Is Labor Missing the Internet Third Wave?

Nathan Newman

Employers use networked technology to divide workers and defeat organizing, from electronically linking branch offices in a new globalized production system to facilitating subcontracting that divides work tasks between employees operating often on different continents. This article traces the evolving use of this new technology by labor activists to combat the undermining of union strength and highlights the present challenge for unions in using the Internet to fully mobilize rank-and-file union members. The reality facing labor is that corporations are using technology in more and more intensive ways to not only reorganize the workplace but to actually reorganize the global geography of work. While unions are themselves increasingly using technology in innovative ways, they still need to step up the pace to keep up with technology-driven corporate restructurings.

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The first wave of networked technology use by corporations allowed them to integrate their global subsidiaries around the world, helping to keep them in contact with the home office on a continual basis. Multinationals were able to relay orders more easily between top executives and local managers, so the whole of the global enterprise could be better coordinated. This intensified the global division of labor and accelerated the off-shoring of manufacturing jobs in the 1970s and 1980s and the disappearance of millions of unionized U.S. jobs.¹

The second wave of Internet-driven technology allowed professionals in different parts of the country and around the world to directly coordinate their work with one another using the Internet and other online technologies. This “networked” capitalism, as many analysts dubbed it, allowed corporations to coordinate professional activities not only within a firm but also between individual businesses and their suppliers. While large multinationals continue to dominate the global economy, they can contract out more functions to other firms, who can have their work overseen by professionals in the main firm using the new networking tools.²

For labor, this has meant that jobs are increasingly handed off to nonunion subcontractors. Union organizers face increasingly complicated corporate networks where organizing a single firm can prove fruitless if its corporate part-
ners can easily find a cheaper substitute in its corporate network. Wal-Mart is the perfect emblem of this new system, using advanced technology to coordinate its tens of thousands of suppliers, ready to drop any manufacturer or service subcontractor whose labor costs increase even a little compared to available low-wage competitors.

Now, a third wave of corporate technology is increasingly bringing networked technologies to line workers throughout the economy. The workplace, especially in the service sector, can now often be reorganized so that employees in completely different cities or countries are working directly together. Especially where companies are processing information—whether data entry or telephone calls—networked technology can almost seamlessly hand off information from one person to another.

Customer service is the most notorious example of this phenomenon, where complicated technical support questions may be routed to one city, while routine inquiries may be sent to a different call center halfway around the world. To give an extreme example—although maybe not atypical in the future—McDonald franchises in the Pacific Northwest are developing drive-through windows, where customer verbal orders are routed to a separate company in North Dakota, the order is processed, and then sent back as a written order to line cooks in the restaurant.

For unions, this splintering of the workplace across geography divides employees working with the same customers and on the same project not only between different locations but also often between different companies. And the harmful effects of this technological divide go beyond just making solidarity between workers logistically and legally more challenging. Career ladders are dismantled when routine promotions to a different job require switching companies and cities. With fewer promotions expected, corporations end up with little interest in training any but their most elite employees, because advanced job skills are just a click of the mouse away in some other city.

The political result of this new geography of work is that firms care deeply about building the infrastructure that attracts core professional employees, such as research facilities at universities, first-class airports, and office parks, but increasingly fight against funding the public schools and transit systems that support lower-wage workers, who they see as disposable and easily replaced. The Economist magazine, hardly a critic of capitalism, described the emerging politics of Silicon Valley in the 1990s as “a grander version of California’s less attractive creation, the gated community: rich, elitist, and insular.” And at the national and international level, this translates into a politics that starves the public sector of funds, both in the U.S. and in developing nations, while promoting regulations and trade agreements that undermine labor standards.

The Challenge for Labor

This is the world technology has helped shape. It can look bleak, except that it’s worth remembering that labor has repeatedly faced this cycle of new
technology and disruption in the past. As the economic historian Emmanuel Wallerstein has documented, an early response to industrial technology was the flight of capitalists from the old cities of the Middle Ages, areas that were controlled by craft and guild rules. These creatures of the early industrial revolution moved giant factories to rural areas where company-driven urbanization would define the economic landscape. Although those changes have created a new economic elite, it also inspired new organizational responses by labor. National trade unions would emerge, supplanting the old city-based guilds, and promote new national laws governing working and living conditions to contend with the new national scope of the industrial companies they faced.

