in the context of the city's economic conditions, including the demographics of its low-income workers, the level of inequality and recent trends, and the urban regime's relationship to the state. Living wage campaigns are a response to these conditions, as well as to the decline of labor market institutions that left the federal minimum wage as the only institutional support for low-wage workers. In all the case studies, federal policy led to greater income inequality, which was shouldered by women and/or Blacks in most cases. Local regimes contributed to this inequality by downsizing and privatizing city services. Levin-Waldman concludes that for the most part, living wage campaigns do not become part of the regime, but they effectively shift the politics of the regime's priorities as well as who gets to be included in the debates, and regimes may become more democratic.

Regime theory takes a more top-down approach to explain city politics and development. Its central concern is how struggles between groups define and fulfill the 'unitary interest' of the city and how they constitute the regimes of power (not exclusive to government) for which public policy serves an instrumental function (Levin-Waldman, 2004, p. 65). It provides tools to analyze the composition and actions of local power regimes – a coalition of actors that includes government and the forces that drive urban development – emphasizing the emergence of growth coalitions. The local regimes are

dominated by mostly private interests with land-based local investments, those that depend on growth to turn a profit (Logan & Molotch, 1987). At the core of the argument is the inherent conflict between the business community and residents over growth policy. Regime theory's central concern is how struggles between groups constitute these regimes of power define and fulfill the 'unitary interest' of the city. Public policy serves an instrumental function, "a solution-set—to satisfy the city's unitary interest" (Levin-Waldman, 2004, p. 108). Private interests alone cannot constitute a regime; to build a coalition they need local government and civil society groups. The regime must sell growth to the public to get the necessary buy-in. As the city's biggest booster, local media is a key non-governmental actor in the regime. Media interests are closely aligned with the growth machine, as they typically take an uncritical approach to growth, but are disinterested in the specific forms or spatial patterns of that growth.

Regime theory should, therefore, allow us to understand where the city's power is located and how the actions of city decision-makers relate to gaining and maintaining power. But it is limited by several critical weaknesses. By focusing on "unitary interests" it makes invisible the conditions and interests of oppressed groups and tends to ignore/exclude the poor and dispossessed as active participants in local politics. Its narrow analysis of power relations fails to incorporate the complex experience of race, class and gender in the lives of urban residents (Gilbert, 1999). Identity, allegiances, organizing and acts of solidarity can take place on many levels other than the traditional community concerns about housing, development and land.

The regime model raises questions about the role of government. Are public officials subordinate to the growth machine? Logan and Molotch say that officials who

don't play by the rules of the growth machine do not survive long (1987). This begs the question, how is electoral politics relevant at all? What can regime theory say about the roles that social movements play in influencing, or even electing, political representatives who will implement their policy ideas?

Logan and Molotch have little to say about organized labor, arguing that local labor leaders are part of the growth machine, because they too are invested in continual growth to benefit their members and retain power, and are unable to act in the long-term interests of their members. This conception also ignores much of the history of organized labor, leaves no room to explain dissident organizing or identity politics within unions, and failed to anticipate the possibility the threat of becoming insignificant could have a radicalizing effect in some unions. Additionally, as empirical research bears out, there are examples of many cities – those that are considered “union towns” and those where unions were historically weak – where organized labor acted as an opposition force (Turner & Cornfield, 2007).

Regime theory has been criticized for emphasizing local politics and growth coalitions, as if local elites are autonomous from global processes (Cochrane, 1999; Hackworth, 2007; Harvey, 1989; Peck, 1995). Peck (2001) traces neoliberalism to demonstrate that it is in fact a political project whose policies are redistributive – upwards. Hackworth argues that neoliberalism has been normalized in local urban government, although it is a highly contingent process that plays out differently across space (Hackworth, 2007). Harvey argues that the neoliberal turn of capitalism since the 1970s forced cities to become entrepreneurial – to make risky place-based investments – to compete with each other for their survival. Ultimately the “logic of capitalist spatial

development in which competition seems to operate not as a beneficial hidden hand, but as an external coercive law” forces even progressive regimes to accept the necessity of inter-urban competition, the centrality of the public/private partnership, and the low-road development policies that they pursue, inevitably resulting in increasing disparities in wealth and impoverishment at the bottom (Harvey, 1989, p. 12). The task of local government is to establish a sense of place for residents, while creating the “good business climate” necessary to luring mobile, international capital. This requires keeping labor costs down, among other things. Hackworth (2007) agrees that entrepreneurial and neoliberal urban policies in the developed world are an institutional response to external forces, but argues that the mechanism is different: because bond-rating agencies "regulate the local connection to capital markets," they function as the “policing institutions” of neoliberal urban governance just as the IMF and World Bank were for the developing world (Hackworth, 2007, p. 18).

Merrifield (2002; 2000) points out that much urban capital is fixed in place, leaving transnational corporations involved in tourism and entertainment somewhat vulnerable in relation to their labor force. In cities that derive significant income from this sector, then, might organized labor have a better shot at becoming part of the regime, or at least at negotiating more power for workers?

Questions about the relative autonomy of the urban regime as a set of actors are important when it comes to their willingness to incorporate progressive development strategies that might ameliorate increasing inequality and poverty. How do living wage ordinances fit in a scenario in which a city’s regime is dominated by a growth machine? Can regimes based on growth coalitions choose different paths? On the face of it, living

wage policy is neither pro-growth nor anti-growth. It does not fit the classic model of liberal social programs that rely on government funding and taxes; it neither requires nor precludes lean government, downsizing or outsourcing of municipal jobs. Rather, the idea behind the living wage is to use the city's buying power to leverage a higher minimum labor standard (S. Luce, 2004). It does challenge some private interests in the growth machine, mostly around the question of whether the city promotes a "good business climate," which implicitly includes the availability of labor at a good price. Because the regime's interests are based in local investment, threats to local competitiveness are taken very seriously.

Although several cities elected liberal black mayors in the 1980s, they "could not make bold policy changes" and the liberal regimes they led "distributed public benefits to their core electoral supporters but did not solve, and often did not address, the problem of persistent, concentrated poverty" (Levin-Waldman, 2004, p. 156). Levin-Waldman points out that in Baltimore, which underwent extensive redevelopment in the 1970s and '80s, *all* of net wage growth in recent decades was either in bottom quintile or top quintile (2004, p. 140). Philadelphia showed a similar pattern. This research investigates whether and how a liberal black mayor with some commitment to that bottom quintile might change the regime's opposition to a living wage policy.

Local Regime Politics

The regime analysis examines Philadelphia's particular situation in terms of the city's relationship with the state during both living wage campaigns. Stymied by the lack of state and federal cooperation with his attempts to save 8000 well-paying jobs at the Navy Base, then-mayor Ed Rendell pursued a 'quantity, not quality' policy that sought to

attract as many low-level service jobs as possible (Bissinger, 1998). The state's welfare model was one of "rapid attachment" to the labor market, with an assumption that workers' upward mobility – from sub-poverty to the poverty level, if not higher – would follow. Philadelphia's first full-blown living wage campaign was launched in 1997, around the time that Clinton's 1996 welfare reform was poised to impact the inner city. The timing of the living wage campaign, just as the local economy needed to absorb tens of thousands of families being dropped from the welfare rolls, posed an obvious challenge to Rendell's jobs policy. The 1998 bill was relatively expansive and included a provision that may have been unique: it required private contractors to hire a percentage of former welfare recipients (Burton, 1998a).

The 1998 Philadelphia living wage coalition was unusually strong in the way it challenged the city's economic development policies by including welfare rights concerns. As in many cities, campaigns were initiated by ACORN and involved labor union backing, as well as the grassroots participation of an interfaith organization. The Philadelphia Jobs and Living Wage Coalition included participation by the Philadelphia Unemployment Project (PUP) and Kensington Welfare Rights Union (KWRU). Welfare rights struggles in the city were highly visible, had some union support, and were consciously re-visioning welfare rights activism to create common ground for unemployed and poverty-wage workers (Gilbert, 2001). This research explores whether the politics of welfare reform, and the gendered and racialized debate around it, brought a stigma to the living wage campaign that may have contributed to its defeat. Finally, I raise questions regarding the regime model in Philadelphia, casting doubt about regime theory's explanatory power.

In sum, the purpose of this research is to understand the different outcomes of Philadelphia's two living wage campaigns of 1998 and 2005. I investigate to what extent they were due to changing power regimes, different organizing strategies of the living wage campaigns, or broader economic policy questions. Social movement theory is used to explore whether the living wage campaigns constituted urban social movements capable of effecting meaningful social change, specifically the pattern of gendered, racialized poverty in the city. Regime theory is used to interpret the campaigns' impact on power relations. By examining the failure and subsequent success of a living wage campaign from both social movement and regime perspectives, with a lens focused on race and gender, the study enhances our understanding of factors that explain how a living wage campaign can be successful.

Methodology

Philadelphia's experience presents a unique case study and an opportunity to test social movement and regime theory approaches in this investigation of living wage campaigns. Specifically, I ask whether they reflected changing power relations in the city, whether and how the campaigns themselves changed those power relations, and whether they increased popular movements' capacity to make meaningful social change. These types of questions require the use of qualitative methods including key informant interviews and content analysis of documents produced by the living wage movement, the media, and relevant decision-makers.

To explore regime theory's insights, I adapt Levin-Waldman's (2004) approach to analyze the governing regimes at both periods (the mayor during the first campaign was governor during the second). Was Philadelphia in 1998 governed by a growth coalition

and what was its relationship with the state? To what extent was the living wage campaign a response to privatization and shrinking city employment? Did city/state tension over welfare reform – and the racialized and gendered quality of the welfare debate – factor in the regime’s defeat of the bill in 1998? How did the governing regimes respond to how race issues were framed by the living wage campaign? Why and how did the Chamber of Commerce mobilize to fight the 1998 bill, but change positions by 2005? Did either the public dialogue or ideology of the regime change regarding economic development strategies? Were economic conditions, or conditions of inequality any different between 1997 and 2005?

I examined the role played by unions in both the failed campaign and in passing the eventual law. Philadelphia’s labor unions are viewed in the context of their participation in the living wage coalition and their response to larger changes in the labor movement and new developments towards community and social unionism. That Philadelphia is called a “union town” implies that unions might be part of the governing coalition, or that they are a part of the local culture and a base for popular resistance movements. Which unions are part of, or have access to, the regime? Some unions (i.e., construction trades) could be allied with a growth machine, against the interests of public sector unions that would be weakened by privatization, or those (SEIU, HERE) that want to organize service workers in the newly created jobs.

I identified major actors to interview, beginning with the ACORN leader in the 1997-99 campaign as a key informant. I then interviewed the key staff person in the union that was the strongest labor sponsor of the campaign, Kathy Black of AFSCME District Council 47; an activist in a faith-based coalition; the director of an explicitly

woman-oriented workforce advocacy organization; and the ACORN head organizer during the 2005 campaign. I also interviewed Stan Shapiro, the City Council attorney who drafted the 1995 and 1996 privatization bills as well as the Ortiz living wage bill, and who worked with campaign organizers and City Council. These actors were asked about their involvement in the campaign, their opinions about the campaign's strategic and tactical choices, framing, approach to gender and racial analysis, and their interpretation of the regime's actions and motives. Those who were more closely involved were asked about the coalition's leadership and participation: who provided material support and resources to the campaign, who took the lead in organizing, and who developed the public messages? What was their mix of inside and outside strategies, and how effective were these strategies in garnering support from the public and city council? Most were asked whether they believe that either living wage effort transformed relations among the networks of actors that were part of it, and whether the first failed campaign laid a foundation for the subsequent one. Shoshana Bricklin, another lawyer who worked with Stan Shapiro and now for a city councilperson, was asked primarily about council process and politics and the relationship between the administration and council regarding implementation of legislation. For information about regimes in 1998 and 2005, I interviewed former City Council President and later Mayor, John Street; and a Joe Mahoney, the policy director for the Greater Philadelphia Chamber of Commerce during both living wage chapters. I communicated with City Councilman Wilson Goode Jr. about the 2005 campaign by email and telephone and through his blog. Six of the above interviews were taped and transcribed; for the rest I used notes and email records.

I examined texts of campaign materials from 1997-1999, including internal memos, leaflets, press releases, talking points, letters, meeting agendas (minutes were not distributed), lists of participants and correspondence with council persons in an attempt to identify internal debates, approaches to movement-building, framing and public messages. Wilson Goode Jr. provided copies of documents used in the development of the 2005 bill, including his own talking points and memos from ACORN and the law department. To these I added public documents, including published bills and hearing transcripts, and media coverage from the *Philadelphia Inquirer*, *Philadelphia Weekly*, and *Daily News*. I constructed a timeline of each campaign from initial conception through defeat or passage, and looked for evidence of turning points in the campaign and where and when important decisions were made. I assessed and compared the coalition's goals, objectives, grassroots reach, strengths and weaknesses, tactics and framing of the campaigns.

I applied Tattersall and Reynolds' (2006) analysis of coalitions and Nissen's (2000) framework³ for determining how the living wage campaigns measure up as social movements. To compare the various Philadelphia bills to each other and others in force elsewhere, I use Luce's detailed criteria for comparing and classifying them on a scale from narrow to expansive, as well as her 14-point scale for measuring implementation success in areas of administration, monitoring, enforcement and evaluation. Applying Luce's tool – to determine whether the law had ever been implemented or enforced – required calls to the city's Office of Labor Standards (OLS) charged with its monitoring. Together, these tools help to test Luce's observation that contention strengthens a

³ Derived from Doug McAdam and David Snow

campaign, resulting in more expansive legislation and better implementation, while lack of opposition is related to a weak campaign and weak implementation. The research investigated whether weak enforcement of the current living wage law – apparently conceived to pass without opposition and to provide a mostly symbolic victory – resulted from the law itself or the “inside” nature of the process used to pass it and the muted ability of civil society groups to effectively participate in monitoring the law’s enforcement.

Chapter Summary

In sum, this research seeks to shed light on the different outcomes of two attempts to pass a living wage bill in Philadelphia: the failed attempt in 2005 and the successful passage of a bill in 2005. While economists disagree about whether living wage laws are good for urban economic development, living wage activists believe in reframing the question as a moral imperative to promote economic justice. But social justice activists must also make choices about investing energy towards short-term policy goals versus longer-term movement building, as well as make judgments about the scale at which they can operate, win and make an impact. Local regimes face pressure from social movements to change their policies and possibly, to change the nature of the regime itself. The regime may be transformed to the extent that meaningful changes can be made to the gendered and racialized patterns of urban poverty. Social movement and regime theory approaches have strengths and weaknesses in the explanatory power they bring to these events. This research synthesizes these approaches with a lens focused on race and gender, in order to enhance our understanding of factors that explain how a living wage campaign can be successful.

Chapter 3 examines the economic, social and political context in 1997 when living wage organizing was launched in Philadelphia, in particular to outline the demographic and labor force characteristics associated with passage of living wage legislation. The city's shrinking job base and restructured labor market was a result of global economic shifts as well as policy decisions on the local, state and federal levels. Growing wage and spatial inequality compounded the hardships faced by the city's working poor in a sometimes complex racial and gender pattern, as poverty remained geographically concentrated in inner city Philadelphia while it was easing in other cities. The regime responded to repeated fiscal crises by adopting a neoliberal model: discipline the unions, downsize the city and promote a business-friendly climate, and devise strategies to attract more fixed capital to the city. Legislators attempted to moderate the privatization/outsourcing trend while injecting transparency into the process of awarding contracts, but failed to get traction.

Chapter 4 recounts the history of the living wage campaign of 1997-1999 and applies social movement theory to analyze the strengths and weaknesses of the coalition behind it – as well as the counter-movement by the Chamber of Commerce and allies in the city's administration – in terms of political opportunity structure, resource mobilization, framing, repertoires and critical events. I show how, despite the participation of some motivated union leaders with both a personal stake and commitment to social justice, the city's organized labor did not coalesce around the living wage campaign and mobilize the full strength of its membership. The city administration was committed to working hand-in-glove with the Chamber of Commerce, and

progressive forces on city council were prevented from passing any new legislation to which the Chamber objected.

Chapter 5 updates the socioeconomic context between the end of the failed living wage campaign in 1999 and the 2005 introduction of a similar bill, this time with approval of the regime. I explore what had changed in the intervening years: the regime, the socioeconomic conditions, or social movements. I examine the bill itself and find a key to its popularity in its lack of implementation and enforcement mechanisms. Finally, I attempt to evaluate the law's implementation and connect this with the circumstances around its passage to test the thesis that effective implementation is linked to contentious campaigns and the involvement of direct stakeholders.

In chapter 6, I conclude that the Goode bill passed because it helped promote the populist symbols of the regime without threatening its relationship with the business community. Although still contested and partially implemented in many cities, by 2005 living wage policies had become mainstream "best practices" in over 100 places, and at minimum could not be seen as disadvantaging one city over another. Despite its lack of enforcement mechanisms, the bill received the nominal support of ACORN and labor because it was seen as providing leverage to help pass a new state minimum wage, without costing social movement organizations any political capital. These organizations had built capacity statewide, taken a more mainstream strategy, and had set their sights on impacting poverty at a much larger scale. Locally, the regime was not transformed in any way by the "campaign," such as it was. In fact, the administration refused to convene the advisory committee provided for in the bill and more than four years after its passage, there does not appear to be any enforcement. Stakeholders from the 1997-99 campaign

are vaguely aware of the bill, but no one has taken initiative to play a watchdog role. This reinforces the notion that successful implementation of a living wage law requires outside activism from direct stakeholders and social justice organizations with skin in the game.

