

The Politics of Seattle's \$15 Minimum Wage

by

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Abstract

Why did the City of Seattle pass a citywide minimum wage ordinance, increasing the minimum wage to \$15 per hour from the Washington state minimum wage of \$9.47 per hour? This is an inquiry into the political workings of Seattle's \$15 minimum wage from both a policy perspective and a political activism perspective. I conducted an analysis of documents and public hearing videos from the City of Seattle and media documents on the ordinance to better understand the policy history surrounding the ordinance. I also conducted semi-structured, in-depth interviews with political actors involved in either activism or policymaking for the ordinance. I found that there were three crucial elements that worked together to create the Seattle minimum wage: Keynesian rhetoric, the election of City Councilmember Kshama Sawant, and political activism for a \$15 minimum wage, with political activism working as a catalyst for the other elements.

Keywords: keynesianism; minimum wage; \$15; urban social movements; neoliberalism; Seattle

*To my family, for instilling in me the qualities that
made me write this.*

*When the world the sun shines on is always new,
how could everyday life be forever unchangeable,
unchangeable in its boredom, its greyness, its repetition
of the same actions?*

Henri Lefebvre

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Chapter 1.

Introduction

Why did the City of Seattle pass a citywide minimum wage ordinance, increasing the minimum wage to \$15 per hour from the Washington state minimum wage of \$9.47 per hour? This is an inquiry into the political workings of Seattle’s \$15 minimum wage from both a policy perspective and a political activism perspective. Seattle Mayor Ed Murray asserted that with the ordinance Seattle can “boost the earnings of low-wage workers in a meaningful way and increase the economic activity of the region that comes with greater spending power—and we can do it without harming our employers or losing jobs” (City of Seattle, 2014a, par. 3). I seek an understanding of why the City used this local Keynesian¹ rhetoric in its reasoning for passing the ordinance. I also seek an understanding of what local and national political contexts surrounded the ordinance, as well as how a broad range of potentially opposing groups (community, non-profits, labor, and business) were able to come together in support of the ordinance.

I conducted an analysis of documents and public hearing videos from the City of Seattle and media documents on the ordinance to better understand the policy history surrounding the ordinance. In addition to this document analysis, I also conducted semi-structured, in-depth interviews with political actors involved in either activism or policymaking for the ordinance.

¹ I use Local Keynesianism (or just Keynesianism) throughout this paper to define municipal policy that aims to redistribute wealth through higher wages while also strengthening the local economy by creating more demand in the economy by increasing the purchasing power of low-wage workers. This is a definition of Keynesianism informed by scholars such as Neil Brenner (2003), who combines Keynesian economics with a redistributive apparatus to create what he terms the “Keynesian welfare national state” (p. 300).

I began this study under the impression that the policy side of the process—the intersection of redistributionist politics and capitalist economics—was the most influential factor in the creation of the \$15 minimum wage. And, indeed, in studying the documentation of the ordinance and the literature on the minimum wage, I did find that policymaking along Keynesian lines was important. However, what I also found in the literature, and even more so in my interviews, was that the Keynesian rhetoric was just one element in the politics of the \$15 minimum wage. Other crucial elements were the election of City Councilmember Kshama Sawant and political activism in Seattle and in the United States more generally for a \$15 minimum wage. These elements worked together to create the \$15 minimum wage in Seattle, with political activism working as a catalyst for the other elements.

Finally, a road map of this paper: this chapter is an introduction containing a background of the Seattle citywide minimum wage and a rationale for this study. Chapter 2 is a review of academic literature relevant to the Seattle minimum wage. Chapter 3 is a description of the methodology of this study. My findings start in Chapter 4, which is an analysis of the documents directly relating to the minimum wage ordinance, as well as a comparison with San Francisco’s experience with its citywide minimum wage from 2004. Chapter 5 is an analysis of the narrative of the ordinance going back to Occupy Wall Street. Chapter 6 is an analysis of the local debate on the \$15 minimum wage in media, in the income inequality advisory committee (IIAC), and at a public hearing. Finally, Chapter 7 is a discussion of my findings and concluding comments.

1.1. Background

To contextualize the subsequent chapters of this paper, I provide here a brief background on the creation of the minimum wage ordinance. A more detailed discussion of the narratives and debates surrounding the ordinance follows in Chapter 5 and Chapter 6. First, though, I must distinguish and define the terms living wage and minimum wage. These terms come up frequently in this paper, and they are often used interchangeably in much literature and discourse. It will be helpful to set a clear understanding of the difference between them from the outset.

A minimum wage is a set amount per hour that employers are required to pay employees within the territory of the government that set the minimum wage (or within the industries/types of work set by the government). By contrast, a living wage is the amount that a person must earn in order to have an equitable standard of living within a specified city or region. Therefore, the minimum wage is fixed while the living wage is variable and relies on a calculation that takes into account cost of living, number of household members, government transfers and subsidies, etc. The living wage is potentially more precise, while the minimum wage is potentially more arbitrary. According to Jared Bernstein (2005), living wage ordinances establish “a wage floor above that of the prevailing minimum wage for workers covered by the ordinance” (p. 100). Only in places where the cost of living is quite low or the minimum wage is quite high would this not be the case. The majority of existing living wage ordinances cover employers who contract with city governments to provide a service (Bernstein, 2005, p. 107). The next largest group is “businesses that receive some type of subsidy under the rubric of economic development assistance” (Bernstein, 2005, p. 107).

Preceding the Seattle \$15 minimum wage, on January 1, 2014, the City of SeaTac, home to the Seattle-Tacoma International Airport, enacted its own \$15 minimum wage, Proposition 1, for hospitality and transportation industry employees (Greenwich and Keenan, 2013, p. ii). The City of SeaTac passed Proposition 1 on a ballot on November 5, 2013. The policy also included up to five days of paid sick leave for workers and prevention of tip theft (Greenwich and Keenan, 2013, p. ii). According to David Rolf, international vice president of the Service Employees International Union (SEIU), “airport jobs, like baggage handlers, ramp workers, jet fuelers, [and] concessionaires ... are jobs that paid \$16, \$18 an hour back in the 1970s and the 1980s. They used to be living-wage jobs” (Desvarieux, 2014, par. 12). That changed in the neoliberal epoch, when “major airlines outsourced those jobs and turned them into minimum-wage jobs, which impoverished a whole community. So SeaTac saw its grocery store become Goodwill and its video store become a pawnshop” (Desvarieux, 2014, par. 12). Thus, Rolf says, “when voters had a chance to qualify a ballot initiative and raise wages back up a little closer to where they were 20 or 30 years ago ... ultimately they said yes” (Desvarieux, 2014, par. 13).

According to Nicole Vallesterio Keenan and Howard Greenwich of Puget Sound Sage,² the SeaTac minimum wage represents a \$40 million increase in gross wages for the approximately 4,500 workers covered (Greenwich and Keenan, 2013, p. ii). Keenan and Greenwich (2013) also found that SeaTac businesses will benefit from the increased minimum wage because it will create “increased spending by residents ... [and] workers commuting to their jobs” (p. iii). Increased wages for low-wage workers also means that “spending by workers in local businesses will have a positive effect on City revenues” (Keenan and Greenwich, 2013, p. iii).

As the SeaTac campaign gained momentum, Socialist Alternative³ ran a campaign to unseat veteran Councilmember Richard Conlin from the second at-large position on City Council.⁴ Conlin was the only councilmember to vote against the paid sick leave bill that passed in Seattle in 2011, which ensures mandatory paid sick leave covering every worker in the city (Blumgart, 2014, par. 3). Socialist Alternative ran current Councilmember Kshama Sawant, a former economics professor at Seattle Central Community College. The party canvassed neighborhoods and blanketed the city with campaign posters on Sawant’s platform for “higher corporate taxes and a \$15 minimum wage.” This campaign “found a receptive audience in Seattle’s growing population of young (liberal) professionals and working-class communities” (Blumgart, 2014, par. 7). After taking office, Sawant and Socialist Alternative created 15 Now, an organization dedicated to winning a \$15 minimum wage in Seattle. Several non-profit organizations and labor unions also supported the minimum wage ordinance. Rolf, among others, led the push from Labor in Seattle. While local billionaire Nick Hanauer led the charge from the business community in Seattle, arguing that the \$15 dollar minimum would strengthen the local and/or regional economy by giving low-wage

² Puget Sound Sage (N.d.) is a Seattle-based non-profit that advocates for “a robust economy in which all jobs provide working people the wages and benefits needed to grow and support a family. We believe that, regardless of race or status, people should have access to good jobs and dignity at work, as well as a clean environment and safe, affordable housing” (par. 2).

³ Socialist Alternative is a political party active in all major cities in the United States. It describes itself as a group of “community activists fighting against budget cuts in public services; fighting for living wage jobs” (Socialist Alternative, n.d., par. 1).

⁴ As of 2013, Seattle’s electoral system elects nine councilmembers, seven from the seven municipal districts of Seattle and two from at-large elections.

workers more purchasing power, thus increasing consumption expenditure in the Seattle economy (Hanauer, 2013; Hanauer, 2014).⁵

As support for the increased minimum wage grew in Seattle, Mayor Murray created the Income Inequality Advisory Committee (IIAC) to advise the City on future minimum wage policy. The committee was made up of individuals from labor unions, non-profits, local businesses, and the City Council (see table 1.1 for a list of all members and their positions outside of the IIAC). In early February, 2014, the IIAC chose researchers for a minimum wage economic impact analysis. On March 27, 2014, the IIAC hosted a symposium on income inequality at Seattle University, in which a multitude of people spoke for or against the minimum wage, including Murray, Rolf, Hanauer, etc. In late March, the IIAC reviewed findings from the economic impact analysis. In late April the committee delivered its recommendations for Murray's consideration (City of Seattle, 2014a, par. 4).

Table 1.1: Income Inequality Advisory Committee

Member	Affiliation
David Rolf	SEIU 775
Howard Wright	Seattle Hospitality Group
Nick Licata	City Councilmember
Bruce Harrell	City Councilmember
Kshama Sawant	City Councilmember
Janet Ali	Nucor Steel
Sarah Cherin	UFCW 21
Maud Daudson	Seattle Metropolitan Chamber of Commerce
Craig Dawson	Retail Lockbox
Bob Donegan	Ivar's Restaurant
David Freiboth	Dr. Martin Luther King County Labor Council
Joe Fugere	Tutta Bella
Audrey Haberman	Philanthropy Northwest
Nick Hanauer	Second Avenue Partners

⁵ In the articles he wrote on the issue, Hanauer uses the term Fordist over Keynesian. For my purposes, except where I am quoting Hanauer directly using the term "Fordist," I stick to "Keynesian."

Member	Affiliation
Pramila Jayapal	Center for Community Change
Eric Liu	Citizen University
Gordon McHenry	Solid Ground
Dave Meinert	Onto Entertainment
Craig Schafer	Hotel Andra
Diane Sosne	SEIU Healthcare 1199NW
Nicole Vallesterro Keenan	Puget Sound Sage
David Watkins	Seattle Hotel Association
Michael Wells	Capitol Hill Chamber of Commerce
Ronald Wilkowski	Financial Services

(City of Seattle, 2014a)

On June 2, 2014, the City passed the citywide \$15 minimum wage in a council vote that was 9-0 in favor of the ordinance (Saltsman, 2014, par. 1). The City will implement the policy over the next seven years. Employers with 500 or more employees in the United States (Schedule A) will pay their employees a \$15 minimum wage by 2017. Employers with 500 or more employees with health benefits (Schedule B) will pay their employees a \$15 minimum wage by 2018. Employers with 500 or fewer employees who pay their employees minimum compensation (Schedule C) will pay their employees a \$15 minimum wage by 2019. Minimum compensation is the minimum wage in addition to tips actually received by the employee. Finally, employers with 500 or fewer employees (Schedule D) will pay their employees a \$15 minimum wage by 2021. By 2025, all of these groups will pay the same minimum wage of \$18.13 and minimum compensation will no longer be applicable (City of Seattle, n.d., par. 11-19). On the following page, Table 1.1 shows a year-by-year breakdown of the increases to the citywide minimum wage for these different employers. The City also maintains that "tips and employer payments toward a medical benefits plan are not considered wages" (City of Seattle, N.d., par. 45). While this is technically true (minimum compensation ends in 2025) the fact that some employers have longer to get to \$15 because of tips and health benefits paid to workers was a major point of conflict during the IIAC negotiations.

In terms of coverage, the City of Seattle's website on the \$15 minimum wage (n.d.) says that "Ordinance No. 124490 establishes minimum wage and compensation rates for employees performing work in Seattle" (par. 25). This means that "employees

are covered for each hour worked within Seattle city limits” (City of Seattle, n.d., par. 28). Furthermore, “employees who occasionally work in Seattle are covered if they perform more than two hours of work for an employer within Seattle during that two-week period” (City of Seattle, n.d., par. 30).

Table 1.2: Schedule of Seattle Minimum Wage Increases

Year	Schedule A (\$): 500 or more employees in US	Schedule B (\$): 500 or more employees receiving health benefits	Schedule C (\$): 500 or fewer employees receiving minimum compensation	Schedule D (\$): 500 or fewer employees
2015	11.00	11.00	11.00	10.00
2016	13.00	12.50	12.00	10.50
2017	15.00	13.50	13.00	11.00
2018	15.36	15.00	14.00	11.50
2019	15.73	15.73	15.00	12.00
2020	16.11	16.11	15.75	13.50
2021	16.49	16.49	16.49	15.00
2022	16.89	16.89	16.89	15.75
2023	17.29	17.29	17.29	16.50
2024	17.70	17.70	17.70	17.25
2025	18.13	18.13	18.13	18.13

(City of Seattle, N.d.)

In the debate on the citywide minimum wage, there were three main currents. First, there were those who were for the minimum wage for moral reasons. For this current, the citywide minimum wage was necessary because it would help the poorest people in Seattle, which is a prerequisite for creating a just society that ensures the wellbeing of its citizens. Second, there were those who were for the minimum wage for economic reasons. For this current, the minimum wage was necessary because it would bolster the local and/or regional economy by increasing the spending power of low-income families who spend most of their money locally. Finally, there were those who were outright opposed to the minimum wage. For this current, the minimum wage represented an affront to neoliberal economic theory that abhors market regulation on the grounds that it will cause capital to flee to locations with lower wages.

1.2. Rationale for Study

My rationale for studying the Seattle minimum wage ordinance is fourfold. First, the fact that this is a local policy makes it interesting. In the welfare state epoch, redistributive policies took place at the state (provincial) and federal levels (Hackworth, 2007). By contrast, the neoliberal epoch is marked by state and federal policymakers increasingly retrenching the welfare state (Peck, Theodore, and Brenner, 2013, p. 1097) and senior governments downloading political responsibilities to the municipal level without resources to address these responsibilities (Keil, 2002, p. 589). Cities have increasingly had to rely on their own policy to deal with social issues that have been relinquished by state and federal governments. Since it seems that senior levels of government cannot be consistently relied on to create policies that address issues of social and economic justice, one of the pertinent political concerns of the early part of the 21st century is how cities can create policy that addresses these issues.

Second, in the neoliberal epoch cities also have to ensure that they are competitive in the global contest between cities to attract and retain capital investment (Mitchell, 1997, p. 315). However, taking a Keynesian approach that aims to redistribute wealth and stimulate the local and/or regional economy is a much different approach than the usual place auction approach, in which “local officials, along with local business, prostrate themselves before the god Capital” (Mitchell, 1997, p. 304). This is an interesting turn in municipal policymaking that goes against the conventional wisdom on both the political right and the political left concerning what policymaking looks like in the neoliberal epoch. Local Keynesian policymaking within a broader neoliberal framework is a fascinating development in local politics that requires inquiry.

Third, and building on this Keynesian rhetoric, the minimum wage ordinance seems to exist at an intersection between neoliberal and redistributive politics. This is evidenced by the extremely broad support for the ordinance. On the one hand, Sawant and Socialist Alternative pushed for the \$15 minimum wage so as to create some semblance of a more economically equal society. On the other hand, Seattle billionaire Nick Hanauer argued for the minimum wage so as to increase demand for products and services in Seattle. The idea that policy can be made at this intersection between

building a competitive local and/or regional economy and redistributive politics presents a possibly fruitful middle ground through which to enact progressive local policy on income inequality.

Finally, the Seattle \$15 minimum wage is a window into what urban social movements can accomplish. Studying the politics of this ordinance—from the national urban social movements that preceded it (Occupy, fast food workers strikes), to the local formulations of those movements, to the 15 Now social movement in Seattle—illuminates the workings of a modern and successful urban social movement.

Chapter 2.

Literature Review

The Seattle minimum wage ordinance is situated in a context of neoliberal ideology that creates an ever-widening gap between the rich and the poor, that creates the need for cities to be economically competitive in the global economy, and that places the responsibility for both social justice and economic competitiveness at the local level. The ordinance is also situated in the context of urban resistance to such policies. And, the ordinance is situated in the context of the academic debate on the impact of minimum wage policies. Therefore, I situate my research within the academic literature on the effects of neoliberalism on municipal government, urban resistance to neoliberalism, the political economy of Seattle, and the impact of minimum wage policies.

Before analyzing these different literatures, I offer a definition of neoliberalism, which is a widely studied and critiqued phenomenon with many different definitions and interpretations. David Harvey (2005) argues that neoliberalism is “a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade” (p. 2). Furthermore, “competition—between individuals, between firms, between territorial entities (cities, regions, nations, regional groupings)—is held to be a primary virtue” (Harvey, 2005, p. 65).” Harvey (2005) argues that in this framework “each individual is held responsible and accountable for his or her own actions and well-being ... individual success or failure are interpreted in terms of entrepreneurial virtues or personal failings ... rather than being attributed to any systemic property” (p. 65-66). In Harvey’s (2005) view, the role of the neoliberal state is to “create and preserve an institutional framework appropriate to [the above] practices” (p. 2), to “persistently seek out internal

reorganizations and new institutional arrangements that improve its competitive position as an entity vis-à-vis other states in the global market” (p. 65), and also to keep state interventions in markets (once created) to a bare minimum (p. 65). It is “under the assumption that ‘a rising tide lifts all boats,’ or of ‘trickle down,’⁶ [that] neoliberal theory holds that the elimination of poverty (both domestically and worldwide) can best be secured through free markets and free trade (Harvey, 2005, p. 65).

2.1. The Effects of Neoliberalism on Cities

In this section, I discuss the literature on neoliberal downloading of political responsibilities to the local level and the need for cities to be economically competitive. The majority of this literature describes the ways in which downloading leaves cities with the tasks of alleviating social and economic inequalities created by neoliberal policies and ensuring that cities remain competitive in the global economy. Where there is less literature is on how downloading potentially gives cities more decision-making power than in the Keynesian epoch, and how competition between cities does not necessarily mean cities must engage in a “race to the bottom” when trying to attract capital and stay competitive in the global economy. This literature pertains to the Seattle minimum wage policy because the policy was specifically a local policy (which seems to be connected to local governments having more responsibilities and perhaps more decision-making power) and because, economically, the policy takes a redistributive stance while still aiming at creating a competitive local and/or regional economy.

2.1.1. Effects on Local Government

According to Jason R. Hackworth (2007), “the relatively regulatory Keynesian local state of the mid-twentieth century has been supplanted by a neoliberal version that seems itself to be regulated by local capital” (p. 15). As such, in Hackworth’s (2007) account, local political parties and actors generally agree that “the era of ‘big government’ is over. Local authorities ... now have more responsibilities” (p.16).

⁶ This is what Slavoj Žižek (2009) calls the utopianism of neoliberalism (p. 19-26).

Although, David Newman (2006) argues that in the neoliberal epoch, and especially in the post-9/11 world, states have become more expansive and more powerful in the arenas of border security and policing (p. 149). A perhaps better formulation of Hackworth's account, then, might be that the era of large federal and state expenditures on social needs is over. Addressing social needs is increasingly the realm of local government, but not because senior levels of government want to empower local government.

