

The Prospect of Internet Unionism

David Jacobs

The Internet permits nearly instantaneous contact across borders and promises to alter the ways in which business and politics are conducted. It aids communication among managers and permits the coordination of internationally-dispersed workplaces. It has provided impetus to the so-called "virtual workplace," in which employees perform and coordinate their work on-line with a minimum of employer-supplied workspace. It has vastly simplified global stock transactions, sometimes permitting the circumvention of national laws.

The Internet has also contributed to the organization and mobilization of workers facing multinational corporations. It has compelled recalcitrant employers to acknowledge worker abuses. Similarly, it has permitted citizens to broadcast protests of government actions, to evade the limitations of government media, and to reach a global audience.

New economy enthusiasts conclude that the Internet contributes to a "creative destruction" that eventually will benefit everyone. The fate of ordinary workers, buffeted by change and uncertainty within their organizations, is ignored.

The Internet has had three kinds of effects on employee interests. First, the Internet contributes to "economizing," the pursuit of efficiency through markets, sometimes at workers' expense. Secondly, it allows unions and other social movements to pursue what sociologist Daniel Bell has termed the "sociologizing mode," "the effort to judge a society's needs in a more conscious fashion . . . on the basis of some explicit conception of the 'public interest'." Thirdly, the Internet places expert knowledge at the disposal of any worker and facilitates the production and distribution of goods without the intervention of management or middlemen, through what might be called the "praxis" effect.

Not all of the effects of the Internet on employee interests have been salutary and many have yet to

develop fully. It is therefore imperative to scrutinize more carefully the Internet's prospects for workers and their unions.

Workers in the New Economy

Many popular accounts of the so-called "new economy" have inaccurately described the effects it has had—and will have—on workers. E-commerce enthusiasts tend to take the rising fortunes of some as evidence for the soundness of free market-based Internet development. From this perspective, only the entrepreneur's success—however unrepresentative and fleeting—is significant. New economy enthusiasts conclude that the Internet contributes to a "creative destruction" that eventually will benefit everyone. The fate of ordinary workers, buffeted by change and uncertainty within their organizations, is ignored.

Some predict that organizations will "flatten," as use of the Internet reduces the need for middle managers and staff positions. E-commerce enthusiasts also laud the information-sharing possibilities throughout the enterprise, creating a vastly more efficient workplace. Management scholars, N.F. Crandall and M.J. Wallace, for instance, describe the "virtual workplace" as

... bound neither by time nor space, where work gets done by people in harmony with technology to create goods and services on demand. There is a seamless interface among people working together in one place at one time, at different places and at different times, or any other combination that successfully meets customer requirements and demands. . . .

Digital optimists stress the Internet's myriad efficiencies: enhanced communications and global reach with much reduced investments in physical infrastructure and labor costs. Microsoft Chair Bill Gates goes farther, promising a future without pain: a "frictionless capitalism" in which all—especially developing nations—will benefit from their increasing participation in software and other digital industries.

But even those most enthusiastic about this vision advise caution. Management scholars Crandall and Wallace, for instance, warn that people and technology must be "integrated" in ways that allow all stakeholders (companies, employees, shareholders, and customers) to thrive in the next century. In part, this

means that employees must take more responsibility for “managing” their own careers.

Clearly, the virtual workplace described by e-commerce advocates is driven more by the economizing impulse in business than by any conception of social responsibility illuminated by the needs of workers. Highly skilled computer professionals may benefit from the flexibility a virtual workplace provides, but median workers may find that many work opportunities lie outside of their skills and interests, and they are likely to find intensified competition over a geographically broader labor market.

Those less optimistic about digitally-mediated economies worry that pay scales and common terms of employment will tend to disappear. Increasingly, individuals must negotiate their own rates of compensation and all aspects of terms of employment. Some workers will be powerless to refuse significant reductions in compensation, and labor markets may increasingly resemble auctions in which prospective employees seek to underbid current employees.