CHAPTER 3

ECONOMIC, SOCIAL AND POLITICAL CONTEXT IN 1997

Living wage campaigns were first and foremost a moral response to the increasing visibility and plight of the working poor in the 1990s and the failure of public policy to respond. On the contrary, neo-liberal federal, state and city policies contributed to levels of economic inequality in cities, causing or exacerbating the effects of economic restructuring, urban fiscal crises and the decline of organized labor. As the buying power of the minimum wage eroded steadily over a 40-year period, workers' wages were depressed overall, wage dispersion was exaggerated, and low wage jobs became increasingly gendered, racialized, performed by immigrants and found in the inner city. City governments were at the heart of this restructuring, responding by cutting their workforces and privatizing city services, thus outsourcing previously secure, well-paying jobs. These same cities embarked on projects to bring private investment, with expensive, taxpayer-funded schemes that pitted them against each other to compete for jobs, ultimately resulting in bad jobs (if any) locally and a zero sum loss to cities in general.

These conditions made the city ripe for a popular social movement and set up a regime response that in many cases was forced to accommodate reform. The first part of this chapter explores how economic changes in Philadelphia and the region in recent decades, in conjunction with deindustrialization, globalization and neoliberal governance, had by 1997 created conditions that demanded a local policy response. In particular, I explore the extent to which structural and non-structural (policy) changes – economic restructuring, welfare reform, urban fiscal crises and the decline of organized labor –

exacerbated inequality in the city, and to what extent the poor, especially Blacks and women, bore the brunt of those changes. This context determined how local regimes needed to change, or failed to change, to respond to the “unitary interest.” The regime’s actions and the conditions themselves created the political opportunity structure for political battles over privatization and eventually, a living wage movement, which will be discussed in Chapter 4. The second part of this chapter discusses the regime response to conditions of urban crisis in the 1980s and 1990s, and in particular how privatization of city jobs and battles with the city’s municipal unions shed light on the regime’s later response to the living wage movement.

Working Poverty: Policy or Structural Change?

Structural environmental changes – deindustrialization, unemployment and labor force restructuring – have usually been credited with creating the environment which gave rise to the living wage movement by exacerbating inequality (Harvey, 2000; Levin-Waldman, 2004; Merrifield, 2000; Pollin et al., 2008). Deindustrialization and globalization resulted in radical shifts in the circulation of variable capital in the metropolitan region, leading to structural unemployment and spiraling social inequalities (Harvey, 2000). In many cities, job growth occurred only at the lowest end, primarily in service jobs. Shifts in the labor market also meant an increase in jobs that were temporary, part-time, and lacked even basic benefits. Performing these poverty-wage jobs were women, people of color and new immigrants.

The preceding literature review noted that researchers have tied the diffusion of the living wage movement – even down to the dollar level at which the living wage is set – to labor market characteristics and to the growth of inequality and wage dispersion in a

city (Gallet, 2004; Levin-Waldman, 2004, 2008; Martin, 2001, 2006). In his comparison of labor market conditions among cities⁴ with and without living wage ordinances, Levin-Waldman (2008) seeks to identify factors that predispose a city to passing a living wage ordinance, or which provide a necessary precondition for a successful living wage movement. He found that living wage cities tend to have significantly higher levels of income inequality and lower average incomes than non-living wage cities. Similarly, living wage cities had a larger gap between educational attainments of those at the bottom and the top; smaller white and larger Black and Latino immigrant populations; lower workforce participation and higher unemployment; and higher union membership. Living wage cities have fewer workers employed in construction and manufacturing and more in professional, service and entertainment sectors, suggesting more high-paying jobs but fewer blue-collar jobs that pay a living wage (Levin-Waldman, 2008, p. 2209). Levin-Waldman concludes that living wage cities are thus more “ripe” for organizing at the grassroots level, and that the higher union presence provides a stronger coalition partner.

Levin-Waldman’s (2004) case studies trace the growth of urban inequality compared with national and state trends. He asks whether something about the demographics of his four case study cities (Baltimore, Detroit, New Orleans and Los Angeles), all of which had undergone major economic restructuring, help us understand why inequality has risen and why these cities passed living wage ordinances, asserting that “...the structure of these...labor markets creates the background against which

⁴ Examining only the cities with SMSA populations of 1 million or more, of which 27 had living wage ordinances (including Philadelphia).

various political choices would be made and determines the types of regimes that would be established” (Levin-Waldman, 2004, p. 132).

But labor market restructuring was also a result of policy shifts that weakened the working poor. Increasing wage dispersion was not accidental. It resulted from the failure of wage regulation institutions such as the minimum wage, the decline of unions, and changes in federal policies that aided cities in the 1960s and ‘70s (including devolution of funding to states and cuts to urban programs such as public housing). The many reasons for union decline in the US included demographic factors, inaction by unions themselves, the state and legal system, globalization, neoliberalism, and the employer offensive that ended a labor-capital accord (Clawson & Clawson, 1999). But some argue that the lag in minimum wage and the decline and decentralization of wage policies were the cause of the decline of labor strength that had kept a floor under wages, at least where unions were strong. (Levin-Waldman, 2008). Growing inequality was more than the sum of labor market changes, however; the expansion of investment income and government policies on deregulation and taxes all favored the wealthy (Bernstein, McNichol, & Nicholas, 2008). Other policies that undercut the working poor included privatization of municipal employment and welfare-to-work programs. Even the “structural” changes that resulted in polarization and redistribution of income to the wealthy were in themselves not inevitable, but the results of policies put in motion by neoliberal regimes (Peck, 2001).

Downward pressure on wages affected the majority of workers: the average non-supervisory worker made 19% less in 1997 than 25 years earlier (Pollin & Luce, 1998, p. 180). But a growing wage gap caused the lowest paid workers to fall even further behind: the disparity between their incomes and the median grew; their incomes fell relative to

the federal poverty level; and the share of workers at the bottom increased. This economic polarization exacerbated the racial and gender gap in the inner city.

By the mid-1990s, as the issue of working poverty became more visible as a national issue, attention focused on the minimum wage, which continued to lose buying power. Even after the October 1997 increase in the minimum wage (to \$5.15 from \$4.25), it was worth 30% less than at its peak in 1968, and 19% less than in 1979 (Bernstein et al., 1999). Pollin and Luce (1998) point out that if minimum wage had been rising in proportion to (as constant share of) productivity increases, it would have been \$11.20 in 1997. And contrary to arguments of those who opposed the wage increase, most minimum wage workers were adults. Of the 10 million workers (8.9% of all people with jobs) who benefited from the 1997 boost, 58% were female, 71% were adults, 46% worked fulltime and another 33% worked at least 20 hours a week (Pollin & Luce, 1998, p. 168). A subsequent estimate of who would benefit from an additional \$1 increase in minimum wage showed that 13.6% of working women in Pennsylvania would be directly affected (Bernstein et al., 1999). Of those, 45% worked fulltime and three quarters were over 20 years old.

At the state level, the wage gap grew over two decades. By the mid 1990s, 29% of Pennsylvania workers were earning less than the poverty-level wage for a family of four (Wial & Herzenberg, 1998, p. 6).⁵ To make matters worse, the state had among the most regressive tax structures in the country, ranking 46th. Pennsylvania's rate of unionization, although still higher than the national average, had fallen faster than the national average over that period, reflecting the loss of good-paying working class jobs.

⁵ All citations in this paragraph from Wial & Herzenberg, 1998.

Although the Philadelphia region as a whole was more prosperous than most of the rest of the state, within the region the spatial divisions between city and suburbs were widening. Urban inequality was in part the story of the spatial shifting of racial and class demographics within a modestly growing metropolitan region. Philadelphia had suffered dramatic population and job losses since 1950 that continued into the 1990s. One million whites left the city, many of them middle class, and a half-million mostly lower-income Blacks and Latinos moved into the city between 1950 and 2000, with a net loss of 554,000 residents, or 27% (Cohen, 2001). The ratio of the city's median household income to that of the metro area (SMSA) was 94% in 1950, but by 1990 it was only 69% (Cohen, 2001). Baltimore, which instituted the first living wage policy in 1994, had undergone a similar change, losing 71% of its white population and seeing its city/suburban income ratio slide from 96 to 66% (Cohen, 2001). By the 1990s, emptying out to the suburbs showed no sign of abating. The population loss between 1990 and 1996 was 105,000 or 6.8%, and the aggregate incomes of city leavers were more than double the incomes of those moving into the city (Bissinger, 1998, p. 372). Despite an increase in high-end employment in the city, by 1997 the median wage in the city was \$10.74 compared to the metro area's \$12.37. (Wial & Herzenberg, 1998).

Philadelphia also suffered a net loss of 175,622 jobs, or 21% of its total, between 1950 and 1990, comparable to Baltimore's 20% (Cohen, 2001). Both cities lost their manufacturing base – in Philadelphia, 70% of manufacturing jobs disappeared – and saw jobs shift to service and hospitality sectors (Cohen, 2001, p. 419). Most serious was the decline in jobs for those with less than high school education (Adams, et. al., 1991). For the low-wage earners in the city of Philadelphia, by 1997 wages at the 10th percentile

averaged only \$5.37 an hour, 13% lower than the metro average (Wial & Herzenberg, 1998).⁶ Over the period from 1979 to 1997, a key measure of inequality⁷ increased to 430 from 330 for the state, but in metro Philadelphia it rose to 440 from 354. High earners' real wages increased 19.4% while low wage earners' decreased 4.0% (Wial & Herzenberg, 1998). Overall job growth from 1994 to 1996 was 2.4% in the metro region as a whole (about the same statewide) but -1.7% in the city, resulting in far higher unemployment at the low end. Over the course of a generation, economic changes had devastating effects for less skilled and educated workers in the city.

This growing polarization and restructuring of the labor market had a complicated impact on incomes of Blacks and women. In Philadelphia, Adams, et al (1991) found that the decline in jobs for less educated workers was magnified in the black community, even though Black education levels were approaching the white profile. The smaller gender gap in Philadelphia (88%) obscured some racial and class differences in a changing labor market: over a 20-year period from 1979 to 1997, median hourly wages statewide declined for black (-27.9%) and white (-11.3%) men, while they increased for black (12.5%) and white (9.8%) women, actually bringing black and white women's wages to the same level in 1997 – still only 74% of white men's wages, but higher than black men (Wial & Herzenberg, 1998). Swelling the ranks of the lowest-paid workers were mostly mothers who were forced into the labor market through welfare reform, implemented in March 1997. Two years in, state officials reported that the average wage

⁶ All remaining figures in this paragraph from Wial & Herzenberg, 1998.

⁷ The ratio of incomes of high to low earners, or the 90th:10th percentiles

for former recipients was \$6.77 per hour (Dean, 1999), leaving the majority well below the poverty level.

As we can see, economic conditions for workers in Philadelphia were comparable to Baltimore and a host of other cities that passed living wage legislation. This rising inequality provided a context for ideological justifications (frames) that social movement organizations could adapt, and possibly a greater level of organizational networks onto which they could graft a new movement. But as Philadelphia demonstrated in its defeat of the living wage campaign in 1998, labor market conditions are not determinative. There is still room for agency both on the part of social movement actors and in terms of the regime response. Regimes in Boston, Baltimore, New York, Los Angeles and most other cities initially opposed living wage bills and mayors often vetoed their city councils when they were passed. But the vetoes in those cities were either overridden or the mayors shifted ground and negotiated a response that brought social movement organizations to the table – and with them, an alternative set of development strategies. The following section provides background that helps interpret the regime’s response to the living wage movement in Philadelphia.

Privatization in the Neoliberal City

Central to the neoliberal project is downsizing of the city itself, which is accomplished in part through privatization of city services. Struggles over privatization often preceded living wage struggles. Cities sought to downsize in order to signal to private capital that they were business friendly and would not burden them with taxes (Levin-Waldman, 2004; Merrifield, 2000). In addition to cutting public or social services altogether, substantial savings could be had by reducing the municipal workforce and

contracting out, sometimes to non-profit organizations that paid their workers significantly less, provided little or no benefits, and were rarely unionized. Privatization was and is often used as a way to eliminate, or at least disempower, public sector unions. But privatization also changes the political equation in another way, as it “removes the poor from a direct relationship with the state, a relationship that has historically been essential to the expression of collective agency for poor communities” (Goode & Maskovsky, 2001, p. 9). Although privatization doesn’t inherently mean that services are downsized, they are often paired. For poor communities organizing to oppose or restore service cuts, privatization makes a response much more difficult, as the accountable body is harder to identify and target.

The brunt of municipal downsizing and privatization has been borne disproportionately by Blacks and women, making it one of the policies that contributed to growing urban inequality in the two decades before the living wage movement was launched. As human service workers and as caregivers in poor families, women – and in particular women of color, who are more likely to be single parents – suffer at both ends when family support services are cut (Berger, 2007). In Berger’s (2007) case study of the urban crisis in Baltimore, where the living wage movement was initiated, the impact on Black women was particularly harsh. Black women had previously made gains by working many of the human service jobs created by model cities and the war on poverty; they also gained a degree of power by being able to impact public policy in positions of authority. Thus they were the hardest hit by Reagan’s cuts to human services funding, and later, extensive privatization of those jobs. “By the early 1980s, African Americans made up fifty-six percent of the city government’s workforce. Black women were close

to seventy percent of the city's minority employees, and they were almost two-thirds of the female full-time classified workforce" (Berger, 2007, p. 72).

Women and people of color (but not white men) enjoy a wage premium in the public sector, largely driven by higher rates of unionization. In the overall 20-year decline in public employment from 1979 to 1998, Black and Hispanic men suffered the greatest decline in employment *rates*, especially the less-skilled workers.⁸ But black women have the highest level of public employment (22%) and thus have the most to lose from privatization:

Women depend disproportionately on the public sector for jobs that pay a living wage and that provide benefits. If these jobs are privatized, women – especially women of color and less educated women – will see significant declines in how much they earn and in their access to health and pension coverage. (Bernhardt & Dresser, 2002, p. 18)

In the 1990s, privatization and welfare reform were linked through workfare, a program where welfare recipients were required to work for their welfare check, usually in public or private non-profit programs. In many cities these "trainees" were used to do the work of laid-off municipal workers. In this way, workfare was used to undercut the minimum wage; in Baltimore, workfare "trainees" were employed at \$1.50 an hour, but protests finally forced President Clinton to bring workfare trainees under the framework of minimum wage and labor laws (Harvey, 2000, p. 128).

Philadelphia's Governing Regime before the Living Wage

From the late 1950s on, a number of quasi-public partnerships dominated and controlled strategies for economic development. But after 1960, when Democratic reformers wrested the political reins from Republicans, Philadelphia's regime began to

⁸ Hispanics were underrepresented to begin with, so their steep decline represented many fewer workers.

splinter (Adams et al., 1991). The Democratic “machine” practiced ward politics through city council, while business leaders worked with a series of mayors to modernize the city and transform it from a manufacturing and industrial base to a service economy. Redevelopment came at the expense of poor, minority populations and neighborhoods. With private development capital in control, Center City was remade for the office economy with “the erection of a gleaming new facade over the ruins of the commercial and industrial past” (Adams et al., 1991). In the 1970s former police chief Frank Rizzo attempted to unite his base by appealing to white ethnic and working class voters, igniting constant protest from the Black community and allies. In 1980 Mayor Green concentrated aid on the port and waterfront. Wilson Goode, the city’s first Black mayor, attempted to rebuild the regime in a less racial way; he built a new convention center, attempted to redevelop the waterfront area of Penn’s Landing, and rehabilitated some housing in the neighborhoods. During this time, many leaders and activists from protest movements of the 1960s and 1970s who had been fighting with little success to steer resources to neglected neighborhoods, “‘joined the system’ in the 1980s by taking jobs either in city administration or in a number of related quasi-public agencies” (Adams et al., 1991, p. 122). (Among them was neighborhood activist John Street, who was elected to city council in 1980 and became council president in 1992.)

Beginning in the 1980s, some dissident approaches to Goode’s new biracial pro-business regime were expressed through city council, whose members sometimes feuded openly with the mayor. Party unity continued to decline into the 1990s (Adams et al., 1991). Ten of 17 city council members represent districts, and see their job as bringing development to that community, while seven at-large council members represent non-

neighborhood, issue-oriented, progressive, or other constituencies as their base. Meanwhile, the “public/private partnership” became the normalized way to get work done outside the actual mechanism of city government. Powerful quasi-public agencies, such as the Philadelphia Industrial Development Corporation (PIDC) kept a relatively low profile. The regime was characterized as a dysfunctional ‘employment regime’ (Bartelt, 2004).

The constant competition for resources between downtown and the city’s neighborhoods has been further complicated by the city’s relationship with the state. Compared with other major cities, Philadelphia raises a significantly higher proportion of revenue from its own tax base (a wage tax and a business tax) and receives far less from federal and state taxes. Only 3% of the city’s budget comes from the state⁹ and it receives less per capita from state and federal sources than comparable cities (Adams et al., 1991; *City of Philadelphia Five Year Financial Plan FY 06-11*, 2006). The burden of raising its own taxes creates a non-level playing field between city and suburbs, and means the city must fight the perception of having a bad business climate (Mahoney, 2009). Thus, Philadelphia is under enormous pressure to be entrepreneurial in its economic development approach, to unify disparate forces and to conform to the neoliberal idea of the competitive city.

