

The “New Realism” and Canadian Workers

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The trade union is not a predetermined phenomenon. It becomes a determinate institution, i.e. it takes on a definite historical form, to the extent that the strength and will of the workers who are its members impress a policy and propose an aim that define it.

Antonio Gramsci

Trade unions have a long and complex history. From the earliest origins of capitalism, workers have combined together to shape their political and work environments. Initially, unions had to struggle to gain simple recognition as legitimate representatives of workers. Subsequently, the depression forced employers to bargain collectively with unions over wages and working conditions. Workers have always had to struggle to obtain and then protect their collective rights within capitalism. The position of trade unions, and of working class politics in general, has always been historically contingent, and defined *vis-à-vis* the changing contours of capitalism.

It can hardly be surprising, then, that the economic restructuring occurring within capitalist countries has evoked heated debate about the future direction of trade unionism. Indeed, the terrain of trade union politics, in Canada and elsewhere, has shifted irrevocably. The social and economic structures that supported the post-war boom are disintegrating, and a harsh “new realism” is taking their place in the 1980s. Within these transformations reside the pressures for increased *labour market flexibility* in terms of labour mobility, wages, and work-place organization. These adjustments portend many unsettling changes, and opportunities, for industrial relations practices and the politics of trade unions. The precise implications of this restructuring—whether Canadian unions will become identified with the productive success of individual enterprises or

serve as a unifying force for a new social vision embracing all workers—is the terrain of struggle that will shape Canadian industrial relations in the 1990s.

Trade Unions and Capitalist Societies

Why do workers form trade unions? The answer, in large part, turns on the nature of paid labour in capitalist societies (Hyman, 1975, 1985; Kelly, 1988). Under capitalism, production is organized on the basis of market relations. But it is a market of a particular kind: the production system is privately owned by capitalists who control production and investment. Paid work also depends on market relations. Employment is found in a labour market, where workers *individually* attempt to contract with capitalist employers for a wage or salary. In return, workers sell a specific quantity of labour-time. Although the labour-power of workers is sold in a market like any commodity, it is nonetheless unique. Employers purchase workers' *capacity* to labour, but it is not certain that this *potential* will in fact be transformed into productive activity.

Within these social relations of production, there exist inherent conflicts of interest between employers and employees—conflicts that form the basis of trade unionism. Central to the conflict is the question of power: power to control production and work-time, and hence also leisure-time, and power over the setting of wages. On the one hand, employers desire *flexibility* in both the remuneration and the deployment of the labour force as production circumstances alter. On the other hand, workers seek income and employment *stability*, and improvements for themselves irrespective of production swings. These contrasting tendencies make conflict central to the employment contract.

First, the sale of labour-power invokes quite distinct interests. The employers' interest lies in purchasing labour at low cost and maintaining the employment of workers only insofar as they can be productively, meaning profitably, utilized. Thus, directly lowering wage costs or introducing new production techniques that lessen the need for labour is in the interest of employers. Indeed, competition between capitalists reinforces these tendencies. In contrast, workers depend on the sale of labour-power to purchase the commodities to live. If workers are to increase their consumption levels, to keep up with the Joneses as it were, they must attempt to sell their labour-power at a higher price. The *labour market* is where this nominally equal exchange occurs. But a structural inequality in fact exists: workers enter the labour market as individuals, whereas the economic power of capital is concentrated.

Second, the conflict over the distribution of output is paralleled by conflict over the control and organization of work in the *labour process*. The capacity to work must be transformed into productive activity. To the capitalist, then, workers are a factor of production that must be efficiently and flexibly controlled to yield the maximum output for a given quantity of labour-time. The fragmented tasks composing the collective labour necessary for production must be coordinated and costs kept low by regulating the intensity of work. To meet competition, management continually introduces new technologies, which yield a greater output per unit of labour time expended and alter the division of labour. It is in the interests of workers to resist the unilateral setting of working conditions by management, not just to counter the squeezing of the work effort. Workers maintain job controls to control the imposition of flexibility on the shop-floor that would imperil job security or de-skill worker knowledge. Just as there exists a *contradictory relation of conflict and dependence* in the labour market between employer and worker, the labour process is also both cooperative and conflictual.

These structural antagonisms—over wages and control of the labour process—provide the foundations for collective action by workers. Trade unions are combinations of workers in a common occupation, or branch of industry, pursuing improved wages and working conditions. They provide unity to workers by transcending the competition individual workers face in the labour market. Moreover, collective mobilization in trade unions, and particularly the withdrawal of labour in strikes, is essential to workers in advancing their economic and political interests.

Trade unions are working-class organizations, but they do not necessarily organize workers as a class. Organizational and political unity must be built. Workers, however, are initially organized by capital itself in the labour process. This has two important political consequences for trade unions. Capital divides workers into separate production units; the result may be a *sectionalism* of trade union practice based on this narrow constituency of interest, rather than the common interest of workers as a class. Workers are also dependent upon the productivity of those enterprises at which they work for wages; this may lead to an *economism* amongst workers that leads them to focus on incremental improvement of wages against the broader struggle for control of production. The divergent tendencies of collective class solidarity on the one hand, and individual economic gain on the other, are the central contradiction of trade unionism:

At the same time as [trade unionism] makes possible the consolidation and increased effectiveness of workers' resistance to capitalism, it also makes this resistance more manageable and predictable and can even

serve to suppress struggle. Moreover, struggle tends to be channelled into conflicts over issues on which compromise is possible through collective bargaining; hence 'economic' demands are encouraged and 'control' demands discouraged. (Hyman, 1985, p. 104)

The contradiction between accommodation and resistance results from trade unions' being products of capitalist social relations. This tension makes it uncertain what *political* orientation trade union practice will adopt. Although never exclusive, two strategic paths exist: "responsible trade unionism" or "social unionism."

Responsible or business unionism adopts the view that the social antagonisms between capital and labour can be resolved through negotiated compromise. The relative equilibrium of power, in this view, allows mutual accommodation of the interests of employers and employees. Management control of production, moreover, is left unquestioned. Instead, the credo of "responsible collective bargaining" governs, with unions advancing their wage claims within the existing institutional framework (Hebert, Jain, & Meltz, 1988). This narrow vision of the role of trade unions was well put by the 1968 federal Task Force on Labour Relations:

Collective bargaining is designed to resolve conflict through conflict, or at least through the threat of conflict. It is an adversary system in which two basic issues must be resolved: how available revenue is to be divided, and how the clash between management's drive for productive efficiency and the workers' quest for job, income and psychic security are to be reconciled. (1968, p. 119)

In this way, the conflict generated by capitalist social relations is institutionalized and the "discontent of workers" managed within responsible, consensual limits that leave untouched private control and organization of production.

Social or class struggle unionism claims, in contrast, that the structural antagonism that gives rise to trade unions generates conflicts that work against incorporation of trade unions. On the shop-floor, control of the labour process and production is subject to persistent conflict and struggle; management rights to direct investment and work are socially variable institutions. Collective action, in this view, is not limited to members of unions. Rather, unions are part of a broader political project of working-class resistance to the domination of capitalist social relations in the work-place and community. This vision has been cogently expressed by Perry Anderson:

The very existence of a trade union *de facto* asserts the unbridgeable *difference* between Capital and Labour in a market society; it embodies the refusal of the working class to become integrated into capitalism on its own terms. Trade unions thus everywhere produce *working class* consciousness—that is, awareness of the separate identity of the proletariat as a social force, with its own corporate interests in society. This is not the same thing as *socialist* consciousness—the hegemonic vision and will to create a new social order... But the one is a necessary stage towards the other. (1977, p. 344)

National industrial relations systems are, therefore, historically contingent institutional arrangements for accommodating and containing the structural conflicts between classes over wages and control of the work process. Today, a restructuring of production is reordering the terrain of industrial relations. Indeed, the 'new realism' sweeping Canadian politics envisions a narrowing of the social and economic rights and position of workers as one of the fundamental conditions for industry to compete globally. The resulting pressure to increase labour market and shop-floor flexibility is raising fundamental issues about the future direction of trade unionism, and throws into relief once again the strategic paths for unions: responsible trade unionism or political resistance to capitalist rationalization.

