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NO SPACE NO CHOICE NO JOBS NO LOGO

NAOMI KLEIN

Picador

New York

op: The quintessential free agent. *Bottom:* Based on a "culture jam" from *Adbusters.*

CHAPTER TEN

THREATS AND TEMPS

From Working for Nothing to "Free Agent Nation"

A sense of impermanence is blowing through the labor force, destabilizing everyone from office temps to high-tech independent contractors to restaurant and retail clerks. Factory jobs are being outsourced, garment jobs are morphing into homework, and in every industry, temporary contracts are replacing full, secure employment. In a growing number of instances, even CEOs are opting for shorter stints at one corporation after another, breezing in and out of different corner offices and purging half the employees as they come and go.

impermanence in employment

Almost every major labor battle of the decade has focused not on wage issues but on enforced casualization, from the United Parcel Service workers' stand against "part-time America" to the unionized Australian dockworkers fighting their replacement by contract workers, to the Canadian autoworkers at Ford and Chrysler striking against the outsourcing of their jobs to non-union factories. All these stories are about different industries doing variations on the same thing: finding ways to cut ties to their workforce and travel light. The underbelly of the shiny "brands, not products" revelation can be seen increasingly in every workplace around the globe. Every corporation wants a fluid reserve of part-timers, temps and freelancers to help it keep overheads down and ride the twists and turns in the market. As British management consultant Charles Handy says, savvy companies prefer to see themselves as "organizers" of collections of contractors, as opposed to "employment organizations."[1] One thing is certain: offering employment – the steady kind, with benefits, holiday pay, a measure of security and maybe even union representation – has fallen out of economic fashion.

part-timers keep overhead low & enable companies to ride the market waves

Branded Work: Hobbies, Not Jobs

Though an entire class of consumer-goods companies has transcended the need to produce what it sells, so far not even the most weightless multinational has been able to free itself entirely from the burden of employees. Production may be relegated to contractors, but clerks are still needed to sell the brand-name goods at the point of purchase, especially given the growth of branded retail. In the service industry, however, big-brand employers have become artful at dodging most commitments to their employees, expertly fostering the notion that their clerks are somehow not quite legitimate workers, and thus do not really need or deserve job security, livable wages and benefits.

infantilization of workers in service sector

Most of the large employers in the service sector manage their workforce as if their clerks didn't depend on their paychecks for anything essential, such as rent or child support. Instead, retail and service employers tend to view their employees as children: students looking for summer jobs, spending money or a quick stopover on the road to a more fulfilling and better-paying career. These are great jobs, in other words, for people who don't really need them. And so the mall and the superstore have given birth to a ballooning subcategory of joke jobs – the frozen-yogurt jerk, the Orange Julius juicer, the Gap greeter, the Prozac-happy Wal-Mart "sales associate" – that are notoriously unstable, low-paying and overwhelmingly part-time. (See Table 10.1, Appendix, page 475.)

service + retail 75% of employment

What is distressing about this trend is that over the past two decades, the relative importance of the service sector as a source of jobs has soared. The decline in manufacturing, as well as the waves of downsizing and cutbacks in the public sector, have been met by dramatic growth in the numbers of service-sector jobs to the extent that services and retail now account for 75 percent of total U.S. employment.[2] (See Table 10.2, page 235.) Today, there are four and a half times as many Americans selling clothes in specialty and department stores as there are workers stitching and weaving them, and Wal-Mart isn't just the biggest retailer in the world, it is also the largest private employer in the United States.