As Jamie Peck, Nik Theodore, and Neil Brenner (2013) argue, senior governments download "socioeconomic and environmental risks ... [and] financial obligations" in order to further retrench social-state commitments (p. 1097). Neoliberal states have decentralized political responsibility for social needs, but have not decentralized resources. This looks less like an attempt at decentralization and more like an attempt at hindering local government decision-making power by loading on more and more political responsibilities. Peck, Theodore, and Brenner (2013) argue that this creates a situation in which "urban policymaking has ... become 'over-responsibilized,' even as the limitations of prevailing modes of intervention become increasingly evident" (p. 1097), meaning cities do not have the appropriate resources to handle all of their newfound responsibilities. In Peck, Theodore, and Brenner's (2013) view, this creates a "threat of legitimation crisis" for local governments (p. 1097). Nevertheless, although it does seem that neoliberal policy is meant to hinder rather than empower local government, and while Peck (2001) is rightly skeptical about whether downloading "presents genuine opportunities for subnational political agency and bottom-up policy development" (p. 451), it remains true that decision-making power now exists in local government over a greater range of social issues than during the height of the Keynesian era.

There is some literature that addresses this phenomenon, but still less than an urban studies student might hope. The study of the political empowerment of cities is still inadequate (Jacobs, 1984; David Harvey, 2012), and a large portion of the literature on urban government is closer to Peck's view that downloading handcuffs local government more than it empowers it (Keil 2002; Duffy, Royer, and Beresford, 2014). However, in a study of ten cities in North America and Western Europe, H.V. Savitch and Paul Kantor

come to the conclusion that local governments in the neoliberal epoch do have some political agency and choice. Savitch and Kantor (2002) argue that “those choices vary with differential resources, and they are not without constraint. But they are nonetheless choices that can be applied” (p. 347). Most importantly for Savitch and Kantor (2002), “urban choices are not immutable, but capable of expansion, constriction, and modification ... cities are not mere leaves in the wind of internationalization, but political entities that in many different ways shape economic outcomes” (p. 347). Savitch and Kantor (2002) note that of the cities they studied, “some localities adopted strong market-centered strategies ... [while] other cities resorted to equally powerful social-centered strategies ... [placing] their bets on public direction and the controls of a mixed economy” (p. 348). This literature does not speak directly to neoliberal downloading giving a greater range of decision-making power to cities, but it does speak to cities having some level of agency in their own destinies and the range of choices they can make.

Like Savitch and Kantor, C. Richard Tindal, Susan Nobes Tindal, and Patrick J. Smith, and Kennedy Stewart also argue that local governments have political agency.⁷ Moreover, the authors call for local governments to assert this agency by inverting the current political hierarchy that places municipal government below state/provincial and federal government. This is a bold call to action, but essentially the authors are arguing that local governments should “stop being preoccupied with their place in the hierarchy of governments” and stop lamenting their status as creatures of tenants of higher levels of government. Instead, they should “seek adoption from their local communities” (Tindal, Tindal, Smith, and Stewart, 2014, p. 461). In Tindal, Tindal, Smith, and Stewart’s (2014) view, “there is little to be gained by relying on [upper levels of government] and waiting to see what may trickle down from above ... far better to build strength upward from the community” (p. 460).

The Seattle Citywide minimum wage shows that, as Savitch and Kantor say, local governments do have real policy choices they can make in the face of increasing

⁷ Tindal, Tindal, Smith, and Stewart’s argument is geared toward a Canadian audience and is about Canadian local government. However, the argument that local governments have agency and should take hold of their destinies where possible extends beyond the Canadian context.

responsibility. In creating the minimum wage ordinance, the City of Seattle took a course of action similar to what Tindal, Tindal, Smith, and Stewart argue for. The City used its increased responsibility as an opportunity to exercise decision-making power and create minimum wage legislation much more progressive than what existed at the state and federal levels. The City built strength upward from the community.

2.1.2. Effects on City Economics

It remains the case, however, that cities today are situated in a globalized economy in which capital is less fixed in place and more able to move freely across borders (Sassen, 1991). As a result, cities have to compete for global capital investment. A large portion of the literature on city competition describes the negative impacts this unmitigated competition can have on cities. For Don Mitchell (1997), when neoliberal competition ideology extends to these cities, the result is a “frenetic place auction, as municipalities ... compete with each other both to attract new investment and to keep local capital ‘home’” (p. 304). According to Mitchell (1997), in order to attract capital, and at the behest of local business and property owners who claim that cities have no alternative courses of action available, municipalities offer “tax and regulatory inducements ... extravagant convention centers, downtown tourist amusements, up-market, gentrified restaurant and bar districts, and even occasional public investment in such amenities as museums, theaters, and concert halls” (p. 304). In Mitchell’s (1997) view, through these efforts, municipalities are trying to “create ... a legitimate stay against the insecurity of flexible capital accumulation” (p. 316). The competition that Harvey says creates economic inequality amongst individuals and firms threatens to do the same to cities.

Competition for capital investment is not a new phenomenon among cities. As Jane Jacobs (1984) notes in *Cities and the Wealth of Nations*, there has long been a relationship between the economic success of some cities and failure of other cities (p. 31). What is new in the neoliberal epoch is the unprecedented flexibility of capital which allows it to flow from region to region much more easily than in previous epochs when capital was more fixed in place (Sassen, 1991). Harvey (2005) argues that competition between regions and cities “was relatively insignificant in the 1950s and 1960s,” but

“heightened in the more fluid and open systems of trading relations established after 1970” (p. 87). This has created hyper-competition among cities, making it increasingly difficult for local governments to put resources to social issues such as affordable housing and poverty reduction because they need to focus their resources on their competitive position in the place auction among global cities. The neoliberal view of redistributive government spending hampering business by intruding on the workings of the market (Harvey, 2005, p. 68) also contributes to tying the hands of local policymakers (Peterson, 1981).

The Seattle minimum wage ordinance, then, seems to be at odds with contemporary thinking on how cities should compete in the global economy as well as neoliberal contempt for market regulation in pursuit of social equity. There seems to be a tension between neoliberal free market ideology and the need for cities to be competitive in the contest for capital investment. While neoliberal ideology opposes market regulation, it also advocates policy that increases competitive advantage in the market, and sometimes market regulation can increase competitive advantage. As a Keynesian-inspired policy, the ordinance exists on both sides of this tension. It regulates wages for the sake of workers and for the sake of creating demand in the local economy which, policymakers hope, will make Seattle more competitive.

There is not much literature that explicitly studies cities using Keynesian policies to foster economic competitive advantage. There are, however, a few pieces of politically diverse and divergent literature that might point to local Keynesian policy being able to exist in neoliberalism. Geoff Mann (2015) provides insight on how this might be viewed as a potential shift in neoliberal capitalism. In critiquing Thomas Piketty (2014), Mann (2015) says that the pertinent question to ask is “what does the Piketty phenomenon [tell] us about contemporary capitalism?” (p. 108). Combining the Piketty phenomenon with the Seattle minimum wage ordinance points to tensions immanent in neoliberal ideology that allow for policymaking that begins to address the economic inequality created by neoliberalism. Moreover, Mann’s (2015) assertion that the embrace of Piketty is not a result of people fearing “revolutionary democratic transformation, or egalitarian redistribution,” but political unrest brought about by a tremendous wealth gap (p. 137),

resonates strongly with Seattle billionaire Hanauer's (2014) fear in his article entitled "The Pitchforks are Coming ... For Us Plutocrats."

2.2. Urban Resistance to Neoliberalism

The City of Seattle did not take advantage of this tension on its own. Governments rarely pass legislation that addresses social and economic inequalities without a strong push from community groups, labor unions, organizers, and activists (Zizek, 2009, p. 38). In Seattle, this push required resistance to neoliberal ideology by these groups and coalition building among them and some degree of cooperation between them and local business. As such, in this section, I analyze the literature on urban resistance to neoliberalism and urban coalition building.

2.2.1. Resistance to Neoliberalism

As the politics of social equity are deflected downward to the local level, so too is political struggle (Brenner and Theodore, 2002, p. 373). If senior levels of government wash their hands of responsibility for issues of social and economic justice, the people organizing to around these issues will increasingly pressure city governments to address these issues, since that is where decision-making power is most accessible. Therefore, resistance to neoliberalism is an increasingly urban practice. Neoliberalism in its many variants across different cities provides the cracks, the meeting points between neoliberal ideology and the "place-specific forms and combinations within particular local and national contexts ... with inherited national and local regulatory landscapes" in which resistance can grow (Brenner and Theodore, 2002, p. 368). This local context is apparent in the language in the Seattle minimum wage ordinance document, which notes that Seattle "is home to many innovative and progressive employers" and "has a long and proud tradition of advocating for worker rights and promoting social and economic justice" (City of Seattle, 2014b, p. 1).

Helga Leitner, Jamie Peck, and Eric S. Sheppard (2007) argue that resistance to neoliberalism has four trajectories: engagement with neoliberal government, opposition to neoliberal government, knowledge production that is alternative to neoliberal

government, and complete disengagement from neoliberal government (p. 320-322). Leitner, Peck, and Sheppard (2007) define engagement as the situation in which “non-neoliberal interests opt for (or see no alternative to) cooperation with neoliberal corporate and institutional power” (p. 320). Such cooperation can lead to “the cooptation of local community-based non-profit organizations into neoliberalism” or to “the ‘communitization’ of neoliberal governance, in which community organizations and leaders, acting as strategic brokers to connect community agendas with state agencies, [effect] change in both the agendas and the operation of state institutions” (Leitner et al., 2007, 320). Leitner, Peck, and Sheppard (2007) define opposition as community-based struggles against neoliberal corporate and institutional power (p. 320). These struggles can also combine with the engagement trajectory to advance both agendas (Leitner et al., 2007, p. 320). Leitner, Peck, and Sheppard (2007) find that successful urban resistance to neoliberalism, in terms of making concrete changes to policy, creatively combines oppositional practices such as street blockages with engagement with local officials (p. 320). Leitner, Peck, and Sheppard (2007) define the trajectory of alternative knowledge production as “calling attention to the purposive construction of neoliberal rationalities and forms of governance” (p. 322). Urban academics, organizers, and activists then attempt to disseminate alternative political visions (Leitner et al., 2007, p. 322). This takes place within every form of resistance, but Leitner, Peck, and Sheppard (2007) mean here a concerted effort through “think-act tanks” such as the International Network of Urban Research and Action (p. 322). Leitner, Peck, and Sheppard (2007) define the trajectory of disengagement as “developing spaces within which alternative practices can be pursued in their own right and on their own terms ... [including] nonmarket forms of economic organization such as community economies, as well as everyday livelihood practices” (p. 322). These four trajectories are not mutually exclusive. They can intersect and borrow strategies from each other.

For Leitner, Peck, and Sheppard (2007), all these trajectories reject the idea that “there is no alternative” (p. 325) or that we are at Francis Fukuyama’s (1992) “end of history.” Instead, they embrace the idea that “another city is possible” (Leitner et al., 2007, p. 325). Leitner, Peck, and Sheppard (2007) argue that realizing such possibilities requires “recognizing that neoliberalism itself is a political creation, rather than some preordained ultimate stage of market capitalism” (p. 325). In this view, neoliberalism is a

certain reaction with deliberate policy prescriptions and choices, not an inevitable force of nature. As Peck (2001) writes, “despite the [contemporary state’s] discursive self-abasement, the national state remains absolutely pivotal to the rescaling process” of neoliberalism” (Peck, p. 450). Neoliberal states, in Peck’s (2001) view, are “simultaneously internationalized and internationalizing” agents, with neoliberal globalism being “not simply an external phenomenon, located somewhere ‘outside’ the national state; [but] also very much ‘inside’ the national state, being at the same time an explicit political project and a source of dynamism and contradiction” (p. 450-451). As such, Peck (2001) sees the “hollowing out” of the state as “a qualitative process of state restructuring, not as a quantitative process of state erosion or diminution” (p. 447). Inasmuch as national and subnational states do have reduced capacity to address social inequities, this is largely because neoliberal states “denigrate their own capacities and potentialities ... restructure and cut themselves ... [and] engineer their own ‘reform’ and downsizing” (Peck, 2001, p. 448). This is not to say that federal, state, or local governments can simply reverse neoliberal policies at this point of neoliberal hegemony. But it is to acknowledge that neoliberalism has human fingerprints in it. This, Leitner, Peck, and Sheppard (2007) say, “is a prerequisite for visualizing politics beyond neoliberalism. What has been made can be unmade” (p. 325).

The Seattle minimum wage ordinance exists within a combination of the trajectories of engagement, opposition, and alternative knowledge production. The pressure on local officials to address a \$15 minimum wage was applied by a combination of protest and coalition building on the left, which culminated in the creation of the Income Inequality Advisory Committee. This committee, the academics they leaned on, people like Sawant and Hanauer, and labor and community organizers all created new knowledge on what is possible in urban economies, and what makes for sound urban economics and a just city. The trajectory of disengagement did not factor into this resistance. The Seattle ordinance is also influenced by the belief that another city is possible. In advocating for the ordinance, unions, community groups, and councillors had to believe that resistance to neoliberalism was not futile, that there are alternatives we can create, and that we are not at the end of history.

2.2.2. Coalition Building

For Leitner, Peck, and Sheppard (2007), contestations of neoliberalism “often draw on agendas and alternative imaginaries that predate or exceed neoliberalism, such as progressive liberalism (Keynesianism), socialism, radical democracy, or nonmarket forms of economic organization such as community economies” (p. 319). Drawing on this array of viewpoints often results in the formation of coalitions. In *Fighting for a Living Wage*, Stephanie Luce (2004) documents the way these coalitions come together in living wage campaigns. Luce (2004) uses different language to describe Leitner, Peck, and Sheppard’s idea of engagement and opposition. Luce (2004) calls these trajectories the “inside track” (engagement) and the “outside track” (opposition) (p. 57). For Luce (2004), the inside track refers to lobbying efforts directed at city council with the goals of assessing where councillors stand on a certain policy and to pressure or persuade them toward that policy (p. 57). The outside track refers to community organizing with the goals of “building ties between members, informing the public about the issues, and demonstrating power to the city council” (p. 58). Luce (2004) shows the benefit of this combined approach, arguing that “some groups, such as labor unions, may be used to engaging only in inside track/lobbying efforts to get what they want, while other groups may have little to no experience with lobbying and prefer confrontational measures” (p. 58). Luce (2004) provides case studies of living wage campaigns in Boston and Cincinnati. In Boston, labor and community groups built coalitions on behalf of workers’ rights (p. 70). By contrast, in Cincinnati, “the main advocates behind the living wage campaign were city councillors hoping to allay the concerns of their union about plans for privatization of city services” (Luce, 2004, p. 70). The Seattle case is a combination of these experiences.

Urban resistance to neoliberalism and urban coalition building also echo certain aspects of urban regime theory. According to Karen Mossberger and Gerry Stoker (2001), regime theory is a perspective on local politics that “rejects both pluralist assumptions that governmental authority is adequate to make and carry out policies, as well as structuralist assumptions that economic forces determine policy” (812). Instead, regime theory explores the middle ground between pluralism and structuralism. Urban regime theorists posit that “a regime is an informal yet relatively stable group with access

to institutional resources that enable it to have a sustained role in making governing decisions” (Mossberger and Stoker, 2001, p. 813). They argue that “collaboration is achieved not only through formal institutions but also through informal networks” (Mossberger and Stoker, p. 813). Essentially, according to Johnathan S. Davies (2002), urban regime theory is “a more agency-centered analysis of local politics” (p. 2). Rather than privileging a monolithic government or a monolithic economy, urban regime theory places political agency within government and nongovernment actors and within politics and economics. This is similar to the outside and inside tracks described by Luce, the engagement and opposition trajectories described by Leitner, Peck, and Sheppard. Furthermore, although Leitner, Peck, and Sheppard likely have in mind more radical political and economic change than Stone does when he discusses urban regime theory, they nonetheless echo Stone (1993) when he argues that “the market economy of capitalism was established by a political process and remains subject to political modification” (p. 2).

Stone (1993) also theorizes a regime typology. This typology contains four types of regimes: maintenance regimes, development regimes, middle class progressive regimes, and regimes devoted to lower class opportunity expansion. Maintenance regimes “represent no effort to introduce significant change ... [to] established social and economic practice” (Stone, 1993, p. 18). Development regimes “are concerned primarily with changing land use in order to promote growth or counter decline” (Stone, 1993, p.18). These two types of regimes have little in common with the coalition and resistance politics discussed above. Middle class progressive regimes are where the similarities start to appear. These regimes “focus on such measures as environmental protection, historic preservation, affordable housing, the quality of design, affirmative action, and linkage funds for various social purposes” (Stone, 1993, p. 19). Finally, regimes devoted to lower class opportunity expansion “involve enriched education and job training, improved transportation access, and enlarged opportunities for business and home ownership” (Stone, 1993, p. 20). Both of these types of regimes bare similarities to the coalition and urban resistance politics of Luce and Leitner, Peck, and Sheppard, as different governmental and nongovernmental actors work together to create change in social and economic practice that produces more equitable outcomes.

Regime theory also helps contextualize the broad coalition that supported the minimum wage ordinance in Seattle. Mossberger and Stoker (2001) argue that “regimes bridge the divide between popular control of government and private control of economic resources” (p. 813). They argue further that, “beyond the inclusion of local government and businesses, participants in regimes may vary, including neighbourhood organizations [and many other groups]” (Mossberger and Stoker, 2001, p. 813). In this view, the broad coalition for the minimum wage in Seattle can be thought of as the \$15 minimum wage regime. Mossberger and Stoker (2001) argue that such a regime, though a rarity, can materialize because “the relative strength of business, the composition of particular businesses engaged in the coalition, and the presence of other interests, such as neighbourhood groups or environmental groups, will vary from place to place and may change over time” (p. 813).

2.3. The Political and Economic Context of Seattle

In this section, I locate the effects of neoliberalism on cities and urban resistance to neoliberalism (and older hegemonic ideologies) in the political and economic culture of Seattle. Since the policymaking and activism surrounding the minimum wage ordinance is uniquely local, having some context for the place in question provides a more finely-grained understanding of the policy. According to T. William Lester (2014), “the existing urban politics literature is insufficient in explaining why redistributive policymaking flourishes in some contexts and not others” (p. 783). For Lester (2014), “the dominant models offered in the urban politics literature ... lack the explanatory nuance to assess why policies such as the living wage are enacted in some contexts and not others” (p. 784). Lester (2014) offers “a hypothesis that synthesizes the dominant explanatory factors—economic strength and political structure—in determining the redistributive scope available to urban policy makers” to argue that these policies are “conscripted by history, in that they must be offered within a discursive context that is itself inherited from previous rounds of economic and political struggle” (p. 784). In this view, the political and economic history and culture of cities play “an active and contingent role [in debates on redistributive policy] by providing actors with the ‘vocabulary’ with which to present their arguments” (Lester, 2014, p. 801).

2.3.1. Economic Context

Purcell describes the economic culture of Seattle as that of a relatively small city (it is the 15th largest metropolitan area in the United States) that is nevertheless “home to a number of economic enterprises that are central to the emerging global economy” (Purcell, 2008, p. 110). Seattle, Purcell (2008) notes, “is the headquarters of a number of huge multinational corporations, like Microsoft, Boeing, and Costco, all of which are among the largest 140 corporations in the world” (p. 110). Other firms that call Seattle home include Amazon, Adobe Systems, and Starbucks. The area also still has a large primary extraction economy (Purcell, 2008, 110). Indeed, Purcell (2008) argues, “for a city its size, [Seattle] has an extremely productive economy and is a prominent node in many different global economic networks” (p. 110). However, despite this economic success, the Seattle economy is also marked by fairly strong boom-and-bust tendencies. According to Purcell (2008), the dot-com bust in the early 2000s had acute effects in Seattle and “aerospace in particular has always had noticeable and sometimes painful swings” (p. 110). The worst of these swings was “Boeing’s 2001 emigration [to Chicago] ... which created a strong sense of urgency to keep and attract capital, despite Seattle’s wealth” (Purcell, 2008, p. 110).

