

# ARTICLES.

## ■ HIGH-TECH COTTAGE INDUSTRY

# Home Computer Sweatshops

PHILIP MATTERA

**A**t 6 A.M., Ann Blackwell slips out of bed in her home in Elgin, South Carolina, and walks to the den, where she activates a Texas Instruments 770 terminal. The green screen flickers as the machine begins transmitting Blackwell's work from the day before to a computer located in the offices of her employer, Blue Cross-Blue Shield of South Carolina. A few hours later, having seen her children off to school and cleared the breakfast dishes, she returns to the terminal and gets to work processing physicians' claims. With breaks for household chores and lunch, she remains at the keyboard until it is time to prepare dinner.

For the past five years Blackwell has been working at home this way as a participant in what Blue Cross calls its "cottage keyers" program. Blackwell puts in an average of fifty hours a week at the terminal, mostly while her two children, aged 7 and 13, are at school; but when she is behind quota she works at night as well. She is paid 16 cents per claim, each of which requires about ninety seconds to process. By completing about 2,000 claims a week (the company requires a minimum of 1,200), she nets about \$100—after deductions for taxes and equipment rental charges paid to Blue Cross. That is for a fifty-hour week, with no paid vacation time, no paid sick leave and no fringe benefits.

Blackwell admits that the work is boring and lonely, but she likes not having to get dressed up and drive to an office. She also likes the flexibility but dispels any notion that her job is a cushy one. "You've got to discipline yourself," she says.

Like Ann Blackwell, several hundred clerical and professional workers across the country are participating in home work projects, which, if they prove successful, could radically alter the conditions of employment for millions of people. These typists, claims processors, data entry clerks, computer programmers and other "information workers" have agreed to abandon the office and perform their tasks at home, on computer terminals electronically linked to a company's main office. They are part of a new trend toward what is called, in management jargon, "telecommuting," "remote work" or "flexiplace."

The revival, in high-tech form, of the home workplace, which had largely vanished under capitalism, was heralded several years ago by futurologist Alvin Toffler in his book *The Third Wave*. Toffler described the "electronic cottage" in glowing terms and predicted that its advent would alter

"our entire economy, our cities, our ecology, our family structure, our values, and even our politics . . . almost beyond our recognition."

Hyperbole aside, there is no doubt that a wide expansion of electronic home work will have serious social consequences. But what Toffler and other propagators of the idea ignore are the negative effects that the shift of work to the home could have on the worker. As Dennis Chamot of the A.F.L.-C.I.O. warns, "The potential for exploitation and abuse is tremendous."

Electronic home work is a curious amalgam of late twentieth-century technology and what in some instances amounts to early nineteenth-century working conditions. Ann Blackwell's situation at Blue Cross is not necessarily typical of the conditions faced by all the people who have participated in home work programs sponsored in recent years by companies such as Control Data Corporation, Aetna Life & Casualty Company and Continental Illinois Bank. Yet the use of home work, particularly by clerical workers, is being promoted in management literature in part as a way to cut costs. The message seems to be that home workers, predominantly women, can legitimately be denied the pay levels and benefits enjoyed by their colleagues in the office. Managers are also enticed by the prospect of a work force for which absenteeism and tardiness are virtually eliminated.

If for the boss electronic home work means potentially lower labor costs, for workers the arrangement means isolation and an end to the socializing and informal cooperation that are often the only things making a job bearable. In an advertisement for Lanier Business Products' Telestaff System, the company praises the virtues of a physically dispersed labor force: "The Telestaff Station. It brings work to your office. Not people."

Companies such as Control Data that pride themselves on being socially responsible emphasize the humanitarian aspects of home work, portraying it as a boon to the handicapped and to those who cannot travel to an office. Addressing a communications conference in 1981, Control Data vice president Gail Bergsven described her firm's experiment as part of a "holistic" management approach through which "the corporation can help itself by helping its employees."

The workers apparently are not encouraged to help themselves. None of the current home workers belong to unions, and union leaders charge that companies are so enthusiastic about shifting clerical work to the home because they see it as a way of keeping their office workers unorganized. "It's a union-busting tactic," states June McMahan, research director of the Service Employees International Union. Because of the difficulty organizing home workers and preventing employer abuses, the executive board of the S.E.I.U. approved a resolution last year calling for a Federal ban on electronic home work.