The Rendell Administration

If “power is wielded...through cultivating prevailing beliefs and values in an ongoing political intervention,” (Jonas & Wilson, 1999, p. 9) then Mayor Ed Rendell was successful during his two terms from 1992 to 2000. If the regime had to pick the right

⁹ Chicago, Los Angeles and Boston are above the national average of 14%.

images and symbols, Rendell chose wisely. Because he couldn't really afford to cut taxes, Rendell's tax/service re-mix had to be done with a different recipe. He chose symbolic projects to say that the city was competitive: a convention center that was leverage for development in center city, building of new hotels, tourism, restaurants, and cultural revitalization through re-branding Broad Street as the "Avenue of the Arts."

Ed Rendell's first challenge was to put the city in fiscal order in his first months in office. Debt and underfunded pensions contributed to bond rating agencies' downgrading Philadelphia in 1990 and again in 1991 to the point where it was effectively redlined (Bissinger, 1998), creating a fiscal crisis – and prime example of Hackworth's (2007) thesis concerning bond ratings agencies as neoliberal urban police. In an earlier fiscal crisis in the late 1980s, Mayor Goode had downsized the city by cutting 2400 employees, 10% of the municipal workforce, and privatized some services (Hackworth, 2007). Rendell was challenged to downsize by cutting costs. Privatization is cost-cutting, if only in the short term. It sounds more efficient than it is, as most of the cost savings are incurred from wage cuts that can result in reduced productivity. Merrifield (2002) calls it a direct transfer from employees to the contracting company. But even if privatization was more beneficial to the regime as a symbol than as a cost saver, the city could at least make a show of it without having to follow through on all of its threats.

Rendell's successful discipline of the municipal unions in his first year set the tone for his administration. After disruptive strikes in the 1980s among white-collar workers and trash collectors, the unions suffered in terms of public opinion and during the face off in 1992 found themselves unable to strike (Bissinger, 1998). They agreed to a five-year wage freeze, certainly a lesser evil than privatization.

Rendell successfully dismantled the local welfare state in Philadelphia with relatively few political consequences by framing the problem within the sufficiently narrow ideological confines of fiscal responsibility. Philadelphia's pro-union democratic coalition was disciplined into acquiescence – that is, agreeing to pay cuts. Resistance waned in the face of a discourse that framed the problem as a combination of a bloated City Hall, inordinately powerful labor unions, and an archaic form of governance. (Hackworth, 2007, p. 37)

By November 1993 (less than two years into his first term as mayor), Rendell, after privatizing 15 city services (primarily security and janitorial) with 15 more planned, commented that “privatization has not proven nearly as hard to do as everyone expected” (Bissinger, 1998, p. 271). There was resistance: the large union representing the streets (trash) department, AFSCME DC 33, obtained a two-year moratorium on privatization in its contract. But it was mainly interpreted as a loss for the public sector unions. Economic changes had rendered the previously powerful industrial unions an insignificant force (C. Adams et al., 1991). If organized labor had been part of the regime in this “union town,” it certainly seemed to be mostly on the outside after 1993. The workers who lost their jobs remained largely invisible to the public.¹⁰ By 1995 the city was reportedly “saving \$30 million per year by contracting out 26 services” (McDonald, 1996). Still, Philadelphia’s privatization process was limited compared with cities such as Baltimore.

The *Inquirer* called Council President John Street “a willing participant” in these privatization efforts (McDonald, 1996). A weak city council led by John Street lacked an alternative frame on these issues and rarely mounted a serious challenge to the

¹⁰ Art Museum guards, for example, had their pay cut in half after they were outsourced. In 2009 they are still making only \$10 an hour with few benefits, compared to the \$14 with fully paid healthcare they earned seventeen years earlier as city employees. The guards recently formed an independent union.

administration's broader policies. However, Street now says that he always opposed privatization of trash, sanitation, and other services:

Privatization has always been a big issue for me. I've never believed that a municipal workforce should be treated like a workforce in a private company....I've supported privatization in certain kinds of jobs. For example, I would never want to privatize police, fire. ...In theory you can privatize all of it...but what we'd have is a very unreliable municipal workforce...at some point you have to draw the line and we drew it in a fairly conservative and I thought appropriate way. (Street, 2009)

Privatization also has a downside for an 'employment regime': power cannot be maintained by providing jobs; instead, it must be negotiated through the contracting relationship. Commenting on the relatively small scale and further risks of privatization after 1995, Street said,

After we did that first big contentious municipal contract. ...We probably didn't need it. There were some pretty serious givebacks...the benefits were cut back pretty significantly. Privatization was a huge issue that the Rendell administration held over the unions in order to ratchet down some of the costs. (Street, 2009)

Nonetheless, Street maintains that privatization remained a threat, and still does now, as long as there are companies that believe they can make a profit from a municipal service.

Rendell's second term was consumed with economic development and attempts to retain businesses and to lure large employers to fill gaps left by the continuing exodus of manufacturing and heavy industry, including 8000 former well-paying jobs at the Navy Yard. He was seen as working hand in hand with the Chamber of Commerce. Despite having survived the fiscal crisis of 1993, Philadelphia was not seeing much positive impact of the supposed economic boom. The city had lost another 100,000 residents in a decade and population continued to decline, with a net loss of middle-income and more affluent residents (Bissinger, 1998). Rendell's growth policy focused on center city

tourism and conventions, but the city took a huge and expensive risk when it paid a Norwegian shipbuilding company to take over the Navy Yard, despite the company having very little skin in the game. The hundreds of millions of dollars involved in the Navy Yard shocked taxpayers, who were mostly unaware of the amount of public money used for “corporate welfare.” A lack of transparency and public accountability left the quasi-public organizations that normally negotiate economic development deals for the regime fairly invisible.

An area of policy where city officials surely felt powerless was in handling the impact of Clinton’s 1996 federal welfare reform program. In Philadelphia, city leaders feared the “funnel cloud of welfare reform” would require an estimated 28,000 new jobs to handle the cutoff in benefits (Bissinger, 1998, p. 373). Welfare reform would have a “devastating impact,” and for that reason the administration felt that creating minimum-wage jobs was better than no jobs at all. Even before welfare reform was implemented in October 1997, the overall unemployment rate among city residents was 7%, but it was 16% for low-wage workers and 21% for laborers (Bissinger, 1998). Yet the state’s ‘rapid attachment’ policy was based on finding entry-level work for welfare recipients and relying on the market to help them advance into better jobs requiring fewer public supports.

Battles Over Privatization as Precursors to the Living Wage Campaign

Although some believed the heat was off in terms of the privatization threat, there was some political activity in response to the inequities it spawned. In 1994, Baltimore had passed the first living wage bill and the following year it was being introduced and

discussed in several other cities. John Street says he was fully aware of that move at the time, but did not have direct contact with those involved (Street, 2009).

In February of 1995 at-large Council members Angel Ortiz and David Cohen and three others introduced an anti-privatization bill (950035, “Mandatory Prerequisites to Privatization”) that died after it was opposed by the administration. They re-introduced it a year and a half later, on September 19, 1996. The bill attempted to put municipal unions and private would-be contractors on a level playing field by requiring cost-benefit analyses before work was privatized; allowed unions to bid for privatization contracts; and eliminated conflicts of interest and pay-to-play type political contributions. Without banning privatization, it was designed to make sure that bidders’ profits would come from higher productivity and efficiency, rather than at the expense of workers. Although this bill never mentioned “living wage,” it had some measures in common with some early living wage bills: it protected displaced workers by guaranteeing the right of first refusal for jobs with the contracting company; required companies to provide pay and family benefits “comparable” to what workers had received as city employees; and set out a process to help workers form unions if they wished. It required that both company owners and these new employees reside in Philadelphia (also required of municipal employees). The bill was framed primarily in terms of public accountability rather than fighting poverty, with the opening sentence, “Democracy is diminished when public decisions are removed or limited.” Nonetheless, its preamble also stated, “it is in the public interest to discourage the proliferation of low-paying jobs lacking health insurance and other benefits.”

Two weeks after the Ortiz/Cohen bill was reintroduced, on October 3, 1996, Council President Street introduced his own privatization bill (No. 960676) “requiring that businesses entering into privatization contracts with the City pay their employees no less than a living wage sufficient for a family of four to live at or above the federal poverty level” (see “A Comparison of Philadelphia Living Wage Bills” in Appendix A). Thus this bill was framed differently from the Ortiz/Cohen effort, using living wage language for the first time and placing it in the context of poverty and welfare reform. The preface used strong language asserting that too many of Philadelphia’s full-time workers had to rely on public assistance to feed and house their families; that many former welfare recipients who worked full time were actually poorer than before; and that the City should not be directly or indirectly responsible for pushing working families into poverty. Street told the *Daily News* that it “prevented the wholesale downgrading of the municipal work force” (McDonald, 1996).

Street’s bill also differed from other mid-1990s living wage efforts in that it narrowly applied to employees of businesses entering into *new* privatization contracts (or subcontracts), leases and grants with the city to provide goods or services. Had it applied to more workers, the bill might have been one of the country’s more expansive living wage bills. The bill’s “living wage requirements” included a wage of \$7.60 designed to lift a family of four to the poverty level (the federal minimum wage at the time was \$4.75); full health benefits; annual indexing, and anti-retaliation language to protect workers. Although the wage was above average (the average living wage law passed that year paid \$7.15), the requirement of full family benefits and the teeth built into the law

were extraordinary. Waivers could be provided only for certain essential goods and services and would become public records. Workers had one year to bring a complaint, and also had the right of private action. Finally, enforcement provisions were tough: employers in noncompliance could lose contracts and be prohibited from future bidding, as well as be subject to fines, payment of back wages, and even imprisonment. Payroll records had to be submitted to the city along with additional information on benefits, job descriptions and residence of each employee. An article in the following day's *Daily News* reported that Street wanted a hearing within the next two months, but no hearing was ever held.

Street's cosponsors were Ortiz and Cohen, along with Augusta Clark and Rick Mariano, who had also cosponsored bill 950035. Ortiz and Cohen represented council's left-progressive wing and Mariano, while not particularly liberal, had been a union leader from the building trades. Knowing that their own bill did not stand a chance, it makes sense that Ortiz and Cohen endorsed Street's more limited bill: it wouldn't reform "pay-to-play" among private bidders for city work, but it would effectively halt privatization. But what was John Street's motivation in introducing this bill and then letting it die without action? Stan Shapiro, the City Council's attorney, remembers that Street came to him to draft a bill, and they had discussions about how the privatization issue seemed to be fairly settled at that point. Shapiro said that Street "wanted to get out ahead" of living wage activism on the issue (Shapiro, 2009). In an interview, Street did not remember why he did not push his bill more aggressively except that he must have decided that it was unnecessary (Street, 2009). Even so, he said he believed that the threat of privatization would never go away, and he believed strongly in retaining the municipal workforce as it

was (Street, 2009). Street may have wanted to delineate his position from Rendell's without challenging him more directly. Knowing that he would get media coverage just for introducing it, he may have wanted to use the bill's strong language to galvanize public opinion against further privatization, without taking the risk of backing a living wage policy that would carry more economic cost and political risk.

Chapter Conclusion

As economic restructuring continued to shape the spatial and demographic changes in the Philadelphia region, federal urban policies shifted power to the states and cut off resources that had been helping cities retool for the new economy and allowing the poor to keep their heads above water. Urban regime theory is useful in analyzing who had power in the city and how it was used in the interest of growth coalitions to attract and retain mobile capital. Philadelphia's power regime was a coalition of government and business forces that operated a variety of development strategies out of quasi-public agencies that involved government, but were neither transparent nor accountable to taxpayers. These policies bolstered the economic changes under which great inequalities of wealth were magnified between the late 1970s and 1990s. The decline of organized labor, Congress' refusal to raise the minimum wage, welfare reform and other policy choices exacerbated those inequalities.

Waves of fiscal crises had forced Philadelphia's mayors to 'get tough' with municipal workers' unions by weathering strikes and cutting the city's workforce, mostly without success. The city's response, in the form of downsizing and privatization, hit the poor, people of color and women hardest; Black women in particular bore the brunt of these policies, as well as cuts in welfare and the workfare program. Rendell managed to

turn the crisis of 1992 into a success for the regime by reframing the issue in terms of fiscal health and responsibility and winning over public opinion for his disciplining of the unions, who were now ostensibly outside the regime. But there is debate on whether local regimes ever had much “choice” in instituting these policies, given the intense competition among cities and the neoliberal mandates of urban leanness and entrepreneurialism enforced by lending agencies. A hostile relationship with state government and uneven tax situation further disadvantaged the city.

Even as privatization waned as a strategy, it became a subject of some creative legislation whose stated goals were eliminating corrupt practices in awarding contracts and/or ameliorating the impact on the affected workers. Both bills, one sponsored by city councilors who symbolized left opposition to the regime and one by a city council president who supported the mayor’s strategies, died in committee. But the term “living wage” appeared for the first time in a council bill, indicating a useful new frame for reforming the city’s economic development strategy.

CHAPTER 4

THE LIVING WAGE MOVEMENT IN PHILADELPHIA, 1997-1999

By 1997 a Philadelphia coalition had formed to pass a living wage bill that, had it succeeded, would have been the most inclusive in the nation at that time in terms of the number and types of employees covered. The coalition disbanded in early 2000 after failing to pass the bill they wanted. This chapter provides a history of how the movement developed and how the regime organized to stop it.

Social movement theory provides tools that are useful to interpret the events and explain how and why the movement came up short. First, I consider whether the living wage campaign was a “social movement” and conclude that it meets those criteria. Then I highlight important factors in how the local struggle was conceptualized, how the living wage coalition was structured and built, and how the coalition adopted its inside-outside strategy to pass legislation. Social movement theory is used to identify and tease apart factors that distinguish a social movement and assess their effectiveness, among them the opportunities and threats, mobilizing structures and framing processes of the coalition.

Protest movements indicate a profound failure of public policy – a failure of the regime to provide for its citizens. Spurred by decades of worsening inequality and hopeless poverty, the living wage challenged urban regimes’ economic development policies and their market-based, supply-side ideology. A successful protest movement will redefine the nature of the city’s governing coalition, forcing the regime to share power, or at least provide a seat at the table, for those whose interests are not met by the dominant regime. Neither a “top-down” approach to Philadelphia’s regime nor a

“bottom-up” analysis of the living wage movement will by themselves explain what happened, but a combination of the two approaches helps fit the pieces of the puzzle together.

Assessments of “success” of a social movement vary depending on one’s perspective, and living wage bills are often used a means to other ends. Social justice groups are aware that even the most expansive living wage bills still affect a very small number of workers, in the sense of directly increasing their pay. They look to living wage policies as a movement-building strategy, a type of down payment on change with a bigger dividend. Living wage coalitions bring together people of different colors in a common struggle, to collectively negotiate the terms of contracting out public services (Merrifield, 2002, p. 166). Living wage coalitions that outlast a successful campaign can mobilize for subsequent economic justice struggles: aiding the organizing of unorganized workers (in Los Angeles) or even the nature of workplace organizing itself (Baltimore); revitalizing the labor movement; building a successful campaign for a state minimum wage, as the Boston living wage coalition did effectively (Luce, 2004, 2005a). On a broader level, living wage campaigns can educate communities and give them the language to challenge the regime’s priorities and their city’s public policies around economic development, and a win can empower them to work to democratize city government – or even to replace the regime entirely.

This research was undertaken in part to evaluate whether Philadelphia’s living wage effort constituted an urban social movement capable of effecting meaningful social change, specifically the pattern of gendered, racialized poverty in the city. Despite the defeat of the bill, did the living wage campaign have an impact on electoral outcomes in

Philadelphia? Did the movement have an impact on power relations? Did it put new issues on the agenda or new constituencies at the table making decisions, or change how the regime goes about “business as usual”? (Levin-Waldman, 2004). To answer that question I use a combination of regime and social movement theory. Regime theory is used to analyze the position of the administration and business community’s opposition to the living wage idea, as well as the Ortiz bill in particular.

Do Living Wage Campaigns Constitute a Social Movement?

Social movement theory combines multiple variables to explain the emergence of social movements. There is no one hegemonic social movement theory, but many ways in which these discussions share a common language and converge. Classical social movement analysis examines the conditions that facilitate a movement’s emergence, course and character, including conditions of conflict and breakdown, opportunity, and organization, all of which are contextual (McAdam & Snow, 1997). “Resource mobilization” explanations of social movement success concentrate on the characteristics, resources and strategies of social movement organizations themselves. “Political process” approaches analyze the political opportunity structure for impacting state institutions, in a parallel to regime theory. These structural perspectives focus attention on how the environment facilitates or suppresses movement activity, but have been criticized for being overly utilitarian and materialist, neglecting internal dynamics of the movements themselves that contribute to their success, such as the collective mobilization of emotion on which many movements are built (Aminzade et al., 2001) and the strategies and messages that movement actors construct (Nadeem, 2008). In their focus on impacting state policies, researchers often overlooked other strategic actors, such as

countermobilizations that were sometimes able to out-maneuver social movements for public sympathy, thwarting early movement successes (McAdam & Snow, 1997).

