



June 5, 2008
WashTech News

WashTech featured in David Sirota's new book

David Sirota's new book, titled "*The Uprising: An Unauthorized Tour of the Populist Revolt Scaring Wall Street and Washington*", features WashTech in the chapter "Dilberts of the World, Unite!". You can purchase "*The Uprising*" online at [Powell's Books](#).

Dilberts of the World, Unite!

by David Sirota

In the 1990s, dot-com celebrations were happening everywhere. From Silicon Valley to Boston, from Austin to Seattle, the geeky Lambda Lambda Lambda frat brothers from *Revenge of the Nerds* were suddenly big men on campus, starting computer companies, swimming in cash--partying, as Prince might say, like it was 1999 (it actually was 1999). As the kegger raged upstairs, though, a group of Microsoft employees at its headquarters in Redmond, Washington, called the Washington Alliance of Technology Workers--WashTech for short--was shrieking from the basement about an impending economic massacre. Sadly, very few were listening. Now the party's over--and a white-collar uprising is on.

If you haven't heard much about this, don't blame yourself. We live in a media environment that trumpets the price of the Apple iPhone as big financial news and adultery as major political news. But the fight WashTech is contributing to is hugely important for two reasons--one is obvious, but the other is rarely discussed.

First, the obvious: the white-collar sector is growing fast. Between 1977 and 2004 the number of professional and high-skilled US workers more than doubled. The government predicts that roughly one-third of all employment growth between now and 2012 will be in the white-collar sector. In contemporary America, though, sheer size is no longer the primary determinant of change. The better gauge is demographics, which brings us to the second reason this white-collar uprising is so significant: if politics and culture still react to the mass public at all, they react almost exclusively to the upper middle professional class. That's pretty awful, but it's absolutely true. Business misbehavior, for example, was rarely a Congressional focus when CEOs were cutting blue-collar wages. But when Enron's collapse hit the stock market and undermined the retirement savings of the upper middle class, lawmakers raced to pass corporate accountability legislation. Housing affordability and predatory lending received little attention in Washington when only the working poor couldn't meet their mortgage payments. But now that defaults are convulsing Wall Street, the problem is deemed a crisis. So this white-collar uprising is not just about professional office workers and their fight. It is also about whether an uprising can flourish in the very demographic the Establishment most responds to--a demographic that also happens to be skeptical of collective action.

How did WashTech begin, and what is its role in the larger uprising roiling America? Not too long ago, on a typically gray Seattle winter day, the group's president, Marcus Courtney, sat down with me at a Starbucks in the University District to tell the story. In 1993 Courtney was one of many starry-eyed college grads who migrated to Seattle just as the tech boom was moving to warp speed. He found one of those Great Jobs at Microsoft in technical support--only his job turned out to be not so great. He was one of roughly 6,000 employees known as "permatemps," a classification that allows a company to pay a temp-agency middleman for full-time, indefinite labor. The designation, which covers roughly a quarter of Microsoft workers in the Seattle area, means employers don't have to pay regular benefits.

"Around the middle of 1997," Courtney tells me, "me and my office mate were talking about how we weren't getting real raises or cost-of-living increases, and I was like, This permatemp stuff is kinda bullshit. The contract agencies are ripping us off. I was like, God, I wonder if there's an organization to help us." So he

started phoning state agencies and labor councils. "Everyone was totally fucking clueless," he says. "All anyone knew about the new economy was that people make millions. No one had any idea that here in Seattle a huge percentage of the employment is contracted out." So Courtney and two others began building an e-mail list of permatemps and other high-tech workers who were interested in getting more politically active.

In December 1997 their efforts were bolstered when the *Seattle Times* published a front-page story about how Microsoft used its connections in state government to secure a regulatory change exempting high-tech companies from having to pay temps time-and-a-half for overtime. It was a screwing of bipartisan proportions: the rule change was approved by Democratic Governor Gary Locke, and it was designed to bring the state's labor regulations into conformity with federal law, which was changed by the then-Republican Congress. The *Times* also noted that the local labor movement had hung the permatemps out to dry: two unions supported the rule change after it was revised to make sure their own members were protected.

