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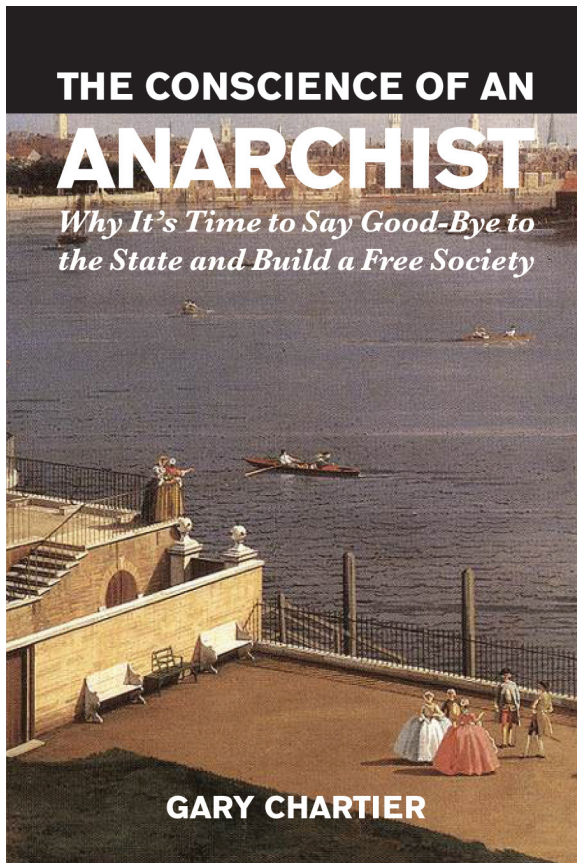
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♥
Is in his pocketbook
And he uses the
♣
Over you so he can wear
♦
By organizing right we
can give him a
♠
With which to earn an
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The Wobblies and Free Market Labor Struggle

Kevin Carson

Vol. 5.1



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very attempt to do so will generate more publicity beyond the target's worst nightmares. Consider, for example, the increasing practice of firing bloggers for negative comments about their employers. What's the result? Rather than a few hundred or a few thousand readers of a marginal blog seeing a post on how bad it sucks to work at Employer X, tens of millions of mainstream newspaper readers see a wire service story: "Blogger fired for revealing how bad it sucks to work at Employer X."

Some of the most effective labor actions, in hard to organize industries, have involved public information campaigns like those of the Imolakee Indian Workers' boycott of Taco Bell and pickets by the Wal-Mart Workers' Association.

Rather than negotiating on the bosses' terms under the Wagner rules, in order to negotiate a contract, we should be using network resistance and asymmetric warfare techniques to make the bosses beg us for a contract.

Notes

¹"Is the Demand for Workplace Democracy Redundant in a Liberal Economy?" in Ugo Pagano and Robert Rowthorn, eds., *Democracy and Efficiency in the Economic Enterprise*. A study prepared for the World Institute for Development Economics Research (WIDER) of the United Nations University (London and New York: Routledge, 1994, 1996), pp. 69-70.

²"Minority Report," *Industrial Worker*, October 2002 <<http://www.iww.org/organize/strategy/AlexisBuss102002.shtml>>.

³"Minority Report," *Industrial Worker*, December 2002 <<http://www.iww.org/organize/strategy/AlexisBuss122002.shtml>>.

By Kevin Carson

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Some of the forms of direct action described in the pamphlet, especially—e.g. working to rule—there’s no conceivable way of outlawing ex ante through a legally enforceable contract. How would such a clause read: “Workers must obey to the letter all lawful directives issued by management—unless they’re stupid”?

The old Wobbly practice of “open mouth sabotage,” better known these days as whistleblowing, is perhaps the single effective weapon in the Internet age. As described in the pamphlet:

Sometimes simply telling people the truth about what goes on at work can put a lot of pressure on the boss....

Whistle Blowing can be as simple as a face-to-face conversation with a customer, or it can be as dramatic as the P.G.&E. engineer who revealed that the blueprints to the Diablo Canyon nuclear reactor had been reversed....