The recent controversy surrounding Amazon.com portends such “hyper-marketization” effects of the Internet. Consumers found that the on-line retailer practiced “dynamic pricing”—the adjustment of prices based on information in the customer database—and thus two prospective buyers inquiring about a product would be quoted different prices. (Notably, the Internet itself was used to expose Amazon.com’s practice, resulting in its suspension.) Amazon.com also applies dynamic pricing to labor; for instance, customer service has been transferred to a low-cost sub-contractor in India. WashTech, a union-supported workers’ rights group in the state of Washington, has collected numerous complaints from workers pressed by Amazon.com’s interest in cost reduction, and the group reports that workers may continue to be disadvantaged by “instant” sub-contracting or dynamic pricing of labor.

Those less optimistic about digitally-mediated economies worry that pay scales and common terms of employment will tend to disappear.

Several assumptions of classical economics obscure understanding of labor’s plight under digital capitalism. The traditional economic model presupposes that competition is conducted in an ideal state in which labor demand and supply are equal and unemployment cannot exist. At the equilibrium wage, employers and workers simultaneously maximize profits and individual utility. In the absence of constraints on the

market, each worker receives no more and no less than the value of his or her specific contribution to the enterprise (marginal product), which constitutes just compensation. In this view, new Internet technologies modify the outlines of market processes but do not alter the essential justice of market transactions.

However, as so-called institutionalist (evolutionary) and Marxist economists, among others, have pointed out, market interactions do not always lead to just outcomes. For instance, labor can suffer from “monopsony” effects, monopoly power among buyers of labor. Some employers have the power to determine patterns of compensation in their labor markets, depressing wages below marginal product. Low wages may actually depress employee commitment and motivation even while permitting high profits.

Traditional economics obscures the role of power in economic relationships. The individual’s *right* of exit or refusal to participate in a transaction does not ensure that he has the *power* to resist exploitation. The traditional model relies on a fictitious market-space in which individuals are the locus of decision-making, a space where individual choice is decisive and managers lack power. The imagined market-space obscures particular realms of oppressive labor practices such as domestic and international “sweatshops,” where workers find unhealthy working conditions that they would never “freely” choose.

The economizing effect of the Internet attenuates socially desirable checks on market forces. Employees’ expectations of career and salary progression, which otherwise build employee commitment, are undermined by aspects of virtual workplace and by hyper-marketization.

Unionism and Free Association

Abusive authority in the workplace remains an enduring obstacle to justice and human development. In any economic system, those without authority possess interests distinct from those who own or manage that system. Given the persistence of abusive forms of authority in market relationships, trade unionism derives its rationale from workers’ need to counter such power. If anything, the consistent growth in size and resources of the corporate enterprise increases the need for counter-organization.

The moral case for unionism derives in part from the broadly-accepted right to freedom of association (recognized, among other foundational works, in the U.S. *Bill of Rights* and the *United Nations Declaration of Fundamental Human Rights*). Free association is an aspect of the autonomy of human beings, and union power often preserves a sphere of freedom for employees. Unions negotiate terms of due process, including protection against unfair discipline and dis-



©The New Yorker Collection 2001, Matthew Diffie
from cartoonbank.com. All Rights Reserved

charge. But unions also limit worker autonomy when, for instance, they secure the right to represent all employees in a bargaining unit. Although the individual *loses* the freedom to negotiate his or her terms of employment, the worker *gains* power relative to managers and is less subject to arbitrary control. Employees retain the right to elect union leadership,

*The moral case for unionism derives in part
from the broadly-accepted right to freedom of
association. . . .*

form opposition groups, sue the union for failure to provide fair representation, resign from the union (if they continue to pay so-called agency fees in certain states) or vote to decertify the union as their bargaining agent. In no case can workers be said to possess the right to freely associate if they lack legal protections for organizing and employers are legally empowered to suppress unionism.