For the uprising, the episode was like a match being dropped into a pool of gasoline. Sold out by both political parties and ignored by organized labor, "we decided to get serious," Courtney tells me. From the flames of outrage, WashTech was born. The organization's mission is straightforward: to get high-tech workers to vote to form unions so they can collectively bargain for improved wages, benefits and job security.

Microsoft countered the organizing drive by claiming that the status of the workers as permatemps meant the company had no statutory obligation to listen to the union, even though roughly two-thirds of all permatemps had been working full-time for more than a year. "Issues of collective bargaining are issues between employees and their employer," said a company spokesman at the time. "In this case, the employers are the staffing companies." The *Times* reported that when the workers and WashTech began the byzantine process of trying to bargain with four separate temp agencies, the agencies claimed that because the workers were temps, they were not "an appropriate bargaining unit under the federal labor laws." Courtney and his colleagues were caught in no man's land--call it Dilbert's Purgatory. "Permatemps were getting the worst of all worlds," Courtney says, taking a sip of coffee.

When it came to wages, they were considered high-level computer professionals, thus not entitled to overtime pay, thanks to the state ruling and change in federal law. When it came to benefits, they were treated as temps unworthy of healthcare coverage and stock options. And when it came to basic union rights, they were treated as "a second class of subordinate workers," as the former chair of the National Labor Relations Board said at the time. They had none of the organizing privileges that other company employees enjoyed.

After two failed organizing attempts, one at Microsoft and one at Amazon.com, Courtney and his allies enlisted the aid of the Communications Workers of America to build WashTech's "at large" membership--workers who are not covered by any union contract but who are sympathetic to the cause and pay \$11 a month in dues. Courtney remained visible in the local media as an increasingly effective advocate for tech workers.

WashTech finally got a break in 2005. That year 900 call-center workers at Cingular in suburban Seattle voted to form a union and affiliate with WashTech. As of mid-2007 WashTech had roughly 1,500 dues-paying members--1,100 at Cingular (now AT&T) and 400 at large. It also had an e-mail list of 17,000 subscribers. Whether WashTech's work can expand the white-collar uprising beyond that, however, is very much an open question.

Certainly the conditions seem ripe. Between 2000 and 2004, 221,000 US tech jobs were eliminated as offshore outsourcing accelerated. In 2005 the Institute of Electrical and Electronics Engineers reported the first drop in median income for tech workers in the thirty-one years it had been producing annual wage and salary analyses. And WashTech's survey of IT workers found that the majority said their healthcare premiums had increased and their wages had either remained flat or dropped. As these trends have intensified, WashTech's membership has grown. Nonetheless, there are reasons that only 2 to 5.5 percent of high-tech workers are unionized--reasons that have little to do with concrete economic factors.

"Many people in these industries say, 'I hate unions' just on principle," Courtney tells me as we walk out of Starbucks. "But these same people will then go to the Mini-Microsoft website and voice their complaints because they know the company is reading the site." This constituency is a key component of today's white-collar uprising. They are swing voters, but they aren't the socially liberal, economically conservative suburbanites pundits always say are the key swing demographic in presidential elections. They are folks whose libertarianism has led them to vote Republican and dislike unions but whose economic self-interest is now pulling them in a populist direction.

According to a national poll commissioned by WashTech in late 2003, 73 percent of IT workers describe themselves as either Independents (32 percent) or Republicans (41 percent)--a demographic that is typically hostile to the ideology of the labor movement and the concept of collective action. However, an overwhelming majority of this same group told pollsters they support strongly progressive legislation to expand unemployment benefits and to prohibit government contracts from going to companies that outsource jobs. And despite decades of antiunion propaganda from industry and its allied consultants, think tanks and politicians, a majority of Americans still tell pollsters that, if given the chance, they would vote to join a union.