The Old Order: Canadian Industrial Relations After 1945

Capitalist development occurs in phases dominated by particular patterns of growth. These "accumulation regimes" depend on a stabilized set of social and economic relations over specific periods. Several features are common: a predominant labour process, a match between the rates of growth in productive capacity and the means of consumption, a reinforcing logic between investment and monetary accommodation, and a "routinization" of the struggle between classes. The roots of the contemporary dilemmas facing Canadian workers reside in the legacy of the post-war phase of growth. This particular accumulation regime is disintegrating, and the transition to a new melding of the system of production and industrial relations is tentatively proceeding.

During the 1940s, an industrial era was consolidated based upon mass production. At its core was a revolutionary mode of work organization that had been evolving since the turn of the century (Lipietz, 1987, pp. 35-39; Murray, 1988).

First, the labour process was broken down into its component parts, each worker performing simplified routine tasks. This was Taylorism and the principle of separating conception from execution. Second, Taylorism was coupled with flow-line assembly, the product passing by stationary workers in a continual process. This "model of industrialization" had two additional principles. If work tasks were simplified, they could be directly incorporated into special-purpose machines; in turn, these machines could mass produce standard products. The end result of combining Taylorism and dedicated machines was large economies of scale and thus vastly enhanced productivity.

The fragmented Taylorist labour process made the semi-skilled assembly-line worker the central social actor. But the logic of dividing mental and manual labour also expanded the number of technical and administrative workers. Previously, craft unions organizing workers on the basis of skill were common; industrial unions, in contrast, gathered workers together by industry irrespective of skill level. The contractual core of the new unionism was the trading off of wage gains against management control of production. Implicitly, the nominal wages gained in collective bargaining were linked to the growth in productivity and the rate of inflation. Workers' demands often originated in a key firm, for example, General Motors in the auto industry, then spread to the entire branch of industry and afterwards to the economy as a whole. In other words, a *pattern* was established, the wage gain of one union being followed or "leapfrogged" by other negotiations (Piore, 1986). It became a commonplace that unions in this way took "wages out of competition." Instead, the dominant tendency of competition was over product and process innovations, rather than by a competitive bidding down of wages. This result, however, was not the gift of benevolent bosses, but the unintended consequence of the strength of industrial unionism. Economism had its negative consequences for unions too: they were left without a production strategy, as increasing capital intensity undermined profitability and displaced workers.

This combination of principles, known as Fordism, underpinned the post-war social structure. Mass production assumed markets, notably the mass consumption by workers of consumer durables. Although international trade increased in importance, the expansion of production depended foremost on the enrichment or "deepening" of protected national markets. Buoyant growth expanded government revenues and allowed easy credit that, in the course, supported the Fordist virtuous circle of capital investment, productivity increases, and new markets. These threads varied in colour between countries but, woven together, provided a common cloth for the struggles of national labour movements in the industrialized countries.

Canada had its own variant of Fordism. Ownership of much of the means of production in resource and manufacturing industries in Canada passed into U.S. control during the boom. As well, resources were the dominant open sector and claimed a large, although falling, proportion of Canadian exports, principally to the United States. Moreover, the industrial relations system too evolved on a continental pattern: legalistic, characterized by fragmented bargaining with weak union centrals, stridently anti-communist, and favouring interest group lobbying over political mobilization. These traits gave post-war Canada a specific, but certainly not "exceptional," character among capitalist regimes (Jenson, 1989).

An unprecedented degree of working-class politicization and job actions during the war and demobilization forced a hesitant series of compromises on the state and capital, providing unions their post-war character. Industrial workers' hard-fought battles for union recognition and standard wages, stretching from the 1937 Oshawa strike of auto workers to the 1942 strike of miners at Kirkland Lake and steel workers the following year, doubled the number of union members. Disputes kept one in three members off the job in 1943.

Privy Council Order 1003 was enacted in February 1944 to break the log-jam. Modelled after the American Wagner Act of 1935, PC 1003 made explicit the rights of workers to associate in trade unions and to bargain collectively, given majority worker support at designated sites. But following earlier Canadian legislation, workers' ability to mobilize collectively was severely circumscribed: unions could not engage in recognition strikes or strike during the contract, negotiation stages to delay strikes were compulsory, membership eligibility was limited, and extensive grievance measures were mandated to settle disputes during the contract. Union security was added in 1945, compelled by the heated Ford Windsor strike demands for a closed shop to guarantee stability of membership and finances. A compromise begrudgingly recognizing workers' rights was reached in the arbitration ruling of Justice Ivan Rand: automatic check-off of union dues from pay stubs was granted; however, individuals could opt out of union membership and dues would be forfeited in illegal strikes. The subsequent Industrial Relations and Disputes Act of 1948, and parallel legislation enacted by the provinces, gave the temporary measure permanence (Roberts & Bullen, 1984, pp. 112-19; Panitch & Swartz, 1988, pp. 18-22).

The parameters and practices of legalism, by strictly defining the legitimate sphere of union activity, put in place one of the two prongs of responsible trade unionism. The second was tied to the notion of "free collective bargaining," that is, bargaining over the price of labour-power without direct state interference in wage-setting and, moreover, acceptance of management's control over production. The wage rounds between 1946 and 1949 solidified this compromise. A

second series of strikes moved industrial workers, particularly in auto, steel, and other mass-production industries, beyond recognition to pursuit of an "annual improvement factor in real wages" with rising productivity. Again, spillover from the protracted class struggles of U.S. workers was critical. The key case was the 1946 "Treaty of Detroit" between General Motors and the United Auto Workers: the union gained "productivity bargaining" in wage struggles, but yielded the company inclusive management rights clauses over production. Canadian auto workers followed the American lead. Canadian steel workers also went out nation-wide in 1946 to establish the pattern and begin the push for the forty-hour week and two-weeks vacation (Palmer, 1983, pp. 241-44; Morton, 1984, pp. 190-97). By the end of the 1940s, responsible trade unionism had come to the leading sections of the Canadian working class. Real gains of union recognition and wages were obtained, but at the price of accepting the existing distribution of income and property rights.

The post-war order was consolidated through the 1950s. The Left in the unions was purged in the Cold War, as Canadian unionists followed the lead of the American international unions in installing "legitimate trade unionism." In Quebec, the Asbestos strike of 1949 and the Murdochville smelter workers' strike in 1957 were lost, but they built the basis for union gains in that province in the 1960s. The two main trade union centrals finally cleared their differences to form the Canadian Labour Congress (CLC) in 1956. On the shop-floor, unions struggled to build job security into the Fordist labour process via the seniority system, internal job ladders, detailed and demarcated job descriptions in contracts, extensions of benefit packages, and hiring and lay-off procedures. But improving wages dominated other concerns. Indeed, the economic focus on wages, as then CLC vice president Stanley Knowles claimed, was the "social duty" of unions, to keep demand up and unemployment down (1958, p. 30).

