

# **Twenty-First Century Capitalism: The Case of Amazon**

**Southern Workers Assembly School**

**April 18, 2021**



**Southern  
Workers  
Assembly**



**The Southern Workers Assembly (SWA)** is a network of local unions, worker organizations, and organizing committees, committed to building rank-and-file democratic social movement unionism (unionism with a social justice agenda, defined by and accountable to the rank-and-file) as a foundation for organizing, uniting and transforming labor power throughout the South.

**SWA Core Principles:** Rank-and-file democracy; national and international labor solidarity; organizing the unorganized; fighting all forms of discrimination; building a Southern labor congress; and building labor's power for independent political action.

**SWA Core Demands:** Repeal Taft-Hartley and Right-to-Work laws, and collective bargaining rights for all workers.

# Q1: What is capital?

Is it money? **NO!**

It is money invested to make more money

The question is **HOW**



# How does capitalism work?

**Production** → **Distribution** → **Consumption**



**Amazon**

**Production requires**  
**Tools, technology**  
**Natural resources**  
**Labor**

**The capitalist invests.**  
**Those are fixed costs.**  
**Workers provide labor.**  
**Those costs vary.**  
**Capitalists seek low wages.**



**Key issues:**

- 1. The role of technology**
- 2. The conditions of work**
- 3. The scale of capital**
- 4. The role of the government**
- 5. The capacity of labor to fight back**

**WEALTH  
CREATED BY LABOR**

**WORKING  
CLASS**

**CAPITALIST  
CLASS**

**WAGES**

# Historical context is key

17<sup>th</sup> Century:

merchant capitalism

18<sup>th</sup> Century:

small shop competitive capitalism

19<sup>th</sup> Century:

industrial, competitive capitalism

20<sup>th</sup> century:

finance, monopoly capitalism

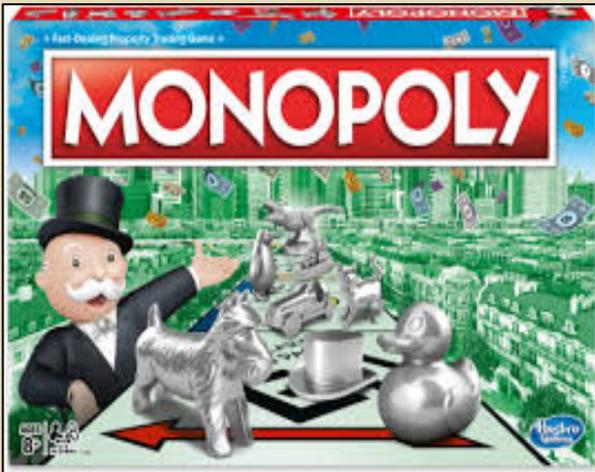
21<sup>st</sup> century

global, AI capitalism



**Amazon: \$1.7 trillion**

**Jeff Bezos: \$194.9 billion**  
**(Richest man in the world)**



# What is new about 21<sup>st</sup> century capitalism?

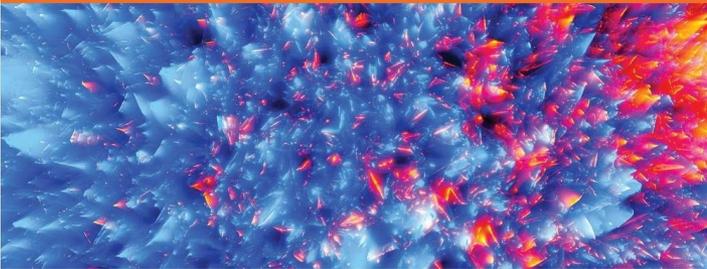


**AI (Artificial Intelligence)**  
**Digital tools**  
**Computers**  
**Robots**  
**Total surveillance**  
**Global scale**  
**Horizontal & Vertical**  
**integration**



