

One click to empowerment?

Chances and challenges for labor in the global value chain of e-commerce

Abstract

E-commerce has significantly grown during the last years and thus reshaped the distribution of goods to customers. It has created new work places, many of them under precarious conditions. Attempts to organize these workers have had mixed results, as can be witnessed in the case of German Amazon workers struggling for a collective bargaining agreement. While public interest has been extraordinary by comparison to other labor struggles, this field of unionist activity has received relatively little scholarly attention. This paper argues to use a global value chain approach in order to explore the chances and limits for labor with regards to e-commerce workers. This will allow a better understanding for their specific position along global value chains or within global production systems, and how their working conditions could be improved. Yet, this view requires to first locate e-commerce workers within existing frameworks of global value chains. Defining e-commerce workers leads to a heterogeneous group spread out over the globe: Warehouse workers located at the distribution hubs of targeted markets as well as call center agents, marketing experts, and software engineers. This paper examines the power resources of labor for organizing e-commerce workers at different stages of the value chain. Labor struggles in seven countries will be presented and compared, on the basis of documents as well as the expertise by affected unionists. The article aims at reshaping the view of e-commerce for labor strategies around workers in light of a global value chain approach.

Introduction

Working conditions at Amazon have received some negative attention during the last years: The 2014 ITUC conference voted its founder and CEO Jeff Bezos the „worst boss in the world“, for tax avoidance and difficult working conditions.¹ The 2015 Big Brother Award by the German NGO Digitalcourage went to Amazon for invading the privacy of its warehouse employees by asking for personal health data and for realizing digital day-laborship through its crowd-working platform Mechanical Turk.² The Financial Time reported that warehouse workers in the UK were constantly tracked through an electronic device³. A German documentary showed alleged Neonazi securities who bullied temporary foreign workers in 2013⁴. Already in 2011, the „Süddeutsche Zeitung“ had pointed out that unpaid interns sent by the Federal Employment Agency did most of the packing in the 2011 holiday season in Düsseldorf⁵. The Morning Call disclosed that ambulances stood permanently waiting outside a warehouse in Pennsylvania during the summer of 2011 to collect heat-affected workers since there was no air conditioning inside.⁶

These few examples explain the negative reputation of Amazon as employer. And the struggle for better working conditions has already begun, even though the online retail giant proves to be very

¹ See ITUC. 2014. „Amazon’s Jeff Bezos Wins ITUC’s World’s Worst Boss Poll“, 22 May. Available at: <http://www.ituc-csi.org/amazon-s-jeff-bezos-wins-ituc-s?lang=de>

² See Digitalcourage. 2015. „Big Brother Awards 2015“. Available at: <https://bigbrotherawards.de/en/2015>

³ See *Financial Times*. 2013. „Amazon Unpacked“, 8 Feb. Available at: <http://www.ft.com/cms/s/0/ed6a985c-70bd-11e2-85d0-00144feab49a.html#slide0>

⁴ See ARD. 2013. „Ausgeliefert! Leiharbeiter Bei Amazon“, 13 Feb. Available at: http://programm.ard.de/TV/daserste/ausgeliefert--leiharbeiter-bei-amazon/eid_281069485704849

⁵ See *Süddeutsche Zeitung*. 2011. „Weihnachtselfen im Praktikum“, 11 Nov. Available at: <http://www.sueddeutsche.de/wirtschaft/kritik-an-arbeitsbedingungen-bei-amazon-weihnachtselfen-im-praktikum-1.1186410>

⁶ See *The Morning Call*. 2011. „Inside Amazon’s Warehouse“, 18 Sep. Available at: http://articles.mcall.com/2011-09-18/news/mc-allentown-amazon-complaints-20110917_1_warehouse-workers-heat-stress-brutal-heat

resistant to unionization. This prompts the question whether or not there are specific challenges and chances for unions when dealing with e-commerce workers. It can be argued that unions still have to grasp the economic location of workers connected with e-commerce. Amazon is by far the most important e-commerce player at the moment, with first quarter sales of \$22.72 billion in 2015⁷. However, companies such as the Chinese JD.com and Alibaba, the Brazilian Saraiva, the Nigerian Jumia, or the Japanese Rakuten are regionally much more important than Amazon and growing as well.⁸ As online retail enterprises replace brick and mortar retail to an increasing degree it becomes more and more important to find a recipe how to tackle e-commerce workers. To this end, this article proposes mapping e-commerce workers within existing frameworks of global value chains, which will be first presented. In the second part, current labor struggles at Amazon will be presented and discussed in light of the insights from the value chains approach. The last part will summarize the findings and strategy recommendations.

Global value chains approaches

The commodity chain approach was the first to map out the interconnections between actors in globalized systems of production. Gereffi (1994) broke down production chains and analyzed the role of their different participants in terms of their possibilities of „upgrading“. This framework, which distinguished between buyer-driven and producer-driven chains, stimulated a broad body of empirical and conceptual research until today. As Bair (2005) noted, the commodity chain approach represented a promising new avenue mainly because it was different from both Wallerstein´s (1979) world system theory which describes the core-periphery relations in a more abstract way and also from the business-inspired concept of global value chains that focuses exclusively on possibilities to increase the value added at the individual firm level (Porter 1985).