A crucial element in the rise of national unions was the new communication technology of that day, namely the printing press and the newspaper. As Alexis DeToqueville, author of the classic *Democracy in America*, wrote in 1839, newspapers were the key conduits of organizing at the dawn of the industrial era, because associations are made up of people who are:

... spread over a wide area, and each of them is anchored to the place in which he lives by the modesty of his fortunes and a crowd of small necessary cares. They need some means of talking every day without seeing one another and of acting together without meeting. ... Newspapers make associations and associations make newspapers.

DeToqueville could just as well be describing the modern needs of union workers to talk to each other daily as they confront corporate power. In a time when the cost of newsprint and the corporate media has undermined the traditional political newspaper, the Internet is increasingly the tool needed and used by union activists to take on the increasingly global corporate power they confront.

**First Wave Labor Response to Global Restructuring by Corporations**

In their first wave of technology use, labor and allied economic-justice activists began tightening communication among their leaders and core activists in order to challenge the global corporate elite at their own game of global politics. In many ways, the first sign of this new power came after the Zapatista guerrilla army in Mexico launched a series of raids in 1994 that focused attention on their demands for land reform and a rollback of neoliberal economic policies tied to the recent implementation of NAFTA. The Zapatistas would become masters of using the Internet to build support from allied organizations.

As the peso’s value plunged in 1994, many nervous investors blamed the Zapatistas for undermining the country’s economy. An analyst for Chase Bank of New York on January 13th, 1995 published a memorandum declaring that the Zapatistas were hurting investor confidence in the Mexican government and that “the government will need to eliminate the Zapatistas to demonstrate effective control of the national territory and security policy.” After Mexican
President Salinas launched a military assault on the Zapatistas within the next month under this pressure from international financial forces, the major media paid no attention to the memo.

But then political Internet networks stirred up a firestorm of angry e-mail and phone calls to Chase headquarters, threatening boycotts and other sanctions against the bank. The first mention of the story in the major media found Chase publicly disassociating itself from the analyst and his recommendations. As Mexican papers expressed outrage at this capitulation to U.S. financial interests, President Salinas was once again forced to back away from the war against the Zapatistas. A few months later in May, the Mexican foreign minister, Jose Angel Gurria Trevino, paid a back-handed tribute to the success of the Zapatistas’ and their allies’ technological sophistication when he tried to dismiss the rebellion as just “war of inks, of writings, and a war on the Internet.”

The conflict in Chiapas became for many economic and union activists a paradigm of a new global politics—a conflict rooted in a specific region, yet appealing for global economic changes to make reform possible. It was a war waged by some of the poorest and least technologically sophisticated people on the planet using cutting edge technology to bypass the biases of the global mass media.

Trade policy would increasingly be the proving ground for union and allied activists using the new technology. The union-backed Fair Trade Campaign, in conjunction with the technology savvy of the Minneapolis-based Institute for Agriculture and Trade Policy (IATP), would use the Internet to build global ties with union and community organizations around the world to challenge new trade treaties in the 1990s. As negotiations over new pro-corporate global rules moved forward, bulletins would be sent over the Internet to cities around the world, then faxed by those organizations to allies without Internet connections, who in turn would physically distribute them at meetings at unions and organizations around the world. In this way, the small group of activists already on the Internet in the mid-90s could tie together a giant global network of activists, much as the first wave of corporate networks had built multinational business empires.

The results were impressive. The Internet may not have singlehandedly defeated legislation in 1997 to restore Presidential “fast track” authority—the ability of the President to submit trade treaties to Congress without amendment—but it played a key role in bypassing a major media devoted almost unanimously to free trade in traditional corporate terms.

No less a supporter of corporate trade agreements than The New Republic observed the gulf in viewpoint between “an insular and patronizing pro-globalization establishment” versus what the magazine labeled “resentful and suspicious anti-globalization populists.” Beyond the national debate on trade policy, the magazine explained that the next battle on globalization, the Multilateral Agreement on Investments (MAI) meant to protect corporate investments against local regulation, had already been lost without a single major article about the agreement in major newspapers due to “MAI paranoia [which]
has ricocheted through the Internet.” The magazine worried that the elite was ignoring this growing grassroots organization on the Internet at its peril.  

By March 1998, The Economist explained in an article titled “The sinking of the MAI” that “Labour and environmental groups want high standards written in for how foreign investors should treat workers and protect the environment. Their fervent attacks, spread via a network of Internet websites, have left negotiators unsure how to proceed.” Essentially, MAI was dead, although its goals would continue to appear in other trade negotiations.