A decade of union militancy from 1966 to 1976, ironically, stretched and then broke the post-war labour regime. In 1966 one-third of work stoppages were illegal, and through the 1970s Canada placed near the top of all countries in time lost in strikes. Two forces were critical to this development. The "automation scare" both intensified the labour process and led workers (notably railway and postal workers) out in wildcat strikes, to demand technological change and job security clauses in contracts. Secondly, workers' wage militancy attempted at first to claim a fairer share of increasing output, and then simply to keep pace with inflation. The industrial unrest was, even more than in the 1940s, general: industrial workers repeatedly struck for better wages and job security; the three Quebec trade union centrals formed a "Common Front" in 1972, culminating in a general strike and the jailing of union leaders; and the newly formed public

sector unions—nurses, teachers, civil servants—attempted to catch up to pay levels in the private sector. In the midst of the turmoil, the Woods Task Force on Labour Relations released its report, stale with the plea for responsible trade unionism and recommending further legal obstacles to collective action by workers.

The open crisis of “stagflation” after 1974 brought a new, coercive turn to industrial relations. Incomes policies had become setpieces in countries with strong trade unions. In the 1970s they told a repetitive story: the real incomes of workers were to be kept stagnant while the profits of capital were allowed to recover. Fordist productivity bargaining was finished. The Canadian experience of the Anti-Inflation Program of 1975-78 repeated the story-line. A comprehensive wage-control program suspending collective bargaining rights was to impose, as Pierre Trudeau opined, “a wrenching adjustment of our expectations” (Roberts & Bullen, 1984, p. 132). The outcome was less prosaic: workers’ real wages were rolled back. At the same time, the state attempted to win union cooperation through quality-of-working-life and other consultative programs that would constrain rank-and-file militancy. But a new toughness in management clearly was ascendant: wage gains disappeared, legal strikes were declared illegal, and union leaders such as J.C. Parrot of the postal workers were jailed for refusing to obey a confusing set of *ad hoc* legal restraints. In a prelude to the 1980s, the eight-month strike of 1978-79 at Inco in Sudbury had the company offering a miniscule ten-cent-an-hour raise in and demanding concessions on work rules.

Economic uncertainty played havoc with CLC strategy. The imposition of wage controls led the labour movement to mobilize a mass Day of Protest on October 14, 1976, keeping workers off the job across the country. On the other hand, the CLC policy platform called for the permanent establishment of tripartite consultations, processes whose *raison d’être* had been wage restraint (Giles, 1982; Palmer 1983). The 1981 round of strikes, factory occupations, and mass protests was an attempt to recover the old order. But the deep 1981-82 recession and accompanying mass lay-offs soon swept aside the remnants of Fordism and the responsible unionism that had evolved alongside it.

The Impasse of the Labour Movement

How has the labour movement fared in the “new realism” of the 1980s? Although quantitative trends cannot fully capture the qualitative shift to a distinct phase in the relations between capital and labour, they illustrate the stagnating, and even

reversal, of many of the post-war gains of the labour movement. This is by no means an obvious interpretation. A number of observers, committed to the position of incremental progress via responsible unionism, cling tenaciously to the position of a basic stability in industrial relations (Adams, 1989). However, in three key dimensions of union strength—organizational capacity, wage trends, and strike activity—it is starkly evident that erosion of the material basis of the post-war industrial relations system has led to a new reality for trade unions.

The long-term strength of any trade union movement is determined by its *organizational capacity*. In the context of the economic and political setbacks of the past decade, Canadian unions have stood up well. Especially when compared to the remorseless decline of American unions since the mid-1950s, Canadian workers have demonstrated a remarkable degree of resistance to the “deunionization” efforts of North American capital. But however impressive this resiliency, it cannot overshadow the fact that a critical impasse has developed in the collective strength of Canadian unions.

The great organizing success that Canadian unions enjoyed in the post-war years—at a pace more rapid than other capitalist countries—has been stalled now for virtually a decade. After dropping slightly in the 1950s to below 30 per cent of the paid non-agricultural work-force, the number of union members climbed continuously until the early 1980s. This growth was fueled by two events: the initial phase of unionization of mass-production and resource industries, followed after 1965 by the growth of public-sector unions. Indeed, union density reached a post-war high of 40 per cent in 1983. This high, in large part, was deceptive: it reflected the impact of the recession, union members being less likely than non-union members to have lost jobs (Meltz, 1985, pp. 316-71; Kumar, 1986a).

Since 1973, however, union density levels have slipped to 36.6 per cent in 1988, the same rate as in the mid-1970s. A decade of union organizing has increased total membership, but left the unionization levels of workers at a standstill. This signals the failure of Canadian unions to make a major breakthrough in any section of the unorganized, particularly private service sector workers (e.g., bank employees), comparable to the boosts given by industrial and then public-sector workers. Two trends underscore this failure. Heavily unionized provinces, such as Quebec and B.C., have seen some slippage in their density levels, indicating the general failure to organize the growing service sector. More significantly, a steady decline in certifications of new unions is apparent. From a peak of about thirty-five hundred per year in the early 1970s, certification of new union locals in the 1980s has been almost consistently below three thousand. As well, there are indications of mounting employer resistance to unionization through an increased number of unfair labour practices and

TABLE I

GROWTH OF UNION MEMBERSHIP;
CANADA, 1945-1988

	Locals	Membership (000s)	Union Density ¹ (%)	Certifications Granted	Female Members (%)	Canadian Unions ² (%)
1945-49	4,860	888	28.2	N/A	N/A	31.4
1950-54	6,043	1,166	31.4	1,695	N/A	29.7
1955-59	6,762	1,384	33.4	2,040	N/A	28.5
1960-64	7,043	1,454	30.7	2,186	16.6 ³	28.3
1965-69	8,313	1,866	31.7	3,272	19.0	32.2
1970-74	10,649	2,423	34.7	3,480	24.0	41.2
1975-79	12,683	3,088	37.9	2,894	27.7	50.7
1980	14,869	3,397	37.6	3,277	30.2	53.7
1981	15,555	3,487	37.4	3,352	31.0	55.3
1982	15,412	3,617	39.0	2,859	32.3	55.6
1983	15,255	3,563	40.0	2,456	34.8	58.7
1984	15,187	3,651	39.6	2,667	35.4	60.0
1985	16,068	3,666	39.0	2,837	36.2	60.6
1986	16,108	3,730	37.7	2,264	36.4	60.6
1987	16,578	3,782	37.6	2,030	N/A	64.9
1988	16,792	3,841	36.6	N/A	N/A	67.0

1 Percentage of non-agricultural paid workers.

2 Includes national unions, directly chartered unions, and independent local unions.

3 For 1962-64

Sources: Labour Canada (various years); Queen's University Industrial Relations Centre (1988).

TABLE II

UNION MEMBERSHIP RATES BY INDUSTRY IN CANADA;
SELECTED YEARS (%)¹

	1969	1976	1986
Agriculture	1.5	0.3	1.2
Forestry	54.8	42.0	49.0
Fishing and Trapping	64.2	73.5	60.2
Mining	55.6	39.7	28.1
Manufacturing	43.7	43.5	38.3
Construction	55.6	52.1	53.9
Transportation	53.6	50.1	56.7
Trade	8.8	8.5	9.8
Services ²	19.0	22.6	34.8
Public Administration	69.4	67.4	76.3

1 Union members as a proportion of paid workers by industry.

2 Includes private- and public-sector employees.

Source: Statistics Canada (various years).

decertifications of existing locals, the usual signs of prolonged recognition battles (Rose & Chaison, 1985, pp. 101-04; Kumar, 1986a, pp. 111-12, 142; Queen's University Industrial Relations Centre, 1988, p. 41).