In *Selling Seattle: Representing Contemporary Urban America*, James Lyons (2004) provides an analysis of Seattle’s neoliberal economic transition in the 1990s and 2000s from a resource and manufacturing-centric economy to a post-industrial economy focused on advanced technology firms (such as Microsoft), culturally symbolic firms (such as Starbucks), and place branding focusing on unique characteristics of the city’s culture and surrounding environment. He describes this as a successful transition, yet one that also created concern about economic downturns and the inability to keep capital in Seattle.

According to Lyons (2004), as industry and manufacturing in the neoliberal epoch increasingly fled cities in the United States for other parts of the global economy, Seattle found hope in the form of advanced technology industry (p. 20). After the emergence of advanced technology firms in Seattle in the early 1990s, and the subsequent promotion of Seattle as an advanced technology hub throughout the 1990s, Seattle was home to around 2,500 software-oriented firms by the late 1990s (Lyons, 2004, p. 14). This

included Microsoft, Nintendo America, Amazon, and Adobe Systems (Lyons, 2004, p. 14). Lyons (2004) argues that “for a city previously reliant on the fortunes of the local aeroplane manufacturer Boeing ... this diversification into the advanced technology industries such as computer software, microelectronics, robotics, and, biotechnology ensured that Seattle was one of the main beneficiaries of ‘the new economic wave’” sweeping through the United States (p. 15).

This success soon gave way to concern about economic crashes. Only 18 months later, in 2001, the “hubris” of Seattle’s advanced technology sector was “rendered hollow as a result of the global collapse in dot-com equities, and its deleterious impact on the advanced technology sector” (Lyons, 2004, p. 15). According to Lyons (2004), in the aftermath of the 2001 crash, “Seattle, a city that had spent much of the 1990s developing a reputation as a hub for advanced technology industries, and as a mecca for those seeking to add their name to the fabled roster of youthful dot-com millionaires, saw much of the lustre disappear” (p. 16). This was accompanied by significant job losses in the software sector and a decline in advanced technology employment more generally (Lyons, 2004, p. 16). By 2003, “the *Seattle Times* had declared ‘So Long Seattle: More People Are Moving Away,’ and pointed out that an economic downturn had left the Seattle area with some of the nation’s highest jobless rates and the prospect of its first population decline since the 1970s” (Lyons, 2004, p. 15).

During the early 2000s, Seattle also experienced turbulence with Boeing. Before the advanced technology sector boom, Boeing was arguably Seattle’s most important firm. In the “Greater Seattle Info-Guide: The Economy,” published in 1990 by the journal *Sound Business*, a journal dedicated to business in the Puget Sound area, Dan Flynn (1990) writes that “most discussions of the Seattle economy begin with the Boeing Co.” (par. 1). In 1990, Boeing provided one in ten jobs in Seattle (Flynn, 1990, par. 1). The feeling in 1990 was that “having Boeing provide the underpinning for the region’s economy [was] a pretty good deal for Seattle” (Flynn, 1990, par. 5). Only ten years later, Boeing was experiencing one of the largest white collar strikes in American history (Dean and Reynolds, 2009, p. 196).

For Lyons (2004), the sudden boom and sudden bust of the advanced technology sector produced a “tension and anxiety over the fragility and the precarious nature of the future that Seattle was seen to represent” (p. 21). Even before the crash, as Seattle was building its new economy through the 1990s, there was a concern that the city was ever-teetering on the brink of collapse and could at any time fall “over the edge” and turn “into another Los Angeles,” a fear “that stalks every city west of the Mississippi” (Lyons, 2004, p. 19). This is in reference to the Los Angeles dot-com crash that “began to implode in 2000, wiping out within two years \$5 trillion in paper wealth on NASDAQ” (Gathier and Chmielewski, 2006, par. 12). Between 2000 and 2002, the market value of NASDAQ companies fell from \$6.7 trillion to \$1.6 trillion (Gathier and Chmielewski, 2006, par. 12). In the 1990s, but especially post-2001, the advanced technology sector created paradoxical feelings in Seattle. Advanced technology was depicted as “the means by which Seattle could avoid the painful social and economic consequences of deindustrialization that had brought economic decline to older urban centers” (Lyons, 2004, p. 22). But the advanced technology sector was also depicted as “the catalyst for overpopulation, urban sprawl,” and, at its worst, cyclical economic crashes and economic decline (Lyons, 2004, p. 22).

This experience might not be especially different from the experience in other cities, and on its own may not explain Seattle’s adoption of a \$15 minimum wage. But this fearful relationship with the Seattle economy is at least one element in creating the context for the citywide minimum wage ordinance. The idea that the ordinance will act as a Keynesian measure that will strengthen and stabilize the local and/or regional economy via increased purchasing power of low-income individuals and make the Seattle economy a more desirable location for both business and workers/consumers to call home shows these two-decade old concerns at work in the creation of the ordinance.

2.3.2. Political Context

Purcell (2008) describes the political culture of Seattle as one that “prides itself on democratic process. The culture is strong enough that it has produced a sobriquet: ‘the Seattle Way’” (p. 111). According to Purcell, when described positively, the Seattle

Way “values popular participation, transparent process, and meaningful debate.” In its more negative connotation, the Seattle Way “has been decried as a culture that values process and debate over results, that bogs down and cannot get important things done” (Purcell, 2008, p. 111). Nevertheless, the Seattle Way “places significant value on grassroots, bottom-up decision-making” (Purcell, 2009, p. 111).

According to Purcell, the Seattle Way is a “deliberative, cooperative approach to politics that places great importance on the common good, on consensus, and on civil dialogue among citizens” (Purcell, 2008, 111). This deliberative political culture is “embedded in the wider culture of Seattle’s culturally dominant white middle-class: reserve, politeness, deference, and good manners are esteemed while boldness, confrontation, and aggression are reproved” (Purcell, 2008, p. 111). Purcell (2008) argues that while Seattle is a big city, its political culture is more akin to Midwestern American cities such as Omaha or Iowa than somewhere with a more aggressive political culture such as New York (p. 111). As a result of this political culture, “deliberative democracy is seen by many as the way forward, the political cutting edge that can democratize the imperfect liberal system” (Purcell, 2008, p. 111). Purcell (2008) argues that in this context mobilization among urban social movements in Seattle is “not only outside the traditional liberal-democratic mainstream, it is also outside the predominant deliberative-democratic alternative” (p. 111). Often these movements are too confrontational and too loud for the Seattle Way (Purcell, 2008, 111). It is in this context that Purcell situates three case studies on urban social movements resisting neoliberal policies (which he calls counter-hegemonic movements) on the South Lake Union neighbourhood redevelopment, the Seattle Waterfront redevelopment, and the Duwamish River Cleanup. Purcell (2008) argues that these movements all feature a counter-hegemonic streak in them via different groups organizing and building coalitions to resist the neoliberal plans for these developments (p. 112-155).

Of course, the political culture of counter-hegemonic movements has a deeper history in Seattle than Purcell’s three case studies. The most influential example of such resistance to neoliberalism is the Battle in Seattle protests of 1999, which featured a multitude of different groups protesting against World Trade Organization free trade agreements. According to Joel Wainright and Sook-Jin Kim (2008), the Battle in Seattle

represents network-based organizing in which multiplicity is not reduced and “different subgroups [protest] through different practices [and] toward different ends” (p. 521). This looks very much like Purcell’s counter-hegemonic movements in which groups find commonality without reducing difference and without creating a privileged core group. This becomes even more apparent when considering that all three authors draw heavily on *Multitude* by Michael Hardt and Antonio Negri (2004), in which the two authors argue that multitudinous resistance movements are the future of resistance to neoliberalism. Hardt and Negri (2004) conceive of the multitude as “an open and expansive network in which all differences can be expressed freely and equally” (p. xiii-xiv). For Purcell (2009), the WTO protests “involved a range of groups ... that shared an equivalent opposition to the globalization of neoliberalism. Their concerns were in many ways disparate ... but they strategically defined themselves as equivalent” (p. 159).

In an anthology entitled *The Battle in Seattle: The New Challenge to Capitalist Globalization*, George Katsiaficas (2002) also draws on Hardt and Negri’s idea of the multitude, arguing that the Battle in Seattle represented a culmination of work done in many places around the world in the 1990s by the anti-globalization movement. For Katsiaficas, the anti-globalization movement (and social justice movements more generally) is a multitude of voices and actions taken around the world without a privileged core. Katsiaficas (2002) argues that the anti-globalization movement descended upon Seattle to protest the WTO (p. 29). Katsiaficas (2002) cites actions in Venezuela, South Korea, India, and Germany that preceded and led to the Battle in Seattle (p. 30-35). Katsiaficas (2002) argues that Seattle was a chance to connect these different parts of the anti-globalization movement across in the heart of the global capitalist system (p. 29).

In the same anthology, David Kurbin (2002), while not disagreeing that the Seattle protests were a global affair, placed more importance in Seattle as a place of progressive politics, rather than just a benign point at which more important global movements landed. Kurbin (2002) argues that the Spirit of the 1960s rebellion, as well as the politics and ideology, were alive and central in the Seattle WTO protests (p. 59). This history also includes the Seattle General Strike of 1919. Workers and unions in the city (and across the United States) were dissatisfied with stagnant wages created by

World War I wage controls that were still in effect (Kindig, 2008, par. 10). At the same time, from 1919, to 1920, the cost of living index rose from 177 to 216 (History of the Seattle General Strike Committee, 1972, par. 10). Shipyard workers in Seattle were the first to strike. On January 21, 1919, 35,000 shipyard workers demanded higher wages (Kindig, 2008, par. 10). By February, the strike spanned the entire city. Nearly 100,000 workers staged a five-day general work stoppage in Seattle, from February 6, 1919 to February 11, 1919 (History Committee of the Seattle General Strike Committee, 1972, par. 2). The strike was also preceded by a 400 percent increase in union membership amongst Seattle workers from 1915 to 1918 (History Committee of the Seattle General Strike Committee, 1972, par. 17).

There are some parallels to the organizing experience with the citywide minimum wage from the General Strike of 1919. Both cases featured famous socialist women leading the cause, Sawant in the citywide minimum wage campaign and Anne Louise Strong in the General Strike. Both cases featured radical leftists working with the center-left. And both cases featured people in the center-right or far-right saying that those agitating for higher wages were going to be the ruin of American society. During the General Strike it was the Mayor; during the citywide minimum wage campaign it was right wing political commentators. This last comparison risks flippancy, as in the General Strike socialist leaders, union leaders, and workers were imprisoned for their organizing efforts (Brecher, 1972, p. 113). This was certainly not the case with the citywide minimum wage campaign, but the general similarity in the characterization of those who wanted to raise the wages of low-wage workers remains.

The Seattle Minimum wage ordinance seems to exist between the Seattle Way and this history of more confrontational, counter-hegemonic resistance. As mentioned in the section on urban resistance to neoliberalism, the Seattle minimum wage ordinance represents a combination of Leitner, Peck, and Sheppard's trajectories of opposition and engagement. The opposition trajectory represents the counter-hegemonic resistance of the protests for a \$15 minimum wage. The engagement trajectory represents the cooperative, Seattle Way methods of political decision making that resulted in the creation of the Income Inequality Advisory Committee.

2.4. The Minimum Wage Debate

In this final section of my literature review, I survey the literature on the academic debate on the minimum wage. In Chapter 4, I also analyze the outcomes of the 2004 San Francisco citywide minimum wage and how they influenced thinking of the City of Seattle and the researchers it employed to study the potential outcomes of a citywide minimum wage. Thus, in this section I provide background on the minimum wage argument to ground the analysis later in the paper. I break this section down into two subsections: those scholars who champion the minimum wage, arguing that it will help alleviate poverty, and those who oppose the minimum wage, arguing that it will lower employment, hurt the economy, and not help the poor at all.

2.4.1. Economics of the Minimum Wage

Employment and Prices

According to minimum wage scholar Deepak Lal (1995), the classic work on the merits of the minimum wage is George Stigler's article "The Economics of Minimum Wage Legislation." In this article, Stigler (1946) asks: "does [minimum wage] legislation diminish poverty?" and "are there efficient alternatives?" His answers are "no" to the former and "yes" to the latter (p. 358). Stigler (1946) argues that the application of the minimum wage creates a scenario in which "workers whose services are worth less than the minimum wage are discharged" (p. 358). According to Stigler (1946), this "discharge of less efficient workers ... will be larger the more the value of their services falls short of the legal minimum" (p. 358). Stigler (1946) posits that "the discharged workers will, at best, move to unregulated jobs where they will secure lower returns" (p. 359) and, at worst, fall "into unemployment or retirement from the labor force" (p. 358). Thus, for Stigler (1946), "the minimum wage reduces aggregate output, perhaps raises the earnings of those previously a trifle below the minimum, and reduces the earnings of those substantially below the minimum" (p. 359). In Stigler's (1946) view, "these are undoubtedly the main allocational effects of a minimum wage in a competitive industry" (p. 359). Therefore, Stigler (1946) advocates for income transfers via taxation to cure poverty (p. 363-365). For Stigler (1946), it is best for the labor market, the economy as a whole, and the poor if policymakers go to the core of inequality and subsidize incomes

directly (even though this, in Stigler's view, might negatively affect poor people's incentive to work).

For Lal (2002), based on Stigler's argument, the minimum wage is a "second best" welfare option next to income taxation (p. 52-55). Lal (2002) argues that policymakers should only use this "second best" option when the optimum option—an elaborate welfare state—is unattainable (p. 53). In Lal's (2002) view, the American welfare state has not yet seen sufficient retrenchment for the minimum wage to be a plausible policy choice.

Milton Friedman (1967), a pillar of neoliberal thought, argues that "many well-meaning people favor legal minimum-wage rates in the mistaken belief they help the poor. These people confuse wage rates with income" (p. 259). In Friedman's (1967) view, a large portion of workers employed in low-income jobs are "youngsters who are just getting started or elderly folk who are adding to the main source of family income" (p. 259). Instead of a minimum wage, Friedman (1967) favors "governmental measures that are designed to set a floor under family income ... [and] legal minimum wages only make this task more difficult" (p. 259). Furthermore, echoing Stigler, Friedman (1962) argues:

Insofar as minimum wage laws have any effect at all, their effect is clearly to increase poverty. The state can legislate a minimum wage rate. It can hardly require employers to hire at that minimum all who were formerly employed at wages below the minimum. It is clearly not in the interest of employers to do so. The effect of the minimum wage is therefore to make unemployment higher than it otherwise would be ... the people who are rendered unemployed are precisely those who can least afford to give up the income they had been receiving, small as it may appear to the people voting for the minimum wage (p. 180-181).

There are also those who hold that increasing the minimum wage will increase prices, effectively wiping out any benefit for the poor. In this view, "with an increase in the minimum wage, one of two things must be done in order to maintain profits: either the number of workers employed must be lowered, or the price of the good sold must be raised (Hovenga, Naik, and Block, 2013, p. 470). Furthermore, in this view, "if all the research and studies that claim minimum wage does not affect unemployment are correct, then that leaves no other option, the price of goods must be rising" Hovenga,

Naik, and Block, 2013, p. 470). This view also holds that “wage-push theory claims that raising the minimum wage does not actually increase the purchasing power of low-wage earners” because wages and prices will rise equally in tandem (Hovenga, Naik, and Block, 2013, p. 470).

My analysis of the studies on the San Francisco and Seattle citywide minimum wage policies in Chapter 4 addresses both employment and price criticisms of the minimum wage in a modern context. Here, I survey some of the previous literature refuting these criticisms. This begins right after (and in response to) Stigler, with Richard A. Lester’s (1947) article “Marginalism, Minimum Wages, and Labor Markets.” In this article, Lester (1947) argues that Stigler’s article shows an inadequate understanding of “wage determination in American industry ... actual operations in labor markets ... the policies and functioning of management in manufacturing concerns ... [and] the economic effects of minimum wage-fixing as observed in practice” (p. 142). Lester (1947) posits that, in practice, “even in the absence of unions, established manufacturing firms have not followed the practice, as stated by Professor Stigler, of discharging regular employees of the firm” (p. 144).

Another theory on the minimum wage is the efficiency wage hypothesis. Essentially, the efficiency wage hypothesis proposes that wage rate positively affects labor productivity (Chiswick, 1984, p. 311). For Carmel U. Chiswick (1984), while this notion is “less than a novelty, the efficiency-wage literature focuses on two interesting labor market issues: the mechanism whereby higher wages elicit higher productivity, and the implications of this relationship for the existence of involuntary unemployment at equilibrium” (p. 311). This theory goes at least as far back as Harvey Leibenstein (Stiglitz, 1976, p. 185). Writing about “economically backward” areas, Leibenstein (1957) argues that a worker’s effort depends on her energy level, which depends on her nutrition, which depends on her income. Therefore, it behooves employers to pay their employees more because employers will receive more productive labor in return. According to Andrew Weiss (1991), in developed economies wages can affect the quality of labor in two ways: through the adverse selection effect and the incentive effect. The adverse selection effect predicts that when wages are low, the proportion of high quality workers willing to take the job will also be low. The incentive effect predicts that

higher wages induce more work effort. Taking into account non-economic variables, George Akerlof (1982) argues that people will work hard with higher wages even where there is no threat of termination. According to Akerlof, this is because when workers receive wages above the competitive rate for their work they feel obliged to reciprocate their employer. Finally, Akerlof and Janet L. Yellen (1990) argue that workers have some kind of fair wage reference, and when firms do not meet this reference they create dissatisfaction, low morale, high turnover, absenteeism on the job, and, therefore, less productivity overall.⁸

The 1990s saw an influx of research on the minimum wage and whether or not neoliberal assertions were correct. Numerous economists took on this research in what was called the New Minimum Wage Research. A study by David Card and Alan B. Krueger (1994) showed that a minimum wage increase in New Jersey did not affect employment in fast food restaurants. Card and Krueger's subsequent book (1995) showed similar results in Texas and California. However, David Neumark and William Wascher questioned Card and Krueger's work. In a series of papers and books through the 1990s and 2000s, Neumark and Wascher (1992; 2000; 2008) argued that in many cases an increased minimum wage did indeed contribute to decreased employment. In their exhaustive survey of minimum wage research from the 1990s onward, Dale Belman and Paul Wolfson (2014) detail the disagreement between Card and Krueger and Neumark and Wascher as well as a number of subsequent minimum wage studies. Notably, Belman and Wolfson detail a study by Dube, Naidu, and Reich, whose research played a critical role in the formulation of the Seattle minimum wage. In this study, Arindrajit Dube, Suresh Naidu, and Michael Reich (2007) find no evidence of decreased employment and rule out relatively large effects on employment, both positive, as in Card and Krueger's work, and negative, as in Neumark and Wascher's work.

For Belman and Wolfson (2014), the last two decades of the New Minimum Wage Research "has yet to come to any widely accepted resolution on [whether increases in the minimum wage decrease employment]" (p. 22). To better-illuminate the

⁸ Of course, there are many situations in which employers are able to pay employees little and have better profit margins because of it. Low pay at sweat shops, for instance, may hurt worker efficiency, but the profit from paying workers such low wages might trump that inefficiency.

relationship between employment and the minimum wage, Belman and Wolfson (2014) call for more careful methodology, the realization that studies can have different results without necessarily contradicting each other, and a potential shift in focus from number of jobs to number of hours worked (p. 109).