And yet despite these shifts in employment patterns, most brand-name retail, service and restaurant chains have opted to put on economic blinders,

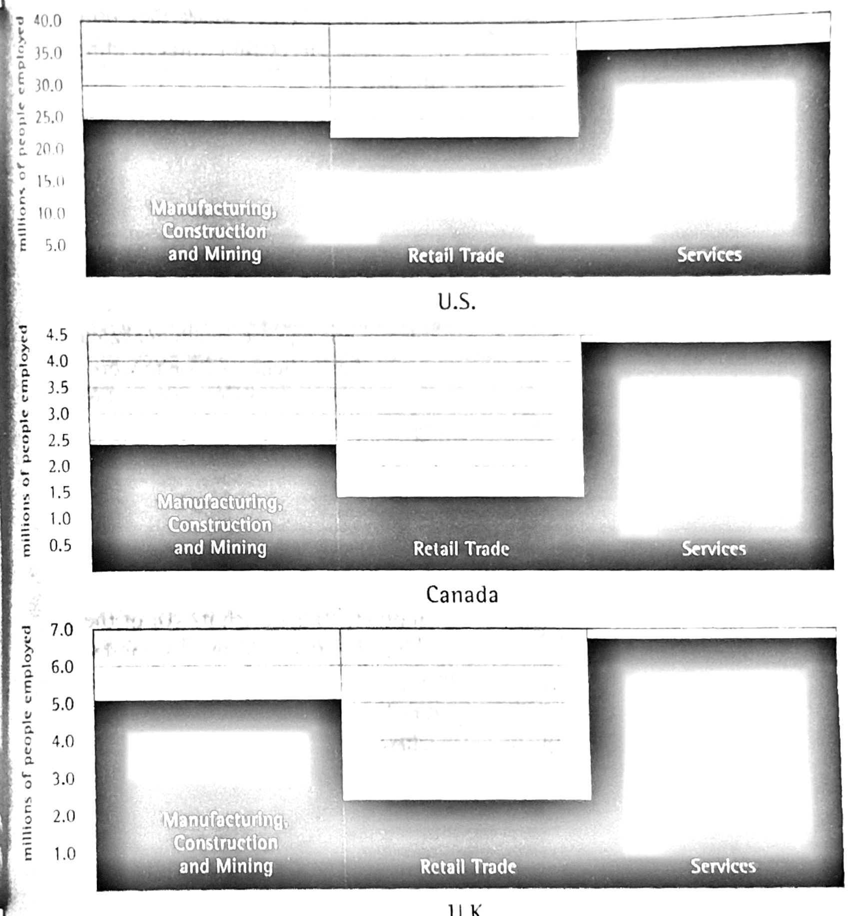
insisting that they are still offering hobby jobs for kids. Never mind that the service sector is now filled with workers who have multiple university degrees, immigrants unable to find manufacturing jobs, laid-off nurses and teachers, and downsized middle managers. Never mind, too, that the students who do work in retail and fast food – as many of them do – are facing higher tuition costs, less financial assistance from parents and government and more years in school. Never mind that the food service workforce has been steadily aging over the last decade so that more than half are now over twenty-five years old. (See Table 10.3, Appendix, page 475.) Or that a 1997 study found that 25 percent of non-management Canadian retail workers had been with the same company for eleven years or more and that 39 percent had been there for between four and ten years.[3] That's a lot longer than "Chainsaw" Al Dunlap lasted as CEO of Sunbeam Corp. But never mind all that. Everyone knows that a job in the service sector is a hobby, and retail is a place where people go for "experience," not a livelihood.

food service

Nowhere has this message been more successfully absorbed than at the cash register and the takeout counter, where many workers say they feel as if they are just passing through even after logging a decade in the McWork sector. Brenda Hilbrich, who works at Borders Books and Music in Manhattan, explains how difficult it is to reconcile the quality of her employment with a sense of personal success: "You're stuck with this dichotomy of 'I'm supposed to do better but yet I can't because I can't find another job.' So you tell yourself, 'I'm only here temporarily because I'm going to find something better.'"[4] This internalized state of perpetual transience has been convenient for service-sector employers who have been free to let wages stagnate and to provide little room for upward mobility, since there is no urgent need to improve the conditions of jobs that everyone agrees are only temporary. Borders clerk Jason Chappell says that the retail chains work hard to reinforce feelings of transience in their workers in order to protect this highly profitable formula. "So much of the company propaganda is convincing you that you're not workers, that it's something else, that you're not working class.... Everyone thinks they are middle class even when they're making $13,000 a year."[5]

exploitation of transience

Table 10.2
Employment by Selected Industry, 1997



Source for U.S. figures: "Employment and Earnings," Bureau of Labor Statistics. Source for Canadian figures: "Annual Estimates of Employment, Earnings and Hours 1985-1997," Statistics Canada. Source for U.K. figures: Office for National Statistics.

