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**NETWORKED CAPITALISM - NETWORKED UNIONISM? THEORIZING
INTERNATIONAL UNIONISM**

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Abstract

This paper discusses the organizational challenges facing US labor in its attempts to confront the restructuring of global capitalism. This paper places the author's prior case studies of US unions' international work within a broader theoretical framework. This framework combines the author's theorization of organizational challenges to labor internationalism with the work of various theorists who are analyzing labor internationalism with respect to evolving corporate and industrial structures.

The broader organizing framework for this discussion, as indicated by the title, is that of networked capitalism and an assessment of the emergence of a countervailing networked unionism. While the concept of networked production is used in this way, this literature, especially in terms of its ability to inform actual union internationalism, is itself problematic. In conclusion, the paper will point to some directions for future academic and practitioner research that can develop a theoretically more sophisticated, and methodologically more applicable understanding of networked production and its implications for networked unionism.



Networked Capitalism - Networked Unionism? Theorizing International Unionism

In the wake of the Seattle protests surrounding the World Trade Organization in November-December of 1999, internationalism shot to the top of the US labor movement's agenda. The most concrete expressions of this new found internationalism were the adoption, by the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) Executive Council, of its February 2000 Resolution on the "New Internationalism," and the large, labor backed rally around debt forgiveness (organized by the organization "Fifty Years is Enough"), and the labor sponsored rally and lobbying day to oppose granting of Permanent Normal Trade Relationship to China, in April of 2000.

Despite this resurgent internationalism within key elements of the US labor movement, Brecher and Costello's 1998 assessment of the state of internationalism is still valid:

In the past quarter-century, capitalism has undergone a revolutionary restructuring in the United States and worldwide. Meanwhile, the American labor movement retains the basic structure it established more than half a century ago. Organized labor will have a future if and only if it can redesign itself to cope with the restructuring of capitalism. Neither the new leadership of the AFL-CIO nor its critics on the left and right have engaged in more than a desultory discussion of the changes organized labor must undergo to meet the restructuring of global capitalism. (Brecher and Costello, 1998, p. 5)

This paper attempts to meet Brecher and Costello's challenge. This paper places the author's prior case studies of US unions' international work (Borgers, include CBC), within a broader theoretical framework. This framework combines the author's theorization of organizational challenges to labor internationalism (Borgers, ... 2000), with the work of Harvey Ramsay, and various US authors, all of whom theorize labor internationalism with respect to evolving corporate and industrial structures.



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International Union Theory:

Before proceeding it is useful to provide an overview of the current state of international union theory. Ramsay (1999) provides an excellent overview of the various "schools of Thought"¹. Ramsay, groups previous analysts into seven camps, based on their prognosis of the likelihood of the emergence of effective internationalism, their implied management strategy, and their implied labour strategy. These various schools are then critically analyzed and their potential contributions to the field are noted.

While Ramsay makes no strong conclusions regarding the superiority of one school over another, he was identified, as he acknowledges, with a "left pessimist/agnostic" position (Ramsay, 1986, 1995, 1997, Ramsay and Haworth, 1990). This school wavers between pessimism and a measured optimism as regards the possibilities for effective internationalism. Ramsay's, measured optimism, in turn is derived from a third school with which he self-identifies, that of contingency theory. Contingency theory argues that labor internationalism is theoretically quite attainable, but that its effective expression can only occur under conditions where labor develops sophisticated information on, and analyses of Multinational Companies' (MNCs) strengths and weaknesses and develops strategic responses accordingly. (Ramsay, 1999) Indeed, Ramsay's later work is specifically focused on this latter challenge (Ramsay, 1997, 2000a, 2000b)



This author's own work would probably be similarly grouped. While I remain quite agnostic and even skeptical of many of US labor's efforts at internationalism, the reality is that there is a wide variety of international work being done in the current context. Similarly, I would concur with Ramsay (2000a) that labor's assessment of market and corporate structures is often fundamentally flawed and inadequate for the development of effective international strategy. On the other hand, I similarly believe that labor has the capacity, and in some US unions is rapidly developing the capacity, to perform the type of international and domestic corporate and industrial analysis and strategic assessment demanded by contingency theory.

Networked Production-Networked Unionism:

One of the hallmarks of the present economic transformation is that capital is increasingly pursuing networked, globalized forms as a means of seeking competitive advantage. Through mergers and acquisitions, networking, internal restructuring, relocation and outsourcing, transnational corporations are seeking to become both lean and internationally agile. (Brecher and Costello, 1998) Bennett Harrison (1994) describes networked capitalism as: “the creation by managers of boundary-spanning networks of firms, linking together big and small companies operating in different industries, regions, and even countries.” While corporations pioneered this structure, “privatization” of government functions and service sector out-sourcing have created parallel “core/ring” structures in the public and service sectors.

¹ Given the rather unorganized, sporadic, and long dormant state of international union theory, "Schools of Thought" should be seen more as a heuristic device than as an accurate description of well-defined, competing paradigms.



