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# Tech's low-wage workers disrupt the disruptors

*Latest wave of labor organizing across Silicon Valley focuses on subcontracted support staff*

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by **Susie Cagle** (/profiles/c/susie-cagle.html) - @susie\_c ([http://www.twitter.com/susie\\_c](http://www.twitter.com/susie_c))

Leland Stanford — Gold Rush railroad baron, former California governor and senator and founder of the namesake university — is considered one of the Golden State's greatest innovators. But his lasting social contribution was not technological invention or equitable statewide policy; it was the import of Chinese laborers who were willing to work for a small fraction of the usual wage. Stanford enjoyed the additional revenue generated by underpaying much of his workforce, all while publicly supporting the rights of workers to unionize at a time when most American captains of industry were loudly anti-labor.

Little has changed in 150 years. As innovation booms again in California, companies claim to be changing the world for the better, but Silicon Valley has become an international paragon of an exaggerated, Dickensian kind of inequality

(<http://america.aljazeera.com/opinions/2015/3/does-a-rising-silicon-valley-lift-all-boats.html>). The gap between high- and low-income earners' annual wages is more than \$90,000 (<http://www.wired.com/2015/02/silicon-valley-inequality-study/>). Per capita income (<https://www.siliconvalleycf.org/sites/default/files/publications/2014-silicon-valley-index.pdf>) for white residents is more than twice that of black residents and more than three times that of Latinos. Some of the drivers of the valley's famous tech shuttles can't afford housing and must sleep in their cars (<http://www.sfchronicle.com/business/article/Tech-bus-drivers-forced-to-live-in-cars-to-make-6517928.php>).

Yet if the Bay Area is known for its libertarian economics, it is also known for its history of militant worker activism, its general strikes and shutdowns. It is still that place: Over the last several months, a new workers' movement has coalesced to push back against an onslaught of tech wealth that is smothering the region's poor and middle class — with the support of some tech workers themselves.

It was no coincidence that Silicon Valley Rising chose Our Lady of Guadalupe Church in East San Jose — where Cesar Chavez often organized farmworkers in the 1950s — to launch its campaign earlier this year. While union power is waning nationwide, this new coalition of labor and community groups — including the Teamsters, SEIU, Working Partnerships USA and others — is drawing on the region's deep history of progressive fights for worker rights.

Working Partnerships USA was founded in the mid-1990s, when the Bay Area was in the grips of the dotcom bubble. While this latest campaign is aimed squarely at large tech corporations that rely on subcontracted low-wage laborers to service their palatial

campuses, this broad coalition has been working together for years to make the valley better for workers.

“Coming out of the recession, progressives in Silicon Valley were increasingly tired of the rap that tech was leading the economic recovery,” said Derecka Mehrens, the executive director of Working Partnerships USA. “We wanted to get on the offense, and we knew the 2012 ballot would be an opportunity to do that.” The coalition successfully lobbied for a minimum wage increase in San Jose that year, with additional annual increases tied to the consumer price index.

Silicon Valley Rising “was our attempt to create a broad umbrella for the progressive community to say, ‘Tech can do better, and we want them to sit at the table with us to solve the greatest challenges of our time,’” Mehrens said.

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**“ Silicon Valley’s most visible and vexing labor problem of late appears to be its love of independent contractors, who are exempt from most labor laws and cannot legally unionize. ”**

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Tech is now credited with even more influence over the regional economy. Local economists often cite the fact that one job at a tech company leads to the creation of four other local jobs ([http://www.bayareacouncil.org/community\\_engagement/new-study-for-every-new-high-tech-job-four-more-created/](http://www.bayareacouncil.org/community_engagement/new-study-for-every-new-high-tech-job-four-more-created/)). But they rarely discuss the quality of those jobs, which tend to mirror national job growth: low-wage work to support the operation of large company campuses and the booming regional economy that needs a contingent of workers to work at the stores, restaurants and bars frequented by affluent techies. This makes the minimum wage battle all the more vital, but alone it’s not enough to close the growing income gap.

Mehrens calls tech “an industry of opportunity” for workers. These companies are uniquely rich and potentially publicly accountable, because of their stated progressive politics. Public campaigns shaming corporations for treating their workers badly work better when those corporations have made public commitments to social responsibility.

One way to hide this hypocrisy is by using support staff from third-party employers: Google's janitors aren't Google employees, and Facebook's bus drivers aren't Facebook employees. The National Labor Review Board's recent ruling that reassessed liability in joint employer relationships could affect these work arrangements, but no one knows how just yet. For companies facing public and political pressure to improve working conditions, this supply chain still allows for plausible deniability.