I met with Chappell and Hilbrich late one night in October 1997, at a deli in Manhattan's financial district. We chose this place because it was close to the Borders outlet at the base of the World Trade Center where they both work. I had heard about the pair because of their successful efforts to bring a union to Borders, part of a flurry of labor organizing inside the large chains since the mid-nineties: at Starbucks, Barnes & Noble, Wal-Mart, Kentucky Fried Chicken, McDonald's. It seems as if more and more of the twenty-something-going-on-thirty-something clerks working for the superbrands are looking around – at the counters in front of them where they serve Sumatran coffee, and at the best-selling books, and made-in-China sweaters – and are acknowledging that, for better or worse, some of them aren't going anywhere fast. Laurie Bonang, who works at Starbucks in Vancouver, British Columbia, told me that "people our age are finally realizing that we get out of university, we're a zillion dollars in debt, and we're working in Starbucks. This isn't how we want to spend the rest of our lives, but for right now the dream job isn't waiting for us anymore.... I was hoping that Starbucks would be a stepping stone to bigger and better things, but unfortunately it's a stepping stone to a big sinkhole."[6]

As Bonang told her story, she was painfully aware that she is living out one of the most hackneyed pop-culture clichés of our branded age: this is the stuff of *Saturday Night Live*'s "Gap Girls" skit, circa 1993, in which bored, underemployed mall chicks ask each other, "Didja cinch it?" Or of the Starbucks "baristas" who rattle off long trains of coffee adjectives – grande-decaf-low-fat-moccacino – in movies like *You've Got Mail*. But there is a reason why the most vocally unhappy service-sector workers are the ones working for the highest-profile global retailers and restaurants. Large chains such as Wal-Mart, Starbucks and the Gap, as they have proliferated since the mid-eighties, have been lowering workplace standards in the service sector, fueling their marketing budgets, imperialistic expansion and high-concept "retail experiences" by lowballing their clerks on wages and hours. Most of the big-name brands in the service sector pay the legal minimum wage or slightly more, even though the average wage for retail workers is several dollars higher.[7] Wal-Mart clerks in the U.S., for instance, earn an average of $7.50 an hour and since Wal-Mart classifies "full time" as twenty-eight

large chains + workplace standards

hours a week, the average annual income is $10,920 – significantly less than the industry average. (See Table 10.4, Appendix, page 476.)[8] Kmart wages are also low and the benefits are considered so substandard that when a 172,000-square-foot Super Kmart opened in San Jose, California, in October 1997, the local city council voted to endorse a boycott of the retailer. Council member Margie Fernandes said that the low wages, minimal health benefits and part-time hours are far below those provided by other area retailers, and that these are not the kind of jobs the community needs. "San Jose is a very, very expensive place to live and we need to make sure the people who work here can afford to live here," Fernandes explained.[9]

McDonald's and Starbucks staff, meanwhile, frequently earn less than the employees of single-outlet restaurants and cafés, which explains why McDonald's is widely credited for pioneering the throwaway "McJob" that the entire fast-food industry has since moved to emulate. At Britain's McLibel Trial, in which the company contested claims made by two Greenpeace activists about its employment practices, international trade unionist Dan Gallin defined a McJob as "a low skill, low pay, high stress, exhausting and unstable job."[10] Though the activists on trial for libel were found guilty on several counts, in his verdict Chief Justice Rodger Bell ruled that in the matter of McJobs the defendants had a point. The chain has had a negative impact on food-service wages as a whole, he wrote, and the allegation that McDonald's "pays its workers low wages, helping to depress wages for workers in the catering trade in Britain has been proved to be true. It is justified."[11]