This sentiment persists even in the white-collar world. Groups like WashTech, however, haven't been able to expand persistent positive feelings about unions into a more mature movement because they face the Fantastic Four: a quartet of pernicious and dishonest story lines that play to tech workers' unique self-image and that discourage full participation in the uprising.

The first and most powerful of these myths is the Marlboro Man Fable. Doug, a Microsoft employee and WashTech at-large member, who asks me to use a pseudonym to protect him from blacklisting, tells me that while tech workers certainly have complaints about wages and benefits, they do not see unions as being congruent with their deeply held beliefs in "rugged individualism"--the Marlboro Man spirit that says everyone is a lone cowboy who can tough it out on his or her own. "One of the successful things the high-tech industry has done is to have sold people on the idea that if you just struggle all by yourself, you can be Bill Gates, too," he says over lunch at Microsoft's cafeteria in Redmond. "That's kind of what we sell in our whole country as the self-made man. There's no such thing, really, but that's what lots of folks believe."

The gulf between the Marlboro Man Fable and reality is one of the most combustible ingredients in today's uprising. People's economic experiences--stagnant wages, rising healthcare costs, decreasing retirement benefits--indict the fable in a far deeper way than even the best uprising leader could. However, as Doug says, the awakening has been slow in a white-collar world that matured during the go-go 1990s. The Marlboro Man Fable poses the toughest challenge to WashTech because it drills directly into white-collar workers' psychology--specifically, their belief "that interests of employers and employees are the same," as sociologist Seymour Martin Lipset found in his groundbreaking research on the subject.

Antiunionism is being sustained not solely by the Marlboro Man Fable but also by the Legend of Job Security--the second of the Fantastic Four. Shrewd corporate PR and workers' career ambitions predispose white-collar employees to view the boss and the company as inherently benevolent. Many workers believe they don't need a union because they think such benevolence will protect them from the outsourcing buzz saw. WashTech's 2005 poll showed that about half of all tech workers do not believe outsourcing will affect their jobs--even though simultaneous polls of high-tech executives show that most are planning to radically accelerate outsourcing.

Whereas surmounting the Marlboro Man Fable requires changing deep psychologies and self-images, breaking through the Legend of Job Security is a much easier task, thanks to harsh realities. Princeton economist Alan Blinder reports that up to 42 million jobs could be outsourced in the coming years, especially impersonal services like software programming. Many high-tech workers are starting to get a handle on this. "A lot of full-timers who have been at Microsoft a long time are finally believing that sometime in the next few years, five years maximum, some whole division is going to show up one Monday morning and their card keys aren't going to work," one WashTech activist tells me. "Their work will have been sent to India." WashTech has deftly played its role as information conduit to expose outsourcing practices in provocative ways. For example, the group has leaked internal Microsoft documents revealing that company managers are encouraging those under them to hire foreign workers.

The frustrations of another WashTech member, a permatemp named Rennie, illustrate the third great myth of the Fantastic Four. Like most veteran permatemps, Rennie has been trying to switch to full-time work.

"I've interviewed for jobs, and they always say they are going to hire me, but before they get an offer on the table, the job gets outsourced or an H-1B gets brought in," he says in disgust. H-1B is a bland, IRS-tax-form kind of term, but it is at the heart of the Great Labor Shortage Lie.

For the better part of two decades, tech companies have complained about a dearth of high-skilled US computer programmers and engineers. This narrative is dutifully echoed by the media. A 2007 *BusinessWeek* headline is typical: Where Are All the Workers? the magazine asked, stating that "companies worldwide are suddenly scrambling to manage a labor crunch."