"They take no responsibility for the market that they create and the fact that workers are getting screwed every day and have terrible working conditions. The whole market for those jobs is paid for by their dollar," Mehrens said.

Silicon Valley's most visible and vexing labor problem of late appears to be its love of independent contractors — the Uber drivers and Postmates deliverers — who are exempt from most labor laws and cannot legally unionize. Even where these workers are employees with organizing rights, either of tech companies or subcontracted employment firms, their labor is as precarious as startup business plans. After Google Express delivery drivers filed (<http://teamster.org/news/2015/07/google-express-workers-file-representation-teamsters-union>) for Teamsters representation in July, news leaked that Google would be shutting down (<http://recode.net/2015/08/19/google-express-plans-to-shut-down-its-two-delivery-hubs/>) the service in San Francisco and Mountain View, effectively laying off those new union members.

But on the whole, Mehrens doesn't see bosses and workers as inherently at odds. "We like to say it's complicated," she told me. "Inherently, unions need employers, but we need employers who will come to the table. Otherwise, we just have a bad guy and a bunch of workers who never get a union contract."

The low-wage janitors, cafeteria workers and shuttle-bus drivers that keep tech campuses running may have more job security and more leverage to successfully unionize. In February, Facebook shuttle bus drivers represented by the Teamsters voted to approve (<http://blog.sfgate.com/techchron/2015/02/23/facebook-bus-drivers-unanimously-approve-union-contract/>) their union contract, after months of complaining of low wages, long hours and poor working conditions.

All these efforts appear to buck national trends. About 10 percent of U.S. workers belong to a union today, compared with nearly a third in the 1960s, when Cesar Chavez was leading the United Farm Workers. Where unionized manufacturing jobs disappeared, they were

replaced by knowledge and service-economy ones.

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Silicon Valley Rising says upward of 10,000 workers are actively involved in their organizing drives, with more to come soon. “I don’t think we’re done yet,” Mehrens said. “There’s enormous angst and anger at the tech community, but — let’s be clear — we don’t want those good jobs to go anywhere.”

Silicon Valley Rising has allies in the tech community. “We want to provide tech workers with a vehicle to engage with and support ongoing campaigns around social justice issues,” said Daniel Kadwany, an organizer with the Tech Workers Coalition. “We think the best way to do this is to support local labor and other community groups.”

But good job or bad, workers are workers. Decades ago, high tech campuses in Silicon Valley established perks and services to engender a sense of loyalty to employers and encourage tech workers to stay at offices longer — a union-busting carrot (or foosball table) as opposed to a stick.

Studies are clear: Unions make work better (<http://www.epi.org/publication/benefits-of-collective-bargaining/>) for workers. Workers want unions. Bosses don’t. And techies appear to be divided.

When Bay Area Rapid Transit workers went on strike in 2013, the tech community lashed out at the union not just for lack of train service but ostensibly on ideological grounds. They contended that not only were those workers unskilled, but unions were the problem. Workers are workers, but many tech workers see themselves as uniquely skilled and talented — not laborers but near-future founders and CEOs.

“People in the tech industry feel like life is a meritocracy,” Sarah Lacy, the founder of tech news site Pando Daily, told Marketplace (<http://www.marketplace.org/topics/tech/bart-strike-reveals-tech-transit-worker-divide>) at the time. “You work really hard, you build something, and you create something, which is sort of directly opposite to unions.”

Tech workers have a great deal of leverage in the current boom, as companies scramble to hire from a limited pool of talent in a small geographic region. But growing wages are prompting more companies to outsource work and import cheaper workers à la Stanford, though this time with H-1B visas. And even the revelation that Apple, Google, Intel and Adobe colluded for years to suppress wages

([http://www.theregister.co.uk/2015/09/03/apple\\_wagefixing\\_closed/](http://www.theregister.co.uk/2015/09/03/apple_wagefixing_closed/)) didn't inspire a tech worker union revolt.

“My experience is that tech workers are sometimes taken advantage of by their employers, as happens across industries,” Kadvany said. “However, the impact on their quality of life is generally a marginal one, due to the high wages in tech. I think for this reason, collective bargaining isn't seen as necessary at this point by many tech workers.”

Silicon Valley Rising is substantively improving the lives of low-wage contingent tech workers across the Bay Area. But its greater value may be in introducing union power to an industry and a generation of workers who haven't yet experienced it.

As a venture capitalist might say, this isn't a backlash — it's just a market correction.

*Susie Cagle is a journalist and an illustrator in Oakland, California. She has reported on politics and technology recently for The Guardian, Medium, Wired.com and other publications.*

*The views expressed in this article are the author's own and do not necessarily reflect Al Jazeera America's editorial policy.*

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