In his later work, Gereffi (2005) elaborated more on the governance patterns of value chains and defined five types:

- 1) **Hierarchical** chains describe vertically integrated companies, e.g. all processes and operations along the chain are fully controlled and directly owned by this firm.
- 2) **Captive** chains are characterized by a strong lead firm and a number of suppliers which are not owned by the lead firm but highly dependent upon its activities. Transactions are highly complex.
- 3) **Relational** chains represent scenarios with long-lasting relationships among suppliers and lead firms that are not easily substitutable.
- 4) **Modular** chains consist of less formal and less lasting relationships between suppliers and the lead firm insofar that there is a much lower degree of mutual dependency.
- 5) **Market** chains are characterized by weak linkages between different firms and thus a low degree of control, direct ownership, and transaction complexity.

Parallel, other research explored more specifically the role of different actors as well as institutional factors. They rather described global production as networks or systems (see Dicken, Kelly et al. 2001, Coe 2008). These frameworks not only emphasized the multi-dimensional links between different firms but also allowed to better include other actors such as labor or civil society. In her work on the ILO Decent Work Agenda, Barrientos (2007) called the increased importance of a consumer-orientated production one of the central features of current global production system and identified several avenues to „social upgrading“ within global production systems. It is important to recall that the shift from chain to network approaches in political science went along with and thus reflected the shift towards more network-oriented transnational companies in the „real world“. This global shift meant new challenges for labor in terms of dealing with a new international division of labor that is characterized by the relocation of production premises by transnational companies as well as the co-existence of `peripheral conditions´ in all regions and high-value adding industries in developing countries (see Dicken 2007, Hoogvelt 2001, O´Brien 2007). At the same time, Dunn (2005) rightly

⁷ See Amazon. 2015. „Amazon.com Announces First Quarter Sales Up 15% To \$22.72 Billion“, 23 Apr. Available at: <http://phx.corporate-ir.net/phoenix.zhtml?c=97664&p=irol-reportsOther>

⁸ See Research and Markets. 2014. „The World´s Leading E-Commerce Companies“, Oct. Available at: http://www.researchandmarkets.com/research/dtxzvc/the_worlds

pointed out that there is a certain fatalism in describing the transformations during the last decades as fundamentally new and transcending all categories. Nevertheless, meeting these challenges as labor meant to re-visit the power resources in light of these developments.

Defining the power resources of labor

The power resources of labor are commonly referred to as structural and associational power (see Wright 2000, Silver 2003). Structural power refers to the power derived from the workers' position within the economy: Firstly, their workplace bargaining power that stems from the ability to disrupt processes (e.g. logistics, key production centers), and secondly, their marketplace bargaining power that reflects the scarcity of their jobs in the labor market. Associational power describes the means that directly stem from organizing itself. This can be easily confused with the idea that merely founding an organization will suffice to produce associational power, as Brookes (2013) has rightly pointed out. She proposes instead to understand associational power as „the capacity of workers to mobilize themselves to act collectively“ (ibid:8). This refers, among others, to the capabilities of a union or community organization to find the right mobilization mechanisms for its members, strategically plan and carry out a campaign, or forge coalitions (see Swarts 2008, Hyman 2010, Levesque and Murray 2010).

Webster and Bezuidenhout (2008) discussed the power resources of labor in a more globalized world, and concluded that the structural or „logistical“ power of unions, as they called it, could be strengthened with the emergence of a more and more sophisticated logistical infrastructure opening up points of intervention for labor worldwide. However, they pointed out that this required an increase in the associational power of unions by forming truly Global Unions with the capacity to mobilize its members to collective *global* action. At the same time, new avenues were opening up through an increased „symbolic“ power of labor, which refers to the heightened awareness of customers for the quality and manufacturing conditions of their product. Relying only on symbolic power can, however, lead to voluntary code of conducts where real responsibility is easily eluded and where actors are often victimized instead of empowered, as already pointed out by Barrientos (2007).

Besides structural, associational, and symbolic power, it is necessary to also mention institutional power which could be defined as „the capacity of workers to influence the behavior of an employer (or another actor) by invoking the formal or informal rules that structure their relationship and interactions.“ (Brookes 2013: 14). This refers to the legacy of former labor struggles and its explicit or implicit impact on today's labor relations in a country.

Defining e-commerce

E-commerce refers to commercial transactions such as the buying and selling of products and services conducted only through electronic measures. (Laudon and Traver 2011). It can be mainly subdivided into business-to-business (B2B), business-to-consumer (B2C) and consumer-to-consumer (C2C) activities.

E-commerce is nothing new itself. The first wave, on which also Amazon was riding, began in the 1990s and led to the so-called dotcom-hype. Startups mushroomed and were overvalued until the bubble burst in 2000 (Schwemmler and Zanker 2000). It was not until the middle of the decade that the Internet became an essential part of the daily lives of people as well of their consumption, first in North America and Europe but quickly also in most other countries. As the technological progress facilitated access to services regardless of location and hour, online shopping became more and more common, turning into not only an economic but also a social phenomenon (Rastas 2014).