As importantly for unions, the Internet could be used not just to communicate the danger of corporate power embodied in trade agreements but to overcome the increasing segmentation of the workplace between the elite core workers and peripheral workers at subcontractors. In the mid-90s, Justice for Janitors, one of the most militant union campaigns across the country by the Service Employees International Union (SEIU), took on and won a broad campaign to organize the janitorial workforce of Silicon Valley. Combined with creative street action, the union used the Internet to publicize its campaigns against Apple, Oracle, and Hewlett Packard on a global basis to tarnish the companies’ images as “model” employers. Using electronic bulletin boards to directly inform engineers and programmers of the work conditions of the janitorial workers who the elite workers never saw, yet who cleaned their offices every night, the union was successfully able to pressure those companies to recognize the union. For other unions involved in corporate campaigns against companies, the web would become an increasingly valuable tool for highlighting environmental or other regulatory violations to potential customers and the media. Or unions could use the web to warn customers or customer representatives such as travel agents that particular companies should be avoided because of existing or looming labor troubles. Essentially, the Internet became the vehicle for spreading company boycott information far beyond the range previously possible or affordable for most unions.

The Internet also became an invaluable tool for highlighting labor abuses by multinationals in their global operations. No company learned this lesson to its regret more than Nike, which became a symbol of sweatshops in the 1990s due strongly to new uses of the Internet to link activists around the country and with compatriots around the world. Unions would team up with student activists and nonprofits like Global Exchange to distribute a mass of information about sweatshop conditions in Nike’s overseas factories, allowing activists to download sample letters to Nike’s CEO, petitions, model city anti-sweatshop resolutions, sample student government resolutions, or sample letters to the editor. E-mail lists kept activists up to date on developments around the country.

Second Wave: Activists Organizing Activists on the Net

By the end of the 1990s, union campaigns increasingly used the Internet to publicize corporate wrongdoing to both the media and to leaders of allied social movements. But just as corporations were now using the Internet as a space for
their professionals to coordinate their activities on a continual basis, the next key step was for unions and their allies to move from using the Internet merely as an information-sharing tool to become an interactive site for planning and executing organizing drives. Staff at both unions and allied nonprofits increasingly used e-mail for a lot of day-to-day communication, but the real test was whether it could be used for broad coordination between groups spread out across the country.

The so-called “Battle of Seattle” at the 1999 World Trade Organization (WTO) meeting was the public debut of this new Internet-driven activism, as a range of localized union, environmental, and community issues flowed together in a common struggle against the new shape of the global economy. The most surprising thing about Seattle was that the mainstream media was surprised at all, because on the Internet in the months before, the upcoming Seattle confrontation was the topic of constant streams of discussion. More than 1,500 organizations signed onto an anti-WTO petition circulating on the Internet, which was sponsored by the Fair Trade Network, an alliance of major environmental and labor groups, while activists engaged in endless online discussions planning and debating strategies for the upcoming protests with many people they would likely have never met in person. The Internet would actually help smooth the closing of a historic divide from a generation earlier when labor unions and young protesters had clashed over a range of countercultural and war issues.

Seattle was a symbolic place for this convergence, as the city of grunge music would meet the city of software programmers and the city of Boeing union workers. The 20,000 union members joining this “festival of resistance,” as the more anarchist wing of the protests called it, showed that the new global economy had created new alliances. This new “Teamsters and Turtles” alliance was part of a far-reaching change in union foreign policy, which in the wake of the end of the Cold War was strengthening alliances with labor unions in developing countries around the world—alliances that the Internet itself was helping to nurture as communication flowed more easily between nations.

And while early global protests had centered on anti-labor corporate actions in the developing world, U.S. unions now used the Internet to marshal global pressure against corporate union busting at home. When the European minerals company Imerys withdrew union recognition after acquiring a plant in Alabama, the Internet was used to mobilize European Union activists and other allies against the company in a global campaign that forced Imerys to restore recognition of the union in 2000. Key to the victory for the union workers was the support of the 20-million-strong International Federation of Chemical, Energy, Mine, and General Workers’ Unions (ICEM), the global affiliate of the U.S. union workers. A website produced in conjunction with the ICEM highlighted the campaign and enabled workers worldwide to communicate with their colleagues in the U.S., even as union activists in Europe were encouraged to directly lobby company management at its headquarters in Paris to help force a change in company policy.13
By increasing communication between union organizers and leaders around the globe, the Internet has made new coordinated global campaigns possible, from Hotel Employees and Restaurant Employees–Union of Needletrades, Industrial, and Textile Employees (HERE–UNITE) taking on the global services company Sodexho to SEIU seeking to unionize the school-bus company, First Student, a subsidiary of a global multinational based in Britain. Instead of seeing each country as having a separate set of labor conditions, unions can share strategies that tie struggles in one country to improving conditions throughout a company’s global operations.