The organizational impasse should not, however, be interpreted as fatal. Canadian unions have weathered the economic and political storms of the 1970s and 1980s intact, and without sliding into the complacency of the 1950s. But the changing industrial composition of union membership suggests profound challenges are developing. First, employment in traditional union strongholds—resource and mass-production industries—is declining. In contrast, the private service sector has been growing rapidly, and it has been difficult to organize. Moreover, unionization rates in goods-producing industries—mining and manufacturing—have been declining. The largest losses of members during the 1981-82 recession were by the Auto Workers and Steel Workers. The declines in unionization in goods production, indicative of the crisis of Fordism, represent a reversal of historical trends. The unionization of public services, health care, and education, has only partly offset the decline of unionization in goods production. A significant surge in service sector organizing is alone likely to push up union levels (Kumar, 1986a).

Second, expanding the organizational scope of unions will depend on increasing the levels of organization among women workers (J. White, 1980; Briskin & Yanz, 1983). The proportion of female union members has shown a consistent upward trend, and women now constitute about one-third of union members. This growth reflects, in particular, the unionization of the public, education, and health-care sectors, although women have been an increasing part of membership in virtually all unions. Raising the levels of union organization among women is ultimately intertwined with overcoming the organizational impasse of unions as a whole. Apart from the public sector, women workers are concentrated in the service sector, where unions remain a marginal collective force (Warskett, 1988).

Third, although some consolidation of Canadian unions has occurred, the traditional sectionalism and fragmentation of the Canadian union movement remain critical obstacles to collective solidarity. In 1988, union membership was divided among 840 unions. These unions were split into 65 international unions, 222 national unions, and 553 local organizations. The international and national unions chartered some 16,792 locals, the basic collective bargaining unit. Even with the average membership in each union increasing, the dominant collective bargaining structure of one establishment—one union endures (Kumar, 1986a, pp. 97-98, 121-23).

The fragmentation of the union movement has been partly offset by extensive mergers eliminating many smaller unions. The largest unions, now predominantly

public-sector and industrial unions, reflect the shifting employment structure. They are now generally composed of locals in varied and often unrelated occupations and industries. This trend was highlighted in the Atlantic Canadian fishers controversial move to join the Auto Workers union. The resulting conglomerate or general unions, by recognizing the common position of workers in all industries, may encourage greater solidarity among workers. This may also be the result of the trend to "Canadianization" of the labour movement, notably the recent disaffiliations of the Auto Workers and Woodworkers from their international unions. However, the CLC, the principal union central remains weak and divided, claiming less than 60 per cent of the total union membership as affiliates.

The most visible, and disturbing, sign of the labour movement's impasse is its inability to maintain the real wages of workers in the 1980s. Indeed, a dramatic new tendency appears to be reversing the pattern of wage formation that characterized the Fordist boom. Through to the early 1970s, the real wages (actual earnings after inflation) of most workers, particularly those covered by union agreements, tended to increase more or less annually. Even during much of the 1970s, nominal wage increases were quite high, though these gains were being eroded by inflation, keeping real wages relatively constant. In other words, although the overall income distribution between classes remained stable, the wage struggles of workers claimed a proportion of the growth in output.

However, even before the dramatic shift in the balance of power between capital and labour after the 1981-82 recession, an alarming wage deceleration had set in. Beginning in the late 1970s, workers, in both unionized and non-unionized occupations, began to consistently experience real wage losses. Since 1980, average wage settlements have unfailingly meant real income losses for workers—the precise reversal of the tendency over the course of the boom. During the 1980s alone, real weekly earnings of workers have fallen by 10 per cent, even before the large increases in taxes. Indeed, wage deceleration in Canada has been highest among the advanced capitalist countries, and, since 1982, more extensive than in the United States where unions have been squarely on the defensive (Kumar, 1986b, pp. 308-10).

The break with a pattern of annual real wage increases has led to divergent wage outcomes. Against the union objective of "wage solidarity" linking collective bargaining struggles, wage determination has become more fragmented and localized. This "new pattern" can be seen in a variety of management innovations to lower wage costs: concessions bargaining, wage freezes, two-tier wage systems between existing and new employees, de-indexing, and lump-sum payments instead of annual increments. Canadian workers, like their American counterparts, have not escaped wage freezes or cuts in negotiated settlements. In 1984 a quarter

TABLE III

GROWTH PROFILE OF THE LARGEST UNIONS IN CANADA,
1951-1988

	Membership (000s)				Average Annual Increase (% change)		
	1951	1963	1982	1988	1951-63	1963-82	1982-88
1. Canadian Union of Public Employees	2.3	85.9	274.7	342.0	35.3	6.3	3.6
2. National Union of Provincial Government Employees	16.3	62.7	230.0	292.3	13.2	7.3	4.1
3. Public Service Alliance	7.4	116.0	157.6	175.7	25.8	1.6	2.0
4. United Food and Commercial Workers	29.6	47.2	135.0	170.0	4.0	5.7	4.0
5. United Steel Workers	80.2	115.3	197.0	160.0	3.1	2.9	-2.8
6. Canadian Auto Workers	60.0	61.1	121.8	143.0	0.2	3.7	3.6
7. Social Affairs Federation	4.5	17.0	84.0	96.5	10.8	10.1	2.6
8. Teamsters	28.6	58.2	93.0	91.5	6.1	2.5	-0.3
9. Service Employees International	3.8	13.1	65.0	70.0	11.3	9.1	1.3
10. Carpenters and Joiners	36.6	61.2	89.0	66.0	3.9	2.1	-4.8

Sources: Kumar (1986a, 118-19); *Directory of Labour Organizations in Canada* (various years).

TABLE IV

*AGGREGATE WAGE DEVELOPMENTS IN CANADA
1945-1988*

	Un- employment Rate (%)	Average Real Weekly Earnings ² (\$)	Increase in Real Weekly Earnings (\$)	New Wage Settlements In Major Collective Agreements ³		Wage Settlements Below Rate Of Inflation (%)
				Nominal (%)	Real (%)	
1945-49	2.7	172.55	0.1	N/A	N/A	
1950-54	3.3	191.92	3.4	N/A	N/A	
1955-59	5.1	226.34	2.7	N/A	N/A	
1960-64	6.0	251.31	1.9	8.0	6.6	
1965-69	4.2	281.73	2.6	8.0	4.3	
1970-74	5.9	329.49	2.6	10.2	4.3	
1975-79	6.8	358.90	1.2	10.8	1.9	
1980	6.9	357.01	-0.1	11.1	1.0	
1981	7.0	355.77	-0.3	13.4	0.9	
1982	11.1	352.70	-0.9	10.1	-0.7	49
1983	12.1	333.20	-5.4	5.6	-0.2	57
1984	11.2	331.26	-0.6	3.5	-0.9	52
1985	10.3	329.56	-0.5	3.7	-0.3	49
1986	9.4	325.46	-1.2	3.5	-0.6	61
1987	8.8	320.36	-1.6	3.9	-0.5	87
1988	7.8	322.53	0.7	4.4	0.3	N/A

1 Deflated by Consumer Price Index (1981 = 100).

2 Industrial composite. Includes overtime earnings.

3 Non-cost-of-living agreements covering 500 or more employees.

Sources: Labour Canada (various years); Statistics Canada (various years); Leary (1983); Adams (1985)

of agreements had wage cuts or freezes, and this reached 70 per cent in the private sector in western Canada. The pressure for direct wage roll-backs has eased, but it is nonetheless startling that the trend of wage losses persists despite the return of growth and the attendant tightening of the labour market in the latter 1980s! Indeed, a stark norm appears to prevail: instead of pattern bargaining over the sharing of productivity increases between owners and workers, collective bargaining now focuses on the prevention of further erosions of real wages (Kumar, 1986b; Giles & Jain, 1989, pp. 332-36).