It may be useful to clarify what constitutes a “social movement,” as there is not consensus on this. At one pole, social movements are large-scale and national: “rare moments in American history when very large numbers of people go into motion, the prevailing cultural norm was challenged, and the nation was transformed as a result” – for example, the civil rights and anti-Vietnam war movements (Fine, 2005, p. 161). In Fine’s view, living wage campaigns in particular and social unionism in general work in the *absence* of a nationwide social movement to alter the political climate and make possible changes in public policy that in turn lay the groundwork for organizing to succeed. At the other more inclusive pole, social movements are any forms of collective behavior characterized by “change-oriented goals, semblance of organization, and temporal continuity” (Diani & McAdam, 2003, p. 6). They are defined not by scale but by their stance in relationship to the mainstream political environment: social movements are typically outside the polity, “focusing on sustained interactions between challengers and power holders” and “more or less forced to resort to the use of noninstitutional means or tactics” (McAdam & Snow, 1997, p. xxiv). More recently, the study of social movements has been re-branded as “contentious politics,” which include social movements somewhere on a continuum of a wider group of interactions (Aminzade et al., 2001; Tilly, 1998). There is no doubt that the living wage “movement” is a national phenomenon that can be analyzed with the tools of social movement theory as developed by McAdam and Snow and others (Nissen, 2000; Reynolds, 2001). Thus, I will refer to

the 1997-99 Philadelphia mobilization for living wages as a “campaign” or “movement” interchangeably.

The social movement theory framework uses some basic variables to analyze the emergence of movements and their eventual outcomes: Opportunities (also threats, comprising the political environment in which mobilization occurs); mobilizing structures (the older, existing social groups and networks out of which the new social movements arise); and framing processes (the meanings and interpretations associated with particular lines of action) (McAdam & Snow, 1997; Nissen, 2000). Social movement organizations (SMOs) use “key events” – including those that mark small victories along the way – to serve many functions, including to generate hope and tamp down fear. None of these factors is determinant of success; are all variable and contingent. I will use this framework to tell the story of Philadelphia’s living wage campaign: how it formed, how it proceeded, what were its problems and limitations. I ask: how does social movement theory shed light on our story? Is it deterministic? What room does it leave for individual actors?

Diffusion of the Living Wage Movement to Philadelphia

ACORN’s Philadelphia branch had existed for more than a decade, but was in some internal disarray. When national ACORN decided in 1996 it needed new blood to rebuild and reactivate the chapter, it brought in Steve Leshinski, a young, 6’10” organizer who had been drawn to progressive causes in college and started working for ACORN’s North Jersey chapter after a short career in professional basketball. Leshinski was aware that ACORN “had been around so they had friends and enemies” (Leshinski, 2009) and also that there were “rivalries in Philly, groups that were trying to be *the* poverty group”

(Goertzel, 2009). In addition to housing and neighborhood issues, ACORN was trying to organize around welfare reform and was finding the going difficult (Leshinski, 2009).

The context for this development was a relatively weak and fractured progressive/left. The anti-poverty movement was dominated by Kensington Welfare Rights Union (KWRU), ACORN, Philadelphia Unemployment Project (PUP) and Project HOME. It was supported by liberal unions that represented the fully organized but threatened public sector (AFSCME) and others seeking to organize in the growing service, hospitality, and retail sectors, such as Service Employees International Union (SEIU), the United Food and Commercial Workers (UFCW) and the Health & Hospital Workers Union, 1199C. Over the years there were moves to bring these groups together to more effectively impact city policy. Labor-led coalitions had successfully organized in the past: a labor and faith-based coalition built broad support for the J.P. Stevens boycott, and before that a labor-healthcare coalition was successful in getting city council to pass the first city right-to-know law in the U.S. – but these wins were in the late 1970s and 1980s (Haines & Klein, 1982). Labor’s political power seemed to be wielded by building trades unions (Carpenters, Plumbers and Electricians), who did indeed have more interests in common with the growth coalition.

Activists and policymakers in Philadelphia were acutely aware of Baltimore’s living wage movement when it passed in late 1994 (Leshinski, 2009; Street, 2009), but that did not explain how and why the movement emerged in Philadelphia when it did. Social movements spread through two main mechanisms: diffusion and brokering. Diffusion is spreading by means of “transfer of information along established lines of interaction” and thus is the most common means. But diffusion is usually narrower in its

reach because it depends on these pre-existing networks. Brokerage “entails information transfers that depend on the linking of two or more previously unconnected social sites” and so has the potential to spread on a wider scale (McAdam, 2003, p. 294). Although some have said that there was no national plan to spread the living wage movement (Tilly, 2005), ACORN played the broker role early on with its Living Wage Resource Center, staffed by Jen Kirn. ACORN held its first National Living Wage Campaign Training Conference in Boston in May of 1998 and later created a manual for activists (Reynolds & ACORN Living Wage Resource Center, 2003). Indeed, Leshinski said that although ACORN had not been involved in the Baltimore campaign, living wages had quickly become part of their national strategy. He knew ACORN people involved in two other living wage campaigns, but he knew little about the major, non-ACORN campaigns underway in Los Angeles and Pittsburgh that had different organizing models. Thus, brokerage was the method of diffusion for the key social movement organization in Philadelphia.

Leshinski said the campaign “handed down from the national people” was “the Boston model.” Boston’s recent living wage law was “inside-out” – a political campaign led by an ally on city council, a former union chief (Leshinski, 2009). He didn’t know whether this was an “ACORN model” that worked in Boston, or a “Boston model” that ACORN decided could be used elsewhere. Their strategy was to “try to do it under the radar because the business interests would out-spend you and out-mobilize you when it came to city council.” They did a power analysis of city council to help figure out how to build a coalition that could impact them. Unions were an obvious choice to bring political connections and sophistication, but Philly ACORN had not worked with them in the past.

“Definitely the labor component was important and was new for me and new for ACORN when I was there” (Leshinski, 2009).

Resource Mobilization

Empirical evidence shows that collective action is catalyzed through existing networks and organizations, or “mobilizing structures” (McAdam, 2003, p. 283). At the micro-level, people are drawn in through structural ties. But networks themselves can facilitate or hinder new movements. Would-be insurgents must create or appropriate a base, as ACORN did with unions, and the “routine collective identity on which it rests.” This account of threat or opportunity “must become the animating frame for an organizationally able collective” (McAdam, 2003, p. 292).

Leshinski began to reach out to unions through allies in key coalition groups PUP and the Consumer Education and Protection Association (CEPA). According to Leshinski, other core coalition members were AFSCME, Project HOME (run by homeless activist Sister Mary Scullion) and the IAF-connected Interfaith Committee for the Public Welfare, which had come together a year earlier to work on welfare reform. The first meeting was in January 1997. Within a few months the campaign boasted 45 organizational endorsers, and with constant outreach the number eventually reached about 65. The coalition consisted mostly of white progressives and union representatives, most of whom were men. A key feminist activist was Kathy Black, a staff person at AFSCME District Council 47, the white-collar municipal union, and also a leader in the Coalition of Labor Union Women (CLUW) and Philadelphia NOW. However, few of the coalition groups seem to have recruited their members or constituents into the campaign’s leadership in a meaningful way. Those attending meetings were primarily paid staff.

Leshinski said that some ACORN members were active speaking to churches and community groups, including a member who had been homeless and one who stood to gain personally from the measure. However, the campaign could hardly be called “organic” in terms of incorporating those with a direct and personal stake.

Black stressed that this campaign started with and was led by ACORN (Black, 2009). Leshinski provided the coalition’s leadership as well as staff support, despite having full responsibility for running ACORN and making sure it was recruiting enough new members to stay afloat – work that he described as a constant, week-to-week struggle (Leshinski, 2009).

Judging from the (sparse) coverage in the *Daily News* and *Inquirer*, it might appear that welfare rights and living wage campaigns were one and the same, and that KWRU was an instrumental force in the living wage campaign. KWRU’s slogans often included the right to a living wage. However, Leshinski described their participation in the campaign as somewhat tangential and their attendance at meetings as spotty. KWRU was good at getting publicity and was the most visible anti-poverty group in the city or state. In the late 1990s they were redefining the idea of welfare rights as human rights and the “right to a living wage job” (Gilbert, 2001), and were forming alliances with working people and labor, primarily with the powerful Philadelphia healthcare union 1199C, whose members are largely low-income black women. 1199C endorsed the living wage campaign but was not part of the core group and did not mobilize its members around the bill. But more significant, perhaps, was that KWRU had already scaled up: they seemed more interested in taking on targets at the state, national and even international levels in order to try to reframe poverty in America, not just in Philadelphia.

Labor unions comprised the bulk of the coalition's endorsing organizations and provided some in-kind support. Even so, the union participation lacked the dynamism of the Los Angeles unions that had been re-charged by new leadership of Latinas and immigrants. Union endorsers ranged from a dozen AFSCME locals to the postal workers, needle trades, retail workers and janitors – but not the powerful building trades or Teamsters. In other cities, “the most critical variable determining whether a . . . union will participate . . . is the presence (or absence) of a union activist or leader with a strong ideological motivation to connect his/her union with the coalition.” These “bridge builders’ who fuse labor with other progressive organizations” are in leadership positions; have a leftist orientation; see labor as part of a larger movement for social and economic justice; and have personal previous involvements in a social movement or campus-based movement (Nissen, 2004, p. 55). Black confirmed that although the privatization issue/argument would naturally appeal to municipal unions, it was AFSCME D.C. 47's social and economic justice orientation that compelled them to participate. Indeed, Black's boss, Tom Paine Cronin, was already identified with most progressive causes in the city.

Still, dozens of labor endorsements did not bring institutional support to the Philadelphia effort. After the AFL-CIO passed a living wage resolution at its national convention, the city's Central Labor Council (CLC, the metropolitan area body that included all unions in the AFL-CIO), headed at the time by Joe Rauscher, formed its own subcommittee on the living wage, chaired by Cronin. Despite Cronin's enthusiasm, the CLC took no initiative towards mobilizing union members, organizing in the community or initiating living wage legislation. Cronin lobbied within the labor council for more

support and attempted to work through the issue with some union heads who were unsupportive. But the old-school Philadelphia CLC was, in general, not an active force in pushing unions to work together beyond mostly symbolic, traditional solidarity events such as the annual Labor Day parade. Indeed it was the living wage campaign, rather than the CLC, that provided the structure through which many unions actually first worked together on a cause and really got to know each other (Black, 2009).

The Political Opportunity Structure, Part I

Social movements emerge when there is “an opening in the political opportunity structure – based on weaknesses in state authority through loss of legitimacy, policy failure, and/or divisions among the powers that be” (McAdam, Tarrow, & Tilly, 2001, p. 5; Turner & Cornfield, 2007, p. 15). Thus the new coalition needed to find an opening. The issue of the city’s failure to pursue policies to ameliorate conditions of the working poor was clear, but they also needed to tap into a weak spot – divisions on city council or between the council and the mayor – in order to survive predictable opposition from the Chamber of Commerce.

Leshinski recalled that the coalition debated the question of whom to approach on city council.¹¹ Both left/progressive council members, Cohen and Ortiz, had the right politics but were somewhat marginalized on council and Ortiz especially was not known for getting things done. No one interviewed for this project mentioned Ortiz’s earlier privatization bill as a reason to approach him, but Ortiz was asked to become the lead sponsor, followed by Cohen and Rick Mariano, a former labor leader from the building trades, who soon became a key supporter and media spokesperson. In addition to their

¹¹ Leshinski could not remember all the details of the debate.

natural allies on city council, the coalition counted on its formal liaison: a labor council staff person who was actually on the payroll of council head John Street (Black, 2009).

From the beginning, Leshinski and others said that they knew that Democratic Mayor Ed Rendell, who was seen as working hand-in-glove with the Chamber of Commerce, was opposed to the living wage. They counted on his vetoing the bill, and thus needed a veto-proof majority of 12 (two-thirds of the 17 councilors) to override, rather than a simple majority of nine. They assumed votes would come from among the 14 Democrats, who would be convinced by a combination of internal and community pressure (Leshinski, 2009).

Framing the Living Wage Campaign

Steve Leshinski described the impetus for living wage activism as the struggle against poverty, a central frame that fit in with ACORN's mission and its other campaigns. This "framing" was demonstrated through a variety of written materials: flyers, talking points, fact sheets, a brochure from interfaith groups, and reports. In addition to this central message, the campaign literature displayed diverse arguments, including protecting workers from privatization; focusing city investments on companies that added quality jobs to the local economy; accountability from aid recipients; fairness to people leaving welfare who are "playing by the rules;" the increasing gap between rich and poor and the working poor falling behind in relation to the poverty level; economic restructuring (new jobs predominantly low-wage service and retail sectors); corporate welfare; the city's moral role in setting wage and benefit standards; and helping lift taxpayers' burden by making more of the city's families self-sustaining.

Coalition members adopted “principles” that were to guide legislation and distributed them at meetings. However, the seven principles on the leaflet were actually specific policies: Philadelphia should recruit businesses that are committed to creating and retaining living wage jobs for Philadelphians; companies receiving assistance would pay \$7.70 and the wage would be indexed to inflation; companies would work with the community to employ low and moderate income Philadelphians; 10% of new jobs would go to welfare recipients; welfare-to-work and all other forms of employment would be covered; a citizens advisory board would review implementation, and compliance would be enforced. Elevating these policies to the level of principles may have influenced the coalition later when they faced hard decisions about whether to compromise and revise the legislation.

Nadeem’s (2008). discussion of framing and the living wage movement provides a method of analysis that may help tease out how the Philadelphia campaign’s messages contributed to either its success or failure. He argues that the living wage idea is not in itself a “master frame,” but it deploys symbols and meanings from two master frames that are in tension within the larger ideology of liberalism: civil rights (individual rights within free market capitalism) and social rights (attempts to mitigate inequality created by capitalism, mediating self-interest and the common good) (Nadeem, 2008, p. 147).

In the mid-1990s, reformers had to work within the context of a completely renegotiated social contract: neoliberalism’s dominance and the diminished legitimacy of social rights. The living wage idea is a “collective action frame” which, to succeed, must “appease various political constituencies, mobilize supporters, and deflect the counter-framings of opponents” (Nadeem, 2008, p. 144). A successful action frame “must be

pragmatic enough to compromise for short-term goals, but only in a manner that does not undermine a movement's ideals” (Nadeem, 2008, p. 138). Action frames are dynamic and activists mold them to a particular cultural and historical context. To appeal to city council, the coalition would need to downplay the social rights frame and provide a cost-benefit analysis to favor their legislation. And while the coalition’s members all need to buy into the central action frame, there is a discursive division of labor that leaves room for different perspectives and messages: the liberal advocacy organizations and think-tanks provide the economic rationale; the interfaith and community groups talk about communal responsibility, and the unions would promote economic justice.

The Philadelphia campaign did take advantage of this division of labor. Although it was a defensive strategy, establishing evidence that the living wage was an economic benefit and not a hindrance was a core priority in the campaign. Throughout the campaign, organizers were trying to obtain information on how many workers would be directly impacted by the bill. Solutions for Progress, a progressive entrepreneurial organization with ties to SEIU, was tapped to do research on the local impact and to create talking points for activists based on the information. Their report pegged the number of workers who would be directly affected at 10,000. The moral arguments were promoted through efforts of the Interfaith Committee, which issued a Martin Luther King Day brochure featuring quotations about working poverty and economic justice. In a coup for the coalition, the Roman Catholic archdiocese featured the living wage along with eight other issues on a voter guide that it distributed during the primary campaign in 1999 (Bartik, 2004; Goldwyn, 1999). This was an enormous outreach kick for the campaign, but no one knows how it affected city council elections.

With this understanding, the Philadelphia campaign covered all the bases and took advantage of the unique qualities of the living wage issue. The messages about fairness (people leaving welfare are “playing by the rules” and should be rewarded with jobs that raise them out of poverty) and self-sustaining incomes (less dependence on public benefits), stressed individualistic cultural norms, the idea of the integrity of work, and reinforced feelings that “handouts” are “demeaning.” At the same time, they linked these messages to social rights: the moral imperative of the community to set standards and address the increasing inequalities of the city created by the new economic realities. Nadeem points out that by going beyond the narrow impact of an ordinance to create support for more widespread reform (i.e., a higher minimum wage for all), the living wage threatens its opponents, but it can avoid “potentially lethal” opposition by its tailored and essentially voluntary approach (i.e., companies can choose not to bid on city contracts) (Nadeem, 2008, p. 153).

The Ortiz Bill

Councilman Angel Ortiz introduced the living wage bill (No. 970586) at the end of September 1997, about six months after organizing had begun. To some extent the coalition used the bill as a working draft or starting point, and continued to invite feedback from their member groups and constituents, with the points of unity as a guide. By the time hearings were held the following May, the sponsors were offering significant amendments to the bill, some of which strengthened it, a few that watered it down, and some that clarified it. (It was problematic that these amendments were offered verbally at the start of hearings, creating confusion for people on both sides of the issue.)

As amended, the bill covered contractors, subcontractors, and all firms receiving economic development assistance from the city. The wage level was revised upwards to start at \$7.90, to be indexed annually at an amount equal to the poverty threshold for a family of four.¹² Because the original benefits requirement ran afoul of ERISA laws, it was changed to include an additional \$1.50 an hour for firms not offering paid family health benefits (the model that was used in the 1997 Los Angeles living wage campaign). There were exemptions for small businesses with fewer than 25 employees or contracts under \$50,000. Non-profits were exempt as long as their highest-paid employee earned less than six times the rate of the lowest-paid employee¹³. Temps and part-timers were covered. It included virtually the same strong monitoring and enforcement provisions that had been included under Street's 1996 privatization bill.