Unionism also derives its moral force from the pluralist argument that society is comprised of myriad interests. The public interest emerges from a process of articulation, mobilization, and compromise of those interests. Unions, no less than other institutions within society, also express and promote the interests of the group. Further, as Institute for Philosophy and Public Policy research scholar Peter Levine has argued in these pages, civil society is best understood as a realm of intermediate associations which check the potential abuse of power by the state and increase society's capacity to resolve vexing problems without violence. In this context, unionism is clearly an important element of civil society.

Benefits of Unionization

Unionism can be a potent remedy for worker exploitation in free markets. Institutional economists, most notably Richard Freeman and James Medoff, have marshaled convincing evidence that collective bargaining can improve the treatment of employees

and also increase productivity. Collective bargaining not only boosts wages, but it also tends to stimulate efficiencies to fund the wage increase. One result is that both labor and management share an interest in increasing the quality of labor, commonly achieved through better worker training.

Unionism also itself contributes a mechanism for worker voice in politics since, in the absence of unions, employers tend to dominate political debate to the disadvantage of employees. Consider, for instance, the nature of politics in the southern U.S. The so-called solid South refers to one-party dominance in electoral votes in southern states, which now benefits Republican presidential candidates. While many would attribute this phenomenon to voters' conservatism, one can reasonably suggest that the present political reality is due in part to the absence of a labor movement as a factor in promoting more pluralist politics, more serious inter-party competition, and less certain political outcomes.

American unions are relatively weak these days, with private sector union density dipping below ten percent and vast regions of the country nearly union-free. Although it is difficult to determine an optimal level of union density and political power, one could argue that a more powerful labor movement would combat excessive economic inequality and enhance two-party competition nationally. One might also anticipate that employers would invite dialogue with unions on public policy issues of mutual concern. These developments would advance, as Peter Levine has argued, "robust and diverse debate" within civil society.

Internet Unionism

Union weakness, economic globalization, and changing technology require the labor movement to reconsider its structure and strategy. No one optimum model exists for unionism, and continuous adaptation to the environment is essential.

The Internet can contribute to the debate about the proper form employee representation should take. As early as 1972, Charles Levinson of the International Chemical Workers Federation suggested that unions use computerized data banks through telex networks to distribute company information. Today, unions typically rely on Web sites to more fully involve members and better mobilize allies in labor struggles.

As political theorist Harry Boyte, among others, has noted, the Internet provides "free spaces," a realm of voluntary associations that "sustain an important measure of independence from large-scale systems and institutions of government" while they at the same time allow the "practice of power among different interests." Not just unionized workers, but workers of anti-union employers also need the kind of free space

Genetics and Criminal Behavior

David Wasserman and Robert Wachbroit, Editors

This volume brings together a group of essays by leading philosophers of science, ethicists, and legal scholars, commissioned for an important and controversial conference on genetics and crime. The essays address basic conceptual, methodological, and ethical issues raised by genetic research on criminal behavior but largely ignored in the public debate. They explore the complexities in tracing any genetic influence on criminal, violent, or antisocial behavior, the varieties of interpretation to which evidence of such influences is subject, and the relevance of such influences to the moral and legal appraisal of criminal conduct. The volume provides a critical overview of the assumptions, methods, and findings of recent behavioral genetics.

Contributors: Robert Wachbroit, Elliott Sober, Kenneth F. Schaffner, Kenneth A. Taylor, Ian Hacking, Allen Gibbard, Marcia Baron, Peter Van Inwagen, Patricia S. Greenspan, Michael Slote, Jorge L.A. Garcia, and David Wasserman.