The consolidation of a new era of industrial relations appears confirmed by a decline in the levels of strike activity, despite the loss in workers' incomes. Although the withdrawal of labour is only an indirect measure of the level of militancy, strikes often suggest an effort by workers to claim an increased share of output in the form of wages. It was wage militancy that lay behind the strike wave extending from the mid-1960s to the end of the 1970s. The economic recession of 1981-82 solidly closed the door: strikes precipitously fell to half of their 1970s frequency. The levelling of strike activity has been thorough, cutting across virtually all industrial sectors and provinces. Notably, the centres of mass strike activity that led the way for wage gains over the boom—workers in the mass-production industries and the public sector—have not escaped the constraints of the new climate (Lacroix, 1986, pp. 177-79; Anderson & Gunderson, 1989, pp. 287-92).

The decline in strike levels no doubt has been brought about by economic conditions and legal prohibitions. But the sharpness of the decline also indicates that a more fundamental shift has occurred. Even with economic recovery, strike levels remain down. And this is certainly not because employers have suddenly embraced harmonious industrial relations. The defence of existing work standards and the difficulties of signing first contracts have often meant bitter work stoppages. The lengthy and vicious battles at Gainers Meatpacking (1986) and Canada Post (1987) are part of a broader management offensive to roll back wages and break union security. These defensive strikes demonstrate forcefully that Canadian workers are not willing to simply roll over; but they just as clearly indicate the labour movement's inability to lead a sustained collective effort to take the initiative away from management.

For Canadian trade unions, then, economic stagnation has contributed to an organizational impasse and a crisis in collective bargaining. These difficulties derive partly from the pressures of economic restructuring and soft labour markets in the 1980s, but also from longer-term trends. In particular, unions have since the 1970s failed to make significant organizational inroads into the private

TABLE V
STRIKE ACTIVITY IN CANADA
 1945-1988

	Frequency	Average Size (Number of Workers)	Average Duration (Days Lost per Worker)	VOLUME OF STRIKES Days Lost (000s)	Work Time Lost (% of total work time)
1945-49	189	434	22.7	1,761	0.24
1950-54	197	551	18.0	1,560	0.17
1955-59	222	393	22.5	1,928	0.17
1960-64	309	261	14.9	1,198	0.09
1965-69	563	479	18.0	4,868	0.31
1970-74	730	609	16.1	6,432	0.35
1975-79	1,024	607	15.9	8,219	0.38
1980	1,028	429	20.3	8,975	0.38
1981	1,048	323	26.2	3,878	0.37
1982	677	656	13.0	5,795	0.25
1983	645	510	13.5	4,444	0.19
1984	717	260	20.7	3,872	0.16
1985	825	194	19.9	3,181	0.13
1986	735	658	14.7	7,106	0.28
1987	658	886	6.8	3,987	0.15
1988	549	379	24.2	5,046	0.18

Source: Labour Canada (various years).

service sector and to maintain the real wages of workers. The old order has passed, and a new political terrain for unions is surely taking its place.

The New Realism: Industrial Relations in the Post-Fordist Era

The organizational impasse of the Canadian labour movement reflects, in great part, the turbulent economic and political changes sweeping the capitalist countries. The severe 1981-82 recession, which drove inflation and unemployment to unprecedented post-war levels, marked a change to a new set of "economic realities." The immediate impact of the recession was to wipe out the last vestiges of the "interventionist" strategy of the Trudeau Liberals—the ill-fated 1981 budget attempt to bolster the Fordist system of production in Canada via a program of "economic nationalism." As a result of the recession and strident business opposition to the budget, including threat of a capital strike, a new, more hard-line strategy was adopted on the part of capital and the state.

The new strategy was one of "deregulating markets" to improve the flexibility and efficiency of both capitalist enterprises and public services. In retrenching the role of the state, strategists placed increased reliance on "market forces" to determine production priorities and income distribution. The policy prescriptions associated with this revamped accumulation regime have two main dimensions, both with important consequences for trade unions. First, *deflationary demand management* has been imposed in order to constrain inflationary pressures, and also to weaken the bargaining position of workers through the maintenance of high levels of unemployment (Bank of Canada, 1988). Both are seen as essential to meet international competition by lowering the costs of Canadian exports and keeping domestic goods competitive with imports. Second, the most visible sign of the market-driven strategy is the triumvirate of *deregulation*, *privatization*, and *free trade*. The common element uniting these initiatives is the repudiation of even limited democratic control over national production needs. Instead, priority is placed on flexible adjustments to shifts in market demand, and increased efficiency as measured by the standard of profitability—if it doesn't produce a profit, it shouldn't exist. These themes were voiced as "conventional wisdom" by the Macdonald Commission:

We Canadians must significantly increase our reliance on market forces. Our proposals to increase our openness to the international economy and, specifically, to enter into a free-trade agreement with the United States reflect our general preference for market forces over state intervention as the appropriate means through which to generate incentives in the economy, from which growth will follow. Domestically, we have identified a number of market-distorting, growth-suppressing policies which

redistribute income to protected and privileged enclaves in the economy, reduce economic efficiency and inhibit flexibility...the state should facilitate adjustment to those market forces which are growth creating...Too many of our existing policies result in rigidities in labour markets [and] extensive protection for declining economic sectors lasting far beyond appropriate transitional measures. (Royal Commission on the Economic Union, 1985, p. 66)

The "unavoidable realities" of the market were impressed upon the industrial relations struggle. During the 1970s, the economic crisis led to several attempts to strengthen the centralized power of unions in order to enforce "discipline" in the labour market through tripartite political structures, unions being consulted with business and government over economic policy in return for wage restraint. In contrast, the "freeing-the-market" strategy of the 1980s focuses on "flexibility" by reducing "rigidities" in both the labour market and work practices at the company level. The rationale of this strategy is, in effect, to reverse the labour regime of Fordism: to collapse Taylorist job structures in favour of flexible "work teams"; to replace productivity bargaining by flexible pay systems tied to individual productivity at lower average wage levels, and free collective bargaining by legal restrictions on the mobilization of workers; and to move from building and protecting the national market to international competition over labour costs and adjustment to global market niches. The logic of the new realism for workers has been poignantly captured by Quebec union leader Gérard Larose:

The major consequences of the economic crisis [of 1981-82], with respect to our organization, was that we could no longer fight for redistribution of wealth since there was no longer any wealth to be had. This was a major problem to union consciousness because in the members' minds, the purpose of a union that could not fight for higher wages was undefined. The economic crisis forced us to develop new union strategies, philosophies, and tactics...the recession was an economic block. That is to say, that *people began to change their way of thinking even with respect to daily life.* (Kumar & Ryan, 1988, p. 71).