The Ortiz bill's inclusion of mandatory hiring quota for recent welfare leavers may have been unique among living wage bills. The bill required that companies with city contracts fill at least 15% (later reduced to 10%) of newly-created jobs with former welfare recipients or people referred by neighborhood-based hiring halls – an attempt to give preference to city residents without making it mandatory.¹⁴ This provision was not controversial within the coalition (Leshinski, 2009). Given the tens of thousands of family heads who were expected to time out of welfare by the end of the decade, it was imperative that the labor market absorb them quickly; the alternative would have been an

¹² Calculated as the poverty level divided by 2080 hours of work per year (40 hours a week for 52 weeks)

¹³ This worked out to between \$64,000 and \$98,000 per year if the lowest paid employee earned anything between the minimum of \$5.15 and the living wage of \$7.90.

¹⁴ The hiring hall provision was used in other cities, including Boston and New Haven (Bartik, 2004).

explosion of homeless families and a crisis for city services. At the same time, advocates for the working poor worried that welfare-to-work jobs would displace already-working people and further drive down wages, so they saw the urgency of setting a minimum standard or floor while creating incentives for hiring welfare leavers.

The chart in Appendix A, “Comparison of Philadelphia Living Wage Bills” shows how common each provision was compared with living wage bills that passed between 1994 and 2002 (Luce, 2004, pp. 46-50). Many provisions were standard and the wage level was about average, but the breadth and inclusiveness, plus the strength of the enforcement provisions, may have made it the most expansive living wage bill at the time.¹⁵

Strategies and Actions

The repertoires of the Philadelphia campaign were similar to those in Boston, Los Angeles and other cities.¹⁶ Luce (2004) notes that successful campaigns used a combination of “inside” and “outside” strategies. In Philadelphia the campaign’s “inside” strategy included attempting to organize meetings between city council members and constituents, especially those who were influential. To anticipate the questions and concerns of policymakers, the campaign produced a written report that quantified the impact on Philadelphia’s budget and the workers and contractors who would be affected. “Outside” activities included speaking at the meetings of many community organizations, churches and synagogues and continuing to gather their endorsements; a lobby day and

¹⁵ Based on information from Gallet (2004) and Luce (2004). Philadelphia was not mentioned or counted as having an unsuccessful living wage campaign in either list.

¹⁶ Because the coalition’s meeting agendas exist, but not minutes, we are assuming that objectives for handing out flyers and holding neighborhood meetings were met.

rally at city hall, a teach-in, handing out thousands of leaflets and posters, a letter-writing campaign, and a Valentine's Day campaign to send cards to targeted city council people. The Interfaith Committee gained support from more than two dozen congregations, held an interfaith breakfast and carried out a Mother's Day campaign with targeted postcards. The coalition approached community and ethnic newspapers as well as radio shows, offering appearances and op-eds. There was a limited door-to-door campaign, but it was less extensive than those in Tucson, Los Angeles and Detroit, among other places (Luce, 2004; Reynolds & Kern, 2004).

Over the nearly three years of campaigning, media coverage was sporadic and focused mainly on events such as the council hearings. The chart, "Philadelphia Living Wage Campaign 1997-1999 Timeline" in Appendix B provides the chronology of events and media coverage of the campaign. The *Daily News* ran the most articles and a sympathetic editorial in Fall 1998. Reporting focused on workers' low pay and the morality of taxpayers perpetuating poverty through privatized jobs, reflecting the primary frame of the campaign. Some welfare reform coverage also made connections with these issues and used living wage language, without focusing on living wage legislation or campaign activities. In 1998 both the *Inquirer* and *Business Journal* ran editorials opposed to the bill based on whether the city could "afford" the living wage, with "afford" referring not to the city's coffers but to the more abstract risks to Philadelphia's business-friendly climate and ability to attract new companies.

Some criticism of the campaign, from an organization that was invited to join the living wage coalition in its second year, indicates weaknesses in outreach and perhaps in its conception. Carol Goertzel of Pathways PA, a Delaware County-based (but regionally

focused) organization that focuses on women’s labor force issues, levied criticism of ACORN’s “ownership” of the campaign (Goertzel, 2009). Goertzel thought ACORN had burned many bridges in Philadelphia and lacked the legitimacy needed to lead an inside-type campaign that required building allies on city council. She also criticized the Ortiz bill for leaving open too many questions about who would be covered and how the non-profit sector would be able to cope with dramatically higher wages in childcare and social services subcontracted through the city – if indeed they were covered at all. Why, she asked, should an employee of a non-profit contractor earn less than the poverty level – and significantly less than an employee of a for-profit contractor doing the same work? (Goertzel, 2009). She perceived the living wage coalition as “very male” because they were not explicitly reaching out to groups like hers, whose constituents were predominantly women of color; had not invited them to the table early in the game and did not put their issues at the center of the campaign. Goertzel also thought that the coalition groups could have worked to earn legitimacy first by working with more mainstream business and government groups, in part as a way to inoculate them against a knee-jerk reaction from pro-business types.

Judged by the yardstick of other progressive campaigns, the living wage campaign built widespread public support, successfully appealed to a number of constituencies, and did its homework in terms of shaping its policy argument into something that city council members would be hard-pressed to oppose. John Street, who was generally hostile to advocacy groups, said the Philadelphia living wage campaign was one of the biggest mobilizations he’d witnessed in his 30 years in Philadelphia

politics (Street, 2009). Leshinski recalled that the late councilman David Cohen told him “it was one of the two best campaigns he’d seen” (Leshinski, 2009).

Framing Race and Gender

Race and gender issues were not articulated in the coalition’s written materials, and racial justice was not an explicit part of their framing. The prevailing attitude was that the issue transcended identity politics: everyone knew that these low-wage jobs are performed primarily by people of color and women, probably Black women, and that to the extent they could be mobilized in the campaign, low-income Black women should serve as spokespeople. But it was thought to be unnecessary and possibly divisive to highlight race or gender in the way the issue was framed, perhaps because of the city’s history of racial division and hostility. Kathy Black did address the gender perspective in her hearing testimony, and an ACORN member used a gender lens when she raised the living wage issue at a Mayoral candidates night on women’s issues organized by NOW. The Interfaith Committee issued a brochure that featured photos and quotes from Martin Luther King Jr. – but these were secular quotes about poverty and justice, not race.

Leshinski admitted that the campaign had been naïve, thinking that because the head of city council, John Street, and the Commerce and Economic Development Committee chair, Michael Nutter, were Black, they would be sympathetic. Similarly, they had assumed support from Happy Fernandez because she held herself out as liberal feminist, but this too was a miscalculation; Fernandez’ approach was closer to Nutter’s, framed narrowly by “facts” about how the law would operate. As coalition leaders went about finding out how they could “get to” Street and Nutter, they discovered a group of Black power brokers whom they had never heard of, and enlisted the NAACP to help

them set about trying to reach Street and Nutter through these behind-the-scenes leaders, a largely unsuccessful strategy (Leshinski, 2009).

The Regime Responds: Counter Strategy and Frames

Social movement success depends on more than the choices, structure, and resource mobilization of the social movement organization; other critical factors are the active responses of the target – including the presence or absence of blunders on either side – and “whether the movement or its countermovement mobilizes more rapidly and effectively.” (McAdam & Snow, 1997, p. 399). In this case the growing movement inspired an effective counter-mobilization.

Both living wage activism and the opposition, coordinated by the Greater Philadelphia Chamber of Commerce, were focused around a key event, the city council hearings on the bill. All legislation in Philadelphia requires public hearings in order to move out of committee to a full council vote. The living wage coalition spent months preparing for these hearings, working on airtight defenses against anticipated arguments from the opposition and showing diverse support. The list of those prepared to testify included representatives from labor unions, community and faith groups, poverty-wage workers, academics, think tanks, and Councilman Sal Albanese from New York. ACORN turned out at least 250 people to pack the council chambers for a May 1998 hearing that lasted all afternoon.

Even before the hearing, the Chamber of Commerce made the unusual move of lobbying individual council people. Historically, the Chamber had basically ignored council elections until they began pass pro-worker legislation such as right-to-know and plant closings bills in the early 1980s (Shapiro, 2009). The Chamber preferred to lobby

through the Mayor, and during the Rendell administration they had daily contact (Mahoney, 2009).

A range of speakers lined up to testify against the living wage bill, from small business owners to the Chamber head, Charles Pizzi. Their arguments tended to be more ideological than pragmatic. Several insisted that they already paid their workers at or near the higher wage level. Only one company, a city planning firm, objected to the welfare hiring requirement on the grounds of the high level of specialized education and training they required of all their employees – but they were assured that they would receive a waiver.¹⁷ Several of those testifying seemed to misunderstand the law; they said their companies had no city contract or assistance and no intention of bidding on one. The most insistent argument made was that it constituted unfair regulation, and would further sully the city's business climate.

Chamber of Commerce policy director Joe Mahoney confirmed that the issue for the business community was both image and practical:

We worry very much in situations like this that it can put a Philadelphia company at a competitive disadvantage...if there's going to be a change in wage and hour requirements, we'd rather see it at the broadest possible geographical unit, so that all companies are operating on a level playing field. (Mahoney, 2009)

Mahoney clarified that the most serious threat to Philadelphia's competitiveness was then and remains within the regional marketplace – the draw to suburban locations rather than any competition with cities like Boston, New York, Baltimore and Chicago. It followed

¹⁷ Perhaps ironically, this was the same firm that redesigned Baltimore's the inner harbor, the revitalization project that lead to disillusionment with the city's economic development strategies and spurred the living wage campaign.

that the Chamber saw living wage legislation as a bad move for Philadelphia regardless of whether all those cities passed living wage legislation (Mahoney, 2009).

In eight years, the Rendell administration passed no regulatory legislation; the regime appeared unwilling to entertain policies that were redistributive towards the poor. While it framed all of its strategies in terms of “jobs,” the city had no methods of evaluating the job-creating impact of billions of dollars in tax abatements, grants and loans it provided. This point was made at the hearing by council members and brought home by ACORN’s expression, “the don’t ask, don’t tell economic development policy” (*Hearings on Living Wage Bill*, 1998). The Chamber’s intense opposition to the living wage idea was likely spurred by the bill’s inclusion of aid recipients other than straight service contracts. This aid was nearly always negotiated in private, so the transparency required by the living wage bill was a bad precedent, from their point of view.

During the hearings, the regime attempted to put a different spin on race. Ironically it was the Chamber of Commerce that raised the issue, insisting that they supported minority hiring and already practiced hiring welfare leavers (without mentioning heavy subsidies already provided for the latter). These speakers attempted to position themselves as the true saviors of people on welfare, helping them survive welfare reform by creating jobs to employ them. Several pro-business speakers asserted the living wage law would be detrimental to small, minority- and women-owned businesses, either because these small start-ups depended on being able to pay low wages to unskilled entry-level workers, or because they could not afford to comply with the bill’s “onerous” reporting requirements. Despite a vociferous challenge by Ortiz, this position was articulated by a city official, the head of the Minority Business Enterprise

Council (MBEC)¹⁸ who was also quoted in newspaper as saying “the bill would impose ‘undue financial hardships’ on minority and women-owned businesses” (Burton, 1998a; *Hearings on Living Wage Bill*, 1998).

Informants sympathetic to the living wage generally felt the committee hearings were a disaster (Black, 2009; Leshinski, 2009; Shapiro, 2009). Traditionally a bill’s sponsor had the prerogative to call witnesses, but in this case the committee chair Michael Nutter took over. He had invited Chamber of Commerce and administration figures who were already intensely lobbying council to defeat the bill. Informants from the campaign all felt that the Chamber and its representatives were allowed to dominate the hearings, while council sat by passively – although the testimony shows some feisty and opinionated defense of the bill from several members. Rick Mariano, the unionist, was perceived to have changed his mind about the bill during the course of the hearing, moving from his opening statement where he said the bill would be the most important vote of their council careers to saying that he really didn’t understand the bill, a remark that was reported in both daily newspapers. A review of the hearing transcripts shows about 20% more pages devoted to anti-living wage speakers, but scoring was complicated because much of the time was spent questioning speakers, clarifying the impact of the bill, and discussing it among council members – activities that might be considered neutral or partisan, depending on one’s point of view. Nutter’s position in the transcripts appears to be one of seeking facts, but the audience – clearly moved by moral arguments from ACORN and faith-based speakers, saw his role as cold and dismissive.

¹⁸ This was likely to have been especially galling to Ortiz, who had worked to restructure the largely ineffective MBEC, only to have the Council’s work undone by the administration (Bricklin, 2009).

Councilman Nutter wrapped up the hearing with a promise to reconvene after collecting more information on the potential impact of the amended bill. He specifically sought to determine the number of companies and workers affected, and after it was noted that at least half the health and human service budget was outsourced, the likely impact on city departments.

After the May hearing, the group continued aggressive grassroots efforts but the campaign shifted and became more defensive as they prepared for the second hearing six months later, in November 1988. There was an intense effort to try to satisfy Nutter, from the point of view of his framing of the situation – that the bill’s approval hinged on facts that would demonstrate some kind of answer to the cost-benefit question. An internal memo said that the coalition’s main testimony at the November hearing would address their “frequent and futile” attempts to get information from the City. Also mentioned was the idea of finding someone to run against Nutter in the 1999 elections.

At the last minute, however, Nutter postponed the November hearing, this time indefinitely. Much of the information he requested was never collected, which was hardly a surprise after the uniformly hostile testimony by representatives of the Rendell administration. The Mayor’s press secretary had called the bill “an economic development disaster waiting to happen” (Burton, 1998a) and his Commerce and Human Services Directors testified against it (*Hearings on Living Wage Bill*, 1998). The living wage activists agreed that Nutter was hostile to the bill and believed he was hiding behind the need for “information” while he orchestrated opposition from the Chamber and administration.

The following Spring brought an opportunity to use the hotly contested upcoming Mayoral and City Council primaries to build support for the living wage. The coalition sent out a questionnaire, issued a voter guide and made sure it was widely disseminated among endorsing groups. In a related move, ACORN tried to further raise its profile in the city by making endorsements for city council and mayor. Leshinski says they were novices at this and made some mistakes, ultimately coming out of the elections having lost face and power for endorsing several losers.

After the 1999 primaries the coalition once again considered supporting a narrower bill, knowing that it might pass if it were reshaped to exclude economic development aid. John Street, now the incoming mayor, was perceived as being against the bill and his responses to the voter questionnaire were ambiguous, indicating that he supported it in theory but opposed the Ortiz bill in particular. In late summer Tom Cronin was asked to approach Councilman David Cohen about a compromise that would drop economic aid beneficiaries. In the end the leadership decided they did not want to compromise. It was clear by the end of 1999 that the living wage bill would not get 12 votes, perhaps no longer even a majority because of defections. After a few more months of meetings, the coalition called it quits.

From Coalition to Movement

The failure of the Philadelphia Jobs & Living Wage Campaign to pass a living wage bill involves several interconnected factors that included weaknesses in frame bridging, missed assessments about the political opportunity structure and resource mobilization. Even so, it laid some important groundwork. Several informants said that the living wage campaign was the first real Philadelphia community-labor coalition that

was built from the ground up, without the role of the Labor Council. Even after the campaign ended, a monthly brownbag lunch group continued friendship and networking that had begun over the campaign. Leshinski noted that some of the social and economic justice work they started was continued shortly afterwards, when the national group Jobs with Justice launched a Philadelphia chapter, although he noted with some bitterness that the latter attracted funds from some labor sectors – such as 1199C and SEIU – that the living wage campaign had been unable to mobilize.

Using Tattersall and Reynolds' (2006) typology of labor-community coalitions, the Philadelphia Jobs & Living Wage Campaign would likely rank as a “support coalition,” that is, it was dominated by an initiating organization for a short-term goal, and there was some formal shared decision-making, but decision-making was dominated by staff rather than members. Although support coalitions successfully passed living wage campaigns in some cities, those that survived serious threats were more likely to be “mutual” or “deep” coalitions. These had formal accountability structures, their own staff, issues in the mutual self-interest of participants, long-term plans to build power, and more active mobilization of participating unions' members. Among living wage campaigns, the “deep” coalition was the Los Angeles model, a multi-phase, multi-year campaign carried out by an independent coalition with a budget of several million dollars and strong labor backing. The Philadelphia coalition's capacity to broaden and deepen the campaign after their initial setback was severely limited by the lack of dedicated staff. Coalitions without their own staff do not “develop beyond a low level of effectiveness” (Nissen, 2004, p. 59). Except for ACORN, many participating organizations had a common interest in economic justice but little skin in the game – and deeper engagement

is tied to more direct and tangible organizational interests (Tattersall & David Reynolds, 2007, p. 4). In a review of case studies of efforts in social unionism, Turner and Cornfield (2007) found that the decisive factor for success or failure was not whether unions were outside the system or part of the regime, nor was it economic factors, globalization or employer opposition. When the opportunity structure is open to unions, as in “union towns,” strong unions may lack incentive to change; in many cases, powerful unions can and do strike private deals that then stymie other parts of the labor movement. This “analysis points to the influence of social and institutional contexts in shaping opportunities for innovation, while privileging the independent decision-making capacities of social actors such as labor unions, central labor councils, and the social coalitions in which they participate” (Turner & Cornfield, 2007, p. 13). Some Philadelphia unions – primarily the building trades – benefited from public works and hotel construction in center city, and thus could strike private deals. However, the public sector unions were decidedly not part of the ruling coalition, and leadership within Philadelphia’s union movement did not side with them.