# **Hands-On** **Artificial Intelligence** **on Amazon** **Web Services**

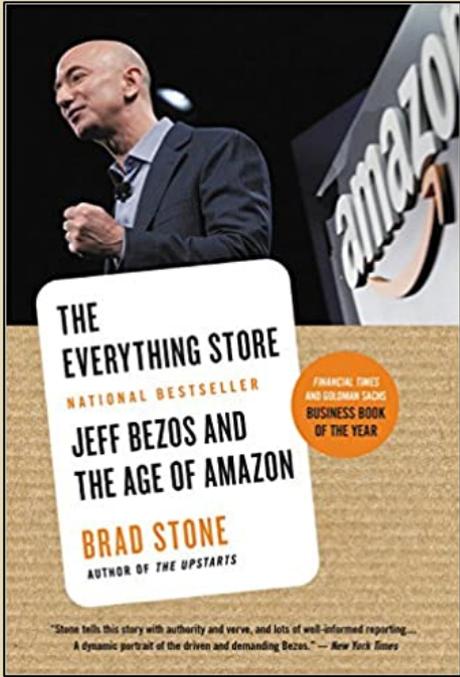
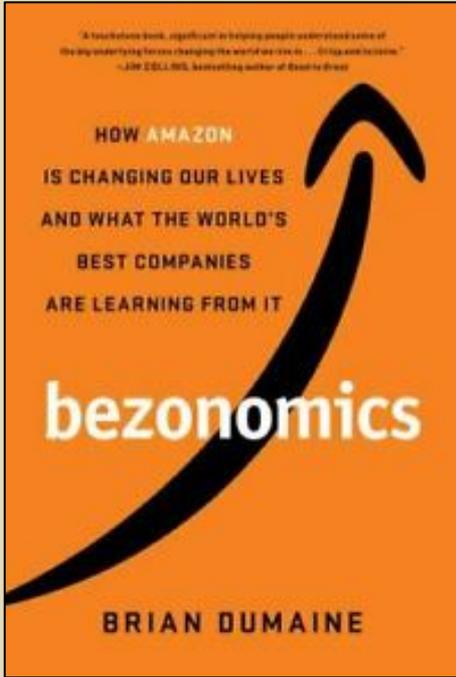
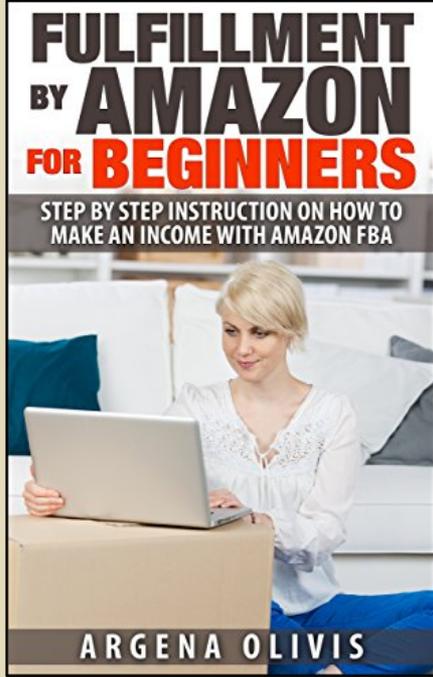
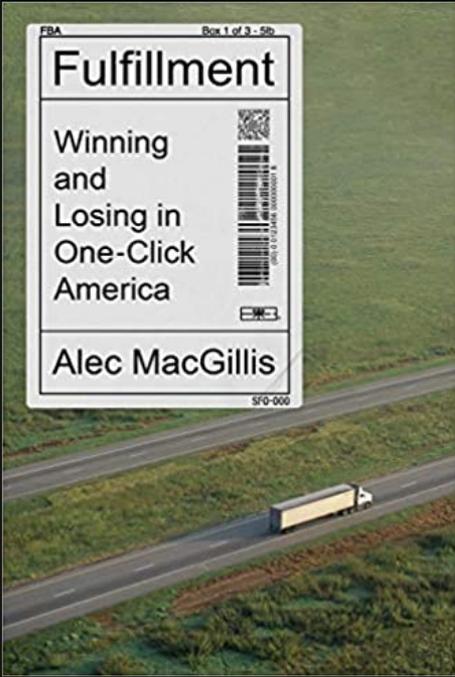
Decrease the time to market for AI and ML applications with the power of AWS



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# Why is Amazon the face of 21<sup>st</sup> century capitalism?