These forces differ greatly between region and industry, and between public and private sectors, but the common strategy of compelling market flexibility is apparent in the dominant pressures reordering industrial relations—the *restructuring of work, juridical restraints on collective action, and global competition.*

Restructuring of Work

"Labour market flexibility" has become the fashionable theme in capitalist strategies for new employment policies and shop-floor restructuring. Three objectives to the "flexibility offensive" stand out. First, there is a stress on rapid labour market adjustment to new market realities, particularly to global market and technological changes. This translates into a demand for flexible wages and greater mobility. Second, at the level of the firm, the objective is to reduce labour costs and shift market insecurity onto workers. Contracting out and part-time employment are the consequences. Finally, within the labour process the emphasis is on more flexible use of workers with the new technologies; it follows that the work rules providing job security to workers during Fordism are under attack (Mahon, 1987; Sarfati & Kobrin, 1988, pp. 5-7; Kumar, 1988). Capital's desire for flexibility is not new; but the new flexibility offensive does tend to exploit current union weaknesses, and, to date, has overwhelmed the possibilities embodied in the new technologies to extend workers' control over the production process.

Central to the flexibility push are the new technologies and the Japanese *Kan-ban* system of management. Fordism was based on the economies of scale of mass-produced goods, using dedicated machines and semi-skilled workers. Microelectronics now allows "flexible automation" to exploit "economies of scope," using programmable machines and multi-skilled workers to quickly switch product lines with only slight retooling and down-time. The assembly line is made flexible. The basic emphasis of the *Kan-ban* system is flexible response in products and processes to changes in demand. Several principles in the organization of the labour process follow: production tends to be in smaller batches; core workers are multi-skilled to do a variety of tasks; quality of output is paramount; the Fordist "just-in-case" management of stocks is replaced by the "just-in-time" system; and, reversing Taylorism, the worker is "involved" in production decisions and technical improvements (Kaplinsky, 1988, pp. 455-61; Hyman & Streck, 1988). The 1981-82 recession speeded the introduction of flexible manufacturing systems as older plants, containing Fordist methods, were scrapped and rationalized, dramatically altering the conditions of work.

The implementation of flexibility has been, like mass production, national in character. The relative weakness of Canadian manufacturing has had serious implications: the flexibility drive has tilted more towards a *defensive* strategy of securing traditional markets by lowering costs and adjusting work rules, and less to an *offensive* strategy of enhanced competitiveness through high-quality products and highly skilled labour. The defensive strategy tends to rely on

"external flexibility" by adjusting the volume of employment of unskilled labour to the volume of product orders. Insecurity of employment, especially for women and younger workers, is the basis of the flexibility: part-time work, contracting out, and casual labour. This strategy lowers costs for individual capitalists, but has the consequence of reinforcing labour force growth in "no-tech, low-wage jobs," already growing rapidly due to the explosion of "McDonald's" jobs in the service sector. Substantial Canadian evidence suggests polarization tendencies between the skilled core and the unskilled periphery workers. Notably, almost 90 per cent of net job growth in the 1980s has been in the private service sector, particularly in low-wage jobs (Cross, 1988; Myles, Picott, & Wannell, 1988). And these are areas of employment where trade unions are virtually absent.

The employment situation for skilled core workers is quite different, although the pressures for concessions provide common cause. In this case, the internal flexibility of the firm depends upon the "involved worker." To exploit the potential of the new technologies, the worker is multi-skilled, thereby enabling rapid adjustment to a variety of tasks and, in contrast to Taylorism, utilization of the worker's knowledge in order to boost productivity. But the demand for work rule changes and the collapsing of job categories can be bargained against job security for core workers. Indeed, the individual corporation is quite dependent upon stability from this section of workers. To this end, management would like to see the spread of *enterprise unionism*—the new incarnation of responsible unionism—whereby core workers' social identities are closely bound to the firm that employs them.

Despite worker resistance, flexibility agreements between managements and unions have become part of the new reality of the 1980s. For example, the 1987 contracts between the major steel companies and the United Steel Workers allowed some trade jobs to become new multi-trade classifications, while employment levels for a limited number of production groups were guaranteed. Similarly, recent agreements between the auto companies and the Canadian Auto Workers have established task forces on classification and job assignments, with the aim of increasing flexibility and product quality (Mansell, 1987; Robertson & Wareham, 1987; Queen's University Industrial Relations Centre, 1988, pp. 61-70).

The other flexibility component within collective bargaining is "flexible compensation schemes." This is often simply a euphemism for wage cuts. But in general, it is an effort to tie wages more closely to individual productivity and to the overall performance of the plant or firm. In the private sector, competitive pressures and workers' fears of job loss from new technologies have encouraged capitalists to seek wage and benefit concessions to lower labour costs. Besides

wage restraint, companies have sought modification of cost-of-living clauses, lump-sum payments instead of annual wage increments, and limits on non-wage benefits. Weak sectors, such as the food industry and construction, have seen these kind of contracts rapidly gain a hold. Public-sector management has pursued a similar course, compounding the need to be competitive with the spectre of budget deficits. Strategies of wage freezes, down-sizing, and contracting-out of work have been prevalent at all levels of government. The 1988-89 collective bargaining round between the Public Service Alliance and the federal government saw one hundred roll-back demands presented (Kumar & Ryan, 1988, p. 134; Conference Board of Canada, 1989). Indeed, it is this side of the flexibility offensive—cuts into wages and employment security—that has faced most Canadian workers.

The Legal Assault on Trade Unions

The management offensive to increase labour market flexibility, particularly with respect to wages, has been intimately linked with the assault on trade union freedoms in Canada. Indeed, the coinage that the “free market” strategy has required a “strong state” for the “iron times” of the 1980s has been specially apt for Canada. Free collective bargaining, gained by unions during the consolidation of Fordism in Canada, has been undermined in three key ways: the roll-back of public-sector bargaining rights, restrictions on the collective action of workers, and rulings under the Charter of Rights and Freedoms favouring individual and property rights over collective rights. This new era of “permanent exceptionalism” for trade union rights has been demonstrated by Panitch and Swartz:

The post-war settlement sought to maintain the dominant position of capital by establishing legal rights for organized labour to protect the workers’ immediate material interest in a capitalist system. The ideology of the new era reversed this earlier logic. It placed the onus on labour to maintain capitalism as a viable economic system by acquiescing to capital’s demand for the restriction or suspension of workers’ previously recognized rights and freedoms, as well as sacrificing their immediate material interests. (1988, p. 34)

The 1980s assault on free collective bargaining began with the Trudeau regime’s dramatic abrogation of collective agreements with government employees. The 1982 Public Sector Compensation Restraint Act unilaterally imposed wage controls of 6 and 5 per cent. Not only did this break existing

collective agreements, but the Act suspended negotiations over wages and working conditions. In a single legislative stroke, freedom of association rights for public employees were withdrawn. Most provincial governments were quick to follow. Indeed, in their zeal to prove that flexibility could be inserted into the alleged security of employment in the public sector, many provinces went further. The most provocative examples occurred in the western provinces. British Columbia in particular announced the era of new realism in a loud, authoritarian voice. "Black Thursday" of July 1983 introduced twenty-six repressive bills including permanent restrictions on trade union rights. Alongside wage restraints and mass dismissals, new measures included complete prohibition of job actions on designated work sites, the breach of job security clauses, and encouragement of decertifications.