In hindsight it is easier to see that living wage advocates miscalculated in their evaluation of the political opportunity structure in Philadelphia, beginning with their assessment of city council’s ability or willingness to challenge Rendell’s development strategies. An increasingly fragmented governance structure made it difficult for either pro-business or social change groups to advance their interests (C. Adams et al., 1991). The city had traditionally operated an “employment regime” with power built on favors such as jobs and contracts (Bartelt, 2004). City council was not a very powerful force in Philadelphia’s “strong mayor” system. Despite the “union town” label, organized labor

did not have a strong track record of advancing social or economic justice policies. Michael Nutter, as a new council member who had worked for Ortiz, was assumed to be an ally of some sort. The coalition may have underestimated John Street's behind-the-scenes influence, though it is not at all clear if and how he used it in this case. Street may have sabotaged the bill through his influence with the Labor Council's liaison, who was essentially his own staffer; at a minimum, the CLC liaison misled the coalition about the strength of their support on Council and how much he was doing on their behalf (Black, 2009). Bricklin (2009) thought that by the end of Rendell/Street's second term the political opportunities may have opened somewhat, but noted that during Rendell's first term, Street effectively kept the council from moving a single piece of reform legislation, simply by assigning everything to his own Rules Committee and then sitting on it. In sum, the political opportunity structure for progressive legislation was far less open than ACORN or the living wage coalition perceived it to be.

In addition, while the primary election was potentially the kind of pivotal event used by social movements to gain power, and the voter's guide was a perfect tool for talking about the living wage idea in the community, the coalition may have overestimated their ability to impact Philadelphia's complex electoral system. In Detroit, a voter initiative on the living wage proved to be a potent tool to bring voters to the polls, delivering a huge majority vote for the ballot measure and new electoral power for the labor-dominated campaign; over the next 5 years from 1998 to 2003 it expanded to become a wedge issue in statewide politics (Reynolds & Kern, 2004). But in Philadelphia, most council people, but especially the ten district representatives, believe that they are reelected primarily on the strength of their performance on "bread and

butter” issues of neighborhood development (Bricklin, 2009; Street, 2009). A policy that affected the incomes of relatively few people (not necessarily all city residents) was nice, but not worth losing allies over (Street, 2009). Progressive issues counted only for the few at-large councilors, Ortiz and Cohen, whose base of support came from those communities. Leshinski said that ACORN came out of the primary campaign with egg on its face, having made some bad endorsement decisions, and Shapiro (2009) confirmed that he and others more experienced in strategy found them strange.

John Street says he would have signed the bill if it had been up to him, as he felt it was “the right thing to do,” but he had much more important priorities at the time (Street, 2009). Street and Rendell ran the city as a team, and Street was not willing to fight a battle with Rendell when he was gearing up to run for Mayor himself in 1999. Street said he was impressed by the energy, depth and thoroughness of the living wage coalition. His critique of the living wage bill essentially came down to interpersonal level: Ortiz was unpopular on city council, was not perceived as a team player, and members often shunned his causes purely because of his style (Street, 2009). And the council president was not concerned that alienating the living wage coalition would impact his electability.

Several serious mistakes were made by the coalition. Although the amendments made exceptions for small businesses and non-profits that would have allayed fears about its impact on human service delivery, they came too late (at the hearing) and were not understood well enough to diffuse the borderline-hysterical opposition whipped up by the Chamber or the administration. On top of this was the huge embarrassment – milked by the newspapers covering the hearing – of watching Rick Mariano, the former union boss who had said that the living wage was the most important vote that ever faced city

Philadelphia's urban governing coalition might have been a "growth coalition" of business interests who benefit from development, except that "stopping shrinkage" was more accurate than "growth" in this case. The regime's continued governance required it to construct an ideology to reinforce its notion of unitary interest, i.e., that what is good for business is also good for workers, thus the maintenance of a "business-friendly climate" above all else. In desperate efforts to save jobs in a city that was shedding them faster than almost anywhere in the country, Mayor Rendell and his predecessors Goode and Green, all Democrats, allied their administrations with the Chamber of Commerce, using fiscal discipline and corporate welfare to demonstrate commitment to it. The coalition promoted policies that used public funds to leverage economic growth, benefiting downtown interests while neglecting the needs of poor communities, communities of color, and women. Intra-metropolitan competition also played a role: while cities in growing regions were competing with each other for capital, in the slow-growing Philadelphia region, the city and its fragmented suburbs were competing amongst themselves for jobs in a kind of zero-sum game, intensifying local competition and choking off creative thinking about alternatives. Thus the perceived mandate of attempting to level the playing field between city and suburbs – already seen as terribly lopsided against the city by the Philadelphia wage and business taxes – trumped the beneficial impact of putting a few thousand more dollars in the pockets of a few thousand low-income workers.

Chapter Conclusion

Social movement theory provides tools with which to analyze the networks, strategies, events and frameworks that help define a movement, but ultimately it does not

tell us what makes a movement succeed or fail. Applying social movement theory to Philadelphia's living wage campaign, we can see that while it was one of the most active efforts to impact local policy in the period, it ultimately lacked capacity to mobilize the grassroots support necessary to succeed. First mobilized around what appeared to be a political opportunity to work a mostly "inside" campaign with very progressive council members, the campaign found that these members were effectively marginalized within a legislative body that was often divided by personality and turf. While ACORN staffed and maintained the campaign at a more intense level than they had originally envisioned, the support coalition they created could not ramp up to the degree a successful outside campaign would have required: more time, vastly more money and resources, and deeper mobilization of coalition groups' constituents – that is, a commitment to create a new center for organizing in Philadelphia that would have been bigger than the sum of the parts. That would have required a quantum leap in the investment of its dominant coalition partner, that is, organized labor. Philadelphia was known as a "union town," but the labor community in Philadelphia was not cohesive, its regional organizing was superficial, and its approach to political power was based in a traditional model that no longer worked. Despite radicals embedded in some unions – especially the public sector unions that were most affected by two decades of retrenchment and privatization – there was not the critical mass needed to meld a new labor commitment to social justice as a way to transform itself internally and externally.

Still, evidence from other cities indicates that neither a "deep" coalition nor social unionism would have been a necessary precondition for a successful living wage campaign (Tattersall & Reynolds, 2006; Nissen, 2004 ; Reynolds, 2001). Supplementing

our social movement analysis with regime theory provides additional insights into reasons for the more powerful backlash faced by the Philadelphia campaign.

A successful protest movement will redefine the nature of the city's governing coalition, forcing the regime to share power, or at least provide a seat at the table, for those whose interests are not met by the dominant regime. But Philadelphia's regime had sufficiently convinced the public that alternatives to its economic development strategy – even accountability and transparency – would kill jobs. At the same time, the 'employment regime' spread enough development funds into its neighborhoods (city council districts) that it co-opted much of the activism and brought these extensive networks into the regime. And the living wage movement confronted an administration that had effective control over city council. Faced with the prospect of a new policy that was potentially stronger, deeper and more inclusive than what existed in any comparable city, the administration was threatened. Between their backlash and weaknesses in the living wage movement, the Ortiz bill could not have passed at that period in the city's history.

CHAPTER 5

PASSING THE LIVING WAGE LAW, 2005

In March 2005 City Councilman Wilson Goode Jr. introduced a new living wage bill, and less than two months later the bill was signed into law. But the story does not end with passage of legislation. Successful implementation of living wage policy is often facilitated by the active involvement of social change groups, sometimes as watchdogs outside the system, and other times with a formal role, as with citizen advisory boards. Getting full implementation of the new law was rocky, and Goode persisted by introducing resolutions and amendments aimed at strengthening it. Four years later its implementation is questionable and his efforts continue; there seems to be little public knowledge of the law and no enforcement mechanism.

Thus, Philadelphia is an interesting case study. Why would this bill pass so easily after a serious, sustained and broad-based effort had failed only six years earlier? Were there changes in economic and social conditions that created different opportunity structures? This chapter updates the socioeconomic context between the end of the failed living wage campaign in 1999 and the introduction of Goode's bill. I explore what changed in the intervening years: the regime, the socioeconomic conditions, or social movements. The purpose of this chapter is to interpret the passage of Wilson Goode's living wage bill by synthesizing social movement and regime theory to answer those questions.

Around the country, living wage ordinances vary markedly in their expansiveness and coverage (Luce, 2004, 2005a; Pollin et al., 2008). Luce (2004) holds that the strength

and organic nature (whether low-wage workers are involved in organizing) of a living wage movement correlates with the breadth and strength of their living wage ordinance, if it passes – and successful passage is often a result of a winning combination of inside/outside strategies chosen by the coalition. But the causal connections she suggests have been challenged, and there are of course examples to the contrary. Are the limits of the Philadelphia law's reach, at least as it is represented on paper, a reflection of the methods used to pass the law? This chapter will evaluate the law's implementation and connect this with the circumstances around its passage to test the thesis that effective implementation is linked to contentious campaigns and the involvement of direct stakeholders.

Philadelphia's Working Poor

The period between the failed living wage campaign and Goode's effort was not an easy one for lower-income families in the city. Nationally, poverty rates increased between 1999 and 2005. While the regional poverty level was below average (13.3%), the spatial differences were alarming: in the central city poverty jumped to 24.5% compared to the suburbs' 7.5%. Even worse, child poverty in the city was 35.4% (Berube & Kneebone, 2007). Black poverty was roughly double white poverty. Women's poverty rate in the city was 5% higher than men, even though women's overall wage gap in the city is smaller than the national average (88% compared to 81% nationally) (Price, Herzenberg, Sabadish, & Scott, 2008).

Welfare reform left people working but still in poverty: nationally the rolls had dropped nearly 60% in the decade 1993-2003. But most welfare leavers – 80% in one study – had family incomes below the poverty level (including after-tax income and other

means-tested benefits) and were stuck in jobs with no future in terms of advancement (Waltman, 2004). Buying power for those earning minimum wage declined 43% between 1968 and 2005, and even for full-time year-round work the minimum wage (still \$5.15 an hour) was 32% below the poverty level for a family of three (Pollin et al., 2008). Pollin, et al. (2008) calculated that had it been scaled at an equal share of the nation's increased productivity since 1968, it would have reached \$18.86 by 2007.

Hardship occurred not just among the very poor or those still dependent on welfare benefits. Wages were suppressed for most workers: by 2005, average worker pay was down 12% from its peak in 1973 (Pollin et al., 2008). Since the late 1990s, polarization between the working poor and the wealthy continued to increase: overall family income declined 6.3% for the bottom fifth of Pennsylvania families while it increased 6.6% for the upper fifth (Bernstein et al., 2008). Median household income for city residents decreased an astounding 11% between 1999 and 2004 (*City of Philadelphia Five Year Financial Plan FY 06-11*, 2006). At the low end, poverty increased in the worst way, and it was felt most in poor sections of Philadelphia. The region's *concentrated* working poverty rate – the likelihood that working poor families lived in areas that were at least 40% poor – was the fifth highest and nearly double the average for the 50 largest metros (Berube & Kneebone, 2007). Concentrated poverty imposes a magnified hardship, as residents share the impact of their own poverty as well as their neighbors: poor schools, declining infrastructure, restricted shopping choices, etc. In most of the country, working poverty rose but concentrated poverty declined. However, Philadelphia's concentrated working poverty rate increased to 25.5% from 15.1% in 1999 – the second highest rate of increase in the nation, after Detroit (Berube & Kneebone, 2007). Clearly,

the city's economic development policies were not ameliorating the situation for poor residents.

A Goode Bill?

In March 2005 Wilson Goode Jr., a young councilman and son of the former mayor, decided to sponsor a new living wage bill. According to Goode, the effort was born out of his frustration with economic development strategies that yielded dead-end jobs that locked people in poverty, as well as frustration with lack of action on federal and state level to increase the minimum wage (Goode, n.d.). Goode had actually opposed the Ortiz bill when he was running for office, but had a change of heart in his third term.

Goode said that his main source of information on the living wage was ACORN's Living Wage Resource Center (LWRC), which he found on the Internet (W. W. J. Goode, 2009a). He drafted a bill and introduced it on March 31 with 14 sponsors, including every Democrat on city council. In an interview, Goode said all he did to garner their support was to send them an email with his draft bill, attaching the Economic Policy Institute's Issue Guide on the Living Wage (a piece that favorably summarized the economic impact literature), and a list of other cities with living wage ordinances which he found on the LWRC website. He moved it forward very quickly, meeting with both the Chamber of Commerce and Mayor Street the following week. Goode asked the Chamber not to attend the public hearing, and they complied. In the meantime he reached out to ACORN. ACORN Organizing Director Ali Kronley reviewed the bill, and based on advice from LWRC head Jen Kirn, suggested a series of changes based on "best practices." The three major issues ACORN raised were the wage rate, which was not indexed and already low in comparison with others; limited coverage; and a lack of

enforcement mechanisms. A week later, Kirn provided a more detailed memo with suggested wording changes focused on clarifying the language on coverage, implementation and enforcement, and adding a provision for a citizen advisory board. Goode solicited opinions on his original language and Kirn's suggestions from the city's budget office and law department, both of which responded with point-by-point memos. The budget office memo noted "lack of teeth" in the introduced bill.

The public hearing was held one month later. Goode gave a short but passionate opening that framed the issue in terms of the hopelessness faced by families that work hard and are trapped in poverty, comparing the situation to the poverty faced by his sharecropper grandparents. Although the framing was in terms of poverty, race was implicit as well. Goode circulated a list of amendments, for which he credited ACORN (while omitting most of their suggestions on implementation and enforcement) and acknowledged modifications that had been requested by the administration. Mayor Street wanted to place enforcement power, and the power to make decisions on waivers, with the Office of Labor Standards (OLS), whose staff of six enforces prevailing wage rules on city contracts.¹⁹

Compared to the contentious 1998 hearing, Goode's hearing on May 4 was a carefully orchestrated love fest lasting all of twenty minutes. ACORN testified first, followed by a Commerce Department official who communicated the administration's full support for the measure. After discussion and clarifying questions, the measure was

¹⁹ Prevailing wage laws are state or local versions of Davis-Bacon, the federal law that requires construction contracts using federal funds to pay workers a minimum rate, usually similar to union scale. Pennsylvania is one of 31 states with these "mini Davis-Bacon" laws.

scheduled for a full council vote the following week, where it passed unanimously and was signed into law.

Two weeks later Council passed a resolution to convene the community advisory committee and naming members to be appointed. They included representatives of the Chamber of Commerce and business community, ACORN, and four union representatives. Like the earlier Ortiz bill, Goode's "Philadelphia 21st Century Minimum Wage Standard" applied to all employees of companies with city contracts and subcontracts over a certain size, including non-profits, and to beneficiaries of grants, loans and tax breaks through the PIDC (see Comparison of Philadelphia Living Wage Bills, Appendix A). All of these are phased in, as they apply only to new contracts going forward; employers with economic development aid are bound by the living wage level for five years afterwards. In the public hearing, Goode said that an internal study showed that the bill would cover all but 39 of 1526 city contracts (*Public Hearing on Philadelphia 21st Century Minimum Wage Standard (Bill 050234)*, 2005, p. 14). The wage level is not indexed to inflation or poverty, but is set at 150% of the state or federal minimum wage, whichever is higher – low compared to living wage bills passed around the same time in other cities.²⁰ Goode argued that state economic development contracts used the same standard in their job creation tax credits program, so this brought the city in line with an already-established state standard that some companies were already working under. Goode also incorporated into the bill an outside advisory committee, a measure that ACORN suggested and which became more common in later years. The Living Wage Advisory Committee would "review the implementation and effectiveness"

²⁰ Even accounting for the anticipated increase in state minimum wage.

and “make recommendations to the City Council.” (“Philadelphia 21st Century Minimum Wage Standard,” n.d.) Its quarterly meetings would be open to the public. Luce’s (2004) research shows that these committees can, when activated and under certain circumstances, be instrumental in implementation and enforcement of living wage laws.

What was different about this bill from the Ortiz and Street bills was a complete lack of monitoring and enforcement provisions aside from the advisory committee process. The city had no way to require payroll records from contractors, and no consequences were laid out for companies in non-compliance. A process for requesting waivers was included, but was not transparent, as waivers would not become public record. The right of private action – an employee’s right to sue to collect back wages – was identical to the previous living wage bills, but as a sole enforcement mechanism it would be ineffective:

If you were a worker with a problem, you would rather be able to go to some administrative agency, which would have a hammer, than to have to go to Common Pleas Court. It’s five years since the city sued the Eagles for 8 million dollars, at the Common Pleas level. So it’s obviously not the best. It’s a good supplemental enforcement technique, but as the only one, it’s not really effective. (Shapiro, 2009)

Because there is no complete list of development aid beneficiaries, and the law does not require such disclosure, workers would have know way to know whether they were covered under the bill.