Waiters can tell their restaurant clients about the various shortcuts and substitutions that go into creating the faux-haute cuisine being served to them.

The Internet takes possibilities for such “open mouth sabotage” to a completely new level. In an age when unions have virtually disappeared from the private sector workforce, and downsizings and speedups have become a normal expectation of working life, the vulnerability of employer’s public image may be the one bit of real leverage the worker has over him—and it’s a doozy. If they go after that image relentlessly and systematically, they’ve got the boss by the short hairs. Given the ease of setting up anonymous blogs and websites (just think of any company and then look up the URL employernamesucks.com), systematically exposing the company’s dirt anonymously on comment threads and message boards, the possibility of anonymous saturation emailings of the company’s major suppliers and customers and advocacy groups concerned with that industry.... well, let’s just say that labor struggle becomes a form of asymmetric warfare.

And such campaigns of open mouth sabotage are virtually risk-free, and impossible to suppress. From the McLibel case to the legal fight over the Diebold memos, from the DeCSS uprising to Trafigura, attempts to suppress negative publicity are governed by the Streisand Effect (named after Barbra’s attempt to suppress online photos of her house generated publicity that caused a thousand times as many people to look at the photos than otherwise would have). It is simply impossible to suppress negative publicity on the Internet, thanks to things like encryption, proxies, and mirror sites. And the

The Wobblies and Free Market Labor Struggle

At first glance, the Industrial Workers of the World (Wobblies) might strike you as an odd subject for a consideration by libertarians. Most self-described free market libertarians and market anarchists are more likely to condemn unions than to praise them.

But in a stateless society, or at least in a society where labor relations are unregulated by the state, the Wobblies’ model of labor struggle is likely to be the most viable alternative to the kinds of state-certified and state-regulated unions we’re familiar with.

And for those of us in the libertarian movement who don’t think “God” is spelled B-O-S-S, or instinctively identify with employers and gripe about how hard it is to get good help these days, the question of how labor might negotiate for better terms is probably of direct personal interest. Some of us, working for wages in the state capitalist economy, have seen precious little evidence of marginal productivity being reflected in our wages. Indeed, we’ve been more likely to see bosses using our increased productivity as an excuse to downsize the work force and appropriate our increased output for themselves as increased salaries and bonuses. And many of us who are employees at will aren’t entirely sanguine about the prospect that our bosses will be smart enough to have read Rothbard on the competitive penalties for capriciously and arbitrarily firing employees.

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In fact, I have a hard time understanding why so many right-leaning free market libertarians are so hostile in principle to the idea of hard bargaining or contracts when it comes to labor, in particular.

It’s not in the rational interest of a landlord, competing with other landlords, to capriciously evict tenants at will for no good reason. But I still like to have a signed lease contract specifying under exactly what conditions I can be evicted, and enforceable against my

landlord by a third party. It's probably in the long-term competitive interest of banks not to raise interest rates without limit on existing balances, if they want to get new borrowers—but they seem to do it, anyway, and if you don't consider it a comfort to have contractual limits on the interest they can charge you've got a lot more faith in human nature than I have.

Contracts are accepted with little question or thought by libertarians, in most areas of economic life, as a source of security and predictability—in all areas except labor, that is. When it comes to labor, Hazlitt or somebody has “proved” somewhere that the desire for contractual security is a sign of economic illiteracy.

Likewise, the labor market is apparently the one area of economic life where bargaining by the selling party is not considered a legiti-

Apparently the dictum that productivity determines wage levels means that you're supposed to take the first offer or leave it—no haggling allowed.

mate part of the price discovery process. Apparently the dictum that productivity determines wage levels means that you're supposed to take the first offer or leave it—no haggling allowed.

I doubt many of us who actually work for wages find the right wingers' labor exceptionalism very convincing. Most of us, in the real world, find that the credible threat to walk away from the table gets us higher wages than we would otherwise have had. Most of us, in the real world, would rather rely on a

labor contract specifying just causes for termination than to rely on the pointy-haired boss having the sense to know his own best interests.