Capital Flight

Aside from arguments against the minimum wage strictly on grounds that it will hurt employment and/or increase prices, there is also a host of neoliberal literature on the ills of regulation more generally. This literature is written against regulatory economic policies, such as increased taxes or wages, on the grounds that they will make cities, regions, or nations less attractive to capital and will thus cause capital to flee to places with less economic regulation (Yang, 1996; Harrison, 2005; Ofek-Ghendler, 2009). The proponents of this view often cite another one of the core influences on neoliberal theory, Adam Smith:⁹

The proprietor of stock is properly a citizen of the world, and is not necessarily attached to any particular country. He would be apt to abandon the country in which he was exposed to a vexatious inquisition, in order to be assessed to a burdensome tax, and would remove his stock to some other country where he could either carry on his business, or enjoy his fortune more at ease. By removing his stock he would put an end to all the industry which it had maintained in the country which he left. Stock cultivates land; stock employs labour. A tax which tended to drive away stock from any particular country, would so far tend to dry up every source of revenue, both to the sovereign and to society. Not only the profits of stock, but the rent of land and the wages of labour, would necessarily be more or less diminished by its removal (McKenzie, 2005, p. 26).

Interestingly, this idea has traction across the political spectrum. The right warns that regulation will harm an economy's ability to attract capital. The left reifies this theory by lamenting this development in global economics because it means that actors at the federal, state, and municipal level cannot regulate their economies for the benefit of all of their citizens. This latter point is evidenced by Mitchell's argument, cited in sections 1.2 and 2.1.2, that increased capital mobility creates a place auction among cities. Harvey

⁹ In this passage, stock is synonymous with capital.

has also long made this argument. For Harvey (1989), “urban entrepreneurialism ... is embedded in a framework of zero-sum inter-urban competition for resources, jobs, and capital” (p. 5). And this is what “‘urban growth machines’ are often all about: the orchestration of investment process dynamics and provision of key public investments at the right place and time to promote success in inter-urban and inter-regional competition” (Harvey, 2012, p. 102).

However, although it is true that in the neoliberal epoch cities have to make themselves increasingly attractive to capital in the global place auction, both Harvey and Mitchell are careful not to overstate the power of mobile capital. Harvey argues that “too much can be made of the ‘race to the bottom’ to find the cheapest and most docile labour supplies” (Harvey, 2005, p. 168). Mitchell (1997) argues that “capital could never exist without some degree of fixity” (p. 304). Mitchell argues further that “this is precisely where the ideology of globalization is so powerful: by effectively masking the degree to which capital must be [fixed], the ideology of globalization allows local officials, along with local businesspeople and property owners, to argue that they have no choice” but to offer massive economic deregulation to the face of the ever present threat of capital flight (Mitchell, 1997, p. 304).

For scholars who take this view, if we consider the minimum wage in this light, as well as the nature of much low-wage work, local governments do have a choice in raising the minimum wage (which also echoes Savitch and Kantor). Some capital is more fixed in place than other capital. For instance, manufacturing capital can and often does leave countries with higher wages for the greener pastures of countries with much lower wages. But increasingly low-wage work is precarious, service sector employment (Standing, 2011; Doussard, 2013), in restaurants, hotels, fast food chains, coffee shops, cleaning services, and so on. According to Paul Krugman, this is not mobile capital in the same way that manufacturing capital is. Krugman argues that “minimum wage workers are almost all in the United States employed in non-tradable industries—the production can’t move to China—[and] they’re employed in areas where, yeah, you can mechanize

some, but not very much”¹⁰ (Kaufman, 2014). In Krugman’s view, the Starbucks that pays its employees \$15 an hour will not leave Seattle for another city because they cannot make coffee in a city with cheaper wages and still sell it in Seattle. Likewise, hotels have to provide rooms in the city in which they are located. Even with products associated with lost manufacturing jobs, such as clothing, the end product has to be sold in the location of the customer (unless it is sold online, but this is often not the case). This kind of capital is fixed. In this view, to take advantage of a local market, companies must do business in that location and pay whatever the wages are there.

2.4.2. Moralities of the Minimum Wage

The minimum wage debate has many empirical arguments, some of which I have detailed above. However, there is also a strong moral debate on the minimum wage. In “Minimum Wage and Justice,” Oren M. Levin-Waldman (2000) argues that the minimum wage debate is more than just a technical debate. He views the debate as a moral and ideological one. For Levin-Waldman (2000), the debate can focus too intently on “empirical studies of the effects of wage increases on particular groups and cost-benefit analyses aimed at determining whether there are sufficient benefits overall to justify the greater costs to be borne by employers and the prospective unemployed” (p. 44). Instead, he argues that we must also consider the debate in terms of competing conceptions of justice (Levin-Waldman, 2000, p. 44). In Levin-Waldman’s (2000) view, “core to the issue of the minimum wage are questions of justice and the type of society we would like to create” (p. 42). Moreover, Levin-Waldman (2000) argues that framing the debate in terms of a cost-benefit analysis does actually give the question an ideological frame—that of (neo)liberalism and its penchant to view economic growth and profit as paramount (p. 45). Of course, since liberalism is the field of play in liberal democratic societies, it is important to be able to make the argument for a policy on those terms, and some economic arguments for the minimum wage may simply be pragmatic attempts to maneuver within liberalism. However, Levin-Waldman’s point is

¹⁰ However, on the mechanization of labor, we might do well to also heed Murray Bookchin’s (1986) words: “the same technology that could liberate [humans from toil] in a society organized around the satisfaction of human needs must inevitably destroy [humans] in a society organized around ‘production for the sake of production’” (p. 19).

that those in favour of raising the minimum wage need to frame the question in terms of their own ideological stances.

Ronald A. Cordero (2000) agrees with Levin-Waldman. Cordero (2000) argues that there is a moral problem “if a society governed by elected rulers maintains economic arrangements under which a significant proportion of the citizens work hard and well without earning enough for a good life” (p. 207). For Cordero (2000), the establishment of a minimum wage that is sufficient for a good life is “morally incumbent upon the citizens of a democratic society” (p. 1). Cordero also creates criteria for what constitutes a good life. The criteria are what you would expect: food, water, lodging, clothes, transportation, communication, entertainment, leisure time, health care, education, and so on (Cordero, 2000, p. 210). For Cordero (2000), “if rational beings are concerned about the well-being of others, they must expect everyone to prosper in ways that will not prevent others from prospering” (p. 215).

There are other obvious supporters of increasing economic equality on moral grounds. Marx and his many successors come to mind. But a more surprising example is Adam Smith. Although Smith has featured heavily in the construction of neoliberal theory, recent years have seen reinterpretations of his work start to gain traction (Plowman and Perryer, 2010, p. 1). Providing a reinterpretation of Smith, David H. Plowman and Chris Perryer (2010) point out that, contrary to much popular knowledge, Smith was actually a strong advocate of high wages on the grounds that wages accelerated economic growth. (p. 2). Smith also argues that market economics makes for unequal distributions of income and bargaining power between workers and owners (Plowman and Perryer, 2010, p. 3). In Smith’s view, owners “combine ‘with the utmost silence’ to ‘sink the rate of labour’ ... [while] defensive associations of labour ... are subjected to the ‘rigorous execution of those laws which have been enacted with so much severity against the combinations of servants, labourers, and journeymen” (Plowman and Perryer, 2010, p. 3). However, beyond economic imperatives, Smith makes his argument on moral grounds, positing that this is a problem because “no society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable” (Plowman and Perryer, 2010, p. 4). For Smith, as for the authors above, the minimum wage is ultimately about what kind of society we want to

create: “what improves the circumstances of the greater part can never be regarded as inconveniency to the whole” (Plowman and Perryer, 2010, p. 5).

Perhaps there is no better way to exemplify the moral nature of the (living and) minimum wage than by using an example given by Luce in an abbreviated genealogy of the term “living wage.” Luce (2011) notes that before the re-popularization of the term in the 1990s, its last prominent usage was when Martin Luther King Jr. was fighting for a living wage for sanitation workers in Memphis, just before his assassination (p. 129). King, of course, was a thinker who demanded reflection on the type of societies we have and the types of societies we want to have.¹¹ For Levin-Waldman, this is the importance of framing the minimum wage debate on moral and ideological grounds. He argues that “when the minimum wage is assessed in terms of these criteria, a stronger case can be made for the minimum wage because we as members of the political community are being asked to seriously reflect on our values and determine whether this policy works to further them” (Levin-Waldman, 2000, p. 59).

For all of the scholars cited above, the moral argument is in favour of the minimum wage because it helps create some semblance of economic equality among people, which, in their views, is a necessary component to a just society. However, there are also those who oppose the minimum wage on moral grounds and disagree about what policies and characteristics create a just society. This school of thought argues, on utilitarian grounds, that “even if redistributing wealth to the working poor is a good idea ... the minimum wage is a suboptimal way of doing so” for two reasons (Rogers, 2013-2014, p. 1551). First, the minimum wage is not well suited to target the poor because “it applies to covered workers regardless of their background family wealth, their annual income ... the extent of which they work overtime, whether they have a second job” and so on (Rogers, 2014, p. 1551). Second, “even if a wage subsidy is a good idea, a tax on low-wage employers will reduce demand for low-wage labor” (Rogers, 2014, p. 1551). Therefore, the minimum wage is not a just policy because it increases unemployment and does not necessarily cover the poor. This reasoning is, essentially, the moral

¹¹ Luce (2005) also notes that it is on moral grounds that faith-based groups join coalitions for wage justice, and that these groups are often quite influential members in these coalitions (p. 432).

formulation of Stigler and Friedman’s economic arguments, though the two come to different conclusions (state redistribution for Stigler and laissez-faire equilibrium for Friedman).

There is a substantial difference between the Stigler/Friedman school of moral thought and the Levin-Waldman school of moral thought. The Stigler/Friedman school is built on what they perceive to be faulty economics, making it, at its core, still an economic argument against the minimum wage. The Levin-Waldman school is rather unconcerned with the economics of the minimum wage. Instead, for this school, the minimum wage is just because it is an attempt at egalitarianism. For this same reason, this school would of course favour a state redistribution model as well. Indeed, for Levin-Waldman (2001), a person who views the minimum wage through a moral frame “argues that a minimum wage increase, if it has sufficient political support, will be efficient when it satisfies most people in the political spectrum” (p. 16). Levin-Waldman (2001) argues that “even if [the minimum wage] is not efficient from a business point of view, there are still other issues to be concerned with, most notably equity, fairness, and whatever else contributes to the larger public interest” (p. 17). Brishen Rogers (2014) echoes Levin-Waldman, arguing that even if minimum wage laws have negative effects on employment, they still promote justice in other ways. For Rogers, minimum wage laws advance social equality because “they increase worker wages which are a primary measure of the social value of work [and] they alter workplace power relationships by giving workers rights vis-à-vis employers” (p. 1543).

2.5. Conclusion

To summarize, the Seattle citywide minimum wage is situated within the context of neoliberal policies that create an ever-widening wealth gap, that create the need for cities to be economically competitive in the global economy, and that place the responsibility for both social justice and economic competitiveness increasingly at the local level. The ordinance is also situated within the context of urban resistance to such policies, as well as the academic debate on the impact of minimum wage policies. Therefore, I reviewed the academic literature on the effects of neoliberalism on municipal government, urban resistance to neoliberalism, the political economy of

Seattle, and the impact of minimum wage policies. By doing so, I attempted to show how these bodies of literature and some of the authors that comprise them can help us understand how such an apparently contradictory and contingent policy might emerge.

Chapter 3.

Methodology

To research why the City of Seattle passed a citywide \$15 minimum wage ordinance, I employed a qualitative, multi-method approach. The methodologies I used were document analysis and semi-structured, in-depth interviews. I collected government documents, economic studies commissioned by the city, newspaper articles and editorials from Seattle publications, as well as some national publications, filmed public hearings, and symposium presentations from the City of Seattle's television channel *Cable Channel 21*. The interviews were used to supplement the information I attained through these different documents. In regard to data collection for the document analysis, I employed a saturation approach in which I collected and analyzed documents until the point at which new documents yielded little new information (Babbie and Benaquisto, 2014, p. 335). I employed a saturation approach for data collection for the interviews as well. Where this was unattainable due to time and resource constraints, I aimed for a pool of interviewees that represented the range of views on the ordinance.

3.1. Document Analysis

For the document analysis, the primary method I employed was a critical analysis of the documents, reading them for both larger themes and specific details regarding the ordinance and trying to understand how that information fit with the other documents, interviews, and literature that I analyzed. Because I had quite a large amount of data from my document analysis, once I had gone through the critical analysis of the documents, I conducted a process of coding any key terms, ideas, and concepts in the documents to assist in identifying emergent patterns across the documents (Babbie and Benaquisto, 2014, p. 380). This coding did not make it into my research in any quantitative way, but was used for my own clarity in grouping together themes and

ideas. Memoing followed the coding and was used to determine if there were patterns or themes that required further analysis and/or more documents to analyze (Babbie and Benaquisto, 2014, p. 383).

Table 3.1: City of Seattle Documents and Commissioned Studies

Author	Title	Publisher	Date
City of Seattle	“Ordinance 124490”	City of Seattle	June 2, 2014
Marieka M. Klawitter, Mark C. Long, and Robert D. Plotnick	“Who would be Affected by an Increase in Seattle’s Minimum Wage?”	University of Washington	March 21, 2014
Michael Reich, Ken Jacobs, and Annette Bernhardt	“Local Minimum Wage Laws: Impacts on Workers, Families, and Businesses”	University of California, Berkeley	March 1, 2014

Analyzing the government documents and studies listed in Table 3.1 helped me understand the City’s logic in passing the minimum wage ordinance. I also used further academic documents to supplement the findings in the government documents. These works did not necessarily fit into my literature review but contained pertinent information relating to the ordinance.

Table 3.2: Media Articles

Author	Title	Publisher	Date
Lynn Thompson	“Seattle’s Maximum Debate on Achieving \$15 Minimum Wage”	<i>The Seattle Times</i>	April 19, 2014
Lynn Thompson	“How the \$15 Wage Deal Came Together in Seattle”	<i>The Seattle Times</i>	May 3, 2014
Lynn Thompson	“Seattle City Council Approves Historic \$15 Minimum Wage”	<i>The Seattle Times</i>	June 2, 2014
Josh Feit	“What do we want? 15! When do we want it? In a Little While”	<i>Seattle Met</i>	July 30, 2014
Jake Blumgart	“This is How Seattle Passed a \$15-an-Hour Minimum Wage”	<i>Next City</i>	June 6, 2014
Jordan Larson	“Meet the Group Trying to Kill Seattle’s Minimum	<i>Vice News</i>	June 7, 2014

Author	Title	Publisher	Date
	Wage Hike”		
Nick Hanauer	“The Pitchforks are Coming ... For Us Plutocrats”	<i>Politico Magazine</i>	July/August 2014
Nick Hanauer	“The Capitalist’s Case for a \$15 Minimum Wage”	<i>Bloomberg View</i>	June 19, 2013
Democracy Now	“Seattle’s Socialist City Council Member Kshama Sawant Hails Historic Vote for \$15/Hour Minimum Wage”	<i>Democracy Now</i>	June 5, 2014

Analyzing media articles in Table 3.2 helped me understand the larger narratives and debate on the ordinance. They also helped me understand how the City was able to pass the ordinance and how broad coalition support for the ordinance was built. In assessing the articles on opposition to the ordinance, I sought an understanding of how secure the ordinance is going forward. I used academic documents to supplement my findings in the media articles here as well.

Table 3.3: Income Inequality Symposium Presentations

Speaker	Title	Date
Ed Murray, David Rolf, Howard Wright	“Income Inequality Symposium: Welcome and Keynote”	March 27, 2014
Nick Hanauer	“Income Inequality Symposium: Welcome and Keynote”	March 27, 2014
Kshama Sawant	“Income Inequality Symposium: Other Cities”	March 27, 2014

The presentations in Table 3.3 helped me understand the larger narratives around the ordinance as well as how the City and multiple disparate coalitions were able to make the ordinance succeed. They also showed me where some of the cleavages between these actors may exist as I was able to see them interacting together in the same room.

Finally, I analyzed a filmed public hearing on the ordinance held by the IIAC on March 5, 2014. The IIAC held a series of ten public hearings from March 5 to May 29. I

focused primarily on the first hearing because it had by far the highest attendance and because the prominent themes of support or opposition were voiced at this hearing.

3.2. Interviews

To expand on the findings from my document analysis, I conducted interviews with a select few actors with knowledge of, and experience with the minimum wage ordinance. I attempted to interview one person from each group that represented the range of views on the ordinance (labor, community organizations, business, and the City) as well as one person from the opposition group Forward Seattle (see Table 3.4 below for a list of interview subjects). My aim with this strategy was to create a small but diverse group of interviewees connected to the ordinance. I was unable to interview anyone from business or Forward Seattle. Fortunately, with the large amount of media available, I was able to find interviews with businesspeople on the IIAC. The public hearing referred on the ordinance also offered ample information on the concerns of small business owners.

For the interviews, I attempted to understand people’s experiences in policymaking, coalition building, and organizing around the ordinance. I also critically analyzed the interviews, looking for general themes and patterns concerning the ordinance and its creation process that would help me answer why the ordinance was passed with the rhetoric that accompanied it. Concerning the confidentiality of the interviewees, each was offered a choice not to have their name included in this paper, and each declined. I will keep all of the data from all interview formats on an external hard drive and the audio tapes for two years, after which I will permanently delete all information.

Table 3.4: Interview Subjects

Interviewee	Affiliation	Date
Newell Aldrich	Legislative Aide to Seattle Councilmember Nick Licata	July 23, 2015
Andrew Beane	SEIU 775	August 28, 2015
Nick Licata	Seattle City Councilmember	September 12, 2015
Jess Spear	15 Now, Socialist Alternative	August 20, 2015

Chapter 4.

The Seattle Citywide Minimum Wage Ordinance

In this chapter, I analyze the Seattle citywide minimum wage ordinance and associated documents. I analyze the arguments and justifications used in the ordinance and associated documents to understand why the ordinance was successful and why it was framed and written the way it was (e.g., asserting that both business and low-wage workers stood to benefit). To give this analysis context, and to show why the Seattle ordinance was constructed and written the way it was, I contrast the Seattle ordinance against living and minimum wage ordinances in other cities generally, and in San Francisco specifically. The chapter begins with the analysis of other wage ordinances in the United States and then moves to the analysis of the Seattle ordinance.

4.1. The Living Wage Movement in the United States

As neoliberalism became increasingly hegemonic and the welfare state was increasingly retrenched, economic inequality surged (Piketty, 2014). The living and minimum wage movement is a response to that surge and to state and federal governments removing themselves from the spheres of progressive wages and any kind of wealth redistribution (Bernstein, 2004, p. 111; Swarts and Vasi, 2011, p. 745). One of the results of the retrenchment of the welfare state was that the federal minimum wage in the United States essentially froze. In an economic policy brief by the National Employment Law Project, Paul K. Sonn (2006) shows that “the federal minimum wage would be worth \$9.19 today if Congress had consistently updated it to keep pace with inflation over the past thirty-five years. Instead it stands at \$5.15—44 percent below its real value in 1968” (p. 1). According to the Pew Research Center, in 2015 the federal minimum wage, adjusted for inflation, should be \$12 per hour (Desilver, 2015, par. 4). It currently stands at just \$7.25 per hour.

The first living wage policy enacted in the United States was in Baltimore, in 1994. There, a coalition of labor unions, community organizations, and religious congregations campaigned successfully for the wage (Dreier, 2014, p. 86). According to Stephanie Luce (2011), by 1994 it had become clear to those concerned with income inequality in the United States that the Bill Clinton government was not going to raise the minimum wage and was actually going to continue with neoliberal policies and retrenchment of the welfare state (p. 130). Since the 1994 Baltimore living wage, over 140 American cities have adopted living wage policies (Dreier, 2014, p. 86). According to Bernstein (2004), alliances between labor and national community organizing groups such as the now defunct Association of Community Organizations for Reform Now (ACORN) were instrumental in the success of these living wage ordinances (p. 114). Bernstein (2004) argues that most successful living wage campaigns seemed to follow a similar strategy of “labor, community, and religious groups working together, often in consultation with sympathetic economists and lawyers offering technical support” (p. 114). Dean and Reynolds (2009) take this further, arguing that living wage organizing was characterized by building deep coalitions between labor, community, minority, immigrant, and faith organizations as well as with local government and business groups where possible (p. 126).