Cambridge Studies in Philosophy and Public Policy
350 pages
Cloth, \$64.95
Paper, \$22.95

Cambridge University Press
<http://www.cup.org>

For ordering information, telephone:
Tel: 1-800-872-7423 FAX: 914-937-4712
or call:

Customer Service Department
110 Midland Avenue
Port Chester, NY 10573

Liberal Pluralism

The Implications of Value Pluralism for Political Theory and Practice

William A. Galston

Isaiah Berlin first advanced the moral theory of value pluralism in the 1950s and it subsequently was developed by a number of distinguished scholars, including Galston. In *Liberal Pluralism*, Galston defends a version of value pluralism for political theory and practice. Against the contentions of John Gray and others, Galston argues that value pluralism undergirds a kind of liberal politics that gives great weight to the ability of individuals and groups to live their lives in accordance with their deepest beliefs about what gives meaning and purpose to life. This account of liberal pluralism is shown to have important implications for political deliberation and decision-making, for the design of public institutions, and for the division of legitimate authority among government, religious institutions, civil society, parents and families, and individuals.

Liberal pluralism leads to a vision of a good society in which political institutions are active in a limited sphere and in which, within broad limits, families and civil associations may organize and conduct themselves in ways that are not congruent with the principles that govern the public sphere.

William A. Galston is a distinguished political philosopher whose work is informed by the experience of having served from 1993-1995 as President Clinton's Deputy Assistant for Domestic Policy. He is Saul I. Stern Professor of Civic Engagement at the School of Public Affairs, University of Maryland; Director at the Institute for Philosophy and Public Policy; and Director of the Center for Information and Research on Civic Learning and Engagement (CIRCLE). He is the author of numerous articles and several books, including *Liberal Purposes* (Cambridge, 1991), which won the Spitz Prize. He is also a Senior Advisor to the Democratic Leadership Council and the Progressive Policy Institute.

150 Pages
Cloth, \$55.00
Paper, \$19.00 (available June 2002)

Cambridge University Press
<http://www.cup.org>

For ordering information:
Tel.: 914-937-9600; FAX: 914-937-4712
or write:
110 Midland Avenue
Port Chester, NY 10573-4930

provided by the Internet, since labor law circumscribes the opportunities to organize at the workplace. While factories, malls, and public spaces all have rules that limit the timing and character of protest, the Internet provides an alternative and less rule-bound space for protest, airing grievances, with no limit to geography.

Further, union leaders themselves have no more control over Internet activism than do employers. Though union leaders can control the content of an official Web site, and moderate its discussion groups, dissident union activists are free to establish their own Internet presence, and need not rely either on official union hierarchies or on employer hierarchies.

Sociologist Arthur Shostak has provided several examples of labor's uses of the Internet. The Hotel, Restaurant, and Bartenders Union used a Web site to construct "virtual picket lines" alerting the public to the details of their disputes with employers and inviting support. Unions commonly rely on Web sites to collect complaints about working conditions, deficiencies in product design or fabrication, large-scale electronic mailing to rally its members.

Unions are also using the Internet in increasingly innovative ways. For instance, *workingfamilies.com*, inaugurated by the AFL-CIO in 1999, offers members low-cost Internet access, inexpensive computers, news, e-mail, chat room services, and shopping services for union-made products.

Labor Notes, and the Association for Union Democracy have extended their reach beyond members of any one union; these two free-standing organizations foster relationships among reform groups

Some predict that a new kind of unionism, e-unions, will eventually predominate.

representing a number of unions. The Labourstart Web site provides a portal for unionists around the world, with links to country-specific labor news and to resources for labor organizing.

Although it remains to be seen whether workers' access to computers and the Internet will effectively promote the interests of workers, Labourstart's founder, Eric Lee, is optimistic: "The Internet is as near to a classless society as you can get. Information is pooled, ideas exchanged, individuals become part of a global family."

Further, the Internet can also disseminate information of interest to union advocates, even information that has been suppressed or ignored by cable services, magazines, and newspapers, which tend to neglect developments important to labor.

Some predict that a new kind of unionism, e-unions, will eventually predominate. Labor experts Wayne Diamond and Richard Freeman describe "e-unionism" in its fully-developed form as providing individual representation, counseling, customized services, and collective bargaining to a broad constituency of supporters. Diamond and Freeman also predict that the Internet will one day extend labor's reach in helping establish services to employees through "minority unions" where formal representation rights have not been won.