There's just one snag: there is no labor shortage. In 2007 a comprehensive Duke University study found "no indication of a shortage of engineers in the United States." As *BusinessWeek* admits in that same story about a supposed "global labor crunch," many "so-called shortages could quickly be solved if employers were to offer more money." But that's not happening. In fact, the magazine grudgingly acknowledged, "the strongest evidence that there's no general shortage today is that overall worker pay has barely outpaced inflation." So why is the lie still being spread? To drive down wages. To "fix" the alleged shortage, Congress in 1990 created the H-1B program, which allows employers like Microsoft to bring in temporary foreign workers for high-skill jobs. "They say they need H-1Bs because they can't find a qualified American, but what they really mean is they can't find a *cheap* American," Rennie tells me during a coffee break at his Microsoft office. His assertion is supported by the data. In 2005 the Center for Immigration Studies released a report on government statistics showing that H-1B employees are paid an average of \$13,000 a year less than American workers in the same job in the same state.

Today Microsoft ranks third in the country among companies hiring H-1Bs, so Rennie works with H-1B workers all the time. His anger is not the quasinationalism of Lou Dobbs or the xenophobia of the Minutemen. The rage is not directed at H-1B workers but at people he feels are abusing the program--and chief among them, he says, is Bill Gates.

In early 2007, the richest man in America brought his boyish happy talk to the nation's capital, testifying before the Senate in an attempt to persuade lawmakers to eliminate the government's annual cap on the number of H-1B visas. Almost all the WashTech members I met brought up Gates's testimony, making sure I understood what an atrocity they think it was. Here they are, working as permatemps, and the founder of their company spits out the Great Labor Shortage Lie by telling Congress he can't find qualified full-time workers.

The union published a full-page ad in *Roll Call* to pressure Congress to oppose Gates's H-1B request. The ad was not partisan, which is smart for two reasons. First, rank-and-file tech workers have mixed partisan loyalties, and they are more likely to donate to something bipartisan. Second, the Washington problem on these issues is truly bipartisan. Republicans may be the party of Wall Street, but Democrats--thanks to oodles of tech-industry campaign contributions--have become the party of Silicon Valley. "The people in the Senate were all praising Gates, telling him, Oh, you're such a great guy," Rennie says, his hand balled up into a fist, tapping his knee. "I just couldn't believe some of the stuff that was being said."

In particular, Rennie cites the last of the Fantastic Four--the Great Education Myth. Parroted by just about everybody in business, politics and media, this fairy tale tells us that if everyone just gets a college degree, our problems with outsourcing, stagnant wages and pension cuts will magically vanish. In the white-collar world, this myth says all you have to do is go back to school and you'll be fine. But Census figures show that between 2000 and 2004, earnings of college grads dropped by more than 5 percent. The *Financial Times* reports that "earnings of average US workers with an undergraduate degree have not kept up with gains in productivity in recent decades," primarily because "a change in labor market institutions and norms [has] reduced the bargaining power of most US workers" (translation: the loss of unions has meant less worker leverage). Even *Fortune* concedes that "just maybe the jobs most threatened by outsourcing are no longer those of factory workers with a high school education...but those of college-educated desk workers [who] look more outsourceable by the day."

The potentially insurmountable obstacle for WashTech, though, is something it cannot fully control. It can gradually break down the Fantastic Four and update the labor movement's image for its union-averse constituency. But without the intangible of inspiration, it will be having a "fight with a windmill," as Saul Alinsky would say. Those who join the uprising do so because they are tired of a political and economic system that ignores them. But for those folks, like white-collar workers, who may be less political by nature, that feeling of disenfranchisement can serve as a suppressant. Their apolitical, nonconfrontational

disposition means that they, more than most others, need an inspiration that proves the value of joining the uprising. And without that inspiration, whatever sympathies they may have are easily quashed by a sense of helplessness.

Rennie sums it up in distinctly Microsoft terms. "It's hard to change things when people turn on the television and see someone like Gates with all the Congressmen fawning all over him." They need to see something else. With the rise of populism in the 2008 election campaign, perhaps they soon will.