Although Seattle never actually adopted a living wage, Seattle was home to living wage organizing (Dean and Reynolds, 2009, p. 196). According to Dean and Reynolds (2009), “the famous demonstrations that greeted the WTO in late 1999 reflected, in part, years of innovative coalition building” by the King County Labor Council throughout the 1990s (p. 196). By the time of the WTO protests, many different groups from Seattle were working together. Dean and Reynolds (2009) point out that there was “co-operation among unions, environmentalists ... faith-based communities, women’s groups, and a wide range of community organizations that has grown steadily over the past two decades” (p. 126). Dean and Reynolds (2009) also point out that in 2001 the King County Labor Council conducted an organizing effort that “delivered the two-thousand-vote margin needed to elect Greg Nickels as mayor” (p. 196). Upon being elected, Nickels “publicly took up the call for living wages and project labor agreements, supported contract battles among janitorial, grocery, longshore, and other workers, and vetoed a development subsidy not supported by labor” (Dean and Reynolds, 2009, p.

196). None of this organizing led to a living wage, but this shows that throughout the 1990s and the 2000s, there was political contention of the effects of Seattle's neoliberal economic policies. Furthermore, Dean and Reynolds (2009) argue that the pioneering work on the living wage, especially in California, was a crucial foundation and inspiration for labor organizing and coalition building in other American cities (p. 139).

A decade of experience with the citywide minimum wage in San Francisco has allowed for what Reich, Jacobs, and Bernhardt (2014) classify as rigorous studies of the effects of local minimum wage policy, which they cite heavily in their study for the city of Seattle on the possible effects of a citywide minimum wage in Seattle (p. 17). The section below is a description and analysis of some of these studies of the outcomes of the San Francisco minimum wage. Understanding these outcomes provides a context through which to understand how the Seattle ordinance passed, how it was framed, and what theoretical and empirical legs it had to stand on.

4.2. The San Francisco Citywide Minimum Wage

When Mandates Work: Raising Labor Standards at the Local Level, edited by Reich, Jacobs, and Dietz (2014), is an anthology that explores the San Francisco experience with its citywide minimum wage policy over the last decade. In the opening chapter, "When do Mandates Work?," Jacobs and Reich (2014) argue that "although other cities and states have adopted somewhat similar policies [to the San Francisco minimum wage], the number, scope, and reach of the San Francisco standards are unequaled anywhere else in the United States" (p. 2). For Jacobs and Reich (2014), "it is not an exaggeration to state that [the San Francisco standards] represent a new social compact among businesses, workers, and government" (p. 2). Where the living wage movement was successful in winning higher wages for some workers in some industries directly linked to the local government, the San Francisco minimum wage was precedent setting because it followed these early initiatives with "pioneering new laws that applied higher standards to all firms operating within San Francisco's geographic boundaries" by establishing a citywide "minimum wage that applied to all employers, a universal health access plan for all San Francisco residents with a mandated employer health spending

requirement, and a minimum level of paid sick days for all San Francisco workers” (Jacobs and Reich, 2014, p. 2).

The San Francisco minimum wage ordinance was a decade in the making. In 1996, the city enacted a living wage that applied “primarily to contractors doing business in the city” (Jacobs and Reich, 2014, p. 4). Following the contractor-only policies in the late 1990s were a “legally contentious battle to extend benefits to domestic partners ... a labor peace and majority sign-up agreement with simplified union recognition procedures ... an overhaul of prevailing wage law ... and the creation of a labor standards enforcement office” (Jacobs and Reich, 2014, p. 4). From 1998 to 2001, the City extended the contractor-only policies to cover companies doing business on City-owned land, such as the airport, the port, and the baseball stadium (Jacobs and Reich, 2014, p. 4). By 2003, the policy initiatives in the city “began to focus on programs that would affect all employers in the city” (Jacobs and Reich, 2014, p. 4). This was not just a citywide minimum wage but a set of citywide labor policies and policies to help low-income residents of San Francisco enacted over the course of a few years. According to Jacobs and Reich (2014), these policies included “a minimum wage (enacted in 2003 and implemented in 2004), a local earned income tax credit (2005), a health access program (passed in 2006 and implemented in 2008), and paid sick leave for all workers (enacted in 2006 and implemented in 2007)” (p. 4).

The citywide minimum wage built on the success (and limitations) of the living wage campaign. It affected an estimated 11 percent of the San Francisco workforce (Jacobs and Reich, 2014, p. 11). This estimate included workers making below the new minimum wage and making just above it, as an increased wage floor also helps increase the value of a lot of low, but not minimum wage work by setting a higher bar (Jacobs and Reich, 2014, p. 11). The ordinance affected all businesses in the San Francisco area. The minimum wage stood at \$10.55 per hour in 2013, which was the highest in the country at the time. The overall cost of the minimum wage with all of the benefit programs included for large employers was \$13.31 per hour.

In 2004, there was not empirical evidence to show how the citywide minimum wage would affect the San Francisco economy. It was very much an experimental policy

based on theoretical and moral claims (Jacobs and Reich, 2014, p. 4). This made the politicians and activists who championed these policies in San Francisco vulnerable. If it turned out that the policies did actually harm the economic wellbeing of San Francisco, neoliberals would not only have a sharpened theoretical blade, they would have the empirical evidence to twist the knife.

Jacobs and Reich provide a survey of the effects of the ordinance in San Francisco on low-wage workers and on businesses in the city. In 2013, low-wage workers in San Francisco made “33 to 60 percent more, on average, than minimum wage workers in the rest of California and 47 to 77 percent more than minimum wage workers under the federal minimum wage” (Jacobs and Reich, 2014, p. 27). From 2004 to 2013, the tenth percentile wage (associated with minimum wage workers) in San Francisco jumped in 2004 (after the initial minimum wage increase) and then remained constant in real dollars. This reflected “how indexing of the city’s minimum wage protects workers from real wage cuts because of inflation” (Jacobs and Reich, 2014, p. 28). By contrast, the tenth percentile wage did not increase in the counties surrounding San Francisco and actually declined after the Great Recession (Jacobs and Reich, 2014, p. 27). Jacobs and Reich (2014) argue that “this difference in wage patterns suggests that the mandate had positive and persisting effects on low-paid San Francisco workers” (p. 27).

In terms of the effects on employment in San Francisco, Jacobs and Reich (2014) say that, “contrary to arguments that minimum wage increases kill jobs, these policies do not appear to have reduced private employment in the city” (p. 29). From 2004-2011, “overall private employment grew by 5.6 percent in San Francisco ... and fell by 4.4 percent overall in other counties of the Bay Area” (Jacobs and Reich, 2014, p. 29). Jacobs and Reich (2014) argue that “these general trends are robust when analyzing employment trends for food service workers, who are more likely to be directly affected by minimum wage laws” (p. 31). In the low-wage bar and restaurant context, there are still no obvious disemployment effects. From 2004-2011, “employment in fast food services and drinking places grew by 17.7 percent in San Francisco, faster than either the other counties of the Bay area ... or Santa Clara County,” which were both at 13 percent (Jacobs and Reich, 2014, p. 31).

Similarly, a study by Dube, Naidu, and Reich (2014) entitled “Labor Market Impacts of San Francisco’s Minimum Wage,” also in *When Mandates Work*, finds that the San Francisco minimum wage did not create “any increased rate of business closure or employment loss” (p. 66). Dube, Naidu, and Reich (2014) also find that there was no significant price increase (p. 66). The authors argue that “the combination of no negative employment effects and the presence of a small positive price effect is consistent with a competitive model, in which small price increases do not significantly reduce product demand” (Dube, Naidu, and Reich, 2014, p. 67). On the generalizability of these results, the authors argue that “the evidence suggests that the key patterns [they] found in San Francisco—sizable wage gains and no visible changes in employment—are in fact the norm and not an aberration in the U.S. Labor market” (Dube, Naidu, and Reich, 2014, p. 67). This leads Dube, Naidu, and Reich (2014) to conclude that “San Francisco’s experience shows that wage standards that are more generous than those that are often discussed can indeed be adopted without affecting employment” (p. 67).

This data from the San Francisco experience with the citywide minimum wage is promising for proponents of an increased minimum wage but it is by no means perfect. As noted in Chapter 2, Belman and Wolfson (2014) show the complexity and of the minimum wage debate and how the effects of minimum wages remain contested. Nevertheless, these outcomes in San Francisco heavily influenced Seattle policymakers in deciding on the Seattle citywide minimum wage.

4.3. The Seattle Citywide Minimum Wage

It is on these empirical grounds, informed by study of San Francisco’s citywide minimum wage, the moral grounds explored in section 2.4.2, and appeals to Seattle’s identity as a city that is concerned with social equity that the Seattle minimum wage ordinance stands. All of these factors are present in the language of the ordinance, as well as in the arguments given in favour of the ordinance at the Income Inequality Symposium and in the economic impact studies commissioned by the City.

The Seattle Minimum Wage Ordinance states that its goal is to “promote the general welfare, health, and prosperity of Seattle by ensuring that workers can better

support and care for their families and fully participate in Seattle’s civic and cultural life” (City of Seattle, 2014b, p. 2). The stance taken by the City in the ordinance is that, at the previous state minimum wage of \$9.47, workers could not fully participate in Seattle’s civic life or pursue the educational, cultural, and recreational opportunities that exist in the city because of low incomes. The City aims to achieve this by establishing minimum wage and minimum compensation rates for employees performing work within the geographic boundaries of Seattle. The ordinance recognizes the moral angle of the minimum wage debate as well, quoting President Barack Obama when he calls income inequality “the defining issue of our time” (City of Seattle, 2014b, p. 1). The ordinance also quotes Thomas Piketty’s argument that income inequality in the United States requires significant action because “real wages for most U.S. workers have increased little if at all since the early 1970s, but wages for the top one percent of earners have risen 165 percent, and wages for the top 0.1 percent have risen 362 percent” (City of Seattle, 2014b, p. 1). Also, in a speech given at the Income Inequality Symposium, Murray openly calls economic equilibrium theory mistaken, notes the ever-increasing income inequality gap in the United States, notes gender and racial inequalities compounding with economic inequality, and says that market orthodoxy must be questioned (Seattle Channel, 2014c).

The ordinance thus takes aim at myriad inequality, not just economic inequality. It states that Seattle has one of the worst gender wage gaps in the country. The ordinance notes that a majority of low-wage workers are women. Furthermore, it notes that income inequality tends to fall disproportionately on women and people of colour (City of Seattle, 2014b, p. 2). Along these lines, the ordinance calls for a set of principles for strong enforcement and a culturally competent worker and business education program that integrates existing annual business license processes, and creates significant penalties for intentional and repeat violations (City of Seattle, 2014b, p. 12). This way, there will be less exploitation of unknowing workers (who may likely often be immigrant workers). As per Section 7 in the ordinance, employers must give notice, via posters put up in the work place, that the minimum wage is \$15 an hour (City of Seattle, 2014b, p. 12).

The ordinance is also concerned with the way the \$15 minimum wage will reflect Seattle’s identity as a city that is concerned with social equity. To this end, there is

language in the ordinance placing it within Seattle's "long and proud tradition of advocating for worker rights and promoting social and economic justice" (City of Seattle, 2014b, p. 1). The ordinance states that the tens of thousands of low-wage workers in Seattle struggling to meet their most basic needs, the increasing unaffordability of the city for many citizens, and the hollowing-out of middle class all compromise Seattle's identity as "a community dedicated to democratic principles and economic advancement and opportunity" (City of Seattle, 2014b, p.1). The ordinance also contains a letter at the end of the document, sent to City Council President Tim Burgess from Mayor Ed Murray. In the letter, Murray writes that "cities are our true laboratories of democracy ... with this legislation, the people of Seattle are seizing control of our own destiny and are leading the way to show how cities can choose to be affordable cities for all" (City of Seattle, 2014b, p. 23).

The ordinance also states that "numerous studies suggest minimum wages benefit employers and the economy as a whole by improving employee performance, reducing employee turnover, lowering absenteeism, and thereby improving productivity and the quality of the services provided by employees." The ordinance cites, specifically, two economic impact studies it commissioned, "Who would be affected by an Increase in Seattle's Minimum Wage?" (Klawitter, Long, and Plotnick, 2014) and "Local Minimum Wage Laws: Impacts on Workers, Families, and Businesses" (Reich, Jacobs, and Bernhardt, 2014).

In their study, Marieka M. Klawitter, Mark C. Long, and Robert D. Plotnick (2014) describe the characteristics of low-wage workers living or working in Seattle and the characteristics of local business in Seattle. The overall labor market in Seattle breaks down as follows: there are 430,000 total workers. 209,000 workers live and work in Seattle, with 11 percent making the Washington state minimum wage and 29 percent making under \$15 an hour (Klawitter, Long, and Plotnick, 2014, p. 7). 220,000 live outside Seattle and work in Seattle, with 7 percent making state minimum wage and 19 percent making under \$15 an hour (Klawitter, Long, and Plotnick, 2014, p. 7). In the Seattle workforce as a whole, then, 100,000 workers earn less than \$15 an hour, 40 percent of which live outside the city (Klawitter, Long, and Plotnick, 2014, p. 7). See tables 5.2 and 5.3 below for more details.

Table 4.1: Place of Work and Residence of Low-Wage Workers, 2012

Seattle Residence and Work Location	Percent of Employees who Earn (\$)					
	Below or Equal to 9.32	9.33-12.12	12.13-15.00	15.01-18.00	Over 18.00	Total Making 15 or Under
Live and Work in Seattle	11%	9%	9%	8%	64%	29%
Live in Seattle, Work Outside Seattle	15%	9%	9%	8%	59%	33%
Live Outside Seattle, Work in Seattle	7%	6%	6%	8%	73%	19%

(Klawitter, Long, and Plotnick, 2014, p. 7)

Table 4.2: Total Number of Workers by Place of Work and Residence, 2012

Seattle Residence and Work Location	Estimated Number of Workers					
	Below or Equal to 9.32	9.33-12.12	12.13-15.00	15.01-18.00	Over 18.00	All Workers
Live and Work in Seattle	23,112	19,607	17,871	16,077	133,387	209,514
Live in Seattle, Work Outside Seattle	18,824	10,717	11,756	9,404	74,243	124,944
Live Outside Seattle, Work in Seattle	14,803	13,753	13,103	18,196	160,899	220,754
Total Seattle Residents	41,936	29,784	29,627	25,481	207,630	334,458
Total Workers in Seattle	37,915	32,820	30,974	34,273	294,286	430,268

(Klawitter, Long, and Plotnick, 2014, p. 7)

Seventy-five percent of businesses in Seattle have fewer than ten employees (and will thus have the full seven years to transition to the \$15 minimum wage), but less than 12 percent of workers in Seattle are employed by a business with fewer than ten

employees (Klawitter, Long, and Plotnick, 2014, p. 2). Only three percent of Seattle businesses have 30 percent or more of their full-time employees earning the state minimum wage. A much higher proportion (27 percent) of businesses have 30 percent or more of their full-time employees earning less than \$15 an hour (Klawitter, Long, and Plotnick, 2014, p. 2). Also pertinent is the share of total wages paid by industry. In 2012, the accommodation and food services industry, the main industry of low-wage income had a 3.4 percent share of the total wages paid in Seattle while having a 9.5 percent share of the workers. This difference of -6.1 percent was much worse than any other industry (the next closest was the retail trade industry, also often low-wage work, with a 1.5 percent difference) (Klawitter, Long, and Plotnick, 2014, p. 22).

In “Local Minimum Wage Laws,” Reich, Jacobs, and Bernhardt (2014) analyze the current knowledge on the impact on local wage laws on workers and their families, the effects of local wage laws on employment, and whether or not local wage laws push business outside of city borders in response to increased wages. Since these authors were involved in *When Mandates Work* and they cite several chapters in the book, their findings are similar to the San Francisco experience discussed above. I am still going to survey the results of their study because it shows how the San Francisco experience informed the Seattle experience.

On the effects of minimum wage laws on workers and families, Reich, Jacobs, and Bernhardt (2014) find that minimum wage laws raise pay for workers at the bottom rungs of the labor market (p. 2). These increases include both directly affected workers earning below the minimum wage and indirectly affected workers earning above but near the minimum wage (Reich, Jacobs, and Bernhardt, 2014, p. 2). They also found that raising the minimum wage also pushes the wage floor up relative to the median wage, effectively reducing income inequality (Reich, Jacobs, and Bernhardt, 2014, p.2). As mentioned above, income inequality in the United States disproportionately affects people of colour and women, so these minimum wage policies disproportionately help those groups and they predict the Seattle minimum wage will do the same (Reich, Jacobs, and Bernhardt, 2014, p. 2). The authors are less certain about whether or not a higher minimum wage produces a stronger local economy via increased purchasing power of low-wage workers. According to Reich, Jacobs, and Bernhardt (2014), researchers have

not estimated the amount of economic stimulus actually created by the new spending power of low-wage workers after minimum wage increases. However, they argue that we do know that low-wage workers and their families are likely to spend a significant portion of increased earnings in the place that they live (Reich, Jacobs, and Bernhardt, 2014, p. 2).

In his keynote speech at the Income Inequality Symposium, Seattle billionaire Nick Hanauer elaborated on this point. He said that he makes “1000 times the median wage, but [his] family does not buy 1000 times as much stuff” (Seattle Channel, 2014c). For Hanauer, it is an obvious point that low-wage workers will put their money back into the local economy more than any other class because earning low-wages makes you less mobile than any other class. Hanauer views higher wages are directly related to higher consumption (there are also many critical ways to view Hanauer’s claims which I explore later in the paper) (Seattle Channel, 2014c). Instead of the neoliberal view that raising the minimum wage will cripple Seattle’s economy and send it to what Hanauer calls “capitalism hell,” Hanauer argued that the citywide minimum wage will actually make Seattle more competitive by giving it a more secure and growing base of customers and allow the city to attract the best and brightest (Seattle Channel, 2014c).

On the effects of minimum wage laws on business, Reich, Jacobs, and Bernhardt (2014) argue that economists increasingly recognize that raising the minimum wage does not automatically mean employment will decrease (p. 3). Businesses in a city that has enacted a citywide minimum wage policy can absorb increased labor costs through a variety of channels, such as savings from reduced worker turnover, improved efficiency, higher prices, and lower profits. The authors also note that, as discussed above, studies on employment impacts of the San Francisco and Santa Fe minimum wage ordinances find no statistically significant negative effects on employment or hours, including in low-wage industries (Reich, Jacobs, and Bernhardt, 2014, p. 3). In analyzing these other studies, Reich, Jacobs, and Bernhardt (2014) found that in restaurants a ten percent increase in minimum wage correlated to a 1-2 percent increase in operating costs; they found a reduction in worker turnover which translates into a reduction in direct costs and indirect costs; and they did not find evidence that

employers absorb minimum wage increases by reducing health benefits or pensions (p. 3).

Finally, at the Income Inequality Symposium, after many detailed presentations on the cost-benefit analysis of the ordinance, Sawant said that “no matter how compelling the numbers are, ultimately, this is a political battle. We have to win this battle politically. Meaning we have to reach out to people who don’t have to look at ... data to agree that this is the right thing to do” (Seattle Channel, 2014b). For Sawant, the idea that raising the wages of the poorest members of society requires proof is actually proof that liberal democratic capitalism is an inhumane system that values economic imperatives over human life (Seattle Channel, 2014b). In Sawant’s view, if the way we have organized our society requires poverty wages, we need to look for alternative visions (Seattle Channel, 2014b).