**Amazon uses digital data to dominate markets and influence our behavior**

# Amazon's board: Capitalist corporations, government, law, and technology talent

A capitalist corporation uses its (paid) board of directors for information and working relationships with other corporations and government. Board connections are how the entire capitalist system works for the capitalist class, now on a global level. As of September 2020, the board of directors is:

- [Jeff Bezos](#), President, CEO, and Chairman
- [Keith B. Alexander](#), CEO IronNet Cybersecurity, former [NSA Director](#)
- [Rosalind Brewer](#), Group President, and COO, [Starbucks](#)
- [Jamie Gorelick](#), partner, [Wilmer Cutler Pickering Hale and Dorr](#)
- [Daniel P. Huttenlocher](#), Dean of the Schwarzman College of Computing at the [Massachusetts Institute of Technology](#)
- [Judy McGrath](#), former CEO, [MTV Networks](#)
- [Indra Nooyi](#), former CEO, [PepsiCo](#)
- [Jon Rubinstein](#), former Chairman, and CEO, [Palm, Inc.](#)
- [Thomas O. Ryder](#), former Chairman, and CEO, [Reader's Digest Association](#)
- [Patty Stonesifer](#), President, and CEO, [Martha's Table](#)
- [Wendell P. Weeks](#), Chairman, President, and CEO, [Corning Inc.](#)

# How big could Amazon grow?

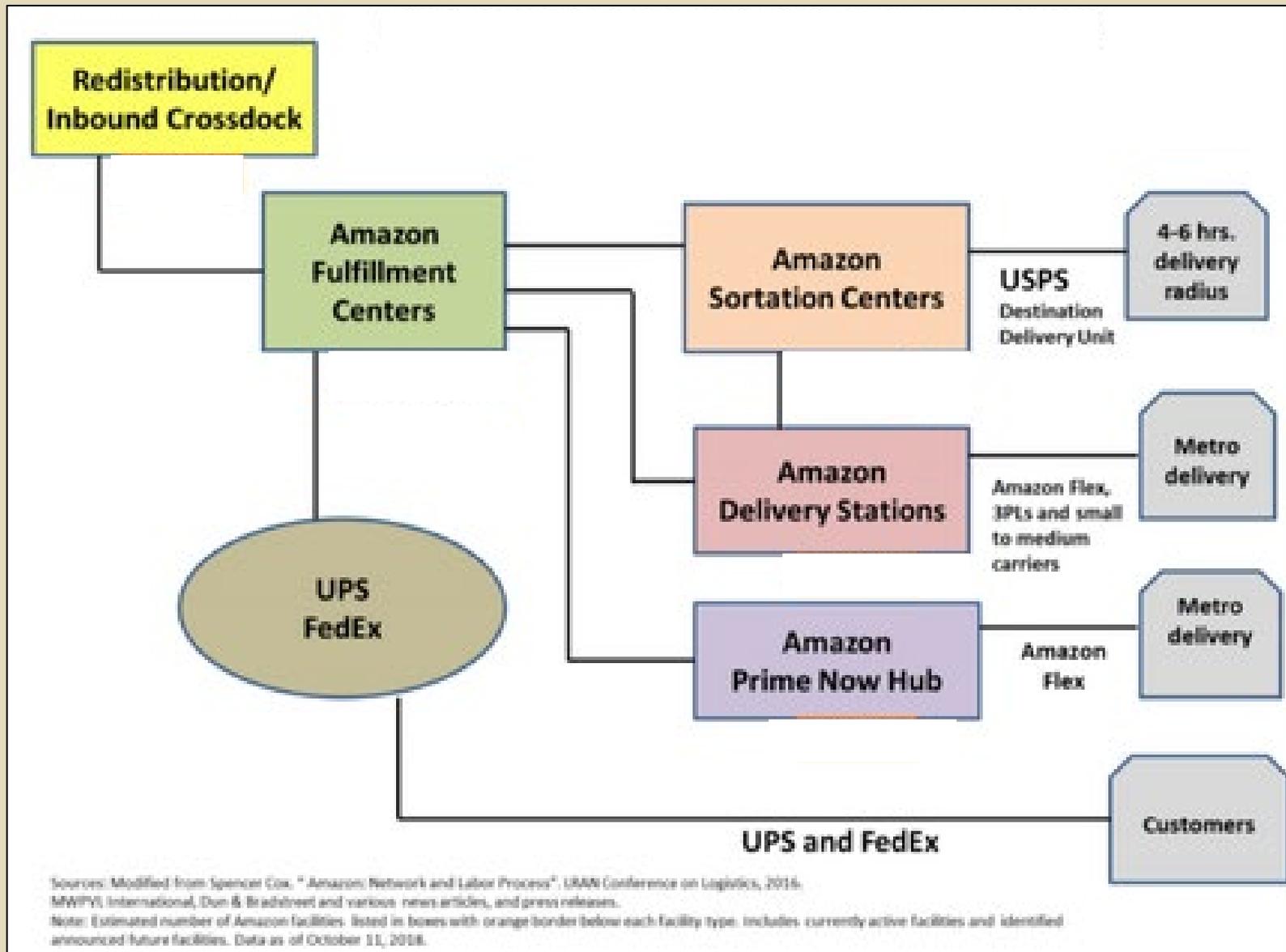
**Online retail sales: \$469 billion, largest in the world**