McJob

As we have seen in Cavite, the brand-name multinationals have freed themselves of the burden of providing employees with a living wage. In the malls of North America and England, on the high street, in the food court and at the superstore, they have managed a similar trick. In some cases, particularly in the garment sector, these retailers are the very same companies that are doing business in the export processing zones, meaning that their responsibilities as employers have been sharply reduced at both the production and service ends of the economic cycle. Wal-Mart and the Gap, for instance, contract out their production to EPZs dotting the Southern Hemisphere, where goods are produced mostly by women in their teens and twenties who earn minimum wage or less and live in cramped dorm rooms. Those

Outsourcing to EPZs means brands no longer actually make anything goods – sweatshirts, baby clothes, toys and Walkmans – are then sold by another workforce, concentrated in the North, which is also largely filled with young people earning approximately minimum wage, most in their teens and early twenties.

infantilization

Though in many ways it is indecent to compare the relative privilege of retail workers at the mall with the abuse and exploitation suffered by zone workers, there is an undeniable pattern at work. In general, the corporations in question have ensured that they do not have to confront the possibility that adults with families are depending on the wages that they pay, whether at the mall or in the zone. Just as factory jobs that once supported families have been reconfigured in the Third World as jobs for teenagers, so have the brand-name clothing companies and restaurant chains given legitimacy to the idea that fast-food and retail-sector jobs are disposable, and unfit for adults.

anti-adult tactics

As in the zones, the youthfulness of the sector is far from accidental. It reflects a distinct preference on the part of service-sector employers, achieved through a series of overt and covert management actions. Young workers are consistently hired over older ones, and workers who have been on staff for a few years – building up higher wages and seniority – often report losing precious shifts to new batches of younger and cheaper clerks. Other anti-adult tactics have included the targeting of older workers for harassment – the issue that served as the catalyst for the first strike at a McDonald's outlet. In April 1998, after witnessing a verbally abusive supervisor reduce an elderly co-worker to tears, the teenage workers at the Golden Arches in Macedonia, Ohio, walked off the job in protest. They didn't return until management agreed to undergo "people skills" training. "We get verbally harassed, and physically too. Not me, but basically just the elderly woman," teen striker Bryan Drapp said on *Good Morning America*. Drapp was fired two months later.[12]

Brenda Hilbrich of Borders contends that justifying low wages on the grounds that young workers are just passing through is a handy self-fulfilling prophecy – particularly in her field, bookselling. "It doesn't have to have a high turnover," she says. "If the conditions are good and you're making a nice salary, people actually like working in the service industry.

They like working with books. A lot of people who have left have said, 'This was my favorite job, but I had to go because I can't make enough money to live.'"[13]

The fact is that the economy needs steady jobs that adults can live on. And it's clear that many people would stay in retail if it paid adult rates, the proof being that when the sector does pay decently, it attracts older workers, and the rate of staff turnover falls in line with the rest of the economy. But at the large chains, which seem at least for now to have bottomless resources to build superstores and to sink millions into expanding and synergizing their brands, the idea of paying a living wage is rarely considered. At Borders, where most clerks earn wages in line with other bookstore chains but below the retail average, company president Richard L. Flanagan wrote a letter to all his clerks, addressing the question of whether Borders could pay a "living wage" as opposed to what it reportedly pays now – between US$6.63 and $9.27 an hour. "While the concept is romantically appealing," he wrote, "it ignores the practicalities and realities of our business environment."[14]

Much of what makes paying a living wage seem so "romantic" has to do with the rapid expansion described in Part II, "No Choice." For companies whose business plans depend upon becoming dominant in their market before their nearest competitor beats them to it, new outlets come before workers – even when those workers are a key part of the chain's image. "They expect us to look like a Gap ad, professional, clean and neat all the time, and I can't even pay to do laundry," says Laurie Bonang of Starbucks. "You can buy two grande mocha cappuccinos with my hourly salary." Like millions of her demographic coevals on the payrolls of all-star brands like the Gap, Nike and Barnes & Noble, Bonang is living inside a stunning corporate success story – though you'd never know it from the resignation and anger in her voice. All the brand-name retail workers I spoke with expressed their frustration at helping their stores rake in, to them, unimaginable profits, and then having to watch that profit get funneled into compulsive expansion. Employee wages, meanwhile, stagnate or even decline. At Starbucks in British Columbia new workers faced an actual wage decrease – from Can$7.50 to $7 an hour – during a period when the chain was doubling its profits and opening 350 new stores a year. "I do the banking. I know how much the

profits => expansion not workers
(maintain/expand the brand)

store pulls in a week," Laurie Bonang says. "They just take all that revenue and open up new stores."[15]