4.4. Conclusion

In summary, the Seattle citywide minimum wage ordinance stands on empirical, historical, identity, and moral grounds. The ordinance uses empirical and historical research to show that a citywide minimum wage will not destroy the local economy and may actually strengthen it. It does so by relying heavily on research on the San Francisco experience with the citywide minimum wage. The ordinance uses theoretical and moral arguments to show that the citywide minimum wage is a step toward creating a society in Seattle that strives for economic and social justice. This line of argument also situates the Seattle ordinance within the history and identity of Seattle as a place of progressive politics, as well as within a 20-year history of living wage organizing.

Chapter 5.

From Occupy Wall Street to the \$15 Minimum Wage

The previous chapter shows the build up to the Seattle \$15 minimum wage mostly from a policy perspective. In this chapter, I analyze the narrative of the Seattle ordinance from more of a political activism perspective. I do so from both national and local vantages. I examine the effects of the Occupy Wall Street movement, and the fast food worker strikes that followed it, on the conversation on income inequality in the United States and on the political will for the \$15 minimum wage. I then analyze this political will as it existed in Seattle as the city moved from Occupy, to fast food worker strikes, to the \$15 minimum wage. This chapter is about the more immediate narrative that followed from Occupy, but this narrative is also part of a longer narrative of wage justice that starts with the living wage movement discussed in the previous chapter. I bring that discussion back at the end of this chapter to explore why Seattle adopted a citywide minimum wage but never a living wage.

5.1. The National Narrative

5.1.1. The Occupy Wall Street Movement

The living wage movement explored in Chapter 4 was one response to growing income inequality created by neoliberal policies. Another, more recent response was Occupy Wall Street. Occupy was a leaderless, anti-hierarchical movement that erupted in 2011 in New York and then elsewhere across North America and Europe. The activists involved with occupy were concerned with an array of social justice issues, but their major concern, which became their unifying mantra, was the growing income gap between the richest one percent of the population and the remaining 99 percent of the population in the United States.

During the Neoliberal epoch, there has been a sizeable amount of literature written critiquing neoliberal ideology (for instance: Saad-Filho and Johnston, 2004; Harvey, 2005; Leitner, Peck, and Sheppard, 2007; Purcell, 2008). However, this literature has had limited influence after the ideological sea change that followed the collapse of Keynesianism. The Occupy movement was certainly inspired by some of the literature that is critical of neoliberalism, as evidenced by scholars such as David Harvey, Slavoj Zizek, and others speaking at the “free university” set up by Occupy activists in New York (NewYorkRawVideos, 2012). But what the movement was able to do was take some of those ideas, especially those critical of growing income inequality in the neoliberal epoch, and disseminate them to a much wider audience than was previously possible.

There are generally two sympathetic schools of thought on the Occupy movement. The first school of thought views Occupy as too vague, and even aimless, in its demands. City University of New York political scientist Sanford F. Schram argues that this school thinks that Occupy “never developed an explicit public policy agenda and remains to this day at best an amorphous collection of protestors who could never make concerted demands for change upon the government” (Schram, 2014, p. 456). In Schram’s (2014) view, this school tends toward “chiding the Occupy protestors for allowing the heat of passionate commitment to burn out the light that comes with a more reasoned analysis” (p. 456). Schram (2014) argues that for this school Occupy “fizzled as a protest movement because there was too much youthful exuberance at the expense of the kind of systematic thinking that is necessary for organizing for mass mobilization and sustaining an agenda that can impact the public policymaking process” (p. 456).

The second school of thought on Occupy is more supportive. For this school, “the notion that activism equates only to public action ... [is] narrow and outdated. Instead, activism means encouraging possibility and helping kindle the sparks that might ignite change” (MacLean, 2014, par. 7). Through this lens, “the Occupy movement was anything but a flash in the pan. The Occupiers succeeded in pointing out an underlying need for systemic—not tactical—change and in inspiring lots of people in lots of places to do something” (MacLean, 2014, par. 8). Schram argues that this school declares

Occupy a success “because as a protest movement, [Occupy’s] role was to resist being co-opted into making public policy proposals that would only serve to undermine its main mission—to mobilize as many people as possible by raising consciousness about the injustice of protecting the 1 percent at the expense of ordinary people” (Schram, 2014, p. 456).

For detractors, then, the youthful exuberance of Occupy protestors set the stage for the movement’s failure. For supporters, it acted as inspiration and set the stage for further action. I lean toward the latter interpretation. Sebastien Breau (2014), writing at the second anniversary of Occupy, provides a particularly poignant interpretation of the legacy of the Occupy movement:

As we mark Occupy’s second anniversary, the movement appears to have lost some of its traction but if there is one enduring legacy it has left us, it is the collective voice given to the broader issue of inequality. The movement has changed the way people think and speak about the diverging fortunes of the rich and the middle class. Nowhere is this growing ‘unhappiness’ best captured by the ‘we are the 99%’ slogan which continues to resonate in media and policy circles. What used to go largely unnoticed even became one of the focal points of Obama’s political message in his bid for re-election during the 2012 presidential campaign (p. 13)

I do not think it is possible to fully understand the Seattle Minimum Wage without understanding the way that Occupy changed the conversation on income inequality in the United States, bringing it to the fore in a society that was previously thought to be at the “end of history” (Fukuyama, 1992). Sarah Cherin, United Food and Commercial Workers policy director and IIAAC member, agrees, saying that “if you think about Occupy, the national narrative shifted to talking about income inequality. It created the space for us to do this” (Feit, 2014, par. 14). The three people I interviewed, Spear, Beane, and Aldrich, all agreed that Occupy was a heavy influence on the Seattle experience with the \$15 minimum wage. Beane said that “when SEIU tried to [organize] the fight for a fair economy, it was right before Occupy and we were really struggling with ... what our message [was] and what we were standing for and Occupy really focused people around income inequality” (personal communication, August 28, 2015). Furthermore, Beane said he thinks that Occupy both reintroduced “income inequality as a major issue in the country where it wasn’t before and they mobilized a lot of people

who ended up being politicized by them and got involved in this movement as well” (personal communication, August 28, 2015). Aldrich agreed, saying that he thought that viewing Occupy as a crux for the \$15 minimum wage in Seattle was “very accurate” (personal communication, July 23, 2015). He noted that, “after Occupy, Councilmember Licata [created] a resolution stating a number of city goals the City Council was going to look at an examine” (personal communication, July 23, 2015). In Spear’s view as well, “Occupy Wall Street was successful in changing the conversation” (personal communication, August 20, 2015). “If you recall,” Spear said to me, “right before Occupy Wall Street broke out, the conversation in the political establishment and in the media was deficit reduction, and we were looking at austerity. And up pops occupy and gives this really militant expression [against austerity and enormous income inequality by] occupying city squares” (personal communication, August 20, 2015). Moreover, for Spear:

Occupy, while it failed to really become a movement that was sustained, for various reasons, it did change the conversation. The whole 99 percent and one percent is now in the lexicon. Not just in the U.S., but worldwide, which, as a socialist, I think is incredibly progressive because it helps to show people the real divide in society among the different classes—the class that owns all the resources, the factories, the farms, all the so-called means of production. And then there’s the working class, you and I ... This 99 percent versus one percent I think helps to raise people’s ideas of who really controls society, and who is benefitting from how society is being run and who is not. And I think that was incredibly helpful in making people feel that ... if this is the way society is organized, maybe we need to come together and say this is what we need (private communication, August 20, 2015)

5.1.2. Fast Food Worker Strikes

On November, 29, 2012, approximately one year after Occupy Wall Street shifted the conversation on income inequality in the United States,¹² “hundreds of workers at

¹² And also after labor organizing for wage justice throughout the 2000s. This was organizing not just for living wages, but for fair Walmart worker wages, healthcare worker wages, Janitor wages, and so on. Later in this Chapter, SEIU member Andrew Beane notes that before Occupy the labor movement had lost much momentum. This is true, but it is also true that there were ongoing organizing efforts that preceded and perhaps informed the strikes and protests that followed Occupy. Many labor unions, such as SEIU, also took part in Occupy. I am not conflating Occupy and Labor, just noting that there is some overlap.

dozens of fast-food chain stores ... [walked] out on strike, demanding better of those jobs” (Jaffe, 2012, par. 2). The fast food workers demanded “a raise, to \$15/hour from their current near-minimum wage pay, and recognition for their independent union, the Fast Food Workers Committee” (Jaffe, 2012, par. 2). The strike was organized by New York Communities for Change, SEIU, and UnitedNY. Similar to the Seattle experience that would succeed it, Jonathan Westin of New York Communities for change said that organizers found “that there’s huge support among fast food workers to form a union and to fight back against the poverty wages that they’re being paid” (Semuels, 2012, par. 3). On the reason for the strike, Westin said that “most workers are being paid minimum wage, they can’t afford rent, they can’t afford to put food on the table ... many people rely on public assistance to subsidize their wages” (Semuels, 2012, par. 4).

As this initial day of fast food worker action turned into several different days of fast food worker action in multiple cities, the Fight for \$15 organization was born. The page entitled “Why We Strike” on the Fight for \$15 website reads: “as low-wage workers we know what it’s like to struggle to get by. Because our pay is too low, we struggle to pay our bills and put food on the table ... even though we work hard, we’re forced to live in poverty” (N.d., par. 1-4). From 2012 to 2015, the Fight for \$15 spread to about 200 cities (Greenhouse and Kasperkevic, 2015). One of those cities, in 2013, was Seattle.

5.2. The Local Narrative

When I asked Spear, Beane, and Aldrich about their involvement with the citywide minimum wage in Seattle, each interviewee explained their involvement by going back a few years to Occupy and the fast food worker strikes to show how the Seattle minimum wage evolved out of those earlier protests. From the community organizing perspective, “in the wake of the Occupy Wall Street movement when the encampments were uprooted violently,” Socialist Alternative realized “that the anger that the encampments expressed ... would find another outlet in the presidential election cycles and that there was an opportunity to give an expression to the anger at the status quo by running an election campaign in 2012” (Spear, private communication, August 20, 2015). And so, “that’s when Kshama Sawant ran for the first time for state legislature, and in her program for that campaign was a \$15 minimum wage” (Spear,

private communication, August 20, 2015). However, according to Spear, while Sawant and Socialist Alternative ran on the \$15 minimum wage in early November of 2012, “it wasn’t until the end of 2012, where we had the first fast food workers go out on strike in New York City” that there was “a militant expression for that demand [via] striking, and saying not only 15, but we want a union as well, we want collective bargaining power” (private communication, August 20, 2015).

From the labor perspective, Beane said that his involvement with the minimum wage went back to the recession, when “the tea party took to the streets and people that wanted to blame government and public sector workers for the crash sort of owned the public discourse and the streets” (private communication, August 28, 2015). Beane said that, at this time, “SEIU and other parts of labor realized that [they] had really lost any sense of movement in what [they] were doing.” To refocus their efforts, Beane said that these different parts of labor “came together and started a program called the fight for a fair economy, which is really about how to mobilize unemployed people and the community and especially people in urban areas around demanding change and investments in jobs and infrastructure and ... accountability for the banks” (private communication, August 28, 2015). In Seattle, these groups “founded an organization called Working Washington, which was a 501(c)(4) non-profit which was really meant to mobilize workers in the community around economic issues more broadly than just talking to union members” (private communication, August 28, 2015).

Then, as described above, Occupy changed the conversation on income inequality in the United States, and “then some ... fast food workers in New York had the idea ... to try to build a movement of workers around \$15 and a union” (Beane, private communication, August 28, 2015). According to Beane, “the success of that as a movement ... in terms of how workers responded and how the press responded and how the public responded ... spread to a few others cities including Seattle ... and we did our first fast food strike on May 30th of 2013” (private communication, August 28, 2015). According to Beane, “the fast food strikes were an impetus for the demand of 15 bubbling to the surface, and it was really amplified throughout that summer after those strikes both by the campaign of Kshama Sawant for City Council and by labor endorsing Ed Murray for Mayor of Seattle” (private communication, August 28, 2015). For Beane,

this combination of factors meant that the demand for a \$15 minimum wage in Seattle “felt like a real movement and not just a union driven thing, and it really captured the attention of the city” (private communication, August 28, 2015).

Echoing the above sentiments, Aldrich said that “on income inequality, the way that was most aptly demonstrated was with the fast food worker strikes” (private communication, July 23, 2015). In Aldrich’s view, those fast food workers are “the ones who ... ultimately should get the credit for starting this movement that led to the \$15 per hour wage” (private communication, July 23, 2015).

At this point, SeaTac minimum wage organizing also entered the arena. For Licata, there is a clear trajectory. He said that “the momentum ... began with the unions in SeaTac [and was] greatly amplified by [Sawant and Socialist Alternative] (private communication, September 12, 2015). Licata said that “the victory in SeaTac, even though it is a much smaller municipality, really lit a fire under the folks in Seattle” (private communication, September 12, 2015).

Also galvanized by receiving “twice as much [of the vote] as anybody had ever gotten against the speaker of the house,” Socialist Alternative “decided to run [Sawant] again in 2013 ... and the fast food workers struggle came to Seattle that year. So at the same time we were running the campaign you had fast food strikes happening” (private communication, August 20, 2015). Spear thinks that the fast food strikes “gave a boost to the campaign, [and that] the campaign itself also gave a tremendous boost to the \$15 minimum wage demand” (private communication, August 20, 2015). For Spear, this combined effort “helped to create a certain dynamic in which public sentiment shifted and became much more supportive [of the \$15 minimum wage]” (private communication, August 20, 2015).

Aldrich also thinks that Sawant running for office with the \$15 minimum wage as her key platform had a big impact (private communication, July 23, 2015). He said that he has “been involved in city elections campaigns since 1997 and never seen anything like that ... for a city council campaign, where they literally had volunteers holding up signs on street corners all around the city, it was completely unique and really resonated” (private communication, July 23, 2015).

According to Councilmember Nick Licata, another factor in the Sawant's victory (and Mayor Murray's) was that her opponent, Richard Conlin, did not take the growing momentum for the \$15 minimum wage seriously enough (private communication, September 12, 2015). This, according to Licata, spelled the end for Conlin and incumbent mayor Mike McGinn (private communication, September 12, 2015). In the 2013 Seattle election, defeat awaited those (on the center-left, at least) who did not realize the wave of support for the citywide minimum wage.

After Kshama was elected, herself, allies in the labor movement, and Socialist Alternative “launched the grassroots organization 15 now, which [gave] an opportunity to the community to get involved in the fight for 15” (Spear, private communication, August 20, 2015). According to Spear, “all the other groups that are out there—Fight for \$15, Raise the Wage, and the like—are mostly geared toward ... low-wage workers ... we wanted a way for the community to get involved and build support for [the \$15 minimum wage]” (private communication, August 20, 2015). From this point, with all the pieces in place (Sawant and Murray in office, 15 Now and Socialist Alternative mobilized, the IIAC created), the debate on the minimum wage was not about if it would come to pass, but when and with what stipulations. I discuss this debate in the next chapter.

5.2.1. Living Wage Declination to Minimum Wage Adoption

Before closing this chapter, I want to bring back the longer narrative of the living wage movement. I want to address the question of why Seattle never adopted a living wage in order to illuminate the importance of the Occupy Wall Street movement as described in this chapter. This is a difficult question to answer with any certainty. None of the people I interviewed could articulate their own explanation as to why this was the case, and there seems to be sparse information on this in the academic literature on living wages. However, the academic literature does provide some studies on why cities adopt living wages. These studies aim to create criteria for what makes a city more or less likely to adopt a living wage.

Levin-Waldman (2008) finds that “cities that have passed living wage ordinances often do so because of the strong political appeal of local living wage campaigns as a

response to the declining value of the minimum wage, the outsourcing of municipal services, and rising income inequality” (p. 2201). Furthermore, “organized labor is not the primary force behind most living wage campaigns, but they are an important constituency” (Levin-Waldman, 2008, p. 2201). Levin-Waldman (2008) also finds that “cities in states with high union density, and with higher levels of income inequality and larger immigrant populations appear to be more likely to pass living wage ordinances than those cities that do not have these demographics” (p. 2201). Levin-Waldman also notes the importance of sympathetic governing regimes in cities that passed living wage ordinances (p. 2211).

Clain’s (2012) findings were similar to Levin-Waldman’s. Clain’s (2012) principle finding was that “while the size and political identity of the community play a significant role, the adoption of living wage legislation is also significantly influenced by local economic circumstances” (p. 315). In regard to size and political identity, Clain (2012) finds that “larger population and greater local support for Democratic presidential candidates are significantly linked to a greater likelihood of adopting living wage legislation and a greater speed in adopting living wage legislation” (p. 326). In regard to local economic circumstances, Clain (2012) finds that “cities with higher historical median household income were less likely to adopt living wage legislation by 2006” (p. 326).

Martin (2006) finds that “the passage of living wage laws can be explained partly by the extent of poverty and privatization in cities” (p. 718). Second, concerning community organizing groups such as ACORN, Martin (2006) finds that the living wage movement “benefited from a kind of snowball effect: early living wage laws increased the rate of passage of subsequent living wage laws, and ACORN appears to have played an important role in spreading the word about early living wage victories” (p. 718). Swarts and Vasi (2012) confirm much of Martin’s findings (p. 763), but they differ with regard to “the kind of community organizations that predict living wage adoption, and the role of national networks” (Swarts and Vasi, p. 764). Swarts and Vasi’s (2012) findings “emphasize the political valence of local *activist* [their emphasis] organizations, as well as a measure of historical progressivism, rather than the presence of community-based organizations without political goals” (p. 764).

Based on these different criteria, no distinct reason why Seattle did not adopt a living wage ordinance prior to its citywide minimum wage ordinance emerges. It is a city that, while not the most diverse in the United States,¹³ does have a significant immigrant population (and Portland, which is whiter than Seattle, adopted a living wage ordinance in 1996). It features strong organized labor as well as community organizations. It is a large city. And it is a city that generally votes Democratic. Perhaps the relatively high median household income in Seattle played a role. Or maybe Seattle needed more activist minded community groups, but these clearly already existed in the 1990s as we saw with the 1999 WTO protests. In all, it is fair to say, as in Chapter 5, that living wage organizing laid part of the groundwork for the Seattle citywide minimum wage. But, beyond that, there is no coherent reason why the living wage did not take in Seattle the way it did elsewhere.

The takeaway from this, when combined with the rest of the information presented in this chapter, is that the Occupy Wall Street movement and its offshoots really did change the conversation on income inequality and really did galvanize activists who were organizing for wage justice. This especially seems to be the case if we consider that the San Francisco citywide minimum wage was enacted in the midst of the living wage movement, in 2004, while Seattle's citywide minimum wage was enacted nine years later, just two years after Occupy.

5.3. Conclusion

In Summary, from grassroots activism perspective, the narrative of the \$15 citywide minimum wage in Seattle has both national and local dimensions. At the national level, the Occupy Wall Street movement and the Fight for \$15 played roles in creating the political will for the \$15 minimum wage campaign in Seattle. At the local level, this political will manifested in organizing by fast food workers, labor, and community groups for the \$15 minimum wage, as well as two electoral campaigns by Sawant in which the \$15 minimum wage featured prominently.

¹³ Among the top 50 largest cities in the United States, Seattle ranks as the fifth whitest city, with a 66 percent white population (Mayo, 2011, par. 6).

Chapter 6.

Local Debate on the \$15 Minimum Wage

In sections 5.1 and 5.2, I tried to create a robust context of many overlapping and combining narratives in Seattle and American politics. In this chapter, within this context, I attempt to place the local debate on the \$15 minimum wage. My aim in doing so is to add depth to my analysis of the local debate surrounding the minimum wage. To analyze the debate on the minimum wage, I start with opinions from newspapers and political commentators and move from there to one of the public hearings on the citywide minimum wage held by the City of Seattle.