On the political front, the 2004 election became the year of the Internet, as first the Dean campaign, then union-affiliated groups like Americans Coming Together (ACT) began using the Internet to raise funds for their campaigns and locate activists who could sign up on a website and be on a bus for a swing state the same week. ACT even outfitted their core staff with Palm Pilots where information could be downloaded for daily canvasses, updated in the field, and then reintegrated into national databases to plan turn-out strategy precinct by precinct. While Bush pulled off a victory in the end, it was the massive turnout driven by this union-driven mobilization—in many cases achieving results far above the goals set by the political organizers—that even made it close.

Falling Short on Third Wave Mobilization of Union Members

Still, while unions have made large strides in mobilizing their professional staff and key activists via networked technologies, they just have not mobilized their membership to the same degree that their corporate opponents have been able to deploy technology down to the level of the average line worker.

There have been a few notable union campaigns where the Internet has been used to mobilize and network the membership in creative ways. When Boeing engineers went on strike in 2000, this tech-savvy population was able to use the Internet for instant communication that helped sustain the strike to victory. At one point, union members were able to generate a picket line of 500 people in six hours by e-mail alone in order to disrupt an unannounced meeting of the Boeing board of directors in a local hotel. And when the Communication Workers of America (CWA) and the International Brotherhood of Electrical Workers (IBEW) faced off against Verizon in contract negotiations in 2003, the unions had more than half the bargaining unit on their e-mail lists, so they could communicate with their members twice a day to keep them informed as they approached a strike. During negotiations, they encouraged members to fax in their opinions to management, letting management know that the membership was mobilized for action, a key tool in forcing a good settlement for the unions.

A few union-backed organizing efforts exist largely as Internet-based communication networks. Backed by CWA, Alliance@IBM has created a network of IBM employees that have fought unilateral changes in the company’s pension benefits, using chat rooms and e-mail lists to mobilize employees and embarrass IBM among the public. Similarly, the National Writers Union (NWU),
which is part of the United Auto Workers, has organized thousands of freelance writers largely over the Internet. While the NWU does not engage in collective bargaining, it provides services such as job listings and access to health care over the Web.19

The American Federation of Labor–Congress of Industrial Organizations (AFL–CIO) has provided key Internet tools to unions and locals across the country in what it calls its Working Families Network, which has 3.2-million e-mail addresses in its database, with up to 275 different union campaigns at any time sending e-mails in support of various union efforts. During the Safeway strike in southern California, over $180,000 was raised in a few weeks online for the strike fund. And in one Washington state home health care campaign, the union sought to convince a state representative not to cut-off funding for home care workers. Unsolicited, a home care worker previously employed by that representative came forward based on those e-mails and helped to support the campaign media strategy.

Most impressively, the AFL–CIO generated a massive political response against the Bush administration’s proposals to weaken overtime regulations. While the regulations were not defeated, they were revised and the proposals scaled back. At one point, the AFL–CIO asked members receiving e-mails to download a petition, take it to work, have their co-workers sign it, then fax it back to the office. The main office was pleasantly shocked as 170,000 names on petitions began shooting out of the AFL–CIO fax machine in the following weeks, shutting down the machine frequently, and showing an unexpected potential for workers to move from e-mail to face-to-face mobilization of their fellow workers.20

Still, despite these impressive efforts, the 3.2-million people that the AFL–CIO can contact by e-mail are only a minority of the tens of millions of union members, union retirees, and union household members—and only a miniscule percentage of the nonunion workforce that unions need to organize. And, with a few exceptions, most of this communication is one-way and top-down, with instructions for action issuing from union headquarters but with relatively few mechanisms for more decentralized use of the tools for worker-to-worker networking.

It’s very hard to point to examples of technology deployed by unions to match the communication flowing from McDonald’s drive-through windows to North Dakota’s call center workers, and from there back to the McDonald’s fry cooks in Washington State. Ultimately, if the unions cannot deploy technology to forge solidarity electronically between those workers as effectively as the company uses it to divide the workplace, labor will not be able to overcome the ongoing employer-technological onslaught on working conditions and organizing.