The Tory reign federally has featured the rapid invocation of back-to-work legislation on legally striking state employees providing services to private capital. The extension of the logic of flexible work organization to sectors most affected by privatization and deregulation has also been a key dimension of Tory policies. In 1986 and 1987, the Mulroney regime applied the concessions strategy to employees of Crown corporations, initially at the bargaining table and then directly through legislated back-to-work settlements, as in the case of strikes by dock workers (1986) and then railway workers (1987). Sweeping concessions on work rules, wages, and job security were also behind the Canada Post-initiated strike in the summer of 1987. In this case, the state's use of coercion against workers' rights took an especially ugly turn: the federal state endorsed the mass use of scabs and the police to keep plants open. The back-to-work legislation for postal workers, on top of huge financial penalties levelled against the union, went so far as to interfere in internal union affairs by barring from office union members convicted of violating the Act (Panitch & Swartz, 1988, pp. 67-73).

It is indeed ironic that in order to increase flexibility in the free market, the state has adopted coercive measures. Violation of workers' associational rights—the ability to collectively act to improve wages and working conditions—has been the consequence. Since the 1970s the federal and provincial governments have increasingly used *ad hoc* interventions in labour disputes. "Emergency" back-to-work legislation has become common, particularly in public-sector disputes. Moreover, governments have widened the arbitrary designation of public-sector workers as *essential* and therefore unable to strike. Almost 60 per cent of bargaining units federally have more than one-half of their members so designated. Similar actions have been taken at the provincial level, and at the extreme, B.C. legislation even allows private-sector workers to be designated as essential. Restrictions on workers' rights have placed Canada in serious breach of Interna-

tional Labour Organization treaties on freedom of association (Sack and Lee, 1988, pp. 202-210).

The willingness of Canadian workers to engage in strikes to oppose concessions, often in defiance of the law, has caused numerous legal impediments to be added to industrial relations in the 1980s. These have included, especially in western Canada, further restrictions on the use of strikes and solidarity actions in support of strikes: limits on picketing, including who can picket; bans on secondary strike activity; a final-offer selection option; and, in the case of B.C., sweeping Cabinet powers to impose binding arbitration when a dispute is designated as contrary to the public interest or to economic prospects. Even in Manitoba and Ontario, where modest reforms favouring first contracts and pay equity have been passed, the logic of wage restraint, flexible work rules, and strike limits has been maintained. The *formal structure* of collective bargaining remains, but *permanent* encroachments on workers' collective freedoms have been installed (Panitch & Swartz, 1988, p. 15; Swimmer, 1989).

In the context of the new realism, the Supreme Court of Canada has followed the prevailing political winds. Judicial interpretation of the Charter of Rights has followed the traditions of liberal democracy and given individual and property rights precedence over collective rights. In a trilogy of rulings in 1987 on various legal restrictions on unions, including the 6-and-5 program, the Supreme Court held that the "freedom of association" provision of the Charter does not protect the right to bargain collectively or the right to strike (Mandel, 1989, pp. 184-238). Moreover, with the Court's underlying emphasis on protecting individual rights, a number of cases proceeding through the lower courts threaten union security provisions and job actions supporting collective solidarity. As Harry Arthurs has acidly noted,

The courts virtually never, not on any given occasion, created a right which might be asserted on behalf of working people. Nor have they since the enactment of the Charter. Nor—I conclude—is it likely that they ever will...those who call for or anticipate such a development must be inspired by faith; they are surely not instructed by historical experience... Under the Charter labour has lost the natural advantage of numbers, but gained neither explicit recognition of its agenda nor legitimation of its status. This was a poor exchange. (1988, pp. 18-19, 27)

The Charter rulings, which by themselves demonstrate the fluidity of collective bargaining rights in liberal democratic societies, have given the new realism judicial sanction to proceed.

Global Competition

The relationship between capitalist states has changed sharply over the last decade (Wolfe, 1989, pp. 115-19). During the post-war boom, the United States was the unquestioned dominant economic power, and served as the cement holding the international trade and monetary system together. Canada was fortunate in sharing the North American economic space, riding the boom on the coat-tails of the United States. The incomes of Canadian workers climbed to levels similar to their U.S. counterparts. Thus, even in Canada growth was based on domestic markets. But, parallel to the exhaustion of Fordism, traded goods began claiming a larger proportion of production. This intensified the search for markets and the controlling of domestic costs. Indeed, as capital and trade barriers came down, market instability increased. These problems were exacerbated by competition from newly industrializing countries, which put goods produced by highly exploited labour on the world market. International competition in conditions of growing trade and capital mobility put constraints on national economies to conform to similar policy patterns: what is economically valid is only what can command a place in the world market. Partly to counter the instability of capital and trade flows that accompanied internationalization, a series of regional blocs have evolved—Europe 1992, the Pacific Rim, and Fortress North America. These blocs are not, it must be stressed, rejections of market-driven growth or trade; the new blocs are attempts to cement and stabilize primary markets by common treatment of goods and capital while still expanding trade with other markets.

The Free Trade Agreement (FTA) between Canada and the United States is part of these trends. It is the core of the defensive accumulation strategy of Canadian capital to secure the one market in which significant inroads have been made after years of continentalist drift. But the FTA also contributes to the flexibility offensive in labour markets. The industries where large *economies of scale* remain are geared to the world market, notably resource and processing sectors. In the manufacturing industries where *economies of scope* have become important, the ability to move production units and provide services to specialized markets is paramount. Freer markets and capital mobility within North America consolidate an economic space for both these strategies. For this reason, Canadian capital was surprisingly unanimous in giving up the interventionist tools of a national industrial strategy as part of the FTA.

The consolidation of a North American economic bloc poses formidable problems for Canadian workers. At base, the widening of the free market will intensify the new era's competitive logic of labour market flexibility (Lynk, 1988).

With an easier flow of capital and goods, and with no compensating development strategy, the containment of costs in Canada becomes crucial to competing in the unified market. Capital mobility has throughout the 1980s already provided substantial leverage in squeezing workers. Canadian capitalists have internationalized with a vengeance—direct foreign investment has grown at the rate of 20 per cent annually since the mid-70s and is expected to equal U.S. investment in Canada by the early 1990s (Rugman & Warner, 1989, p. 205). For labour-intensive processes, the *maquiladora* free trade zone in Mexico and the union-free sunbelt states have especial appeal, while still allowing access to Canada. (Several firms, notably the auto parts company Fleck Manufacturing at the onset of a strike, already have moved.) Capital-intensive processes relying on skilled labour are less mobile, but their success will be tied more to the U.S. market. This could force Canadian workers to be more flexible, that is, identify collective bargaining demands more closely with the individual company's ability to compete with and service the U.S. market. The vertical ties this might forge between the worker and the company could further fragment the horizontal links between Canadian workers. These divisions have appeared already in the FTA talks and in the voluntary wage-and-production limits adopted by the Canadian steel and lumber industries.

Capital mobility, like the new technologies, threatens to redefine the employment contract between management and workers. In combination with high unemployment, the conditions that allow "competitive bargaining" between workers are established, in this case between workers of different countries. The FTA, by providing common capital markets, rules out competitive devaluations of the Canadian dollar. Thus, the weakness of U.S. unions, particularly in the south, will put downward flexibility on Canadian wages to the extent that labour markets and production costs become common. Similarly, the bidding wars for investment have the potential to expand from wages to social and labour legislation. Even with the legal assault, Canada does not have the "right-to-work" legislation that makes union-free zones of many U.S. states. But Nova Scotia's Michelin Bill and the B.C. legislation previously discussed have the intent of making labour law more attractive to international capital. Canadian social programs, on balance, are a net cost to Canadian capital in competing in the U.S. market. The Tory "sacred trusts" of the free trade election of November 1988—particularly unemployment insurance—now appear less sacred given the need to harmonize social policy costs with doing business in the continental market (Warnock, 1988, pp. 178-89).