Borders' expansion

Borders clerks also maintain that wages have suffered as a result of rapid growth. They say that their chain used to be a more equitable place to work before the neck-and-neck race with Barnes & Noble took over corporate priorities; there was a profit-sharing program and a biannual 5 percent raise for all workers. "Then came expansion and corresponding cuts," reads a statement from disgruntled employees at a downtown Philadelphia outlet of Borders. "Profit sharing was dropped, raises were cut..."[16]

In sharp contrast to the days when corporate employees took pride in their company's growth, seeing it as the result of a successful group effort, many clerks have come to see themselves as being in direct competition with their employers' expansion dreams. "If Borders opened thirty-eight new stores a year instead of forty," reasoned Jason Chappell, sitting next to Brenda Hilbrich on the vinyl seats of our deli booth, "they could afford to give us a nice wage increase. On average it costs $7 million to open a superstore. That's Borders' own figures...."

"But," Brenda interrupted, "if you say that directly to them, they say, 'Well, that's two markets we don't get into.'"

"We have to saturate markets," Chappell said, nodding.

"Yeah," Brenda added. "We have to compete with Barnes & Noble."

The retail clerks employed by the superchains are only too familiar with the manic logic of expansion.

Busting the McUnion

anti-union

The need to prevent workers from weighing too heavily on the bottom line is the main reason that the branded chains have fought off the recent wave of unionization with such ferocity. McDonald's, for instance, has been embroiled in bribery scandals during German union drives, and over the course of a 1994 union drive in France, ten McDonald's managers were arrested for violating labor laws and trade-union rights.[17] In June 1998, the company fired the two young workers who organized the strike in Macedonia, Ohio.[18] In 1997, when the employees at a Windsor, Ontario, Wal-Mart were about to hold an election on joining a union, a series of not-so-subtle management

manipulation

hints led many workers to believe that if they voted yes their store would be shut down. The Ontario Labour Relations Board reviewed the process and found that the behavior of Wal-Mart managers and supervisors before the vote amounted to "a subtle but extremely effective threat," which caused "the average reasonable employee to conclude that the store would close if the union got in."[19]

Other chains have not hesitated to make good on the threat to close. In 1997, Starbucks decided to shut down its Vancouver distribution plant after workers unionized. In February 1998, just as a union certification for a Montreal-area outlet of McDonald's was being reviewed by the Quebec Labour Commission, the franchise owner closed down the outlet. Shortly after the closure, the labor commission accredited the union – cold comfort, since no one works there anymore. Six months later, another McDonald's restaurant was successfully unionized, this one a busy outlet in Squamish, British Columbia, near the Whistler ski resort. The organizers were two teenage girls, one sixteen, the other seventeen. It wasn't about wages, they said – they were just tired of being scolded like children in front of the customers. The outlet remains open, making it the only unionized McDonald's in North America, but at the time of writing, the company was on the verge of having the union decertified. Fighting the battle on the public-relations front, in mid-1999 the fast-food chain launched an international television campaign featuring McDonald's workers serving up shakes and fries under the captions "future lawyer," "future engineer" and so on. Here was the true McDonald's workforce, the company seemed to be saying: happy, contented and just passing through. Why organize when the jobs is only temporary? LKGS.