Regime Response

As requested, the Chamber of Commerce did not lobby against the bill or attend the hearing. They had struck a bargain with Goode on some other issues, based on a prior relationship and mutual trust:

I know that it wasn't just the Councilman's bill out there and it was standalone, I think it was a much more involved situation that we were working on some other issues together. And I find Councilman Goode is somebody, at least my personal experience with him is [that while] we might not always agree on every issue, the Councilman's always been very accessible and we've been able to go over and have a conversation... and he's been very helpful to the business community. (Mahoney, 2009)

The compromise was also based on a calculation that the bill was "symbolic" and was perceived to be "narrow," compared to the Ortiz bill, specifically that it affected fewer companies.

I don't remember all the ins and outs of it at that time, but all those factors [referring to the impending statewide minimum wage increase] come together, probably tax factors floating around in 2005, at that time, that would affect a broader constituency, and were you going to focus your efforts on a bigger picture, or on a smaller picture, just seeing the companies involved and knowing that the companies involved were really not going to be impacted by this. It was a symbolic thing more than companies actually being burdened. (Mahoney, 2009)

When asked about the strong ideological base of the Chamber's opposition in 1998, Policy Director Joe Mahoney summed it up as a pragmatic decision: "We do not generally support anything that interferes with the interaction between a company and its employees, [but] since this was so limited in scope and so limited in nature, it was something that we did not come out and oppose" (Mahoney, 2009). However, this "narrow scope" is less obvious from reading the bill, unless one focuses in on the weak implementation and enforcement sections (see Comparison of Philadelphia Living Wage Bills, Appendix I).

Media coverage of Goode's bill occurred mainly in the *Daily News* and *Philadelphia Weekly*. Like the Chamber of Commerce, the *Inquirer* remained silent. The chronology follows:

3/31/05	Goode introduces bill 050234 into City Council
4/1/05	<i>Daily News</i> reporting on Goode bill introduction
4/13/05	<i>Philadelphia Weekly</i> reporting on living wage, sympathetic
4/14/05	ACORN submits suggestions for amendments
5/4/05	Public Hearings are held on bill 050234
5/5/05	<i>Daily News</i> reporting on living wage, low-income worker profile, ACORN
5/7/08	<i>Daily News</i> editorial pro-living wage strengthening
5/9/05	<i>Daily News</i> editorial pro-living wage
5/12/05	Bill 050234 is passed unanimously by City Council
5/16/05	<i>Daily News</i> op-ed by State Sen. Vincent Hughes
5/28/05	<i>Daily News</i> report on living wage, Goode & struggle to raise PA minimum
6/2/05	Resolution is passed to establish Living Wage Advisory Committee

Mayor Street said signing the living wage bill into law was “the right thing to do” (Street, 2009). Yet both he and Goode had opposed the living wage bill in 1999. Were the differences between the bills enough to explain this? How different were the Street administration’s policies from Rendell’s? Did the regime change, or just the mayor?

Street believed that he didn’t need to endorse the living wage in 1999 to get elected or reelected, but he also believed that the regime had to be seen as dealing with social problems, not only because it’s “the right thing to do” but because bad imagery will also deter investment critical to the city’s economy. However, he wanted to pick his images and symbols himself. Street had long represented a North Philadelphia area still scarred from riots 30 years earlier that had helped destroy the area’s primary commercial corridor. His approach to social problems was to focus on the physical fabric: neighborhood quality of life, blight, “filth.” Street managed an image as representing poor people, children and neighborhoods. His signature program, the Neighborhood Transformation Initiative (NTI) began by removing thousands of abandoned cars off the city streets, followed by “cleaning and greening” the empty lots left from the removal of derelict buildings.

Yet there was no rift with the Chamber or Commerce. Mahoney (2009) said,

The dialogue surrounding business issues was more routine with the Rendell administration than it was with Mayor Street's administration, because he really wanted to be the neighborhood mayor, and he really wanted to focus more attention on the neighborhoods than he did on some other issues.

While appearing to keep the Chamber at some distance, Street achieved higher tax reductions for business than his predecessor and made deals to build two new stadiums and give real estate tax abatements to benefit developers. He was continuing the "biracial regime" he had help manage as city council president in the partnership he had struck with Ed Rendell (Keiser, 2000).

By 2005 Street also had his neighborhood image and issues to contend with. The initial excitement of NTI had worn off. Citizens grumbled that the city's real estate tax abatement program²¹ was benefiting "yuppie gentrifiers" and condo developers in Center City at the expense of average homeowners in the neighborhoods. He knew that the sky had not fallen in Baltimore, New York, Boston, Chicago, or any number of cities with which Philadelphia competed for jobs, all of which had living wage bills on the books. Street may have known that living wage laws were by then considered "best practices" by the National League of Cities (NLC). In 2004 NLC reported that 40% of cities surveyed had a living wage law, and in 70% of these cities officials thought these laws were somewhat or very effective in ameliorating poverty (Katz, Hoene, & de Kervor, 2004). Indeed, ACORN's head organizer pointed out that most cities had living wage ordinances by 2005, and she thought the lack of one in Philadelphia was "an embarrassment" to city

²¹ The real estate tax abatement program waived real estate taxes for ten years on any new residential unit that was the product of new construction or a large investment; it was credited with setting off a spate of downtown office and warehouse condo conversions.

council, indicating that the city was backwards in some ways (Kronley, 2009). This may have pushed even the three Republican council people to approve the bill. A living wage bill, however implemented, was a good symbol in Street's brand of administration.

Social Movement Moves On

Goode's 2005 effort involved virtually no organizing – Goertzel (2009) called it a “completely inside job” that went “under the radar.” Most organizations and activists who were part of the 1998 campaign seemed to know nothing about the bill until after it passed, if they heard about it at all. Wilson Goode Jr. denied any connection with the earlier campaign (W. W. J. Goode, 2009a)

By 2005, the organizations that anchored the earlier living wage coalition had moved on in terms of policy efforts. Goode solicited a letter of support from one union, the UFCW, which was also seeking Council support for an anti-superstore bill. Ali Kronley, an ACORN's organizer since 1999 and state organizing director in 2005, admitted surprise when Goode asked her for help passing his bill (Shaffer, 2005). ACORN was working in coalition to move a minimum wage bill at the state level and they “thought it would be a good way to bring increased attention to the state bill, and in doing so develop capacity of local leaders on the issue” (Kronley, 2009). Her attitude towards the obvious weakness on the draft bill was that

Goode has a history of doing his own thing, we were aware of what he was doing, we pushed him as far as we could without the investment of a real campaign...Goode was going to move with us or without us, and ... the state fight was much more significant, and at the very least, if there was real local living wage campaign in the future, it would use the Goode bill as a starting point. (Kronley, 2009)

Since 2000, ACORN had scaled up, building chapters in six areas around the state. Although their strategy had shifted somewhat, their essential framing of the issues hadn't changed:

We started to build a state organization, and we started to re-brand ourselves as less of an anti-poverty/ far left organization and more of a majority based union of working families. I think the living wage loss was one of the things that led to this, but not the only one. The major lesson for us was the need to have 'centrist' support. Our Predatory Lending campaign, with Councilwoman Marian Tasco (a moderate swing council member) as the lead sponsor & champion, was run very differently than the living wage campaign, [which had] the two most progressive city council members as lead sponsors and champions. (Kronley, 2009)

While ACORN had become less oppositional, they found more support from the Democratic Party. Urban/liberal Democrats needed a forceful statewide campaign to move Governor Ed Rendell, who was initially opposed to a state minimum wage increase, to become a strong ally. Pathways PA, the organization that felt marginalized in 1998, had become a recognized authority, publishing an annual county-by-county Self-Sufficiency Standard for Pennsylvania.²² Philadelphia Unemployment Project (PUP) was coordinating the statewide campaign, and the AFL-CIO unions were providing muscle. A win at the state level would affect vastly more people at a larger scale.

The minimum wage struggle was a great uniter among unions, which were rebuilding political power, visibility and capacity statewide. In Philadelphia the labor council was under new leadership and new staff. Member unions were expected to mobilize members for elections and important labor issues. Despite a much publicized

²² A variation on the living wage concept, built from assessments of actual family needs rather than the artificially set federal poverty level.

split in the AFL-CIO in the summer of 2005, on the local level the Change to Win unions continued to work with the Philadelphia area CLC.

Problematic Implementation

In the five years since the passage of the “21st Century Minimum Wage Standard,” Goode has made several attempts to build on it. Within weeks of the law’s passage, Council passed a resolution naming the advisory committee members and calling on OLS to convene the group. No action was taken. Fifteen months later, Goode sponsored a resolution calling on the OLS to convene the board and make recommendations before the end of 2006. It was passed unanimously. About 15 months after that, they passed a nearly identical resolution asking for recommendations by June 30, 2008. Still, no action was taken.

Goode seems to have been frustrated by the administration’s lack of action to convene the advisory committee, but brushed it off when asked about it, saying that he saw the committee’s role as recommending ways to strengthen the bill, not assisting in implementation (W. W. J. Goode, 2009a). In December 2008 Goode sponsored an amendment, scheduled to go in to effect July 1, 2009, requiring that employers provide parity in benefits between covered workers and other company employees.²³ In a May telephone call, Goode insisted that the law was being implemented, and sent the text of city contracts to demonstrate that the paragraph on living wage was indeed included (W. W. J. Goode, 2009a).

²³ As well as a technicality, specifying the living wage rate at 150% of federal minimum wage, because with the scheduled increase in July, the federal minimum would supercede the state level.

Indeed, two calls to OLS in July 2009 revealed that the office was taking no action to implement or enforce the law. A staff person said they had received no complaints, but acknowledged that they had no procedure to handle one if they received it. He said he knew about the law, but said his office had received no direction from the managing director's office either in the previous (Street) administration or in the 17 months of the Nutter administration. In the followup conversation he said that in response to the initial phone call, he said the office had requested direction from the managing director but had not heard back (OLS (Office of Labor Standards), 2009).

Luce's "Measurements of implementation success" (2004, pp. 74, 226-7) were used to evaluate the Philadelphia law as it was passed in 2005 (see Appendix C). Although the bill's provisions were fairly standard (see Appendix A), this chart shows that its actual implementation was narrow, scoring only 2 on a scale of 0 to 14. Indeed, interviews with representatives who would have been on the Advisory board demonstrated only a vague knowledge of the content of the law, and even vaguer understanding of what became of the advisory board itself. The scuffle between SEIU and UNITE/HERE over whether the law covers school district employees illustrates a lack of clarity about its coverage, and possibly even a lack of knowledge of the law itself among those who could be part of its enforcement. Even Philly Jobs with Justice, a labor/community coalition that has organized security officers at the Art Museum, chose not to pursue living wage enforcement after legal advisors were unsure whether it applied – although these workers were subcontracted out by a large non-profit institution that receives multiple types of city aid.

Finally, in October 2009 City Council passed another Goode resolution providing that contractors failing to meet the wage standard could be debarred from receiving further city contracts. It called for an amendment to the city charter putting it into effect – a kind of end-run to force the administration to fully implement the law. This part may be a symbolic measure, as Goode said on his blog that a charter change would probably not be necessary (W. W. J. Goode, 2009b). The same week, Goode appeared in a rally with school district cafeteria workers to declare that they were not receiving the living wage rate to which they were entitled and announce a resolution calling on the school board to pay the living wage.²⁴ Together, these activities seem to indicate that Goode is serious about strengthening and enforcing his bill, though he has not escalated his activities into anything resembling a coordinated campaign.

Chapter Conclusion

The 2005 campaign appears to confirm Luce’s hypothesis tying strong social movements with more inclusive bills and better implementation. The lack of subsequent enforcement would validate the theory promoted by Luce, that contentious campaigns, when successful, are more likely to result in more inclusive laws and stronger enforcement, while weak, overly “inside” campaigns are more likely to run into implementation blocks. But the seemingly effortless passage of the Goode bill was also a result of a convergence of interests of both the regime and the social movement organizations active on economic justice issues.

²⁴ The event figured in an inter-union dispute, and the opposing union won the election shortly afterwards. It is unclear whether this union plans to use the living wage law for leverage for its workers.

Social movement organizations that had mobilized around the living wage campaign in the 1990s had used the intervening years to scale up. Some partners in the effort, such as ACORN, had built capacity on the state level by building a base in other areas and by changing strategies to appear more mainstream. Philadelphia's labor community was more active and serious about building grassroots political power beyond traditional relationships with Democratic politicians, but labor had little stake in the living wage model because of its lack of direct impact on its members, and its small effect overall. With privatization largely in the past, even public sector unions had less at stake. All these constituencies saw a serious effort to pass a state minimum wage that was significantly higher than the federal minimum to have a vastly greater impact for poor workers across the state.

Indeed, by 2005 the regime did not need a "contentious" campaign to approve a living wage measure, since it had become fairly standard in Democratic-controlled cities. The bill's low wage rate and virtually guaranteed weak implementation posed little threat to the Chamber of Commerce. The deal cut by Goode with the Chamber assured they would not mount even a symbolic opposition to this symbolic bill. And the Democratic regime could also use the "campaign" as a tactic to create leverage on the state level to pass a higher minimum wage, which would not upset the city-suburban balance.

CHAPTER 6

CONCLUSION

This investigation sought to understand the contrasting and surprising outcomes of two periods of living wage organizing in Philadelphia – a grassroots mobilization in 1997-99 which was defeated by the governing regime, followed six years later by unanimous passage of a more limited bill driven by a single city council member. The purpose of the research was to ask whether these results were determined by changing power regimes, different organizing strategies of the living wage campaigns, or broader economic policy questions. Furthermore, did the living wage campaigns constitute urban social movements capable of effecting meaningful social change, specifically the pattern of gendered, racialized poverty in the city? Did they have an impact on power relations?

Neither regime theory nor social movement theory alone was able to explain the living wage saga in Philadelphia. Socioeconomic conditions set the context for movement groups and constrained the regime, but did not predict adoption of a living wage bill. Economic shifts and policy responses – decades of increasing levels of inequality, privatization of public sector jobs, welfare reform and other neoliberal policies that shredded the safety net, the decline of organized labor and a stagnant minimum wage – combined to leave a record number of working families below the poverty level. Women and Blacks carried the greatest burden of these changes. All the factors that researchers have associated with passage of living wage laws are present in Philadelphia, including a large number of community based organizations, high levels of inequality, union density,

immigrants, smaller white populations, low labor force participation, stratified levels of education and lack of opportunity for low-skilled, well-paying jobs. The city's unequal relationship with the rest of the metropolitan area made these problems particularly acute. Had these conditions been determinative, Philadelphia would have spawned a movement to challenge the regime to adopt more equitable, more redistributive economic development policies, and the regime might have responded by becoming an early adopter of a living wage. Only a more nuanced story, with insights from both regime theory and social movement theory, would explain why the living wage movement in the late 1990s failed or why the regime needed to defeat it.

Social movement analysis helps to deconstruct the living wage coalition and evaluate its strength based on how it framed the issues and mobilized activist networks and resources. Again, while this provides insight into why the mobilization ultimately lacked capacity to become a truly powerful social movement, it does not fully explain why it failed to pass the living wage bill, since weaker efforts in several other cities have been more successful. Informants seemed to agree that Philadelphia lacked a unified progressive left. Most progressives gave scant attention to urban governance or policy issues, and so had developed little experience in their practical application. The city had no recent history of creating alternatives to neoliberal development policies; past successes could have provided alternative frames from which living wage activists could bridge. By the mid-1990s many former activists, including Black community activists who had led protests in the 1960s and '70s, had become part of the regime and held management jobs in the city. Community organizations that had been vehicles for protest

became dependent on the city for funding. This neutralized experienced leaders and disrupted networks that might have been utilized by social movements.

Philadelphia's ACORN-led living wage coalition was constituted as a support coalition, and from the beginning was severely under-resourced: it did not have its own funding base or staff. Thus, it was unable to mount a more extensive grassroots campaign that might have helped it rebound from an initial setback. The coalition framed the issue as reducing poverty, and while participants understood that a living wage policy is a relatively weak tool to accomplish that goal, the coalition could not translate that practical reality to a policy they could pass.

To make matters worse, most of the media attention was generated from a city council hearing that elevated administrative or bureaucratic concerns over the social justice frame. Council leadership gave preference to Chamber of Commerce objections, allowing the regime to muddy the waters regarding who would gain and lose from a living wage law by applying a distorted racial and gender lens. Perhaps because it did not have support from Black regime leaders, the coalition had decided not to mobilize around potentially divisive racial politics, and thus did not effectively respond to this aspect of the counter-mobilization.

The Philadelphia living wage campaign also lacked an extensive enough network of committed and effective leaders. ACORN itself had alienated some mainstream reformers, and the unionists it recruited were not able to create a united front within the local AFL-CIO. A high unionization rate does not necessarily translate into grassroots political power if the various unions do not have a deep level of solidarity, the capacity to mobilize their own members for political action, and a commitment to self-transformation

and social justice. Leaders with a left-leaning, social justice orientation and some perceived self-interest are necessary ingredients in successful union/community collaborations. Some Philadelphia unions were able to cut their own deals with the regime and thus were more committed to their short-term interests than to social justice concerns of non-members.

Tactically, the coalition adopted an “inside” strategic approach based on an ACORN experience that did not translate well to Philadelphia. The campaign’s political “insiders” – a marginalized left-leaning councilman, an old-school unionist who did not fully understand the bill, and a Labor Council staffer who was controlled by the City Council President – proved incapable of translating a moral commitment into policy concerns that would satisfy the rest of the city council. An inside strategy is not usually consistent with expansive living wage laws. Campaigns need to combine powerful inside and outside strategies to ensure that passage of a law extends to successful implementation and enforcement.