As of 2013, global revenues in e-commerce amounted to more than 1.3 trillion US dollars, according to the statistics portal Statista.⁹ B2B sales represent the largest part. In B2C sales, mobile purchases have been rapidly growing. Annual desktop B2C e-commerce sales in the US grew from 72 billion dollars in 2002 to 359 billion dollars in 2014. However, while the share of US B2C sales accounted for 35.8 per cent of global e-commerce sales in 2010, this number is estimated to decrease to 26.9 per

⁹ See Statista. 2015. „Statistics and Market Data about E-Commerce“. Available at: <http://www.statista.com/markets/413/e-commerce/>

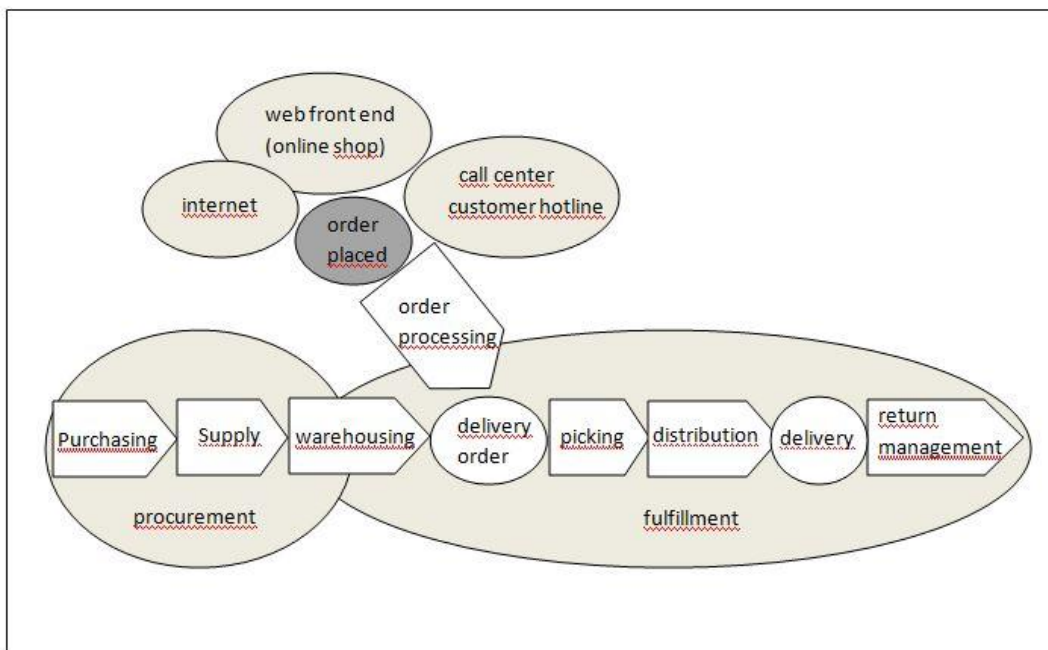
cent in 2015, suggesting the growth of e-commerce in other parts of the world. This holds especially true for Asia, where China is expected to account for almost a fourth of global e-commerce sales by 2016. A 2013 WTO report shows that mobile cellular subscriptions worldwide grew from an average of about 20 per 100 inhabitants in 2001 to over 80 in 2011, with the use of m-commerce and m-banking also growing in Africa and Asia.

B2C and C2C e-commerce includes a broad range of online retail offers (books, music, flights, clothes, electronics, tickets, to name just a few), as well as paid online services, paid content, and platforms for third-party sellers. As consumers are more inclined to buy any products online, the importance of intermediary platforms is growing. There are two types of intermediary platforms: Those who only provide intermediary online services such as Amazon, eBay, or Alibaba (“pure players”) and those who have also brick and mortar shops such as the retail giants Walmart or Tesco (“allrounders”). The success of these intermediaries, with Amazon as global leader, is often explained by them providing an access to almost any product category. The intermediaries have become a natural starting point for most of the online shopping, regardless of the sought product. This implies a certain pre-selection of products through the intermediaries. It also suggests that Amazon and others are slowly turning into what Jeff Bezos intended in 1994 when he wanted to create Amazon as “the everything store: (...) an Internet company that served as the intermediary between customers and manufacturers and sold nearly every type of product, all over the world.” (Stone 2013). Of course there are also e-commerce companies that have specialized on certain sectors, such as tourism (priceline.com, expedia) or clothes (Zalando, primark).

Mapping e-commerce workers in global value chains

In an early study, Eichener et al. (2005) emphasize that most processes in e-commerce that directly involve the customer are virtual. They suggest to divide the value chain into procurement, purchasing process, and fulfillment, with procurement and fulfillment appearing as underlying operations and the purchasing process as main interaction between the customer and the intermediary, as depicted in the figure below (see figure 1). They also argue that most online retailer focus on procurement and the marketing of their web shop, acting as job stimulus for companies involved with upstream or downstream activities such as the website hosting, the logistics, the distribution, or the customer support. This suggests a rather modular governance pattern. Gereffi (2000) once coined the term of an “infomediary-based value chain”, where the intermediary becomes central to a chain. Let us therefore walk through Amazon’s procurement, purchasing, and fulfillment and identify the respective chain types.

Figure 1: E-commerce value chain



Based on Eichener et al. (2005), own translation

Procurement refers to the steps that precede the appearance of a product or service in the online-shop or platform, as well as the delivery and storage of these goods before they are ordered by the customer. In the case of Amazon, this refers to all purchases of goods and services, including the contracts with suppliers, content providers, or business partners. Amazon has a huge variety of legal relationships with these external sources, as its multi-level sales strategy produces a complex network of ownership structures at the procurement level. This goes from a very low degree of mutual responsibilities to a deep entanglement. For instance, Amazon's marketplace only requires the third-party sellers to register, comply with the rules on what can be sold and how it is presented, pay fees for using the Amazon infrastructure, and choose whether or not the fulfillment is handled by Amazon. This implies relatively weak linkages between the actors, a low degree of control, direct ownership, and transaction complexity – typical for a market value chain. However, the relationship can change when business partners decide to intensify that relationship and use more of Amazon's services. In its global selling program, Amazon offers to handle the logistics, payment, customer service, and return management for third-party sellers – all decisions that intensify the linkages and make the supplier more dependent on the strong lead firm.