6.1. The Debate in Media

As noted in Chapter 1, between 15 Now, labor unions, businesspeople in favour of the citywide minimum wage, and the opposition to the minimum wage, three main currents formed the debate on the minimum wage. The following section breaks down into:

- Those who were for the minimum wage for moral reasons, for whom the citywide minimum wage was a necessary prerequisite for creating a just society, such as 15 Now, labor unions, and non-profits, as well as left wing political actors and writers across the United States.
- Those who were for the minimum wage for economic reasons, for whom the citywide minimum wage was necessary because it would bolster the local and/or regional economy by increasing the spending power of low-income families such as businesspeople like Nick Hanauer.
- Those who were outright opposed to the minimum wage, for whom the citywide minimum wage represented an affront to neoliberal economic theory that abhors market regulation on the grounds that it will cause capital flight, such as Forward Seattle, Tips Are Wages (TAW), the International Franchise Association (IFA), and right wing political actors and writers in Seattle and across the United States

In the article “Seattle City Council Approves Historic \$15 Minimum Wage,” *Seattle Times* journalist Lynn Thompson (2014a) describes a standing-room-only crowd at the vote comprised largely of fast-food workers, union activists, and 15 Now volunteers (par. 6). Thompson (2014a) describes the outcome of the vote for the citywide minimum wage ordinance as “not in doubt as a progressive mayor and City Council throughout the spring [of 2014] vowed to address the national trend of rising income inequality and a city that has become increasingly unaffordable for many of its residents” (par. 2). However, Thompson (2014a) describes “cautionary notes ... [being sounded about] Seattle’s leap into the unknown” amidst the tenor of celebration after the vote (par. 3). Thompson (2014a) quotes Seattle City Councilmember Sally Clark, a nine-year city councillor devoted to non-profit social services and helping people become their own best advocates (Seattle City Council, n.d., par. 1-2), as saying that “no city or state has gone this far. We go into uncharted territory” (par. 4). Thompson (2014a) also writes that, immediately following the vote, the International Franchise Association announced plans to sue the City on grounds that individual franchises should be counted as small businesses under the Seattle minimum wage ordinance and not as a part of the larger corporation they operate under (par. 23-25).

In the article “Meet the Group Trying to Kill Seattle’s Minimum Wage Hike,” *Vice* journalist Jordan Larson (2014) details the loudest voice against the ordinance, Forward Seattle, a coalition of Seattle businesses against the citywide minimum wage. Forward Seattle echoed a neoliberal argument that raising the minimum wage would cause capital flight, claiming that companies were already “preparing to move outside of the city limits or halt expansion plans within Seattle” following the ordinance vote (Larson, 2014, par. 5). The group collected signatures to put the wage to a citywide referendum in November, 2014, and delivered the signatures to the Seattle City Clerk in July, 2014 (Larson, 2014, par. 3). However, Forward Seattle “didn’t qualify its referendum, falling 1,237 signatures short of the 16,510 required to compel the City Council to include minimum wage ordinance 124490 on this November, 2014 election ballot” (Wolf, 2014, par. 2).

These local opposition groups were also joined by a number of American websites dedicated to free market principles. Websites such as *Townhall* (“Seattle Set to

Destroy Economy with Highest Minimum Wage Increase in the World,” Alexander, 2014), *United Liberty* (“Surprise! Leftist minimum wage policy backfires in Seattle Suburb,” Hurtt, 2014), *Reason* (“Hiking the Minimum Wage Won’t Help the Poor,” Lehrer, 2014), and *Forbes* (“We Are Seeing the Effects of Seattle’s \$15 an Hour Minimum Wage,” Worstall, 2015). In a google search of “Seattle minimum wage,” the *Forbes* article is the top result, placing above even the City of Seattle information page on the citywide minimum wage.

In terms of those who were in favour of the ordinance, in the article “Seattle’s Maximum Debate on Achieving \$15 Minimum Wage,” Thompson (2014b) describes some of the sticking points amongst the members of the Income Inequality Advisory Committee leading up to the vote. According to Thompson (2014b), during the formulation of the ordinance, there was “deep disagreement over the issues of total compensation, the length of a phase-in, and to what size business any wage hike should apply” (par. 4). The phase-in of the minimum wage was an especially heated point of debate. Some business members of the IIAC wanted the phase-in to be anywhere from seven to 21 years. Sawant, as well as labor union members, wanted the phase-in to be anywhere from immediately to three years.

On the left, the argument for the minimum wage was chiefly rooted in ideas of social justice. On 15 Now’s website, the organization writes that “social and economic inequality in the US has reached historic proportions. The top 1% increased their income following capitalism’s Great Recession while the overwhelming majority of working people are still struggling or are even worse off than before. We demand social justice and a dignified life for all workers” (15 Now, N.d., par. 1). They also show how this moral view, this want for a more equitable society, is rooted in social justice movements and the Occupy movement. From 15 Now’s website again: “the movement for a minimum wage of \$15/hour is an expression this enormous problem of inequality. The support for the fast food workers actions for \$15 showed that the aspirations of Occupy to fight against poverty and inequality are alive and growing among millions” (15 Now, N.d., par. 3). For Sawant, the ordinance was not about any concern for the strength of the local economy, it was about “a transfer of income of \$3 billion from the richest in the city to the bottom-most workers ... the workers who make the city run” (Democracy Now, 2014).

Although Sawant was unhappy with portions of the ordinance, she is not totally dissatisfied. Sawant's view is that, "as a socialist, as a fighter for the working class," it is her responsibility to "fight every inch of the way ... until the last hour" (Democracy Now, 2014). However, she also takes pride in the ordinance because "even a small raise in the standard of living is something worth fighting for, and [people] should grab it as much as [they] can" in an economy that has for the last several decades, she argues, featured "a systematic gushing up of income and wealth from the bottom to the top" (Democracy Now, 2014).

On Sawant's right was IAC member Nick Hanauer, the most vocal proponent of the minimum wage in the Seattle business community. In the article "The Capitalist's Case for a \$15 Minimum Wage," Hanauer presents the economic arguments for a \$15 minimum wage. Hanauer (2013) states his case explicitly in his opening paragraph: "The fundamental law of capitalism is that if workers have no money, businesses have no customers. That's why the extreme, and widening, wealth gap in our economy presents not just a moral challenge, but an economic one, too. In a capitalist system, rising inequality creates a death spiral of falling demand that ultimately takes everyone down" (par. 1). For Hanauer (2013), the moral dimension might be there—he alludes to it in the opening paragraph and nowhere else—but the greatest concern is sound economics (which, in the most ideologically dogmatic capitalist view, creates good moral outcomes). Hanauer (2013) argues that because low-wage jobs are rapidly replacing middle-wage jobs in the United States (he notes the estimate that by 2020 48 percent of the jobs in the United States will be low-wage jobs), it is of the utmost importance to make low-wage jobs pay more (par. 2-3). Hanauer (2013) notes that if the minimum wage had continued to rise alongside American productivity gains since 1968, it would be significantly higher than what it is today (par. 4). This is not ideal from Hanauer's perspective as a businessperson because his pillow company needs consumers, but an economy that increasingly concentrates money at the top also increasingly shrinks the consumer base. Hanauer (2013) argues that an economy that "increasingly concentrates wealth in the top [one] percent, and where most workers must rely on stagnant or falling wages, [is not] a place to build much of a pillow business, or any other business for that matter" (par. 7). Thus, for Hanauer (2013), a return to a sort of Keynesian model of capitalist economics is the way forward. He argues that "raising the earnings of all

American workers would provide all businesses with more customers with more to spend. Seeing the economy as Henry Ford did would redirect our country toward a high-growth future that works for all” (par. 17).

Hanauer collaborated with fellow IIAC member Eric Liu to write the article “How a \$15 Minimum Wage Would Make Everyone Richer.” In this article, Hanauer and Liu argue that Keynesianism—or Cascadian capitalism—works. Moreover, Cascadian capitalism works “for everyone, not just for capitalists” (Hanauer and Liu, 2014, par. 7). Based on this, Hanauer and Liu (2014) “believe that raising Seattle’s minimum wage to \$15 in a speedy, simplified, and practical way will make our city more competitive and bring giant benefits, both economic and civic” (par. 7). They argue this for similar reasons as above, writing that “the fundamental law of capitalism is that when workers have more money, businesses have more customers. Raising the minimum wage shifts money in the economy to those with the highest propensity to spend, increasing sales for businesses, which in turn leads to hiring, and more sales” (Hanauer and Liu, 2014, par. 9). Hanauer and Liu (2014) also argue that, in spite of what trickle-down advocates say about a \$15 minimum wage making Seattle less competitive, “making Seattle the highest-minimum-wage city in America gives businesses a more secure and growing base of customers, and from that base, this city becomes a better place to be an entrepreneur and innovator” (par. 12).

Joe Fugere, owner of Tutta Bella Neapolitan Pizzeria, also an IIAC member, echoed Hanauer and Liu’s points. He was quoted in the article “Small Business Owners Announce Support for a \$15 Minimum Wage in Seattle” as saying that “it is smart and responsible to raise the minimum wage, boost our local economy, and support small business success at the same time” (Main Street Alliance Staff, 2014, par. 1). In Fugere’s view, the “Main Street Alliance brought a strong small business voice to the process that sought common ground because we know our economy is built from the bottom up, not the top down” (Main Street Alliance Staff, 2014, par. 1). Fugere said that he and business owners like him “recognize that our local economy is stronger when low and middle class families have greater economic security and more money to spend, and it’s good to provide small businesses time to reap the benefits of increasing

consumer demand while transitioning to a \$15 wage” (Main Street Alliance Staff, 2014, par. 1).

In the article “The Pitchforks are Coming ... For Us Plutocrats,” Hanauer (2014) makes a similar argument to that in “The Capitalist’s Case.” However, what is distinct in “Pitchforks” is that Hanauer is writing to his fellow capitalists. In this article, beyond the calls for a return to Keynesianism that will help him and his fellow “.01” percenters maintain their economic success via increased purchasing power, Hanauer discusses the fear of political upheaval created by an ever-widening wealth gap. Hanauer (2014) tells his fellow “zillionaires” that he sees pitchforks coming for them on the horizon (par. 4). Hanauer (2014) argues that, because of historically high levels of inequality, the United States “is rapidly becoming less a capitalist society and more a feudal society. Unless our policies change dramatically, the middle class will disappear, and we will be back to late 18th-century France. Before the revolution” (par. 6).

This fear presented by Hanauer in “Pitchforks” is a different kind of fear than the fear explored in section 2.3.1. That is a more mundane, everyday fear of the potential boom and bust of capitalist economies. It sits in the background of capitalist societies like dull noise. The fear in “Pitchforks” is more a fear of self-preservation. Hanauer verges on hyperbolic when describing it. This fear of the United States becoming France (or worse, Haiti) before the revolution does not show up explicitly in the language of the citywide minimum wage ordinance. And yet, maybe it is there, implicitly, when the ordinance quotes Obama saying that income inequality is the most pressing issue of our time. Perhaps hiding beneath that statement is Hanauer’s fear that everything could go bad, and that he and his peers could get the worst of it. As Mann (2015) argues, “the twentieth century taught us what the rabble can do. That is why Keynes is embraced so warmly in every moment of capitalist crisis” (p. 137-138). Capitalist societies use his theory “to subdue the rabble dragon without shedding any blood ... but, just as with Keynes eighty years ago, it is the existential anxiety at the heart of liberalism” that is the main reason for the employment of Keynesian policies (Mann, 2015, p. 138).

Sawant, as a socialist, would likely echo Mann, saying that people like Hanauer are merely trying to stabilize a capitalist system at only very unequal levels of income

rather than astronomically unequal levels of income. Moreover, she would likely accuse people like Hanauer of being ignorant of the ways in which capitalism negatively effects people beyond mere income inequality—alienation from oneself, one’s labor, and other people, commodification of people and nature, perpetual growth societies destroying our finite environment, etc. There are salient points in that critique, but that critique is well beyond the scope of this project. But Sawant also makes a simpler argument about the nature of the organizing effort for the citywide minimum wage:

The most important thing people should take away from Seattle ... is that the establishment, the politicians and the businesses, they are not going to be on your side. Working people have to build our own power, our own strength from below. And the reason we won this in Seattle is not because the establishment politicians or the mayor were pushing for this. You know, what happened was they were pressured to the point that they could not ignore it, and 15 became the top of the agenda (Democracy Now)

6.2. The Debate in the Income Inequality Advisory Committee

Above, I attempted to show the debate on the minimum wage through media representations. Some of the most vocal IIAC members appeared in those representations. But a further analysis of the IIAC meetings themselves allows us to peel back a further layer and see more clearly what the agreements, disagreements, and compromises were in creating the citywide minimum wage ordinance.

According to Aldrich, because of the popularity of the \$15 minimum wage¹⁴ and the resonance of Sawant’s election on that platform, it was not a question of if the minimum wage would go up to \$15, rather when and with what stipulations it would be implemented (private communication, July 23, 2015). Aldrich said that Mayor Murray was cognizant of this popularity and resonance and that this was why the minimum wage was his first priority entering office (private communication, July 23, 2015). Spear echoed this point, saying that Sawant getting elected “with over 90,000 votes ... forced

¹⁴ A May, 2014 poll showed 74 percent support for the citywide minimum wage from Seattle residents (Larson, par. 12).

the political establishment to take [the minimum wage] quite seriously” (private communication, August 20, 2015). It got put at the top of the political agenda. On the resonance and unprecedented nature of Sawant’s election, Aldrich said that:

Usually, listing socialist is kind of a death knell for your election chances. [As is] running against an incumbent who had gotten over 80 percent [of the vote and] had actually set a record for getting the most votes ever ... in the previous election. So, beating someone like that really resonated. And I think that helps explain why the Mayor and other councilmembers were so quick to respond (private communication, July 23, 2015)

Fellow IIAC member Craig Schafer, owner of Hotel Andra, said in an interview during the policymaking process that the mayor stated to him and other businesspeople on the IIAC that they were “going to get to 15” and they were “going to get it right” (Tom & Curley, 2014). Murray made it even more explicitly clear that they were going to get the \$15 minimum wage when, during an impasse in the policymaking process, he walked into a room filled with some of the business faction of the IIAC and said to them: “now you’re just fucking with me! You’re just fucking with me! Fix it” (Feit, 2014, par. 1-3). In making the \$15 minimum wage his first major policy initiative, Murray staked his reputation on the different factions in the IIAC being able to make the policy work (Feit, 2014, par. 5). According IIAC member and bar and restaurant owner Dave Meinert, Murray wanted the IIAC to do whatever it took to get the policy passed, saying, “I want you guys to get into this and argue. And I expect that there should be blood on the floor” (Feit, 2014, par. 12).

The popularity of the \$15 minimum wage and the resonance of Sawant’s election made anyone who was against the \$15 minimum wage vulnerable. According to Aldrich, Sawant used this popularity to threaten a ballot initiative on the \$15 minimum wage which would have very likely passed without any of the stipulations business wanted (private communication, July 23, 2015). Beane agreed, saying that “there was a feeling that ... [business] understood that they were going to lose if ... [the minimum wage] went to a ballot” (private communication, August 28, 2015). According to Spear, labor, 15 Now, and [Sawant] developed “a strategy inside city hall and outside city hall,” participating on the IIAC and “taking to the streets and building community support and then also making it very clear that there was community support with rallies and marches and days of organizing and the like” (private communication, August 20, 2015). The

purpose of this strategy, at least from Sawant and 15 Now's perspective, was to say to business and City Council that "there is a price to pay if you don't pass this and stand on the side of workers" (Spear, private communication, August 20, 2015). And so, according to Spear, one of their strategies was to use the threat of a ballot initiative for a \$15 minimum wage without stipulations, which they launched "right when the City Council was going to get the Mayor's proposal and begin their debate. And it was a way put pressure on the City Council, to say ... if you don't come up with something that workers can accept ... then we're going to move forward with this ballot initiative" (private communication, August 20, 2015).

Sawant exercised this threat by outmaneuvering Murray, setting up a press conference in city hall two days before Murray's own press conference (on December 19, 2013) to announce his plans to address the minimum wage (Feit, 2014, par. 24). In Sawant's press conference, surrounded by low-wage workers and 15 Now organizers, she announced that she would put forth her own \$15 minimum wage proposal, saying that "in principle, our bottom line is that all workers in the city of Seattle will make close to a living wage in the very near future ... if our bottom line is not able to be met, we will have to take it to the people" (Feit, 2014, par. 24). The left in Seattle won the ideological battle on this issue. This was so much the case that the businesspeople on the IIAC were mostly resigned to the idea that the \$15 minimum wage was imminent, and that all they could do was negotiate on the phase-in and compensation. This is a much different perspective than many national and international takes that focused on the main players (the socialist city councillor, the new mayor, the billionaire attracted to Keynesianism, etc.). But the \$15 minimum wage, as much or more than anything, was propelled by popular support. Without the threat of a successful ballot initiative, Sawant would not have been able to force Murray and especially business to the negotiating table.

Murray eventually brought Sawant into the fold and brought both sides to the table. It made sense for both sides, because if the left had a clear advantage in the polls on the \$15 minimum wage, the right still had deep pockets to wage a counter campaign if there was a ballot on the minimum wage. Murray may have had his hand forced by Sawant (as did business), but he also said to both sides: "what price is victory going to

cost you? Not just in dollars, but in the conversation we have in this city?” (Feit, 2014, par. 31).

Clearly, there were many tensions in the IIAC. Sawant made some of the members of the IIAC, especially in the business faction, uncomfortable by representing a constant threat of ballot initiative (Feit, 2014, par. 9). As Ivar’s CEO Bob Donegan said: “we knew from the election of Councilmember Sawant ... that this would be an issue that was dealt with ... it was too big an issue to be the first issue the mayor had to deal with. But I understand why he had to do it. Kshama put him in that position” (Feit, 2014, par. 33).¹⁵ Meinert also described Sawant’s speaking at the negotiating table as “unbearable speeches” (Feit, 2014, par. 71). When I asked Spear if the negotiating in IIAC was amicable she said “no it wasn’t ... business leaders were just outraged that workers dare demand an increase in their minimum wage” (personal communication, August 20, 2015). Spear said that business was “put in a position where popular support for 15 was increasing, so they don’t want to say those things out loud. But in a closed door meeting they had no trouble voicing that. And, again, we know this because we know people that were on the task force—labor and Kshama” (personal communication, August 20, 2015).

Perhaps more surprisingly, Sawant also made some labor members of the IIAC uncomfortable. According to Spear, “the labor movement felt like it was too much of a strong arm tactic to threaten [the ballot initiative]” (private communication, August 20, 2015). Beane seconded this, saying that “a lot of the people in the coalition and labor were participating on the IIAC and felt like they had made a commitment to that process and didn’t want to be associated with a ballot initiative” (private communication, August 28, 2015). Spear said that Socialist Alternative and 15 Now thought that labor was “totally naïve” to think that business was negotiating in good faith and that they would not “be lobbying the City Council to weaken [the ordinance]” (private communication, August 20, 2015). In an interview series called “One Question,” IIAC member and King County Labor Council Executive Secretary David Freiboth was asked how he thought Sawant

¹⁵ In a time of profound stasis in the IIAC negotiations, the committee resorted to trust building exercises in which members were paired off in twos. Sawant and Donegan were paired together. Donegan recalls saying: “the mayor’s staff decided the reason we couldn’t get to a deal is because I didn’t know what kind of shoes you liked to wear, So maybe if we spend 20 minutes together, and I got to know you better, I would be willing to compromise” (Feit, par. 37).

and 15 Now could adjust their strategy in order to be more open to compromise and collaboration with labor (or, as in the language in the language of the passage below, with Democrats). The following is an excerpt of Freiboth's response:

I'm not sure she needs to change her strategy significantly. I think it's more of a recognition that the left includes a large portion of the Democratic Party, and in order for us to make the kind of change that seems so imminent, we've got to scale back the rhetoric that alienates like-minded people ... We cannot make pot shots at each other or we'll fail. That's fine when you're talking to your base, but at some point it's counterproductive. We've had situations in the past where we thought it was imminent, where we were on the cusp of a big change, but we weren't disciplined in how we treated each other, because of minor differences in terms of tactics, and it divided us enough that we weren't able to deliver ... I think taking pot shots at the Democrats is counterproductive. When you consider that this has got to appeal to folks in the middle, and a lot of those folks view themselves as Democrats, calling them names and making fun of them isn't going to work ... It's time to step back from that internal criticism and build support amongst like-minded individuals, regardless of party, whether it be socialist or Democratic. We're now in a position where we can make significant social change ... Socialist Alternative seems to be pretty sophisticated when it comes to the electoral process. They don't seem to be getting consumed by their ideology. That's the problem with activist movements—they deal with utopia. I'm cautiously optimistic that this is a little different. What's going to drive [the \$15 campaign] is the clear failure of trickle-down economics and the deregulated marketplace. This seems to be the only organized alternative to deal with it—if we can get beyond our differences¹⁶

Aside from ideological differences (or because of them), the sticking points of the IIAC meetings were phase-in and compensation (Aldrich, private communication, July 23, 2015). Craig Schafer also echoed this sentiment in his interview during the policymaking process, saying that the business faction of the IIAC is “fighting for ... the compensation and the phase-in” (Tom & Curley). On the phase-in, the question was how long would it take for businesses of certain sizes to get to the \$15 minimum. According to Schafer, this also opened up the question of what qualifies as a small business because “everyone has their own definition, in some way, of small business” (Tom &

¹⁶ The business faction also experienced disunity. Hanauer proved the most divisive figure, which led to a surreal moment when he was unable to make one of the meetings but “called to lecture the business caucus over speakerphone from his yacht in the Caribbean about the economic plight of minimum wage workers” (Feit, par. 58).