Networked capitalism has created a labor market in which the workforce is divided into a shrinking number of core workers and an expanding group of workers in contingent jobs - part-timers, temps, contract workers, and day-laborers. Workers in the core usually retain basic benefits, work under standard personnel practices, and sometimes belong to a union. The workers in peripheral rings are generally lower paid, have few benefits, and no job security. The result is a downward spiral as different groups of workers are put into competition to see who will work most cheaply and flexibly. Of equal significance, these “disintegrated corporations” have cut “across industrial and national boundaries,” (Brecher and Costello, 1998, p. 5) leading to a fragmentation and breakdown of industrial era national union jurisdictions.

As Moody (1988) has noted, one of the most common responses to declining density and cross-jurisdictional fragmentation in the US was “General Unionism” - the tendency of unions to incorporate workers even if the work they did was completely unrelated. While general unionism has allowed many internationals to stabilize their membership numbers, it also represents an abandonment of the core union goal of uniting all those workers who are in competition with each other. As Brecher and Costello (1998) argue, when this dynamic is played out at the international level, “(t)he “American Separation of Labor” has been replaced by the “Global Separation of Labor” - and the global “race to the bottom.” (Brecher and Costello, 1998, p. 8)

Brecher and Costello, and Moody’s (1997) proposed solution for dealing with networked production is essentially for labor to restructure itself along capital’s dimensions. They propose expanding labor’s use of “multiple, overlapping structures” such as regional-sectoral organizing committees, second channels, local, multi-union bargaining, and national and international, multi-union industry/corporate bargaining committees. Waterman (1998), and Lee (1997), extend this critique by arguing that labor’s political-technological salvation lies in the use of networked capital’s core technology - the internet. For these authors, the internet provides the possibility for invigorating, and transforming a long dormant labor internationalism: “Using such tools as websites, discussion forums, mailing lists, live



online chat and videoconferencing, trade unionists are dissolving the borders which previously separated them. Forced by the logic of the networks (and global capitalism) to behave as if there were no countries, they become conscious internationalists.” (Lee, 1999) Indeed, Waterman and Lee see in the internet the possibility of making concrete Brecher and Costello’s (1994) radically decentralized “Lilliput Strategy.” Extreme versions of this scenario conclude “that the new communications technologies would contribute to the disappearance of traditional labour movement institutions and replace them, over time, with grassroots networks.” (Lee, 1997)

In this authors' views the above analysis bears a striking resemblance to what Ramsay (1999) terms "Evolutionary Optimism" - a school of international theory most closely associated with the work of Charles Levinson (1972). Levinson was critiqued, in particular, for is optimistic faith in the organic evolution of labor internationalism in response to the organic evolution of the MNC capital structures he observed during the period.

In short, while the above authors are perhaps pointing in the correct direction, my own case studies of US internationalism indicate that networked unionism currently exists in only very weak and attenuated forms, and that these optimistic assessments seriously underestimate the extremely complex organizational challenges posed by networked unionism. Likewise, as previously noted, I concur with Ramsay's assessment (Ramsay, 2000a) that labor's conception of market and corporate structures is severely underdeveloped.

Conclusion - Future Directions:

In conclusion, we are starting to see the development of two converging strands in the academic literature. On the one hand we see increasing sophistication in critical discussion of international union theory. On the other hand we have seen the development of an over-arching theoretical attempt to examine international practice relative to evolving corporate and industrial structures.



These developments are quite encouraging for those working the field. Nevertheless, it is far too early to declare strong optimism as regards the strength of the field, and in particular with regard to its relationship to actual union analysis, strategy, and behavior. Despite the noted progress, most writing still operates at too high a level of abstraction - the complexities, contingencies, and contradictions of both union organizational challenges and actual industry and corporate structures and behaviors are still missing from this analysis.

The potential solutions to this problem are both methodological and structural. On the methodological side, there are existing theories or frameworks for providing sophisticated corporate and industrial analysis at the level of specificity required to develop meaningful union strategy. In our advanced research course for masters students (most of whom find employment in the labor movement), we rely on Michael Porter's Competitive Strategy methodology/theory (Porter, 1980, 1990) to frame our concrete, applied analysis. While there is no corollary methodology for examining union structure and strategy, I am confident that, assuming significant time and effort is expended by interested researchers, such a framework could eventually be built up.

On the structural side, a key impediment lies in the division of labor and occupational and career segregation of most academic researchers from the labor movement and their union researcher counterparts. Most academic researchers have only limited contact with actual unions, and what links exist are generally not based on a consultative basis. At the same time the academic reward structure does not provide many incentives, and more often provides disincentives, to engage in the type of applied research advocated here. Again our Labor Center is in a rather unique position (at least in comparison to most other US labor centers) in that, for historical and more recent strategic reasons, we work closely with the labor movement, including the conduct of applied research. As such our work is guided by unions' needs while also being grounded fairly firmly in an understanding of US labor's political and organizational limitations. Given the noted tension between academic researchers and the



labor movement it is hard to see a resolution of the identified theoretical and methodological problems, unless more academic and labor institutions seek to build similar partnerships.

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