Besides the marketplace, there is a huge number of marketing arrangements with companies that allow Amazon to offer its huge product range. For instance, there have been such arrangements with HBO, Target, Toys 'R Us, NBA, or the pre-orders of Harry Potter books.

A third but very important pillar of its broad product range are acquisitions and investments made by Amazon, including the launching of own subsidiaries. It can be argued that this is not procurement in a strict sense. However, the acquisitions and investments play an important role for Amazon's revenue and show the diversity of its profile. To name but a few, here is an excerpt of a timeline on Amazon's website¹⁰: A9.com, Alexa, AmazonFresh, telebuch.de (now Amazon.de), Joyo.com (now Amazon.cn), the Internet Movie Database, audible.com, Kiva Systems, Endless.com, Brilliance Audio, Love Film International (now: Amazon Instant Video Germany), vine.com, Zappos. Amazon Kindle stands out as most important own product line. It is obvious that there is a much more hierarchical governance structure between Amazon and its subsidiaries or investments. It is important mentioning that all of these „own“ products have individual supply chains that would be worth scrutinizing in detail. This goes beyond the scope of this article. However, the scandals surrounding Foxconn (Ruckus 2013) which also produces for Amazon make clear that there is a discussion needed to what extent the company is also responsible for these workers.

The **purchasing** or ordering process by the customer includes the web shop, the customer support and also the technological infrastructure for accessing the web shop, finding information on the product, and realizing the transaction. Amazon has several departments dealing with marketing, web front end, background IT, as well as customer support. These services are core activities of the company, and thus partially concentrated at the headquarters in Seattle. Additionally, there are software development centers worldwide as can be verified through Amazon's career portal¹¹: 14 in North America (USA and Canada), 11 in Europe (Luxembourg, Germany, Ireland, Netherlands, Romania, UK), 5 in Asia, 1 in Africa. There are customer service centers across the globe: Currently, in the US, India, the Philippines, China, Germany, the Czech Republic, Ireland, the UK, Japan, Costa Rica, Uruguay, Italy, Jamaica, Morocco, and South Africa. The infrastructure for handling the orders suggests a close vertical integration and a hierarchical governance structure which might be connected to the fact that data management, technological innovations, and marketing strategies are the core value creating activities at Amazon.

The **fulfillment** phase begins when an order is placed and passed on from the online shop. Amazon itself calls its warehouses and logistic centers „fulfillment centers“. There are currently over 100 fulfillment centers worldwide: About 50 in North America (USA, Canada, Mexico), about 30 in Europe (UK, France, Italy, Germany, Poland, Czech Republic, Netherlands, Spain, Slovakia), about 25 in Asia. The number is constantly growing. At the same time, Amazon is constantly developing a more and more automated technology, already using 15,000 Kiva robots across the US as of 2014.¹²

¹⁰ See Amazon. 2014. „History and Timeline“. Available at: <http://phx.corporate-ir.net/phoenix.zhtml?c=176060&p=irol-corporateTimeline>

¹¹ See Amazon. - . „Amazon Jobs“. Available at: <http://www.amazon.jobs/team-category/ecommerce-platform>

¹² See *Business Wire*. 2014. „Amazon Unveils Its Eighth Generation Fulfillment Center“, 1 Dec. Available at: <http://www.businesswire.com/news/home/20141130005031/en/Amazon-Unveils-Eighth-Generation-Fulfillment-Center#.VZkyJ2MlevM>

Tasks in the fulfillment centers are divided into four stages¹³: The „receivers“ are responsible for arriving goods and register them. The „stowers“ store these in the huge warehouses. The „pickers“ are sent to collect the desired products after a delivery order. The „packers“ prepare them for delivery. All steps are planned in detail, and monitored through electronic devices that guide the most efficient ways for workers. Work in the fulfillment centers is, again, characteristic for a hierarchical governance pattern with a high degree of control and ownership – even if hiring and other operational services (e.g. security) are partially outsourced to agencies.

Once a parcel leaves the fulfillment center, it enters the realm of Amazon’s logistics partnerships. Across the globe, Amazon contracts different delivery companies for shipping its products to the customer, and for the return management. There are often priority partnerships, including contract fines when promised delivery times are not met. Otherwise a service such as Amazon Prime, guaranteeing fast delivery, could not be offered. These long-lasting relationships that are not easily substitutable indicate a more relational governance pattern. Lately, Amazon has been also experimenting with using drones¹⁴, delivery to car trunks¹⁵, and delivery through other customers¹⁶, which would loosen its dependency from other delivery services.

To summarize, there is not only one type of governance pattern in Amazon’s value chain. Stemming from the multi-sales strategy and complex network ownership structure, we can identify at least four types:

First, a market chain relationship with its third-party-sellers.

Secondly, the captive relationship with suppliers that heavily depend upon its infrastructure.

Thirdly, the hierarchical patterns that apply to its subsidiaries, customer services centers, software development centers, and its fulfillment centers.

Fourthly, the relational relationship with some of its contracted logistics partners.

What can this mixed picture offer unionists in their quest for potential points of intervention?