Curley). On compensation, according to Aldrich (private communication, July 23, 2015), the question was what kind of compensation would be included or excluded as part of a worker's wages. Would tips be included? Would health benefits be included? Spear said that Socialist Alternative and 15 Now were vehemently against anything that would change the state definition of the minimum wage by including tips or compensation as wages (private communication, August 20, 2015).

There was much back and forth over different compensation and phase-in plans, an almost-deal that did not materialize because of a misunderstanding of a definition of what constituted a large business (Feit, 2014, par. 39), and so on. Then, because of her disagreement with the phase-in solution that was finally reached, Sawant became one of only two IAC members to vote against the ordinance (the other being businessperson Craig Dawson), saying that "there's no room for large corporations to wait three years," and condemning Mayor Murray's 'big business' cronies" (Feit, 2014, par. 67). During the council meeting on June 2, at which the minimum wage ordinance was voted on, Sawant criticized City Council for "representing the CEOs of the businesses that exploit workers" (Feit, 2014, par. 69).

On the final vote, however, Sawant voted yes on the ordinance. When asked about this change of heart, Sawant said that, as a socialist, she is fighting against the "Democratic Party establishment and the Republican Party. But we're doing that with a clear understanding that most ordinary people who work within the Democratic Party establishment are genuine people who want the same social justice outcomes that I want" (Feit, 2014, par. 74). I asked Spear about Sawant's no-then-yes vote and Spear's response was: "of course she would vote yes on the final bill. This was a historic fight ... a turning point for the labor movement. It would be crazy to vote against it. Even though it wasn't exactly what we wanted, it was still a huge step forward" (private communication, August 20, 2015). Spear said that it is important to remember that "there haven't really been any offensive battles that working class people have taken on and won in the past 40 years or so" (private communication, August 20, 2015). Instead, "they've all been defensive ... where we're just trying to defend what we've won from past struggles" (private communication, August 20, 2015). So, for Spear, "what the fight

for 15 represented in Seattle ... [was] the first time an offensive battle has been won [by working people in 40 years]" (private communication, August 20, 2015).¹⁷

6.3. The Debate in Public

The IIAC held a series of ten public hearings leading up to the vote on the ordinance. The public debate on the \$15 minimum wage in these hearings was also generally split along the lines of the three currents outlined in the section 6.1. Below, I focus on the first hearing, from March 5, 2014 (Seattle Channel, 2014a), because it had the most participants (several hundred) and the most enthusiasm and impassioned debate on the citywide minimum wage. In analyzing this hearing, I attempt to show the debate on the Seattle minimum wage as it existed between the people of Seattle who would be most affected by the \$15 minimum wage (mainly low-wage workers and small business owners). There were approximately 110 speakers and each speaker had two minutes to speak.

At the March 5 hearing, the crowd was highly energized. Even watching the hearing on video, it was apparent that the people there cared deeply about the \$15 minimum wage. Whether for or against the wage, passions swelled in the speakers. The main people in favour of the minimum wage at the hearing were people representing 15 Now, a number of unions, and low-wage workers. For these groups, the City needed to pass the ordinance on moral grounds because workers deserve a decent standard of living. Some of these people also made the argument that higher wages for low-wage workers would create more demand in the local economy. The main people against the minimum wage at the hearing were small business owners, mostly restaurant owners. There was a diversity of opinions within this group, ranging from complete opposition to the minimum wage to support for a minimum wage that is pragmatic and phased in to take account of small businesses. Amongst the speakers, approximately 75 percent

¹⁷ This rhetoric is perhaps a bit bold. As shown in Chapter 4, there were citywide minimum wages and living wages that preceded the Seattle minimum wage. But still, Spear is right that there has not been an offensive victory of this magnitude for working people in the United States in a long time.

were for the minimum wage and 25 percent were against it. Below, I detail some of the more poignant and/or representative speeches.¹⁸ I start with a survey of some of the speakers in favour of the \$15 minimum wage (because they were in the vast majority) and then create a dialogue between those who were for and against the minimum wage for different but related reasons. This is mostly not an analysis or critique of individuals' opinions, but rather a representation of the types of opinions that the general public held during the creation of the minimum wage ordinance.

The first speaker, Steven Price, was at the hearing representing the 15 Now movement and was one of many among the speakers and those in the crowd wearing a red 15 Now shirt. Price was for the ordinance and was adamant that poverty is not unsolvable. For Price, poverty is a question of “whether the 15 dollars goes to the workers or that difference between that and the current minimum wage goes to the owner[s].” He ended his speech by saying that although poverty is a complex economic question, in the end it is a moral and political question: “do we want to have a society with 46 million people in poverty?”

Chrystal Thompson and Amanda Richard exemplified Price's question. Thompson, a fast food worker for most of her life, also wearing a red 15 Now shirt, said that a \$15 minimum wage would allow her to get off public assistance, more easily go back to school, and better care for child. Thompson was representative of many of the speakers in favour of the ordinance. She was working as much as possible and still not able to make ends meet sufficiently.

Richard, a student living on food stamps, was for the \$15 minimum wage. Richard used to work at McDonalds full time but had her hours continuously cut until she could no longer make ends meet. She said that she enjoys her job and strives to give “quality service, but it's difficult when I don't feel appreciated and respected for all my hard work.” Richard urged the IIAC to think of hard working people like her when approving minimum wage ordinance. This last point is something that recurred

¹⁸ The names of speakers were not shown in the video, only spoken. I tried to correctly spell speakers' names where possible, but there are probably some errors.

frequently, the idea of people working hard and deserving better compensation for their hard work.

Silvia Gonzalez, a unionized caretaker making \$15 an hour, was in favour of the \$15 minimum wage and echoed the stories of Richard and Thompson. Gonzalez said that she used to earn the state minimum wage which was not enough to pay for rent, food, and to send her daughter to college. She was, therefore, “pleading for 15 an hour for dignity of the workers.”

This was one of the few statements not to talk about what workers deserved, but instead talk about what they need to live with dignity. While the people in favour of the \$15 minimum wage were in favour of it mainly for moral reasons, that morality is still very much intertwined with the ideology of the American work ethic—the idea that to deserve a decent standard of living a person must be hard working. Time and time again in the hearing speakers brought up the fact that low-wage workers are hard-working people who deserve to be paid more. Certainly it is true that low-wage workers are hard-working. And this is perhaps a piece of rhetoric to combat the myth that poor people are poor because they are lazy. But the point of that myth is that the superrich deserve what they have because they worked for it. If the question of income inequality is a moral one, then this conversation of who deserves what is very much beside the point; if greater economic equality is the aim, then everyone, no matter their level of work, their ability to work, etc., has to receive a decent standard of living. Gonzalez touched on this more poignantly than most speakers.

Conversely, Jay Boswell, a waiter in Seattle, was vehemently against the \$15 minimum wage. Wilson asked, rhetorically, what happens if Seattle passes a “SeaTac style, 60 percent raise in the minimum wage?” His answer: “simple, I lose my job.” He said that he has seen his restaurant’s books, and it cannot withstand a 60 percent increase in labor. Boswell demanded to know what would happen to non-profits and local businesses that could not afford an increase in wages. Boswell made clear that he is “for paying people more, who the hell isn’t?” But he said that any increase should be pragmatic and slow.

Patrick Ayres, a member of Socialist Alternative, was in favour of the \$15 minimum wage and accused Boswell of fear mongering. Ayres cited the Santa Fe citywide minimum wage and pointed out that it increased the minimum wage “62 percent in 2004, [and] Santa Fe to this day has the lowest unemployment rate in New Mexico.” Ayres added that “it’s a lot of fear mongering for Wall Street, They’re the ones who wrecked the economy, not low-wage workers.” Ayres also argued that there should be no tip credit in the ordinance because tipped jobs are some of lowest paying jobs in the country and because two thirds of tipped workers are women. In his view, a tip credit would disproportionately negatively affect women and would be a hindrance in addressing the gender pay gap.

Small business owner Rob Wilson made an argument somewhat similar to Boswell’s and that many other small business owners later echoed. Wilson said that he supports the idea of a raise in the minimum wage. However, he views Seattle as a “pragmatic city” where policy making is concerned and so he expected a “pragmatic solution” and implementation to income inequality in the city. Therefore, he wanted the IIAC to take into account diversity of small business in Seattle, to consider jobs that are tipped work, and to consider those who live on fixed income.

Contrasting Wilson’s argument, Calvin Priest asked “what’s pragmatic?” To which he answered: 100,000 people getting better wages is pragmatic. Priest then echoed Hanauer’s points that an increased minimum wage would create consumer demand, strengthening the local economy because demand creates jobs and bolsters small business. Priest finished by saying that “there’s a lot of non-sense ... being put out there right now, that somehow \$15 per hour is some sort of monster that’s going to come get non-profits and small businesses, and create some sort of economic apocalypse.” For Priest, though, “the reality is the minimum wage has been raised over and over again ... and these same scenarios are painted every single time, and every time we’re asked to accept that the economy just can’t handle it, and it’s just a bunch of crap.”

Aside from arguments of pragmatism, there were also arguments over how an increased minimum wage would affect the Seattle economy. Judith Guile, a small business owner, was not only against the \$15 minimum wage, but predicted economic

ruination for Seattle implemented it. Guile argued that raising prices is not an option because there is pressure from bigger businesses such as Amazon to lower prices. She predicted a 20-30 percent job loss in Seattle a year from the ordinance's implementation, fiercer competition for jobs, increased homelessness, and a collapse of the property market. She did not say how all of this would stem from the \$15 minimum wage.

Alternatively, Jesse Lessinger was in favour of the \$15 minimum wage for all workers and for its immediate implementation, making the point that an increase in the minimum wage would not hurt the Seattle economy and that history bears this out:

[Seattle is] one of the wealthiest cities in the wealthiest country in the world, and every time we hear a proposal about raising the minimum wage, there's all these complaints that there's going to be job losses and that we're going to have to close down businesses, but there's been so many examples of when we've [raised the minimum wage], and that doesn't happen. Like in 1990-1991, when the minimum wage was raised in Washington State by 80 percent ... including tipped workers, and that didn't cause job cuts, that didn't cause businesses to close down

The Department of Labor and Industries at Washington State University supports this, although it shows the increase, an 84 percent increase from \$2.30 to \$4.25, as being from 1989-1990 (Washington State Department of Labor and Industries, N.d.). Lessinger went on to ask why it is a dichotomy between low-wage jobs and no jobs at all, and why we blame workers for the difficulties faced by small business rather than giant corporations.

Jasmine Donovan, owner of multiple restaurants in Seattle, was opposed to the \$15 minimum wage. She said that businesses should take care of employees, but businesses have to first and foremost make a profit. Donovan argued that a raise in the minimum wage would mean that her restaurants would have to raise prices and cut labor costs or employee benefit costs "as a first response." Donovan also argued that an increase in the minimum wage would bring an influx of workers into Seattle, making it increasingly difficult for Seattleites with limited experience to find work. Yasi finished by saying that "reducing job opportunities for the hardest to employ only hurts those we are trying to help by increasing the minimum wage."

Eric Minor, a software consultant and small business owner, was strongly opposed to the \$15 minimum wage. He said that he employs four women at minimum wage at his company, and that an increase in the minimum wage would kill his company. He then told the IIAC members present and the rest of the crowd to Google Milton Friedman on minimum wage and watch Friedman “tear apart” minimum wage arguments. He finished by saying that he expected more impartiality on the IIAC and that he was shocked to see an SEIU member (David Rolf) on the committee.

By contrast, Kathy Yasi was one of the few small business owners unequivocally in favour of the \$15 minimum wage. She said that her daycare business employs six women, and that “it’s wrong that fulltime workers should have to live in poverty.” Yasi went on to say that many teachers in early childhood education love the work but leave the field because they cannot afford to live on the wages in the field. For Yasi, “it’s wrong that we dishonour teachers in this way.” She thinks that a higher wage will stabilize workforce in the field and benefit children because less teacher turnover will help children develop better relationships with their teachers. Yasi finished by answering the question of how she will cover the cost of increased labor by saying that she will “figure it out” because It is important to act with integrity and do the right thing for teachers, children, and the community.

Ben Petersen, a member of Socialist Alternative, was in favour of the \$15 minimum wage. He spoke about his personal story of underemployment and not being able to pay his student debt. He then argued that the committee should not pander to small business. Instead, he urged them to take note that “nine out of ten small businesses already fail ... because capitalism is not suited for them, and we all know it.”

Petersen’s point was pertinent because much of the opposition at the public hearing and in the articles investigating the minimum wage, as well as the articles expressly against the minimum wage, was voiced by small business workers and (mostly) owners, especially from the restaurant industry. At the public hearing, a few speakers noted that this was small business doing big business’s dirty work. It is certainly true that there were no representatives or workers from companies such as Wal-Mart at the hearing. These speakers argued that big business benefits most from a

lower minimum wage and that small businesses get sunk every day (often by big business) regardless of what the minimum wage is. Keeping the minimum wage low is not a tool to help small business; it is a tool to help big business.

6.4. Conclusion

To conclude, the local debate on Seattle's citywide minimum wage ordinance spanned basically the entire city life of Seattle. From politicians, to journalists, to political commentators, to businesspeople, to activists, to non-profit workers, to entrepreneurs, to union members, to low-wage workers working in a variety of fields, to people young and old, to people of varying ethnic backgrounds, the debate seemed to pique nearly everyone's interest. Whether at the level of newspapers, political commentators, and the IIAC or at the level of public debate in public hearings, the local debate also generally broke down into three main currents: those who were for the minimum wage for moral reasons, those who were for the minimum wage for economic reasons, and those who were outright opposed to the minimum wage.

Chapter 7.

Conclusion

In the introduction to this paper, I wrote that the question I was trying to answer in this research project was why the City of Seattle passed its citywide minimum wage ordinance. I was curious about the City's two-headed rhetoric that asserted that with the ordinance Seattle can “boost the earnings of low-wage workers in a meaningful way and increase the economic activity of the region that comes with greater spending power—and we can do it without harming our employers or losing jobs” (City of Seattle, 2014a, par. 3). I was trying to understand why the City of Seattle used this Keynesian rhetoric to pass the ordinance. I was also trying to understand what local and national political structures and political contexts were necessary for the ordinance to succeed and how a broad range of groups were able to come together in support of the \$15 minimum wage.

In asking this question, I was most interested in the citywide minimum wage ordinance as a uniquely local policy, as a policy that takes a Keynesian economic approach in neoliberal times, and as a policy that, therefore, exists at an intersection between neoliberal and redistributive politics. What I found in my research is that all of these characteristics factored into why the City of Seattle created its \$15 minimum wage. Activists and organizers were thinking of the minimum wage in terms of city politics “because of the federal gridlock ... there is a drive to see what [they] can get done at the city level because [they] have a progressive base and a whole bunch of workers in one place” (Beane, private communication, August 28, 2015). The Keynesian rhetoric was there in the language of the ordinance itself, and in the organizing and writing of everyone from community groups, to labor, to business. From the many articles written by Hanauer to Spear telling me that 15 Now pointed out that “all the studies that have ever been done on the minimum wage show that when you increase the minimum wage you put more money in the pockets of workers and then they go spend that in the local

economy” (private communication, August 20, 2015), this rhetoric permeated the discussion on the minimum wage.

What I also found was that this Keynesian rhetoric was but one element that combined with other elements—activism for wage justice, and Sawant’s election—to create the \$15 minimum wage in Seattle. From speaking to people in Seattle who were involved with the ordinance, I found that as much as the ordinance was about the intersection of city politics with Keynesianism with neoliberalism, it was also about the organizing and activism of working people who were tired of being paid crumbs and told that they would one day amount to a whole pie. The roots of this resistance are in the living wage organizing in the 1990s and 2000s, the citywide minimum wage policies created in other cities in the United States in the 2000s, and in Seattle’s history of progressivism. But the momentum for the Seattle \$15 minimum wage started to build seriously with the Occupy Wall Street movement, which, though it dissipated, brought income inequality to the forefront of political discussion in the United States. This led to the fast food worker strikes, which eventually made their way to Seattle and, as Occupy had done previously, galvanized organizers, activists, and workers who wanted increased income equality. These strikes coincided with a galvanized Socialist Alternative running Sawant for City Council, which eventually led to a landslide victory and the creation of the 15 Now organization.

Sawant’s election was also an important element because it allowed these activists to have a voice on city council. I would not necessarily call this working within the liberal democratic system, as Sawant certainly did not hold her tongue or play the game once she took office. But her election presented an opportunity for activists like herself and others to do subversive work outside the walls of City Hall and inside them.

The popular support for the \$15 minimum wage acted as a catalyst for the other elements that were in motion, from the Keynesian rhetoric to Sawant’s work in office. Without this wave of resistance by working people, would Hanauer ever have turned to Keynesianism as a way to strengthen Seattle’s economy? Recall that, beyond simply wanting to strengthen the economy, Hanauer warned his “fellow plutocrats” that the pitchforks of the poor were coming for them. Would Hanauer have felt that way without

these massive protests and strikes? We know that without this wave of resistance by working people that enabled Sawant to hold the ballot initiative trump card, business and the City would have been much less likely to come to the negotiating table to discuss a \$15 minimum wage. In my interview with Beane, he had an insightful comment on this bottom-up, grassroots nature of the \$15 minimum wage organizing in Seattle. Beane said that “the most important thing, when you think about all the politics around this, is that the movement that a lot of workers built by risking their jobs, and the movement that echoed that in the community around socialist alternative and 15 Now, was really ... the driving force behind the demand and inevitability of the whole thing” (private communication, August 28, 2015).

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Appendix.

Semi-Structured Interview Script

1. What was your involvement in the process of advocating for or passing the citywide minimum wage ordinance?
2. What partnerships were needed to pass the ordinance? Were these partnerships amicable?
3. Do you see the Seattle minimum wage as part of a longer narrative of combatting income inequality dating back to the Occupy Wall Street movement?
4. Usually, minimum wage policies are state policies. What do you think of the Seattle ordinance being a municipal policy? And what do you think of the wave of cities that are taking similar action?
5. The main aim of the ordinance is to combat income inequality, but another aim of the ordinance is to create demand in the local economy by increasing the purchasing power of low-wage workers. What do you think of this two-headed rhetoric?
6. The distinction between combatting income inequality and strengthening the economy is part of a larger debate over whether these types of policies should be economically or morally based. What is your opinion on this?