
EDITORIAL



The Economy's New Clothes?

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When America Online (AOL) bought Time Warner, it seemed to signal a new era in both the culture industries and the economy more broadly. A giant of publishing, music, television, and cinema was being taken over by an internet company, for god's sake. *The Economist* magazine's cover story of 15 January 2000 depicted Steven Case, AOL's chief executive, as an Indiana Jones figure in a mock film poster that advertised the merger as if it were a movie (*The Big Leap*): "The most talked about deal in history!" was the moment "*when new media comes of age*."

The event was a rhetorical as well as a financial watershed, the coronation of what business leaches and their intellectuals and government servants like to call the "new economy." But there was another image that briefly dominated the front pages that week, from the press conference convened by Case and Gerald Levin, his counterpart at Time Warner. They rummaged through their closets to find something appropriate to wear, worthy of the high-profile event. Case had been known for his casual work appearance, the wondrous mirage of the new culture industries that borrow counterculture signs to construct a freewheeling form of administrative domination. Levin, by contrast, favored conventional male-leach habiliments—suit and tie.

So they decided to have a little fun. New economy, new clothes! New image! Steve came out as a suit, wearing a nice blue number with a yellow spotted tie. He was now a grown-up and was showing us the fact. Gerry, on the other hand, wanted to pass as a relaxed funster. He sported an open-neck shirt, knitted coat, and slacks. What a pair they made. Like ships meeting in the night, the supposedly old and new economies merging, their union signaled the confusion of these terms. Steve wanted to look like

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Gerry to show he was serious. Gerry wanted to look like Steve to show he was hip.

Hip yet serious, serious yet hip. A little drag show, fitting for the new economy. But what was so new about it? What kinds of miracles was it performing? In the United States, inflation was low, profits were soaring, unemployment was at historically low levels, and productivity was surging. Technological determinists had a multifaceted explanation for these developments. Ignoring such factors as decades of antiunion legislation, "disemployment," the erosion of welfare, and easy credit fueling gigantic consumer debt, they claimed that new forces of production were confounding government regulation and unleashing the energies of free enterprise, that the population was losing its dependency on the ideology of lifetime employment, that individualism was triumphant, and that markets were flexible in awaiting profits. The magic of the digital had ushered in newness and sparked such excitement that it provoked a revolution in personhood itself.

What was the story with these new people, made possible by the new technology? The most welcome component, according to the leaches and their emissaries, was the anachronism of unions under the new arrangements. With folks happy to change employers regularly and the new technology empowering them to see a future in meritocracy rather than in seniority, this new flexibility was a great boon to all. Death to collective bargaining and job security. So Harris Miller, president of the Information Technology Association of America, proudly suggested that "the philosophy is, Till death us do part—until I get a better offer" (quoted in Dreazen 2000b, B1).

But these new entrepreneurs of the self are confusing hybrids. Think of the merger of Case and Levin, the weird effect of their conjugation that saw each passing as the other's self. For just as this cross-dressing looked awkward, so many people in the high-technology industries can see cracks widening beneath their feet. Some of them read the signs in Federal Reserve Chair Alan Greenspan's blunt remark that Europe's and Japan's investments in the new economy had not been as profitable as the United States's because it is so easy here to hire and fire and there is minimal health insurance (Petras 2000).

Pause a moment to consider the situation of organized labor, an endangered species since the 1980s and supposedly ready for fossilization. Union membership is up as at no point in the past two decades (265,000 new subscriptions in 1999), in part because of mergers that mimic the functions of capital. There are now 16.5 million U.S. unionists (Dreazen 2000a). And they are achieving some notable successes in a tight labor market. The Communication Workers of America (CWA) triumphed in the summer of 2000 over "Verizon," the new Esperantish drag-name of Bell Atlantic,

chosen to mark the company's emergence as part of the new economy. The very week that the drag-name was announced, CWA members pulled the plug on the magic by striking—and won their struggle in a fortnight. But the CWA has a long way to go. Although it covers almost every employee of the major broadcast TV networks, it missed the signs when cable came along in the 1970s, and that industry sector remains 98% ununionized, with lower wages the consequence. Learning its lesson, the CWA is looking to assist workers with Microsoft and Amazon as they struggle with an employer sleight of hand that categorizes them as temporary employees or independent contractors as a means of denying them retirement and health benefits (Dreazen 2000b). These brutal practices see Microsoft currently facing a class action lawsuit from its six thousand temps (try looking for news of that one in your local paper) (Greenhouse 1999b). Meanwhile, the American Federation of Labor—Congress of Industrial Organizations has a Silicon Valley office, which runs a not-for-profit temp agency that offers health care coverage to workers and that has successfully pressed for the highest minimum-wage legislation in the country (double what they had been paid) (Greenhouse 1999a).

All of which shows that the labor movement still has much to offer even this new economy. Anxieties about dress codes among the executive-leach echelon are emblematic of uncertainty about how to present the brave world of the new. Meanwhile, the workers of that world are not exactly united, but some are examining their circumstances, noting who is vested and who is not, and turning to collaboration rather than individualism.

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