As it becomes clear, hierarchical patterns prevail in a large part of Amazon’s value chain, from the production/provision of many products and services to its technological core, and the fulfillment centers. Amazon can be held directly responsible here – and this affects 165,000 employees around the world as of 2015, not including seasonal temporary workers.¹⁷ The globally dispersed workforce, and the division of labor into subsidiaries, customer service, software development, and fulfillment require a carefully thought strategy, though. Drawing on the power resources of labor, the „logistical“ power of workers seems especially high in an interconnected business model: The threat to interrupt the online shopping experience for the customer can be powerful, as this is the basis of Amazon’s growth. To do so, key strategic points need to be identified for the concrete goal of a campaign. Unions could for example identify key subsidiaries/investments (e.g. Kindle) and disturb the provision of goods or services – which bears the danger that the missing product goes unnoticed in the broad product range. The warehouses can be tackled – the impact will, however, be low, when the market can be also served from other nearby warehouses. The customer services centers could be targeted, given that there are less workers to be organized - however, this only works for certain language groups, where the services cannot be instantly switched to an alternate center. Tackling one of the technological departments promises a huge effect with involving less workers – as long as these tasks cannot be switched to another software center either. Organizing strategic workers, cross-country alliances and cross-sectoral alliances can be the solution to this problem. Strategic workers are IT specialists or technicians that ensure the proper operations of e.g. a warehouse and are not easily replaceable. Cross-country alliances are necessary to make substitute serving from another warehouse or call center impossible. Cross-sectoral alliances take a closer look at the relational

¹³ See *France 5*. 2013. „24 Heures Chrono, Dans Les Coulisses Des Livraisons De Colis“, 15 Dec. Available at: <http://www.france5.fr/emission/24-heures-chrono-dans-les-coulisses-des-livraisons-de-colis/diffusion-du-15-12-2013-20h35>

¹⁴ See *BBC*. 2015. „Amazon Details Drone Delivery Plans“, 8 May. Available at: <http://www.bbc.com/news/technology-32653269>

¹⁵ See *NBC News*. 2015. „Amazon Tests Delivery To Your Car Trunk“, 23 Apr. Available at: <http://www.nbcnews.com/business/autos/amazon-testing-delivery-your-car-trunk-n346886>

¹⁶ See *Fortune*. 2015. „Amazon Ponders Crowdsourcing Deliveries With 'On My Way' Program“, 16 Jun. Available at: <http://fortune.com/2015/06/16/amazon-crowd-source/>

¹⁷ See Amazon. 2015. „Q1 Financial Results“, 23 Apr. Available at: <http://phx.corporate-ir.net/phoenix.zhtml?c=97664&p=irol-reportsOther>

business partners and increase the pressure by coordinating, for instance, a simultaneous action of warehouse workers, postal workers, and truck drivers.

How feasible are those strategies? The next part will take a look at current and past labor struggles at Amazon.

Labor struggles at Amazon

There have been union activities around Amazon in several countries as Amazon has been expanding throughout the world. Qualitative research in union publications as well as an exchange with union leaders have helped to reconstruct some of these activities, without a claim to be complete.

In the **United States**, Amazon's „home base“, there are currently more than 50 logistics centers, several sortation centers, the headquarters in Seattle, and several customer services and software development centers. It has a total of about 25,000 employees, with an additional 80,000 temporary workers for the Christmas season as of 2014. There have been different approaches to organizing workers from various unions since the company started to operate in the 1990s. The earliest attempts go back as far as 2000 when the Communication Workers of America started to organize 400 customer service employees of a call center in the Seattle area that was soon closed.¹⁸ Around that time, the United Food and Commercial Workers launched an organizing drive for the then-5,000 warehouse workers, cooperating with the Prewitt Organizing Fund, which, however, was eventually aborted.¹⁹

Currently, the Services Employees International Union (SEIU) has been trying to organize the security guards in Seattle who work for companies subcontracted by Amazon. For instance, SEIU has filed several complaints with the National Labor Board for violations on the sick-leave-practice by the the Security Industry Specialists who have been contracted since 2012. When Amazon claimed no responsibility for these subcontracted workers, SEIU walked into the shareholders meeting in 2014. The nine Seattle City Council members endorsed a public letter in July 2014, stating that they were „deeply concerned about the appearance of retaliation against workers trying to form a union.“²⁰ SIS agreed to settle the claims with the city in March 2015. City council members repeated their appeal to Amazon to hire a responsible security firm. A broad coalition of unionists and community organizations used the 2015 shareholder meeting to remind Amazon of its corporate responsibility to help keep public transit and housing affordable.

In another attempt, the International Association of Machinists and Aerospace Workers reached out to technicians at an Amazon warehouse in Middletown, Delaware, who eventually voted 21-6 against third-party-representation at the beginning of 2014 after an intensive campaign from both the union and the management.²¹

Unions have also been involved with legal claims against Amazon workers.

The Supreme Court decided in 2014 that the time waiting at security check points does not need to be compensated.²² On the other hand, the company agreed in a settlement with the National Labor

¹⁸ See *Time*. 2014. „How Amazon Crushed The Union Movement“, 16 Jan. Available at: <http://time.com/956/how-amazon-crushed-the-union-movement/>

¹⁹ See *In These Times*. 2001. „Amazon Workers On The Move“, 8 Jan. Available at: <http://inthesetimes.com/issue/25/03/moberg2503a.html>

²⁰ See Seattle City Council. 2014. „Seattle City Council Letter To Amazon Re SIS Workers“, 21 Jul. Available at: <http://de.scribd.com/doc/234998105/Seattle-City-Council-Letter-to-Amazon-Re-SIS-Workers>

²¹ See *Seattle Times*. 2014. „Union Representation Bid Fails At Amazon Warehouse In Delaware“, 15 Jan. Available at: <http://www.seattletimes.com/business/union-representation-bid-fails-at-amazon-warehouse-in-delaware/>

²² See CWA. 2014. „Supreme Court Denies Amazon Warehouse Workers Pay For Security Screening“, 11 Dec. Available at: http://www.cwa-union.org/news/entry/supreme_court_denies_amazon_warehouse_workers_pay/#.Van05GMlevN

Board to change its rules so that employees can discuss pay and working conditions without fear of being disciplined.²³

According to unionists, Amazon has proven to be rather hostile towards organizing attempts. Due to its growing importance into almost every sphere of shopping, it stays nevertheless an important target for unions. A high number of temporary and subcontracted workers adds to the difficulties of this union-hostile environment.