The new competitive logic has transformed the economic and political landscape. In the new times, global competition and labour market flexibility

determine social priorities. This new "common-sense," as Bob White of the Auto Workers argues, "attempts to recreate the old insecurity and competition between workers in spite of the existence of unions" (1988, p. 223). It was recognition of this decisive thrust that sparked the "fight-back" of the Canadian union movement. Two strikes in particular blocked the spillover into Canada of the competitive bargaining between workers that plagued U.S. unions. After initial give-backs to a financially strapped Chrysler from 1979 to 1981, Canadian auto workers were determined to oppose the concessions logic. The opposition came to a head in the 1984 negotiations, with the Canadian branch of the United Auto Workers refusing the concessionary wage offer of General Motors. In contrast to U.S. acceptance, Canadian workers decided to strike, successfully defending the principle of "predictable rather than fluctuating income." The boldness of the auto workers, which precipitated their split from the international union, encouraged other Canadian unions to view struggle as imperative to the defense of their members. The 1986 strike of Gainers workers in Alberta had a similar legacy. Faced with that company's union-busting tactics, including the demand for huge wage concessions and mass use of strike-breakers, Canadian unionists mobilized in support of collective bargaining. A defensive victory was again claimed: some concessions were agreed to, but the union remained (Moody, 1988; Gindin, 1989). These two strikes, along with the postal strike and the battles of B.C. unions stretching from Operation Solidarity of 1983 to the nurses' strike of 1989, have prevented the new realism in Canada from taking the ugly form it did in the United States during the Reagan years. But they have not dislodged the drive for flexibility off the course of establishing a new terrain of work and politics.

The Future of Unions: Accommodation or Struggle?

The politics of industrial relations in the 1980s has exploded the complacent view that the "class war" in Canada was peacefully settled by union recognition in the 1940s. Instead, Canadian workers have confronted a new set of challenges. But past practices are not easily shed, nor new ones easily formed. The union movement is changing too, if fitfully, and not always with the boldness of vision and politics necessary for the new times. Differing tendencies of old strategies, tentative initiatives, and often startling combativity are apparent. As noted, the willingness of Canadian unions to engage in lengthy disputes has blocked wholesale concessions bargaining. These defensive victories have depended crucially on other unions recognizing these strikes as part of their own struggle. Thus,

the Gainers strike in Alberta, the public-sector strike in Newfoundland, and the postal workers' struggles took on broader political significance that both supported the strikers and warned other managements to expect a fight. This tenacity no doubt supported other collective bargaining initiatives. So even when wage gains and job rules were not wholly maintained, unions had a base for other demands such as job security, pension improvements (as in the auto and steel industries), health and safety measures, or limits on the use of part-timers (as won in the Bell Canada strike). Similarly, while organizing strikes at VISA and Eaton's had setbacks, the broad involvement of unions and community groups encouraged other organizing efforts. Building this "culture of struggle" has prevented the Canadian movement from collapsing (Calvert, 1988). But it is not so clear what form of unionism will dominate the new era: a reworked responsible unionism identifying workers with the enterprise in the interest of maximizing shop-floor flexibility, or a social unionism strengthening the ties between workers and encouraging the democratic control of the workplace.

While Canadian capitalists have been keen on enterprise unionism, the majority of unions have been cool to quality circles, profit-sharing schemes, and the team concept. The new technologies do tend, however, to unite the product and labour strategies of the firm together around flexible adjustment. Moreover, as in the past, the CLC's fragmented structure and strategic weakness leave unions to cope with restructuring by industry or by plant site. And even in strong unions this leaves management with great leverage in introducing flexibility on its terms. The auto workers, for example, have signed agreements in plants incorporating Japanese principles of work organization. In other cases, such as the Canadian Steel and Trade and Employment Conference and the Canadian Labour Market and Productivity Centre, bipartite bodies have brought management and labour together to focus on improving productivity and competitiveness.

The challenge to work-place relations has also had a contradictory effect. Many Canadian unions have moved to mobilize and broaden their base of support at work and in the community. The fight against concessions was the first step, helping to persuade public- and private-sector workers that struggle paid off. These nascent efforts at a wider solidarity have continued, albeit tentatively and not always with the full organizational weight of the CLC, and have extended into coalition work. Indeed, since Operation Solidarity in B.C., coalitions of unions and community groups have become frequent, as in the Saskatchewan Coalition for Social Justice, Solidarité Populaire Québec, and the Pro-Canada Network formed during the free trade fight. These "popular-sector" coalitions have been

important in expanding the defensive capacities of subordinate groups, especially in the virtual absence and isolation of parliamentary support.

But this new social unionism has not expanded from these spontaneous struggles to encompass a general political project. The 1988 CLC convention was once again dominated by jurisdictional wrangles, with no positive response on how to overcome fragmentation being set. The March 1989 CLC Action Program suggests continued mobilization and coalition-building to fight the new realism. Yet basic measures, such as a centralized strike fund and a national action committee to support first contracts, enforce boycotts, and coordinate secondary strike actions, remain uncertain. Similarly, a strategy of exploiting the potential of new technologies through "controlled flexibility" and extending collective bargaining demands into the realm of investment decisions, use of pensions, training policy, and product design is notably absent. Nor is a strategy to prevent competitive bargaining and to build working-class ties across North America apparent.

The future direction of trade unionism is never certain. The working class is defined by its relation of dependence and resistance to the capitalist class. But the work-place organization, politics, and culture of unions are, in the final instance, what the workers themselves impress upon it. The capacity to transcend the cramped and authoritarian politics of the new realism depends, as much as ever, on the political alliances and struggles that Canadian workers embrace. Is a strategy of controlled flexibility that would establish job security for all workers a possible alternative to an outmoded Taylorism? Can a new relationship of solidarity between workers in North America, including Mexico, be forged? How can the project of ending poverty and liberating work be re-established? And, ultimately, what *political* forces exist in Canada today to move us in this direction?

Appendix

THE SHIFTING PARAMETERS OF CANADIAN INDUSTRIAL RELATIONS

	The Postwar Order	The New Realism Era
1. Accumulation Regime	Fordism — homogenous articulation of mass production and consumption — stability of income and class structures	Post-Fordism — fragmented articulation of production and consumption — polarization of income and class structures
2. International Configuration	U.S. Hegemony — Canada moves into U.S. orbit — continentalist tendency within protected national markets — U.S. capital inflows into Canada	Multi-Polar Powers — North American bloc consolidates — free markets in capital and goods — Canadian capital outflows to U.S.
3. Labour Process	Taylorism & Fordism — flowline assembly — skill fragmentation	Flexible Manufacturing — microelectronics — multi-skilling
4. Labour Market Structure	— rigid occupational structures — low unemployment levels but secularly increasing	— flexibility — high levels of unemployment with increasing pauperization
5. Industrial Relations	Industrial Legalism — strikes banned during life of contract	Permanent Exceptionalism — mass restrictions on strike activity
6. Collective Bargaining	Productivity Bargaining — increasing real wages for unionized workers — job controls	Concessionary or <i>Status quo</i> Bargaining — falling real wages — shop-floor flexibility
7. Collective Action	— increasing organizational levels — industrial and public-sector unionism develops — strike waves of 1943-49 and 1966-76	— organizational stagnation — service sector remains unorganized — low strike levels
8. Trade Union Strategy	Responsible Unionism — economic focus on wages — interest-group lobbying over collective mobilization — flirtation with tripartism	Contest between Enterprise Unionism and Social Unionism — coalitions forged with new social movements

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