Throwing into relief this union failure is the seemingly more dynamic successes of progressive groups like MoveOn.org and the Dean campaigns, which not only raised funds electronically but also have encouraged the spontaneous organization of “offline” meetings among their members. When MoveOn
suggested members screen showings of the documentary, *Uncovered, The Whole Truth About the Iraq War*, 2,600 separate screenings were organized across the country on the same night with over 50,000 attendees.\footnote{As for the Dean campaign, over 180,000 Dean supporters signed up for Meet-ups in the course of the campaign—with as many as 1,000 simultaneous offline meetings bringing supporters together from Burlington to Miami to Anchorage to build the campaign organization. The Internet itself would buzz for months as dedicated “Deaniacs” promoted his candidacy. While the candidate was in many ways less compelling than the campaign he built, its demonstrated strength was enough that large elements were copied by political campaigns across the country, from hosting Meet-ups to encouraging campaign-linked web-based “blogs.”} In these campaigns is a hint of the new power that unions could wield if they can fully master the new technology and encourage the kinds of decentralized mobilizations that MoveOn and the Dean campaign seemed able to promote. Imagine calls for labor rights becoming as common on the Internet as rightwing propaganda. Imagine every Internet chat room where parents discuss the costs of caring for their parents becoming an outpost for organizing policy support for home health care unions. And imagine community supporters and union members “meeting up” outside 4,000 Wal-Mart stores simultaneously to protest its violations of wage and labor laws.

In many ways, the largest barriers to unions achieving these goals are union leaders’ concerns over how technology will affect the democratic empowerment of members. On the negative side, there are the obvious fears by incumbent union leaders that technology will make it easier for challengers to win office. As Charles Greer and Charles Stevens document in this issue of *WorkingUSA*, few unions are rushing to encourage challengers for union office to use union websites.

But the reluctance of unions to promote quick “digital democracy” is also no doubt based on real concerns that existing democratic union structures, however imperfect, could be undermined as well, a problem not faced by the most successful digital organizations like MoveOn and the Dean campaign (now morphed into Democracy for America) which are essentially benevolent dictatorships. They may promote lots of creative innovation at the grassroots, but their ultimate leadership is never subject to any kind of actual election or democratic accountability. MoveOn was established by a small software company from Berkeley, and a small group of individuals still make all core decisions, while it was always Howard Dean and Dean alone who decided how the millions raised by his followers would be spent.

Unions have clear constitutional guidelines not only for elections but also for how to conduct meetings, with hardfought-over principles on how to make those meetings inclusive for all races, genders, and language-speaking ability. For many union activists who have fought for diversity and inclusion within union decision-making, there is some justified skepticism towards the often white and male-dominated flame wars that can overtake electronic debates. *Working America*, the AFL–CIO organization working to include nonunion
workers as members of the union federation, has used e-mail experiments to try to bring people together in their communities, but its Deputy Director Robert Fox argues that they do not want Internet discussions to become a tool of control by “the people with the most time on their hands and who can type fast.”

Conclusion

Ultimately, what is needed are the tools to make a digital Robert Rules of Order effective in promoting both the democratic debate desired and the dynamic organization needed to make the promise of mass mobilization by unions a reality. Unions do need to bring the power of digital networking down to the level of union members organizing other union members. Otherwise, organized labor will continue to be outmaneuvered and overpowered by multi-nationals using the technology to divide and conquer the workplace. Only when workers in Washington can instantly and routinely communicate with fellow unionists in South Dakota and with fellow workers organizing in India will labor stand a chance in this new digital age.

Nathan Newman is director of Agenda for Justice, an organization that provides legal and policy support for unions and other grassroots organizations working to enact progressive legislation. With a Ph.D. in Sociology at UC–Berkeley and a law degree at Yale, he has written extensively on labor and technology issues, including his book Net Loss: Internet Prophets, Private Profits, and the Costs to Community. He also runs the LaborBlog (http://www.laborblog.org), one of the most popular online blogs devoted to workers rights issues. He was formerly associate counsel at the Brennan Center for Justice in its Poverty Program. His e-mail is nathan@nathannewman.org.

Notes

2. Nathan Newman, Net Loss: Internet Prophets, Private Profits, and the Costs to Community (Penn State Press, 2002). Nonfootnoted observations in the rest of this article are largely derived from research I conducted for that book.
18. Interview with Robert Fox, Deputy Director of Working America, 18 January 2005.
20. Fox interview, ibid.
23. Fox interview, ibid.

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