In the **UK**, Amazon launched its operations already in 1998, and now operates at Roydon, Doncaster, Dunfermline, Edinburgh, Gourock, Hemel Hemstead, Milton Keynes, Peterborough, Rugeley, Swansea, Slough, Holborn in London, Dublin and Cork. It employs approximately 7,000 workers of which 5,800 are permanent. During Christmas seasons there are up to 15,000 temporary workers, mostly employed through subcontractors.

An early organizing attempt by the print and media union (GPMU) in 2001 was crushed by an union busting operation (Gall 2004).

Today, the general union GMB is organizing workers at the logistics depots, with varying union density from warehouse to warehouse, according to a union representative. Activities by GMB have involved an organizing and media campaign for several years. In 2013, the GMB successfully drew attention to the poor working conditions at the warehouses, and alleged tax avoidance by Amazon. The BBC and other media reported about the 10-miles-a-day that Amazon workers have to walk in their shift, while constantly being tracked and monitored. GMB has also frequently stressed the union-hostile environment at Amazon. At the 2013 TUC congress, a GMB spokesperson described their activities as underground organizing, comparing their tactics to those of the French resistance or human rights campaigns in totalitarian regimes.²⁴

Acceptance for union activities, the end of permanent control („dataveillance“), a living wage for workers and compliance with UK regulations for job redundancy have been among the issues tackled by GMB recently. Parallel to the media campaign which seeks to build up external pressure, the union says to have found contact through individual representation and the encouragement of person to person recruitment as a result of this the most effective way in their organizing. Given the hostile environment, GMB is taking a longer term approach on Amazon and welcomes the international alliance with other unions.

In **Germany**, Amazon employs about 9,000 workers at nine logistics centers. The warehouse workers at Amazon have walked out for a collective bargaining agreement several times since May 2013. The services union ver.di demands to apply the agreement of the retail and online retail sector, while Amazon denies negotiations and claims to apply wages from the logistics sector²⁵. The strikes have been on and off for the last three years, and haven taken place at the fulfillment centers of Bad Hersfeld, Leipzig, Graben, and Rheinfeld. The walk-outs have drawn a broad national and international awareness. Solidarity campaigns by students accompany the strikes as well as a coordination with collective action during the regular negotiation rounds of the retail sector for higher wages. While the struggle has not yet led to official negotiations, there have been voluntary pay increases such as a Christmas bonus. Another success was the set-up of works councils at the fulfillment centers, starting in 2012. Works councils are part of Germany's codetermination system, and represent workers's interests on important aspects of the working conditions such as safety precautions, however, excluding wages and other regulations that are reserved to collective bargaining negotiations. The warehouse workers' struggle has been one of the longest ongoing labor conflicts during the last years in Germany, and has also launched an international cooperation, as will be described below.

²³ See *Bloomberg*. 2014. „Amazon Worker Forces Changes As Labor Board Settles Claim“, 18 Nov. Available at: <http://www.bloomberg.com/news/articles/2014-11-18/amazon-settles-labor-board-complaint-on-workers-rights>

²⁴ See GMB. 2013. „Tackling Hostile Employers“, 9 Sep. Available at: <http://www.gmb.org.uk/newsroom/tackling-hostile-employers>

²⁵ See ver.di. 2014. „Es Geht Um Viel Mehr Als Nur Einen Tarifvertrag“. Available at: <http://amazon-verdi.de/21>

Meanwhile, also workers of Amazon Prime Instant Video Germany joined the labor conflict and went on strike in March 2015, extending the strikes beyond the warehouses.

Parallel, another intensive labor conflict escalated at the beginning of 2015 in the related sector of Germany's postal workers. The Deutsche Post restructured its operations into 49 regional companies, thus breaching a national contract against outsourcing, according to ver.di²⁶. The national agreement of Deutsche Post is not applied to the regional countries. The company claimed this restructuring as a necessity in light of a reconfigured industry and an increased competitiveness. After several failed negotiations, postal workers went on strike for four weeks in June, with the effect that the outsourcing process could be halted. Interestingly, the delivery of parcels for priority e-commerce enterprises like Amazon went on even during the strike. With heavy contract fines looming, the Deutsche Post used its remaining capacities first and foremost for these services, according to reports.²⁷

While the struggle of postal and warehouse workers coincided, it was triggered by different circumstances and pursued different goals. Interestingly, workers of most parts of the e-commerce value chain organize in ver.di: truck drivers, call center agents, and IT specialist - the union density varies, however, heavily, and conventional business-to-business shipping still seems to outnumber e-commerce shipping in the logistics sector. This might explain why the ver.di Amazon campaign has mainly tackled warehouse workers so far.