During the late 1990s, the process of turning the service sector into a low-wage ghetto advanced rapidly in Germany. The German unemployment rate reached 12.6 percent in 1998, primarily because the economy could not absorb the massive layoffs in the manufacturing sector that occurred after reunification – four out of five East German factory jobs were lost. To make up for the shortfall, the service sector was touted by the business press and the political right wing as the economic panacea. There was just one catch: before the mall could step in to save the German economy, the minimum service-based economic recovery in Germany

wage would have to be substantially lowered and benefits such as long holidays for all workers would have to be dismantled. In other words, good jobs with security and a living wage would have to be turned into bad jobs. Then Germany too would enjoy the benefits of a service-based economic recovery.

as service-sector become more important companies treat more casually

It is one of the paradoxes of service-sector employment that the more prominent a role it plays in the labor landscape, the more casual service-sector companies became in their attitude toward providing job security. Nowhere is this more in evidence than in the industry's increasing reliance on part-timers. (See Table 10.5, Appendix, page 476.) Starbucks, for instance, staffs its outlets almost exclusively with part-timers while only one-third of Kmart's workforce is full-time. Workers at the ill-fated Montreal-area McDonald's cited as their principal reason for unionization the fact that they often couldn't get shifts longer than three hours.

most part-timers don't want full time

In the U.S. the number of part-timers has tripled since 1968, while in Canada, between 1975 and 1997, the growth rate of part-time jobs was nearly three times the rate of full-time jobs.[20] But the problem is not the part-time nature of work per se. In Canada, only one-third of part-timers want but cannot find full-time jobs (which is an increase from one-fifth in the late eighties). In the U.S., only one-quarter want full-time jobs but can't find them. The vast majority of part-timers are students and women, many of whom are juggling childcare and paid work. (See Table 10.6, Appendix, page 476.)

But while many workers are indeed drawn to flexible work arrangements, their definition of what constitutes "flexibility" is dramatically different from the one favored by service-sector bosses. For instance, while studies have shown that working mothers define flexibility as "having the ability to work less than full-time hours at decent wages and benefits, while still working a regular schedule,"[21] the service sector has a different view of part-time work, and a different agenda. A handful of brand-name chains, including Starbucks and Borders, bolster low wages by offering health and dental benefits to their part-timers. For other employers, however, part-time positions are used as a loophole to keep wages down and to avoid benefits and overtime; "flexibility" becomes a code for "no promises," making the juggling of

other commitments — both financial and parental — more challenging, not less. At some retail outlets I've researched, the allotment of hours is so random that the ritual of posting next week's schedule prompts the staff to gather around anxiously, craning their necks and hopping up and down as if they are checking to see who got the lead in the high-school musical.

"part-time" often just hours shy of full time

Furthermore, the "part-time" classification is often more a technicality than a reality, with retail employers keeping their part-timers just below the forty-hour legal cutoff for full-time — Laurie Bonang, for instance, clocks between thirty-five and thirty-nine hours a week at Starbucks. For all intents and purposes, she has the duties of a full-time employee, but under forty hours the company does not have to pay overtime or guarantee full-time hours. Other chains are equally creative. Borders instituted a company-wide thirty-seven-and-a-half-hour work week for all employees, and Wal-Mart caps its work week at thirty-three hours, defining base "full time" as twenty-eight hours. What all of this means in the lives of workers is a scheduling roller coaster that in many ways is more demanding than the traditional forty-hour week. For instance, the Gap — which defines full-time as thirty hours a week — has a system of keeping clerks "on call" for certain shifts during which time they aren't scheduled or paid to work but must be available to come in if the manager calls. (One worker joked to me that she had to buy a beeper in case a folding crisis flared up in Gap Kids.)

Starbucks has been the most innovative in the modern art of supple scheduling. The company has created a software program called Star Labor that allows head office maximum control over the schedules of its clerks down to the minute. With Star Labor, gone is anything as blunt and imprecise as a day or evening shift. The software measures exactly when each latte is sold and by whom, then tailor-makes shifts — often only a few hours long — to maximize coffee-selling efficiency. As Laurie Bonang explains, "They give you an arbitrary skill number from one to nine and they plug in when you're available, how long you've been there, when customers come in and when we need more staff, and the computer spits out your schedule based on that."[22] While Starbucks' breakthrough in "just-in-time" frothing looks great on a spreadsheet, for Steve Emery it meant hauling himself out of bed to start work at 5 a.m., only to leave at 9:30 a.m. after the morning rush had