To the degree that the Internet provides a new international plane for organizing, pressuring employers, and effecting change, Internet unionism will prove its promise.

One might characterize many of the above Internet benefits as information effects. But more perfect information does not by itself correct injustice in the workplace. The Internet will prove useful to labor in

exposing and illuminating disputes, and in keeping with the sociologizing mode. To the degree that the Internet provides a new international plane for organizing, pressuring employers, and effecting change, Internet unionism will prove its promise.

Effective labor activism using the Internet requires constructive engagement with employers and government. Legal scholar Cass Sunstein has warned that the Internet may exacerbate social polarization as identity-group Web sites tend to reinforce the biases of its participants. Internet unionism, on the other hand, cannot succeed without dialog and compromise. Internet unionists must take care to combine protest with responsibility.

Distributivism

Two nineteenth-century labor organizations, the National Labor Union and Knights of Labor, protested the rise of powerful corporations, insisting that corporations distorted legitimate conceptions of enterprise and obstructed broader opportunity. Drawing inspiration from Thomas Paine and other democrats who stressed that widely-distributed property was a neces-

Several Useful Labor Web Sites

www.labourstart.org

Eric Lee's international labor portal.

www.workingfamilies.com

An AFL-CIO initiative to build union consciousness in workplace, in buying, and in politics. The site includes links to the Web sites of many U.S. unions.

www.workingtoday.org

Working Today is a national nonprofit membership (and union-like) organization for "independent" workers: freelancers, independent contractors, temporary workers, part-timers, contingent workers, and people working from home. The Web site plays a critical role in informing members and allied workers of their rights. One new project is the development of a portable benefits plan.

www.washtech.org

Web site of the Washington Alliance of Technology Workers. It is an initiative of temporary workers and other workers at Microsoft and of pro-union employees at Amazon.com.

www.labornotes.org

Web site of a militant "rank-and-file" group across several unions. Historically members have opposed concessionary bargaining and "union-management cooperation."

www.uniondemocracy.com

Web site of Union Democracy in Action, a group pursuing legal action and pressure tactics to enhance union democracy.

sary component of social justice, these early unionists advocated a vision of small-scale internally democratic workshops as an alternative to the emerging corporate monoliths. Some have called this philosophy “distributivism,” and the Internet has renewed its relevance.

In a variety of ways, computers enhance the potential for craft-based production. They replace fixed, dedicated tools with open-ended, configurable, systems. Individuals and groups can efficiently produce their products—material as well as intellectual—in small quantities, and they can respond rapidly to emerging needs. Labor theorists Michael Piore and Charles Sabel find that some communities of skilled craft workers are already taking advantage of “flexible specialization”:

It is seen in the networks of technologically sophisticated, highly flexible manufacturing firms in central and northwestern Italy. Flexible specialization is a strategy of permanent innovation: accommodation to ceaseless change, rather than an effort to control it. This strategy is based on flexible “multi-use” equipment: skilled workers; and the creation, through politics, of an industrial community that restricts the forms of competition to those favoring innovation. For these reasons, the spread of flexible specialization amounts to a revival of craft forms of production. . . .

Piore and Sabel provocatively argue for the possible revival of the dream of “artisanal democracy”, of an economy based on craft communities as part of a more democratic, egalitarian society. Computer networks permit one-of-a-kind customization, and the production of smaller-yet cost-efficient—quantities that offer an alternative to traditional mass production. Piore and Sabel also predict that smaller organizations are sometimes better suited than corporate monoliths to succeed in an increasingly volatile global economy.

Consider the examples of mod music and the Linux operating system. Invented in the 1980s by Amiga computer users, the mod file format requires the collaboration of many computer users, who send to one another a set of instructions commanding the computer to direct digitized samples of music instruments to multiple speakers and mix them according to a score, resulting in ever-evolving and collaborative musical works.