In Philadelphia the governing regime changed faces but essentially did not change from the 1980s to 2005: it was a biracial regime dominated by business interests. Resolution of a financial crisis at the beginning of Rendell’s term resulted in the privatization of several thousand city jobs and a loss of power for the municipal unions. The city that disciplined its unions was in turn disciplined by bond rating agencies that demanded neoliberal governance. The city was so threatened by job losses, both to its own suburbs as well as elsewhere in a globalizing economy, that local government became utterly dependent on the Chamber of Commerce and various private or quasi-public ventures that it needed to finance economic development plans. Mayor Rendell

would not threaten that relationship in any way, and he completely supported the Chamber's prescriptions on trying to create a more level playing field with the suburbs. Rendell formed a harmonious partnership with council president Street. Street made sure that dissidents on city council would find a hostile environment for policies or reforms that threatened the status quo. Passing living wage legislation, with its challenge to "trickle down" economic development, would have meant altering the regime and allowing dissidents a seat at the table. And so the living wage bill was defeated in committee and the "movement" appeared to have left Philadelphia behind.

Coalition leaders reached a turning point where they needed to decide whether to seriously compromise their very inclusive, comprehensive living wage bill with strong enforcement language. After nearly three years they decided to lay down the campaign. Nonetheless, the coalition did create meaningful connections and networks among some social movement organizations and progressive labor unions in the city, and the campaign was a learning experience that laid some basis for later organizing on the state level. While it did not rise to the level of a social movement, it did create organizing structures and framings that would be built on in future years.

By 2005, the city's working poor had fallen further behind the middle class, more families were surviving below the poverty line. Compared to other large cities, Philadelphia's poverty was more concentrated and its city-suburban gap was growing. 2005 City Councilman W. Wilson Goode Jr. drafted a new living wage bill that appeared inclusive in terms of covered workers, but had weak enforcement mechanisms. After soliciting input from ACORN and the Mayor, Goode quickly garnered support from all

sides and struck an agreement with the Chamber of Commerce to not publicly oppose the measure, which passed unanimously and was signed in to law less than two months later.

Regime theory alone would not fully explain passage of the Goode living wage bill in 2005. In terms of economic development strategy, Mayor Street had not deviated from Rendell's pro-business policies, but he cared more about showing his commitment to neighborhoods and the working poor, even in symbolic ways. Philadelphia's employment-based regime was fairly dysfunctional and not known for unity of purpose. Policymakers who constitute an element of the regime might use living wage legislation to overlay a moral frame onto economic development tactics, to gain legitimacy among their constituents, or to signal that they or their cities are progressive. Still, the Chamber of Commerce's apparent about-face at Goode's request was a surprise. But more than a decade had passed since Baltimore passed its first living wage bill. Business leaders knew that the consequences were minor even for city contractors, and macro-economic consequences were barely a ripple. Raising the wage floor was a slower, more difficult process than either side had anticipated. Opponents of living wage laws know that implementation and enforcement are often weak and delayed, or sometimes non-existent until workers organize to bring lawsuits. Luce (2004) observed that lack of opposition to a living wage bill is often related to a weak campaign and weak implementation. Wilson Goode Jr. designed a non-threatening bill and was able to approach the Greater Philadelphia Chamber of Commerce and negotiate a neutral public position.

The end result of this completely "insider" bill was fairly well predicted by Luce and other researchers who focused on the nature of movement efforts. Luce observed that implementation begins during the campaign, yet in Philadelphia there was virtually no

campaign. If the Goode bill was crafted to pass without opposition and to provide a mostly symbolic victory, we would expect enforcement to be weak. This investigation found that to be so. Inadequate enforcement is also more likely when no one having a direct stake in the policy is watching from the outside. Four years after the bill passed, the advisory committee provided for in the law had not been convened by either Street or Nutter administrations, despite Council resolutions calling on them to do so. Non-enforcement was practically pre-ordained by both the lack of a true mobilization and the muted ability for social justice groups to effectively participate in monitoring the law's enforcement and impact.

Despite living wage policies in over a hundred cities, counties and a few states, the federal minimum wage was the same in 2005 as it was in 1998. However, more than a dozen states passed true statewide minimum wage increases, some significantly higher than the federal level. In 2005 a determined campaign started in Pennsylvania and there were some tenuous links to the earlier failed campaign. By 2005, social movement organizations that were key players in the first living wage campaign were no longer interested in the living wage because its anti-poverty effects were so limited. ACORN, PUP and others had scaled up and built their own statewide capacity. At least some AFL-CIO member unions had begun building their grassroots power base, primarily to influence elections, and as a result their state organization was stronger after the 2004 Presidential campaign. Although Goode called ACORN to invite their input this time, they were aware that the bill would be significantly weaker than the one they had supported a few years earlier. They cooperated because they thought it would help provide leverage for their statewide minimum wage campaign, and they needed

relationships with mainstream politicians. A year later they met their goal of raising the state's minimum wage two dollars higher.

Unlike the cities in Levin-Waldman's case studies, three of which adopted living wage laws after strong campaigns in the 1990s, the Philadelphia regime was not transformed by the living wage campaign. Nor did it effectively shift the regime's priorities around economic justice or gender and racial inequality, or make the regime become more transparent and democratic. Because it was not a response to public pressure, passage of the 2005 law did nothing to unblock the lack of access demonstrated by the regime's defeat of the Ortiz bill. And although the labor/community coalition created by the first effort went dormant in 2000, it left behind some organizing structures and networks that provided a foundation for the 2005 campaign to raise the state minimum wage.

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APPENDIX A
COMPARISON OF PHILADELPHIA LIVING WAGE BILLS

Criteria from Luce (pp 46, 49, 52) except in italics

Introduced	10/3/1996	9/25/97	3/31/2005	% laws ²⁵
Bill No	Street 960676	Ortiz 970586	Goode 050234	National comparison
Coverage				
Service contractors	Privatized only	Yes, all	yes	91
Subcontractors	? yes	yes	yes	46
Economic assistance	no	yes	yes	41
Direct employees	no	no	yes	24
Concessionaires, lessees, tenants	no	?	yes	13
Provisions				
Wage Level	\$7.60	\$7.90	\$7.72	\$10.46 ²⁶
<i>federal minimum wage when introduced</i>	\$4.75	\$5.15	\$5.15	
<i>Wage Standard</i>	Family of 4	Family of 4	150% ²⁷	
Health benefits	Yes, full	Yes or +\$1.50	no	66
Indexing annually	yes	yes	no	63
Anti-retaliation	Yes	yes	yes	36
Labor language	No	no	no	25
Paid days off	No	no	no	17
Worker retention	No	no	no	7
Pension	No	no	no	1
<i>Nonprofit language/exemption</i>	no	Yes, conditional	Higher threshold	?
<i>Small business language/exemption</i>	no	Yes (<25)	Yes <5	?
<i>Threshold level of contract/assistance</i>	no	\$ 50,000	\$10,000/ \$100,000	?
<i>Hiring quota for welfare leavers/hiring hall pref.</i>	No	15%, yes	no	0, 11
Monitoring & enforcement provisions				
Waivers are public record	yes	yes	no	?
Employers in noncompliance may lose contract	Yes	Yes	no	70
Employers in noncompliance prohibited from future bidding	Yes	Yes	no	56
Employers in noncompliance subject to fines	Yes	Yes	no	43
Employers in noncompliance pay back wages	Yes	Yes	no	43
Must post for employees	no	no	yes	48
Employees have right of private action	Yes	yes	yes	41
Payroll records available to city on demand	no	no	no	40
Ordinance designates dept to enforce	Yes, Finance	Yes, Finance	Yes, OLS	37
Employer signs LW agreement to get contract	Yes	Yes	yes	26
City can withhold payment	Yes	Yes	no	26
Must submit payroll records on regular basis	yes	yes	no	25
Must submit additional info on employees	yes	yes	no	22
Advisory Committee	no	no	yes	?

²⁵ Compared with living wage laws passed in other cities/counties, as of 2002 (S. Luce, 2004, pp. 46-50).

²⁶ Average living wage level nationally in 2002. Average level in 1996 was \$7.18, in 1997 \$7.98.

²⁷ Unique to Philadelphia

**APPENDIX B
PHILADELPHIA LIVING WAGE CAMPAIGN 1997-1999 TIMELINE**

<i>Daily News reports on Street's Living Wage bill.</i>	<i>Oct. 4, 1996</i>
Initial Organizing of Living Wage Campaign. First strategy meeting cosponsored by Acorn and AFL-CIO. early endorsers included AFSCME locals, SEIU locals, HERE, postal workers. Outreach to unions and community groups, endorsement lists are published in May. Initial framing in introductory letter and attachments.	Feb – May
<i>"Working for a living wage" Op-ed Commentary in Inquirer by Los Angeles living wage activist.</i>	<i>July 21, 1997</i>
AFSCME takes lead to organize support of Philadelphia unions. Labor Council Exec Board meets to discuss LW resolution offered by Tom Cronin, forms committee. Black sends individual letters to union heads, calls.	Sept. 1997
<i>Inquirer reports on federal minimum wage increase, living wage efforts in other cities.</i>	<i>Sept. 1, 1997</i>
Ortiz Bill 970586 Introduced with 8 co-sponsors	Sept. 25, 1997
Fractures appear in labor support. Rauscher sends letter requesting broad unity & urging leadership role, announces LW committee; days later, Labor Council executive board votes to remove portion of Ortiz bill from favorable consideration.	Oct. 1997
Acorn releases report, "Left Behind: The minimum wage and the real cost of living in Philadelphia."	Oct. 28, 1997
Cronin asks Labor Council members for feedback on Ortiz bill and support for the effort, challenges Rauscher's actions.	Nov. 1997
Various public events are held: Panel Discussion at Community College, a religious brunch.	Fall-winter 97
Unions mobilize support for "March for Jobs and living wages," a National day of action for welfare justice, called by Jobs with Justice.	Dec. 10, 1997
With 85 supporters in attendance, Donna Miller publicly announces support at Crossroads Baptist Church. Ortiz bill gets its 9th sponsor (majority).	Jan. 1998
<i>Inquirer reports on welfare protest that features living wage slogan, photo.</i>	<i>Mar. 15, 1998</i>
Campaign intensifies outreach to build support in anticipation of council hearings. Postcard campaign focuses on 2 Democratic councilwomen who are not yet co-sponsors. Events include church/synagogue outreach, City Hall Speakout, Teach-In, and Interfaith Coalition Mothers' Day postcards.	Spring 1998
<i>"ACORN fights to change minimum wage in city to 'livable' wage" in Chestnut Hill Local.</i>	<i>April 23, 1998</i>
<i>"Waging War" in City Paper gives more space to opposition.</i>	<i>May 7, 1998</i>
<i>"LW bill: good for workers, good for city" Rick Mariano guest opinion, Daily News.</i>	<i>May 11, 1998</i>
Council hearing on Ortiz Bill, 250+ supporters pack council chambers.	May 12, 1998
<i>"What would living wage bill do?" Inquirer story on council hearings.</i>	<i>May 13, 1998</i>
<i>"A labor of love for him" Daily News business page top story focus on Mariano & LW.</i>	<i>May 13, 1998</i>
<i>Letters to the Editor: Wage bill is bad for business, pro-living wage response.</i>	<i>May 15, 1998</i>

<i>Philadelphia Business Journal</i> editorial against living wage.	May 15, 1998
"Phila's religious leaders should unite to fight for wage bill" <i>Inquirer</i> op-ed by Rabbi Wasco & Rev. David Gracie.	May 15, 1998
Short blurb in <i>Inquirer</i> notes that Mariano is confused by his own (Ortiz) bill.	May 17, 1998
<i>Inquirer</i> Editorial, "Wage War" calls living wage bill unfriendly to business, unaffordable.	May 18, 1998
First meeting after hearing, Coalition reports "Nutter railroaded the entire public hearing process." Summer planning on damage control, media, building the coalition, meetings with council people. Summertime neighborhood drives in council districts target Nutter, Verna, Street.	May 21, 1998
<i>Daily News</i> brief reports on delay of second set of hearings on living wage.	May 28, 1998
Councilman Ortiz asks Mayor for list of contractors etc. who would be covered by LW.	June 25, 1998
Nutter faxes 15 clarifying questions in preparation for July meeting with coalition.	July 9, 1998
100+ attend Lobby Day and Rally at City Council for Living Wage, first day of council after summer break.	Sept. 17, 1998
Coalition writes Nutter to report on research on poverty wages paid by city contractors and impact of tax abatements, grants and loans on job creation. Campaign prepares for another hearing November 20th (which is cancelled by Nutter).	Nov. 3, 1998
"Living Wage bill is a matter of justice, say advocates" in <i>Chestnut Hill Local</i> reports on Interfaith coalition activity.	Nov. 24, 1998
<i>Daily News</i> editorial says "Living wage is dying without the facts."	Nov. 28, 1998
Campaign circulates talking points and proposed amendments (advisory board, non-profit exemptions, hiring from welfare rolls; inclusion of temp workers), notes over 60 organizational endorsers. Calls Nutter key.	Winter 1999
Coalition releases report, "Putting People in Poverty" naming contractors that pay less than LW based on City survey. Valentine's Day Actions events at city council.	Feb. 11, 1999
<i>Daily News</i> report on women's issues mayoral forum says living wage issues was raised by an Acorn member. (Bunch, 1999)	Feb. 24, 1999
<i>Daily News</i> reports on Catholic voter guide, with question on living wage bill.	Mar. 30, 1999
Negotiations continue with members of council; the coalition identifies Nutter as key but is still unclear about his objections. Coalition concentrates on May primary election strategy: 100,000 Voter Guides to be distributed by 100 organizations. Neighborhood campaign aims to distribute 25,000 flyers and 1000 posters in 5 neighborhoods.	April, May 1999
<i>Daily News</i> second report on Catholic voter guide, with question on living wage bill.	May 6, 1998
Coalition's corporate campaign holds action at Scotland Yard Security (a minimum wage contractor) produced articles in <i>Weekly</i> and <i>City Paper</i> .	July 1999
Coalition considers a list of 12 compromises. Asks Tom Cronin to approach David Cohen about a new bill limited to contracts only.	July 29, 1999

APPENDIX C
 PHILADELPHIA LIVING WAGE LAW
 MEASUREMENTS OF IMPLEMENTATION SUCCESS
 (Luce 2004, p 74, 226-7)

	Provision in Bill	Evidence of Implementation	Comment	Pt.
Administration				
City assigns implementation to a particular department and staffperson	yes	Bill assigns implementation to office of labor standards	OLS says they have not received guidance from managing director	0
Rules and regs are established to determine coverage and apply ordinance	no	Regulations post-enactment with clear list of covered contracts	none	0
Training provided for other city departments that let contracts	no	City enacts procedures to ensure other depts. Aware of responsibilities		0
Ordinance language in request for proposals for contracts	yes	LW language inserted in rfps for contracts	Appears to be there	1
Employers required to post notices at worksites	Yes ("notify")	City develops and makes avail. Posters, requires posting	Method of notice is unclear	0
Easy to get information about the ordinance	yes	On website or easy to reach knowledgeable person by phone	No one seems to know about it	0
Monitoring				
Employers must file payroll records on request of city	no	Employers must make payroll records avail on request of city staff		0
Employers must file payroll records on regular basis	no	I.e., monthly or quarterly		0
Contracts regularly reviewed by city staff	no	Staff have system to review payroll records regardless of whether complaint is filed		0
Worksites regularly monitored	no	Staff have system to visit worksites		0
Enforcement				
Waivers difficult to obtain		At least one waiver denied		0
City applies penalties to those in noncompliance	no	At least one penalty applied	OLS says no complaints have been received	0
Evaluation				
City staff writes implementation evaluation reports	no	City conducts some evaluation of implementation	Administration has not convened advisory committee	0
City attempts to close loopholes in ordinance	no	City staff pursue at least one attempt to improve ordinance to insure effective implementation	Wilson Goode Jr. has attempted to strengthen it	1
Score				

Narrow: 1-4

Moderate: 5-8

Expansive: 9-14

Blocked: 0

APPENDIX D
LIST OF INTERVIEWEES

Kathy Black

Health and Safety Director, AFSCME District Council 47

Shoshana Bricklin

Senior Staff Attorney on the Technical and Planning Staff in the office of the City Council President during 1997-1999; currently Legislative Counsel for City Councilman Curtis Jones, Jr. (4th Councilmanic district)

Carol Goertzel

Executive Director, Pathways PA

Wilson Goode Jr.

City Councilman At-Large, 2000 – present

Rosita Johnson

Activist, Interfaith Committee

Ali Kronley

ACORN PA Head Organizer 2005-2009, Philadelphia Head Organizer 2002-2005, Organizer 1999-2002

Steve Leshinski

ACORN Director 1996-2000

Joe Mahoney

Director of Public Policy, Greater Philadelphia Chamber of Commerce

Stan Shapiro

Chief Staff Attorney, City Council, during 1997-1999

John Street

Mayor 2000-2008, City Council President 1992-1998; City Council (5th Councilmanic District) 1980-1998

Official from Office of Labor Standards (OLS)