Starbucks has special scheduling software employee vs. employer definitions of "flexibility"

peaked and, according to Star Labor, he was no longer working at maximum efficiency. Wal-Mart has introduced a similar centralized scheduling system, effectively reducing employee hours by pinning them precisely to in-store traffic. "It's done just like we order merchandise," says Wal-Mart CEO David Glass.[23]

The vast gulf between employee and employer definitions of "flexibility" was the central issue of the United Parcel Service strike in the summer of 1997, the largest U.S. job action in fourteen years. Despite profits of $1 billion in 1996, UPS had kept 58 percent of its workers classified as part-time and was rapidly moving toward an even more "flexible" workforce. Of the 43,000 jobs UPS had created since 1992, only 8,000 were full time. The system worked well for the courier company, since it was able to ride the peaks and valleys of the delivery cycle that sees heavy pickups and deliveries in the morning and evening but lulls during the day. "There's too much downtime in between to hire full-time workers," explained UPS spokesperson Susan Rosenberg.[24]

Building up a part-time workforce had other cost-saving benefits. Before the strike, the company paid its part-timers roughly half the hourly wage of its full-timers for performing the same tasks.[25] Furthermore, the union claimed that 10,000 of the company's so-called part-timers were, like Laurie Bonang at Starbucks, actually working between thirty-five and thirty-nine hours a week – just under the cutoff that would require overtime pay, full benefits and the higher wage scale.

Some service-sector companies have made much of the fact that they offer stock options or "profit-sharing" to low-level employees, among them Wal-Mart, which calls its clerks "sales associates"; Borders, which refers to them as "co-owners"; and Starbucks, which prefers the term "partners." Many employees do appreciate these gestures, but others claim that while the workplace democracy schemes sparkle on a corporate Web site, they rarely translate into much of substance. Most part-time workers at Starbucks, for instance, can't afford to buy into the employee stock-option program since their salaries barely cover their expenses. And where profit-sharing schemes are automatic, as at Wal-Mart, workers say their "share" of the $118 billion

false appeal of stock options

of annual sales their company hauls in is laughable. Clerks in the Windsor, Ontario, outlet of Wal-Mart, for example, say they only saw an extra $70 during the first three years that their store was open. "Never mind that from the viewpoint of the boardroom, the pension plan's best feature was that it kept 28 million more shares in firm control of company executives," writes *The Wall Street Journal*'s Bob Ortega of the Wal-Mart plan. "Most workers *perceived* that they could cash in, so the cost of the plan paid off in spades by helping keep the unions out and the wages low" (italics his).[26]

Free Work: More Fake Jobs, Courtesy of the Superbrands

One thing you can say about the retail and service industries: at least they pay their workers a little something for their trouble. Not so for some other industries that have liberated themselves from the chains of social-security forms with such free-market gusto that many young workers receive no pay from them at all. Perhaps predictably, the culture industry has led the way in the blossoming of unpaid work, blithely turning a blind eye to the unglamorous fact that many people under thirty are saddled with the mundane responsibility of actually having to support themselves.

unpaid internships

Writing about his former job, which involved hiring unpaid interns to send faxes and run errands for *Men's Journal* magazine, Jim Frederick notes that many of his applicants had already worked for nothing at *Interview*, CBS News, MTV, *The Village Voice* and so on. "'Very impressive,' I would say. By my quick calculations they had contributed, conservatively, five or six thousand dollars' worth of uncompensated work to various media conglomerates."[27] Of course, the media conglomerates – the broadcasters, magazines and book publishers – insist that they are generously offering young people precious experience in a hard employment market – a foot in the door on the old-fashioned "apprenticeship" model. Besides, they say, sounding suspiciously like McDonald's managers the world over, the interns are just kids – they don't really *need* the money.