Merging the subcultures of programmers and composers, mod files are typically available free of charge, as is modplayer software, transforming any low-powered computer into a musical workshop. The individual computer user may assemble sounds collected from around the world in order to compose music (which then is available to others on the Web). Contributors receive recognition from their peers, participate in the mod-based “gift” economy, and they may also earn money for their music or software in other contexts.

Linux, the well-known open-source operating system, was developed—and continues to be devel-

oped—by many programmers and work groups who collaborate and share their work over the Internet. Anyone is free to sell a version of Linux or instructions for its use, but no one has proprietary rights over the operating system.

Computer music and open-source software demonstrate that skilled craftsmen can practice their skills on the Internet and reshape enterprise. Stacy Mitchell of the Institute for Local Self-Reliance suggests that the Internet can aid small local enterprises (such as neighborhood bookstores) in industries increasingly dominated by giant corporations. For instance, the American Booksellers Association represents 3,500 local bookstores and operates a Web site, combining the virtues of neighborhood enterprise and national alliances.

Conclusions about Internet Unionism

These examples show that any sustainable model of craft-based enterprise on the Internet would consist of brick-and-mortar workshops linked to one another and broader employee networks by the Internet. Trade unions would press for needed employer investments in workplace infrastructure, foreclosing the more exploitive forms of the virtual workplace. Unionists would advocate the establishment of labor standards and union contracts in such workshops, enrolling members on both the shop floor as well as on-line, and electronically notifying government and community organization of violations. Union activists would use the Internet and computer technology to counsel and train workers, research and develop products, and facilitate internal union debate.

Networks of small craft-oriented workshops are innovative in product design, responsive to consumer preferences, and focused on quality. Unions should press state governments help such networks flourish by assisting with infrastructure, training, and Internet access, and by involving unions in economic policy-making. National unions can take advantage of employer interest in a decentralized department structure within the larger enterprise.

David Jacobs
Kogod School of Business
American University
Washington, D.C. 20016
djacobs@american.edu

Sources: D. Bell, *The Coming of Post-Industrial Society* (Basic Books, 1973); N.F. Crandall and M.J. Wallace, *Work and Rewards in the Virtual Workplace: A New Deal for Organizations and Employees* (AMACOM, 1998). For an example of Internet enthusiasts who predict the efficiencies created by the Internet, see R. E. and W. A. Niskanen, *Going Digital*

(Washington, D.C.: Brookings Institution Press and Cato Institute, 1998). They claim that telecommuting will become an increasingly common experience for workers, and in the end, "as more information is generated and made available to virtually anyone, inefficiencies and failures are more rapidly exposed, enhancing the role and influence of performance-based management systems." Bill Gates and Collins Hemingway, *Business at the Speed of Thought: Using a Digital Nervous System* (Warner Books, 1999); Anonymous, "Dynamic Pricing on the Web Is Proving Difficult," *Marketing Week* (October 26, 2000); for useful histories of the labor movement, see G. Boyers and R. Smith, "The Development of the Neoclassical Tradition in Labor Economics," *Industrial and Labor Relations Review*, vol. 54 (2001); J.R. Commons, et al, *History of Labor in the United States*, Volume I (Augustus M. Kelley, 1966); Peter Levine, "The Libertarian Critique of Labor Unions," *Philosophy & Public Policy Quarterly*, vol. 21, No. 4 (Fall 2001); R. Freeman and J. Medoff, *What Do Unions Do?* (Basic Books, 1985); H. Boyte, *CommonWealth: A Return to Citizen Politics* (The Free Press, 1989); A. Shostak, "CyberUnions: The Future of Labor," *WorkingUSA: The Journal of Labor and Society*, vol. 3 (1999); E. Lee, *Labour and the Internet: The New Internationalism* (Pluto Press, 1997); C.R. Sunstein, *Republic.com* (Princeton University Press, 2001); M.J. Piore and C. Sabel, *The Second Industrial Divide: Possibilities for Prosperity* (Basic Books, 1984); S. Mitchell, *The Home Town Advantage: How to Defend Your Main Street Against Chain Stores and Why It Matters* (ILSR Press, 2000).