**Web services: AWS 47% of market, 50% of Amazon's income**

**“As the global death toll from the pandemic neared one million deaths, Jeff Bezos, Amazon's CEO, became the first person in world history to amass a personal net worth of over \$200 billion, and the corporation doubled its net profit year over year to \$5.2 billion. While millions of workers were laid off across the world, Amazon hired nearly 400 thousand more workers since 2019, increasing its (directly employed) workforce to over 1 million workers. For the blue-collar workers in warehousing and delivery, **the pandemic exacerbated Amazon's 'extreme high churn model' – the continual replacement of workers in order to sustain dangerous and gruelling work-pace demands.**”**

*Pluto Press Blog*

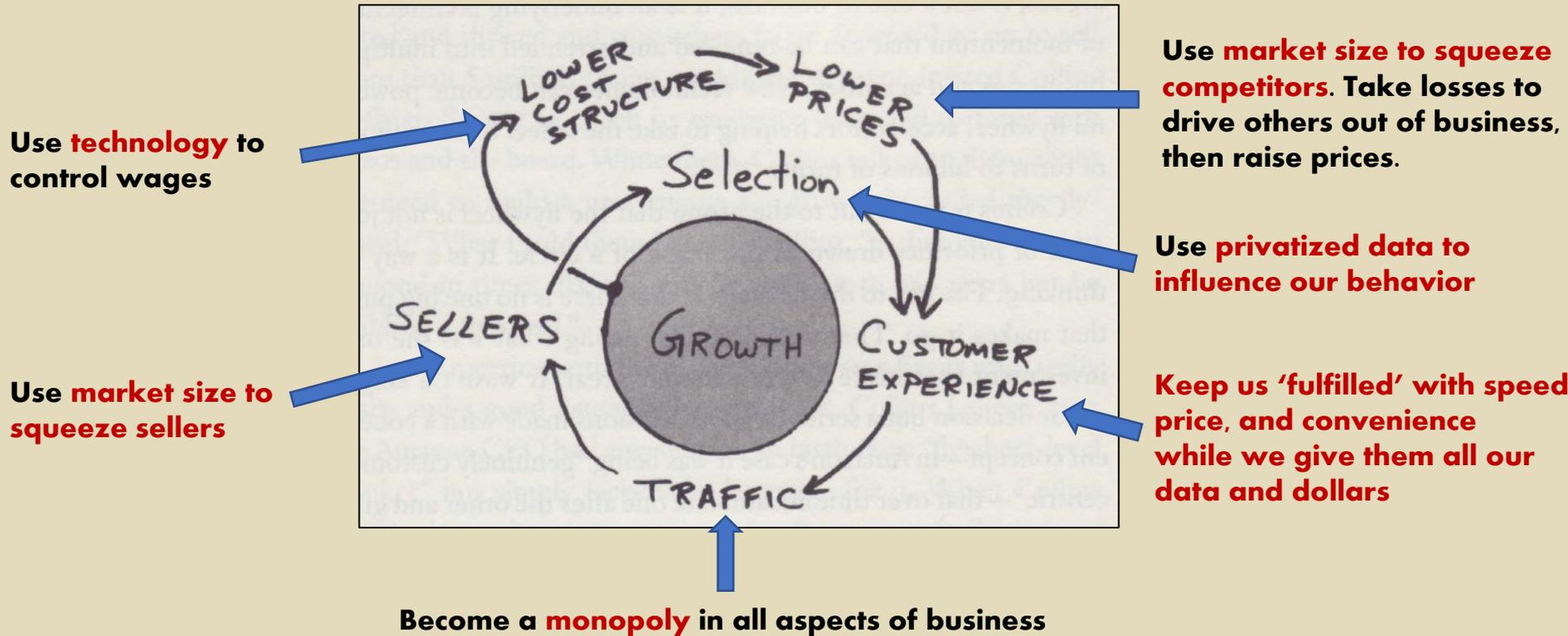
# Amazon's warehouse network



# Amazon's warehouse network

Flag	Country	Facility Type	Currently Active Facilities	Future Facilities	Active Square Feet	Future Square Feet
	United States of America	Fulfillment Centers, Supplemental Centers & Return Centers	233	89	166,423,822	65,318,348
		Pantry/Fresh Food FCs	21	1	5,199,962	1,086,384
		Whole Foods Retail Grocery DCs	12	0	1,157,714	-
		Prime Now Hubs	55	0	2,055,487	-
		Inbound Sortation Centers	19	5	11,196,143	3,068,323
		Outbound Sortation Centers	67	15	24,918,170	4,561,126
		Delivery Stations (Packages)	340	175	57,550,777	31,253,631
		Delivery Stations (Heavy/Bulky)	64	36	2,321,843	2,311,205
		Airport Hubs	13	4	3,861,307	2,337,278
		<b>SubTotal USA</b>	<b>824</b>	<b>325</b>	<b>274,685,225</b>	<b>109,936,295</b>
<b>SubTotal Rest of World</b>			<b>714</b>	<b>88</b>	<b>115,014,637</b>	<b>32,310,061</b>
<b>Global Total</b>			<b>1538</b>	<b>413</b>	<b>389,699,862</b>	<b>142,246,356</b>

# The Amazon strategic model – the flywheel



"The flywheel, when properly conceived and executed, creates both continuity and change. On the one hand, you need to stay with a flywheel long enough to get its full compounding effect. On the other hand, to keep the flywheel spinning, you need to continually renew, and improve each and every component."