And getting two "unreal" jobs for the price of one, most interns subsidize their unpaid day job by working in the service industry at night and on weekends, as well as by living at home to a later age. But in the U.S. – where it has become commonplace to hop from one unpaid culture job to the next for a year or two – a disproportionate number of interns, as Frederick observes, appear to be living off trust funds, seemingly without any immediate concerns about earning a living. But just as the service-sector employers will not admit that the youthfulness of their workforce might have something to do with the wages they pay and the security they fail to offer, you will never catch a television network or a publisher confessing that the absence of remuneration for internships might also have something to do with the relative privilege of those applying for these positions at their companies. This racket is not only exploitative in the classic sense, it also has some very real implications for the future of cultural production: today's interns are tomorrow's managers, producers and editors and, as Frederick writes, "If you can't get a job unless you've had an internship, and you can't take an internship unless you can get supported by daddy for a couple of months, then the system guarantees an applicant pool that is decidedly privileged."[28]

Cultural production will become a field of the privileged

Music video stations such as MTV have been among the more liberal users of the unpaid internship system. When it was first introduced, the music video channel represented a managerial coup in low-cost, high-profit broadcasting since the stations primarily play videos that are produced out of house and supplied by record labels. While some stations, including Canada's MuchMusic, now play licensing and royalty fees to broadcast videos, these pale in comparison to the production costs of the videos in a single top 30 countdown. Inside the stations, on air-hosts, producers and technicians work alongside unpaid, mostly student, interns who sometimes are rewarded with jobs and sometimes stay at the station for many months, hoping for their big break. Which is where the legendary success stories come in – the famous V.J. who started off answering phones, or the greatest success story of them all: the tale of Rick the Temp. In 1996, Rick won the annual "Be a Temp at MuchMusic Contest" and was welcomed to the station with cross promotional fanfare and branded giveaways. One year later, Rick was on the air in his new job as V.J., but the kicker was that even after he became a big star, he kept the moniker Rick the Temp. There was Rick on TV, interviewing the Backstreet Boys, and although he was always paid for his work, for would-be interns, his success served a daily advertisement for the glory and glamour that awaits if you donate your labor as a gift to a major media company.

Temps: The Rented Worker

Rick the Temp isn't just the Great White Hope for unpaid interns. He also represents the pinnacle of another subcategory of New Age workers: the temps. And temps, it must be said, need all the hope they can get. The use of temp labor in the U.S. has increased by 400 percent since 1982 and that growth has been steady.[29] Annual industry revenue among American temp firms has increased by about 20 percent every year since 1992, with the firms pulling in revenues of $58.7 billion in 1998.[30] The mammoth international temp agency Manpower Temporary Services rivals Wal-Mart as the largest private employer in the U.S.[31] According to a 1997 study, 83 percent of the fastest-growing American companies are now outsourcing jobs they once hired people to perform – compared with 64 percent just three years before.[32] In Canada, the Association of Canadian Search, Employment & Staffing Services estimates that more than 75 percent of businesses use the services of the $2 billion Canadian temp industry.

temp firms

The most dramatic growth, however, is taking place not in North America but in Western Europe, where temp agencies are among Europe's fastest-growing companies.[33] In France, Spain, the Netherlands and Germany, hiring workers on long-term temporary contracts has become a well-trampled back entranceway to the labor market, allowing employers to sidestep tough laws that provide generous employee benefits and make firing without just cause far more difficult than in the United States. France, for instance, has become the second-largest temp-services market after the U.S., making up 30 percent of worldwide temp revenue. And though temping accounts for only 2 percent of all the country's jobs, according to France's labor minister, Martine Aubry, "86 per cent of new hires are on short-term contracts."[34] Manpower Europe, an outpost of the U.S.-based temp firm, saw its revenue in Spain jump a staggering 719 percent in just one year, from $6.1 million in 1996 to $50 million in 1997. Italy didn't legalize temp agencies until 1997, but when it did, Manpower Europe rushed in to open thirty-five offices in 1998.[35]

> *These companies all have the formula. They don't take you on full time. They don't pay benefits. Then their profits go through the roof.*
>
> – Laura Pisciotti, UPS worker, on strike, August 1997

European countries using temps to avoid generous pay & benefits