Thus, as it has so often in the past, new technology has transformed the role of labor as well as the techniques of

production. The growing corporate interest in the electronic cottage reflects other forces at work—notably the structural changes now taking place in the economy, which have been accelerated by the current recession. Information processing is gradually replacing heavy industry as the driving force in the American economy, and with the advent of microcomputers, some of this work can be farmed out.

Home work could also feed into another trend—business decentralization. Many employers have decided that gathering a large work force under one roof is not the most profitable way of doing business. Advances in flexible automation are making it possible both to reduce the payroll and to disperse the remaining employees throughout a constellation of small facilities. Unionized companies have been making greater use of subcontracting, parceling out work to low-cost nonunion suppliers. Last year unions representing 8,000 workers at General Electric's plants in Schenectady, New York, struck for two days to protest G.E.'s transfer of work to such companies.

At its worst, decentralization has caused the resurgence of the sweatshop and an exploitative underground economy. Home work in a more traditional form—garment making—has burgeoned among undocumented workers in New York City and Los Angeles, as well as in small towns in the Northeast. The Reagan Administration, which favors any measure that will lower labor costs, has sought to repeal Federal rules, issued during the 1940s, which ban home work in various kinds of light manufacturing.

Home work, in both its traditional and electronic forms, represents decentralization carried to its logical extreme: shrinking the production unit down to a single worker in his or her home. Since so few office workers are unionized, there is a heightened risk that some service businesses will become new runaway shops, cutting back on office staff and giving their jobs to low-paid workers toiling in their homes. Unable to bargain for higher wages, these computer pieceworkers might be forced to supplement their earnings by putting family members to work. In view of the growing computer sophistication of young people, this could give rise to a new form of child labor.

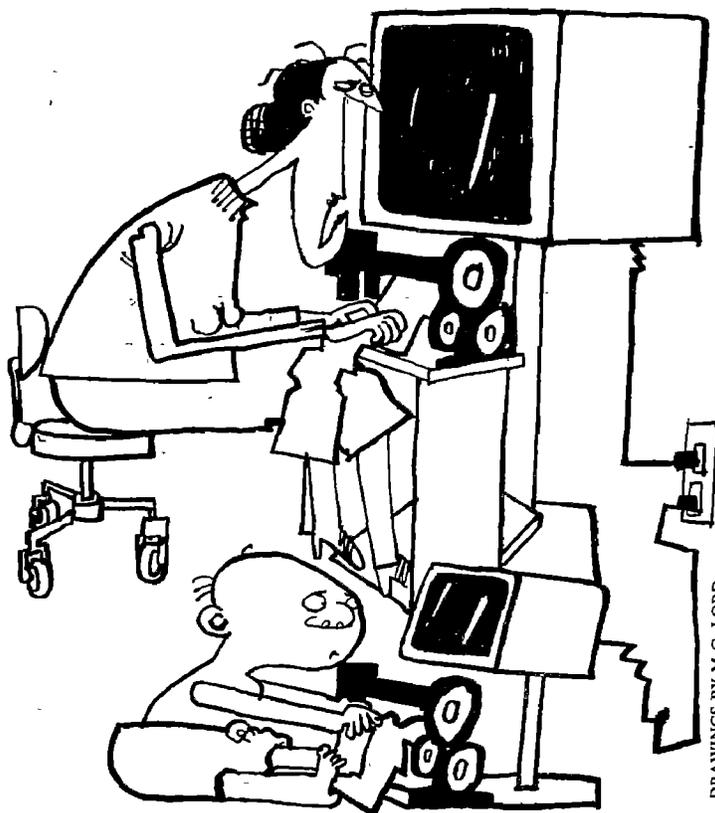
The danger of a domestic electronic sweatshop is obscured by the depiction of the electronic cottage as a form of entrepreneurship. Promoters like Toffler assume that home workers cease to be mere employees and are transformed into independent contractors. But it is just that status that makes it easier for business to deny them fringe benefits and hourly wages. Karen Nussbaum, executive director of 9 to 5, the National Association of Working Women, argues that the idea of entrepreneurship "does not bear much relevance to clericals. What's happening is that the employer is shifting overhead to the worker and evading demands for decent pay and benefits." For clerical workers, working at home could be "an unmitigated disaster," according to Nussbaum.