— Jim Collins, [Turning the Flywheel: A Monograph to Accompany Good to Great](#)

# Capitalist techniques Amazon uses to get more profits from its workers

*Extend workday*

*Speed up work*

*Limit break time*

*Hire temps*

*Fire without cause*

*Beat anti-union drum*

*Minute by minute surveillance and control*



# Is Amazon vulnerable? YES!



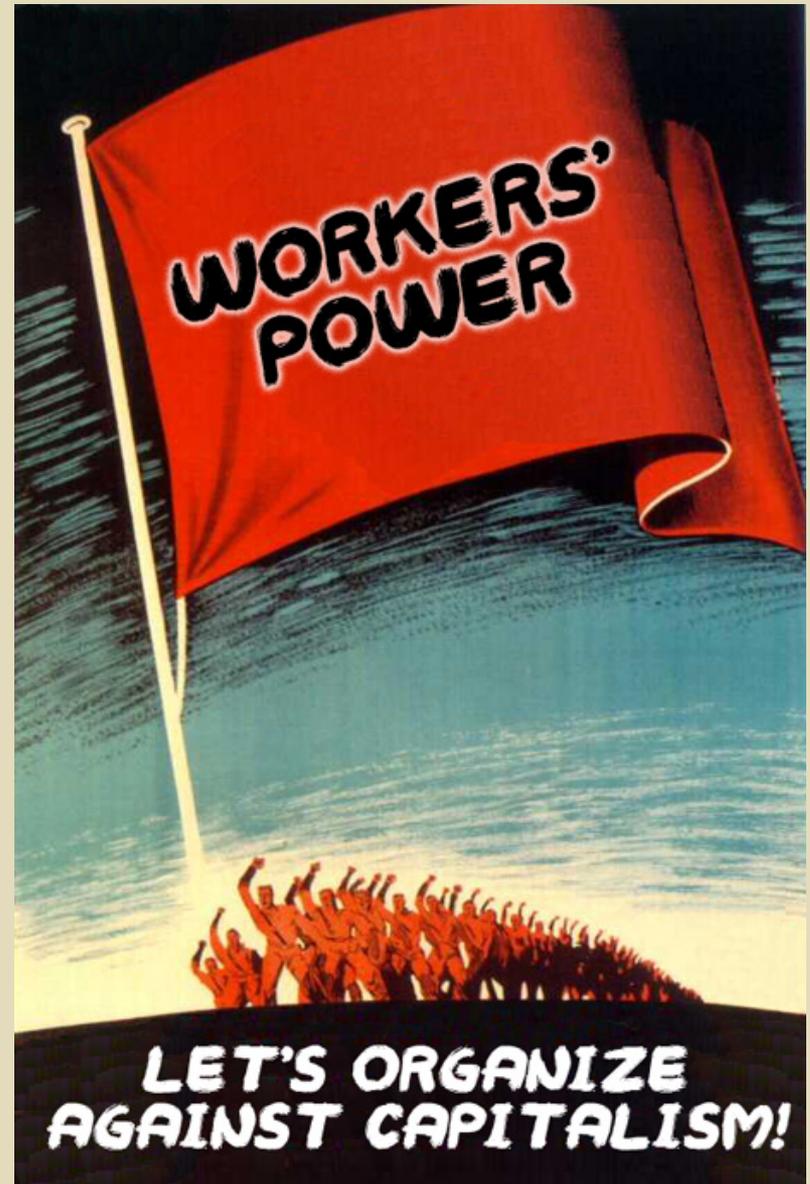
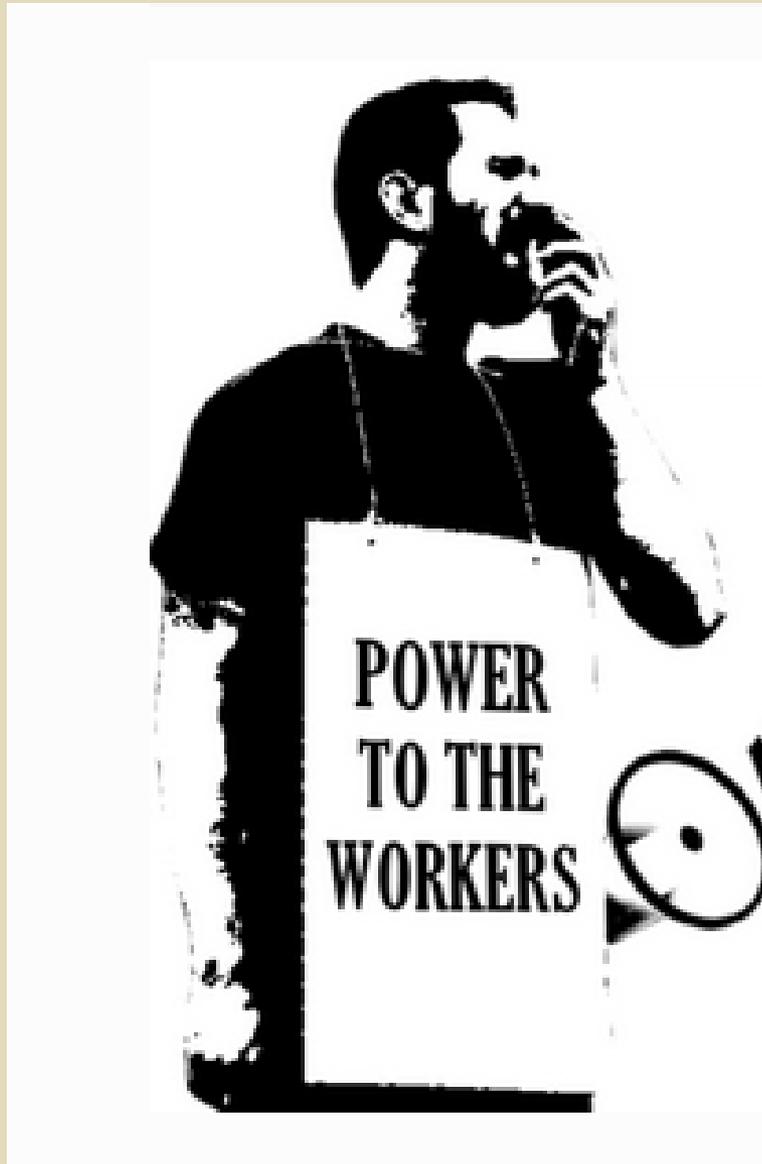
1. **Workers can always find ways to resist and stop production**
2. **Consumers can boycott and refuse to buy**
3. **All distribution systems have chokepoints**
4. **Amazon is too big to be allowed to exist and dominate us**