And most of use who have some common sense can see how ridiculous it is to assert, as do many right-wingers, that strikes are only effective because of the forcible exclusion of scabs. Such people, apparently, have never heard of turnover costs like those involved in training replacement workers, or the lost productivity of workers who have accumulated tacit, job-specific knowledge over a period of years that can't be simply reduced to a verbal formula and transmitted to a new hire in a week or two.

And when mass strikes did take place before Wagner, the cost and disruption of employee turnover within a single workplace was greatly intensified by sympathy strikes at other stages of production. Before

model, she wrote—”a majority of workers vote a union in, a contract is bargained”—is increasingly untenable.

We need to return to the sort of rank-and-file on-the-job agitating that won the 8-hour day and built unions as a vital force....

Minority unionism happens on our own terms, regardless of legal recognition....

U.S. & Canadian labor relations regimes are set up on the premise that you need a majority of workers to have a union, generally government-certified in a worldwide context[;] this is a relatively rare set-up. And even in North America, the notion that a union needs official recognition or majority status to have the right to represent its members is of relatively recent origin, thanks mostly to the choice of business unions to trade rank-and-file strength for legal maintenance of membership guarantees.²

How are we going to get off of this road? We must stop making gaining legal recognition and a contract the point of our organizing....

We have to bring about a situation where the bosses, not the union, want the contract. We need to create situations where bosses will offer us concessions to get our cooperation. Make them beg for it.³

And workers make bosses beg for cooperation through the methods described in “How to Fire Your Boss”: slowdowns, working to rule, “good work” strikes, whistleblowing and “open mouth” sabotage, sickins and unannounced one-day wildcats at random intervals, etc. The beauty of these methods is that, unlike regular strikes, they don't give the boss an excuse for a lockout. They reduce the productivity of labor and raise costs on the job—rather than “going out on strike,” workers “stay in on strike.”

Workers are far more effective when they take direct action while still on the job. By deliberately reducing the boss' profits while continuing to collect wages, you can cripple the boss without giving some scab the opportunity to take your job. Direct action, by definition, means those tactics workers can undertake themselves, without the help of government agencies, union bureaucrats, or high-priced lawyers.

ployer is entitled to, when he buys labor-power, is entirely a matter of convention. It's directly analogous the local cultural standards that would determine the nature of "reasonable expectations," in a libertarian common law of implied contract.

If libertarians like to think of "a fair day's wage" as an open-ended concept, subject to the employer's discretion and limited by what he can get away with, they should remember that "a fair day's work"

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is equally open-ended. It's just as much in the worker's legitimate self-interest to minimize the expenditure of effort per dollar of income as it's in the employer's interest to maximize the extraction of effort in a given period of time.

For the authoritarian "libertarians" who believe "vox boss, vox dei," this suggestion is scandalous. The boss is the only party who can unilaterally rewrite the contract as he goes along. And it's self-evidently good for the owner or manager to maximize his self-interest in extracting whatever terms

he can get away with. Oddly enough, though, these are usually the same people who are most fond of saying that employment is a free market bargain between equals.

For most of us who know what it's like working under a boss, it's a simple matter of fairness that we should be as free as the boss to try to shape the undefined terms of the labor contract in a way that maximizes our self-interests. And most of the Wobbly tactics grouped together under the term "direct action on the job" involve just such efforts within the contested space of the job relationship.

Further, these are the very methods a free market labor movement might use, in preference to playing by Wagner Act rules.

The various methods are described in the old Wobbly pamphlet "How to Fire Your Boss," and discussed by the I.W.W.'s Alexis Buss in her articles on "minority unionism" for Industrial Worker. The old

Taft-Hartley's restrictions on sympathy and boycott strikes, a minority of workers walking out of a single factory could be reinforced by similar partial strikes at suppliers, outlets, and carriers. Even with only a minority walking out at each stage of production, the cumulative effect could be massive. The federal labor regime—both Wagner and Taft-Hartley—greatly reduced the effectiveness of strikes at individual plants by transforming them into declared wars fought by Queensbury rules, and likewise reduced their effectiveness by prohibiting the coordination of actions across multiple plants or industries. The Railway Labor Relations Act, together with Taft-Hartley's cooling off periods, enabled the federal government to suppress sympathy strikes in the transportation industry and prevent local strikes from becoming regional or national general strikes. The cooling off period, in addition, gave employers time to prepare ahead of time for such disruptions by stockpiling parts and inventory, and greatly reduced the informational rents embodied in the training of the existing workforce. Were not such restrictions in place, today's "just-in-time" economy would likely be even more vulnerable to such disruption than that of the 1930s.