In **France**, there are four logistic centers at Saran, Sevrey, Montélimar, and Lauwin-Planque with approximately 5,000 workers. These have unionized and walked out several times over decent salaries, a 13th month salary, defined work schedules and breaks. The Confédération Générale du Travail (CGT), who claims to represent 40 of them, has called for several strikes in 2013, 2014, and 2015, joined by Force Ouvrière (FO) and l'Union Syndicale Solidaires (SUD). Industrial relations in France are specifically regulated. Companies in France with elected union spokes persons have to meet with the unions for obligatory annual negotiations. Irregularities were reported in the elections of union representatives at Lauwin-Planque.²⁸ After the obligatory negotiations in 2014 were not successful, strikes around Christmas sought to reopen the negotiations. In 2015, after several bargaining rounds, walk-outs in May, and a membership consultation, Amazon.fr and the CGT reached an agreement by the end of June which provides for wage increases between 0.8 and 1.8 per cent, a leave day for moving, and social dialogue on working conditions with the CGT.²⁹

In **Italy**, Amazon is located in Piacenza, Milan, and Cagliari, with a total of about 1,000 permanent employees. As recognition of a national agreement is obligatory in Italy, Amazon applies the collective national agreement (CCN) of commerce. The CCN is an agreement signed by all three big confederations organizing in this sector, the CGIL, CISL, and UIL, and is renewed every two years. The current agreement, that provides for moderate wage increases, was renewed in March 2015³⁰. However, the high number of temporary workers is alarming for unionists. As of 2013, 700 out of 1,000 workers at the largest warehouse in Piacenza were temporary. The unions Filcams-CGIL, Fisascat-CISL, UILTuCS-UIL, and Si Cobas have been attempting to organize workers³¹. One major challenge remains the difficulty to even approach the employees so that union density remains low. As long as employees haven't elected the Unitarian Union Representatives, access to the premises can be denied, and firm-level negotiations about working conditions cannot take place. A SI-Cobas

²⁶ See ver.di. 2015. „Chronik Zum Tarifkonflikt Mit Der Deutschen Post AG.“ 31 May. Available at: <http://psl.verdi.de/themen/nachrichten/++co++e164e302-cee7-11e4-ae09-525400a933ef>

²⁷ See *RP Online*. 2015. „Die Digitalisierung Spaltet Die Gesellschaft“, 12 Jun. Available at: <http://www.rp-online.de/wirtschaft/unternehmen/amazon-und-poststreik-die-digitalisierung-spaltet-die-gesellschaft-aid-1.5162094>

²⁸ See *l'Humanité*. 2015. „La „Démocratie“ Selon Amazon“, 17 Apr. Available at: <http://www.humanite.fr/la-democratie-selon-amazon-571538>

²⁹ See *RFI*. 2014. „First Germany, Now France Defies Amazon Over Pay“, 21 Dec. Available At: <http://www.english.rfi.fr/general/20141221-first-germany-now-france-defies-amazon-over-pay>

³⁰ See CCNL Terziario. Available at: http://www.lavoroediritto.com/wp-content/files/ccnl_terziario_30_03_2015.pdf

³¹ See FILCAMS-CGIL. 2013. „Viaggio Dentro Amazon.it“, 30 Dec. Available at: <http://www.filcams.cgil.it/viaggio-dentro-amazon-it-2/>

spokesperson has called the warehouse in Piacenza a fortress.³² The Filcams-CGIL had been protesting since 2011 before it was invited to a first meeting at the beginning of 2014.

In **Poland**, Amazon opened its first logistics centers by October 2014. It now operates two logistics centers near Wrocław and one near Poznań which are currently used to serve the German market as Amazon.pl is not available yet. There are approximately 5,000 workers at these centers, out of which about 2,500 temporary workers are employed. NZZ Solidarnosc has accompanied the process from the very beginning, registering Solidarnosc at Amazon Fulfillment Poland in January 2015 and conducting leadership elections shortly after. Union ambassadors are also elected to represent workers in the Factory Councils. The newly elected union representatives opened negotiations with the CEOs of Amazon in July on wages, work hours, benefits, as well as paid overtime, bonuses, and paid holidays. According to the union, working hours at Amazon Fulfillment Poland are much longer than in the rest of Europe, while wages are approximately four times less. The union is in the process of establishing itself, and has been closely cooperating with its German counterparts. It launched a social media campaign to reach out to the workers, and plans to employ open dialogue, partnership and willingness to solve problems in a reasonable manner.

In the **Czech Republic** Amazon could not open a planned logistics center near Brno after the City Council withdrew the building permit.³³ It is already operating a center for return management in Dobroviz near Prague and currently building a fulfillment center at the same location. 2,000 permanent and 3,000 seasonal jobs are expected to be created there, however, with much lower wages than common for the region.³⁴ The Czech union OSPO has been in close contact with colleagues from Poland and Germany, and is thus prepared to reach out to these workers as soon as the new center starts operating.

On an **international basis**, an alliance between unions organizing Amazon workers was forged in 2013. Workers from the United States, Germany, the UK, France, Poland, Great Britain, and the Czech Republic have been regularly in contact since then. There have been solidarity visits from Polish and Czech unionists at German strike meetings. A delegation of German workers went to the Seattle headquarters in 2014 to meet representatives from US unions and hold a rally there. UNI and ITF officially announced their cooperation on Amazon in 2014. The international cooperation primarily contributes to exchanging experiences and creating a heightened public awareness for the matter. This could be witnessed in the French strikes, or concerning an early involvement of unions in countries such as Poland or the Czech Republic while Amazon was still planning new logistics centers. At this early stage, the cooperation has been limited to network meetings and solidarity visits. The next months will show if a common strategic approach for a coordinated struggle can be developed, and whether or not further unions from other countries will join.

When comparing the union activities and their impact, a very hostile attitude towards unions strikes as a commonality. Despite this hostility, important milestones could be achieved: Application of the national agreement of commerce in Italy, election of union representatives and compliance with obligatory annual negotiations in France, election of works councils in Germany, and union ambassadors in Poland. This ends the myth that e-commerce will generally stay out of reach for unions.