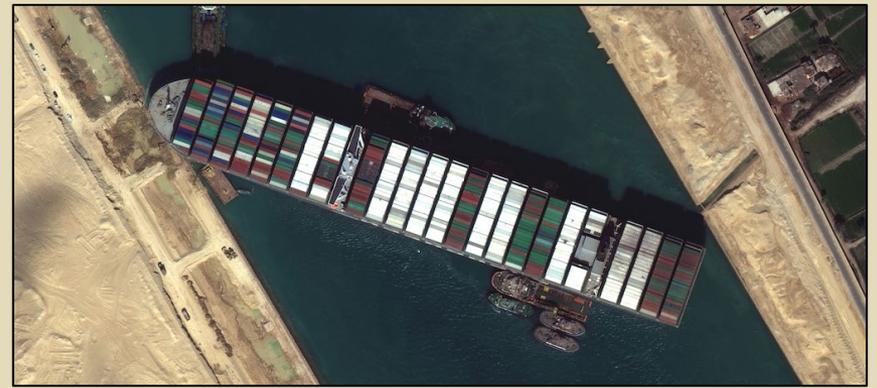


**The people united can never be defeated**



**Capitalism does not exist without exploiting workers.  
When we fight back, we develop our power to take control.**





# One stuck ship can halt global trade



# How do workers fight against capitalists?

In one workplace?

Form a union, win right to strike



In one city?

Spread unionization and community allies

As the working class?

Build mass organizations of all workers

WHERE DO YOU WORK? WHAT INDUSTRY?

WHAT CITY? WHAT STATE?