Far from being a boon to workers, or making effective unions possible for the first time, Wagner suppressed the most effective tactics and in their place promoted the kind of union model that benefited employers.

Employers preferred a labor regime that relegated labor struggle entirely to strikes—and strikes of decidedly limited effectiveness at that—and coopted unions as the enforcers of management control on the job. The primary purpose of unions, under Wagner, was to provide stability on the job by enforcing contracts against their own rank and file and preventing wildcat strikes.

Far from being a labor charter that empowered unions for the first time, FDR's labor regime had the same practical effect as telling the irregulars of Lexington and Concord "Look, you guys come out

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part of the bargaining process, and is arguably less important than the continual bargaining over terms that takes place within the employment relationship.

In fact the labor movement’s dependence on official, declared strikes as the primary method of labor struggle dates only from the establishment of the Wagner Act regime in the 1930s. Before that time, labor struggle relied at least as much on labor’s bargaining power over conditions on the job.

The labor contract is called an “incomplete contract” because, by the necessity of things, it is impossible to specify the terms ahead of time. As Samuel Bowles and Herbert Gintis describe it,

The classical theory of contract implicit in most of neo-classical economics holds that the enforcement of claims is performed by the judicial system at negligible cost to the exchanging parties. We refer to this classical third-party enforcement assumption as exogenous enforcement. Where, by contrast, enforcement of claims arising from an exchange by third parties is infeasible or excessively costly, the exchanging agents must themselves seek to enforce their claims....

Exogenous enforcement is absent under a variety of quite common conditions: when there is no relevant third party..., when the contested attribute can be measured only imperfectly or at considerable cost (work effort, for example, or the degree of risk assumed by a firm’s management), when the relevant evidence is not admissible in a court of law...[,] when there is no possible means of redress..., or when the nature of the contingencies concerning future states of the world relevant to the exchange precludes writing a fully specified contract.

from behind those rocks, put on these bright red uniforms, and march in parade ground formation like the Brits, and in return we’ll set up a system of arbitration to guarantee you don’t lose all the time.”

Bargaining with the boss over the terms on which one enters into the employment relationship is only a small

In such cases the ex post terms of exchange are determined by the structure of the interaction between A and B, and in particular on the strategies A is able to adopt to induce B to provide the desired level of the contested attribute, and the counter strategies available to B....

Consider agent A who purchases a good or service from agent B. We call the exchange contested when B’s good or service possesses an attribute which is valuable to A, is costly for B to provide, yet is not fully specified in an enforceable contract....

An employment relationship is established when, in return for a wage, the worker B agrees to submit to the authority of the employer A for a specified period of time in return for a wage w . While the employer’s promise to pay the wage is legally enforceable, the worker’s promise to bestow an adequate level of effort and care upon the tasks assigned, even if offered, is not. Work is subjectively costly for the worker to provide, valuable to the employer, and costly to measure. The manager-worker relationship is thus a contested exchange.¹

In fact the very term “adequate effort” is meaningless, aside from whatever way its definition is worked out in practice based on the comparative bargaining power of worker and employer. It’s virtually impossible to design a contract that specifies ahead of time the exact levels of effort and standards of performance for a wage-laborer, and likewise impossible for employers to reliably monitor performance after the fact. Therefore, the workplace is contested terrain, and workers are justified entirely as much as employers in attempting to maximize their own interests within the leeway left by an incomplete contract. How much effort is “normal” to expend is determined by the informal outcome of the social contest within the workplace, given the de facto balance of power at any given time. And that includes slowdowns, “going canny,” and the like. The “normal” effort that an em-

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