Using the power resources approach, it could be argued that these differences stem from the different **institutional power** resources of labor. Where the industrial relations are highly regulated or historically grown as in France, Germany, Italy, or Poland, unionist activities have more quickly resulted in workers' representation through institutionalized structures at the firm-level or even collective bargaining agreements. Huge efforts are still required for any improvements beyond the compliance with institutionalized or legal regulations. The current lack of institutionalized union representation in the UK and US could explain why unionist activities are more easily kept out and forced to the „underground“.

³² See *Jungle World*. 2015. „Wie Eine Festung“, 9 Apr. Available at: <http://jungle-world.com/artikel/2015/15/51751.html>

³³ See *Radio Praha*. 2014. „Amazon Plans Another Czech Logistics Centre“, 15 Sept. Available at: <http://radio.cz/en/section/business/amazon-plans-another-czech-logistics-centre>

³⁴ See *Frankfurter Rundschau*. 2015. „Vier-Euro-Job Bei Amazon“, 29 Apr. Available at: <http://www.fr-online.de/arbeit---soziales/versand-lager-in-tschechien-vier-euro-job-bei-amazon,1473632,30553016.html>

Concerning the **structural power** of labor, the fulfillment centers as clear focus of most union activities have a high potential to interrupt the processing of the goods, but they also bear the danger that strike efforts are easily compensated by neighboring warehouses. In addition to that, warehouse workers have little marketplace bargaining power insofar that they are easily replaceable. Their temporary contracts aggravates this situation and requires to revisit successful strategies for ensuring core labor standards and organizing precarious workers (see Scherrer 2007, ILO 2013). The few organizing attempts tackling other worker groups teach us mixed lessons about their structural power. The call center near Seattle was closed after they organized, implying that their bargaining power was low. The technicians in Delaware were only a group of 27 and struggle against their unionization was fierce, indicating that they hold an important position. The strike at Amazon Prime Instant Video Germany directly affected the provision of DVDs, which is however, just a small part of Amazon's product range.

As for the associational power of labor, it goes beyond the scope of this article to evaluate all involved actors here, and their capacity to strategically design and carry out a campaign. However, what needs to be stressed is the international alliance for unions working on Amazon, supported by UNI and ITF. The example of Poland shows how NZZ Solidarnosc succeeded in putting the need for unionization on the agenda even before Amazon employed the first worker. From their own judgment, the international network has helped this early kick-off. How the union would have behaved without the international alliance is hard to speculate. There is no doubt, however, that the media and organizing campaign of Solidarnosc as well as the union elections were understood as part of an international struggle by themselves and by the press. As has been pointed out above, the global structure of Amazon's core activities and operations requires an even stronger international cooperation in order to create well-coordinated economic pressure across countries, sectors, and involving key workers or subsidiaries. A global union strategy is needed for a globally operating company. The associational power of labor becomes thus a key factor for future struggles – be it at Amazon or any other globally operating e-commerce company.

The international alliance has, nevertheless, successfully framed the Amazon struggle as model labor conflict of the 21st century. This directly refers to the **symbolic power** of labor. At this moment, attention for working conditions and labor struggles at Amazon is so high that unions in institutionally difficult circumstances could attempt to use this international awareness as a „boomerang“ for their local struggle. This has been done as with the meeting of German workers at the US headquarters. The Polish example has been touched upon already. Other examples of symbolic power are the letter by City Council members in Seattle expressing concern about retaliation of security workers, the ITUC voting for Bezos as „worst boss of the world“, or the reference to French resistance tactics by unionists in the UK.

Conclusions and strategy recommendations

While Amazon is the global leader of e-commerce, the research showed that its main activities have long been in Northern America and Western Europe. Now it has been expanding, and more and more unions are considering how to tackle workers in this sector.

For this purpose, it was important to show that a large part of Amazon's operations are closely controlled through direct ownership, subsidiaries or investments. This opens up much more points of intervention for unionists than many expect: The product/services provision through the subsidiaries, the core technological and marketing services, the customer services, and the large fulfillment centers. Only the third-party-sellers are relatively loosely connected with Amazon.

Using these points of intervention requires unions to overcome the following challenges:

- The complex network structure of Amazon prevents to conceive of Amazon workers as a homogeneous workforce. Bridging some of these differences towards a common understanding will be necessary in order to draft efficient strategies. Different mobilization tactics will be needed for blue collar and white collar workers.
- Amazon's operations can be found in different sectors as well as in currently 32 countries. A cross-sectoral, cross-country coordination for union activities is strongly recommended in order to design a global strategy that overcomes the danger of eluding labor struggles.
- Amazon has been extremely hostile towards unions, even using union busting consultancies. Where industrial relations are institutionalized, unions should push for implementing what is required. In some countries this includes even the application of a collective agreement. For

everything beyond the required, a well-prepared campaign with a mid-to-long-term orientation is advisable.

- The international awareness for labor struggles at Amazon is currently high. Using this for mobilization of workers can be recommended, however, it does not replace the building up of local resources.
- A major part of the difficulty to sustainably organize workers at Amazon lies in the insecurity of many workers. Short-term contracts and subcontracting deprive workers of efficient means to fight for their interests. Unions therefore need to prioritize the struggle for precarious workers and how to end their status as workers without basic rights.

Last, even though this article has addressed Amazon and examples of labor struggles from Europe and the US, it also seeks to inspire unionists dealing with other e-commerce giants that are often more important in their region than Amazon.

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