Some feminists take a more tolerant attitude toward electronic home work, arguing that it provides homebound women with their only means of earning an independent income. Margrethe Olson, who is doing research on the

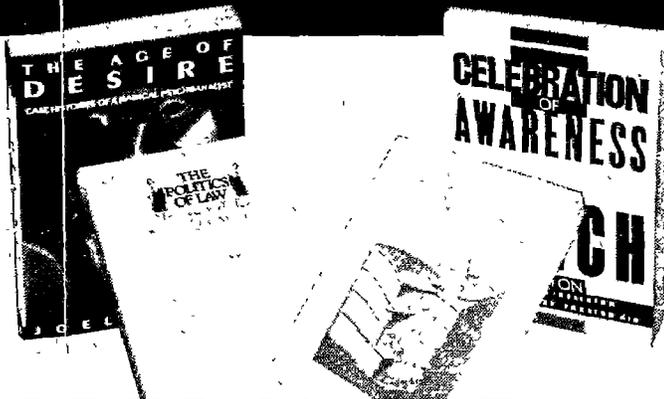
phenomenon at the New York University School of Business Administration, acknowledges the potential for abuse, but views home work as an opportunity for women with young children to work part time on a flexible schedule. (Olson insists, however, that it should not be viewed as a substitute for day-care facilities.) Supporters also point out that working at home enables people to avoid the daily commute, the sometimes stifling atmosphere of the office and the need to get dressed up to go to work.

Some of the positive attitudes toward home work stem from a selective definition of the kind of work involved. Actually, the skill levels needed vary. First there are the low-paid clerical workers doing routine tasks requiring little experience or expertise. They have the least bargaining power and are most vulnerable to exploitation. Then there are better-paid professionals and executives who may bring work home to do on their personal computers. There are also limited numbers of professionals who are participating full time in home work experiments, as well as an even smaller number of computer specialists who can sell their services by means of their home terminals. For some of the latter, entrepreneurship is often genuine—and quite lucrative. Computer magazines are full of tales about clever software producers setting up shop on their kitchen tables and becoming overnight millionaires.

It is usually the upscale professionals and entrepreneurs that futurologists like Toffler have in mind when they proclaim that electronic home work is the harbinger of a glorious new age in which work and social life will be decentralized. The state of complete separation of home and workplace, which was brought about by the Industrial Revolution, will end, they argue, and people will become more involved in their communities. The "home-centered



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society"—currently being promoted through electronic shopping and banking—is a key to Toffler's "third wave."

Yet with their exclusive focus on technology, these futurologists have ignored crucial considerations of class and gender. Nussbaum of 9 to 5 points out that the "home-centered society" would affect people differently, depending on their income levels. The upbeat view of it, she says, "is a projection of the ideals of the upper-middle class. It has a completely different effect for the working class. Being at home without money is like living in a prison."

The political problems associated with home work are all the more serious because most of the people who will be engaged in it, especially at the clerical level, are women. The prospect of being "home-centered" may not be so appealing to a generation of women who have been abandoning the home and entering the labor market in record numbers. Some feminists express concern that the rise of electronic home work will push employed women into dead-end jobs and make it more difficult for them to escape the housewife role. The simple fact that workers are isolated from one another can make home work a form of disempowerment, depriving women of the measure of social status that working with others provides.

Such fears are indirectly confirmed by the eagerness with which the New Right has embraced the concept of home work, which they believe would strengthen the nuclear family. Conservative Republican Newt Gingrich of Georgia has introduced what he calls the Family Opportunity Act, which would give tax credits to families that purchase home computers for business or educational purposes. Last year in a press release, Gingrich said the legislation would "strengthen neighborhoods and allow working mothers with preschool children to earn a living while staying at home." At a forum on the family co-sponsored by the Moral Majority last summer, home work was praised as a way for women to earn some money without neglecting their families.

If the future is not as bright as the futurologists paint it, neither is it entirely black. For one thing, some business executives have mixed feelings about the arrangement. Many managers are uneasy about losing the ability to oversee directly the work of their underlings. Even with the strictest controls, they assume that anyone working at home is goofing off. Moreover, some analysts argue that separation from the supposedly stimulating office environment tends to lower productivity. And many managers surely sense that employees will resist being sent home to work.

Still, even if the electronic home work force does not reach the 5 million to 10 million level that some corporate think tanks are predicting for the 1990s, those workers, particularly women, who are compelled or pressured to accept it will face new problems. The labor and women's movements also face a difficult choice: Should they seek a ban on home work or try to organize home workers? Both groups are only beginning to address the problem, yet business is far along in its experiment. The challenge for activists is to catch up with the transformation of work that is taking place, especially now that the changes are hitting home. □

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