Under Pressure: The Impasses of North American Labour Movements

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Trade unions have, perhaps, been the most effective organization for the advancement of democracy and social justice in capitalist societies. They have been the most important means by which those who have only their labour-power to sell to earn their livelihoods, partially equalize the structural advantages that the owners of capital assets have in bargaining over wages and the distribution of value-added (the new production of goods and services) at workplaces. Unions have been integral, as well, to advancing democracy through their persistent advocacy of universal participation in politics, extension of civil rights (such as freedoms of association, assembly and dissent), and universalisation of social programs to improve equality of opportunity for all. Each of these advances for social justice was opposed historically – and continues to be opposed in varying degrees – by the business classes. The steady consolidation of neoliberalism since the 1980s has presented, both in general and in the particular form of the North American Free Trade Agreement (NAFTA), new challenges for social justice and democracy in North America. Neoliberalism has advanced free markets and corporate property rights at the expense of even modest attempts to secure a more democratic determination of economic priorities to meet social needs. The current impasses of the North American labour movements need to be seen in this context.

While the formation of NAFTA in 1994 encouraged new relationships amongst unions in North America, it also brought a new set of pressures to the labour movements of Canada, the United States and Mexico. Indeed, several central challenges have been posed for North American workers since the formation of NAFTA. First, at the point of production, workers have been challenged by the new production regime and international division of labour of flexible manufacturing systems in a more integrated world market. This has been a continental challenge for all the North American union movements, as collective bargaining capacities and organizational levels have all around suffered decline. Second, at the level of the state, workers confront a neoliberal policy regime of ‘punitive austerity’, which has characterized North American politics since the ‘Volcker shock’ of sky-high interest rates in 1981 and the Mexican peso crisis of the early 1980s. And, third, at the level of the continental North American market, the internationalization of capital has posed new obstacles to internal national development to meet social needs thus compromising the further development of international solidarity in support of workplace demands.

The nature of labour movements in capitalist societies and the challenges the North American labour movements face today needs to be placed in some conceptual context. That is taken up the first section below. The second section will then elaborate on some of the common pressures confronting the North American labour movements. These pressures have met with distinct responses by national movements in Canada, the United States, and Mexico, and these are discussed in the third section. Finally, the chapter concludes with a consideration of the prospects and potential strategies of North American labour movements. The argument of this chapter is that neoliberalism and free trade have brought severe pressures on North American labour; that the national labour movements have each reached an organizational impasse; and that new organizing and collective struggle by unions within each state will be needed as a pre-condition for the international solidarity between workers that is also necessary today.
1. Workers, Unions and Politics

Unions are highly complex organizations. They organize workers in capitalist societies as market actors, as components of wider collective organizations for the productions of goods and services, and as agents of a social class pursuing democracy and social justice. There is large variation within states as well as between them as to how unions are organized, their class capacities and their societal roles. The union movements of North America are no exception, and it is important to locate them organizationally before turning to the common pressures of neoliberalism and economic integration and the divergent strategies they have adopted in response.

Unions come properly into view only when we understand the specific ways that capitalism organizes production, and individual capitalists continually restructure industry as a consequence of competitive imperatives to expand productive capacity in an effort to maintain profitability (Kelley, 1988; Regini, 1992). Workers individually sell their labour-power for a wage to enable them to buy their means of existence. Capitalists and other employers attempt to deploy the labour-time purchased in spatially-specific labour processes to produce new value embodied in goods and services, or to produce services which facilitate the circulation of commodities and social integration into capitalist markets. Unions thus emerge at the point of production, and their organizational capacity in the first instance is wholly dependent upon the power they exercise there. Labour processes exist, however, in the wider scale of labour markets with different skill levels, working conditions and labour reserves of unemployed all factoring into the negotiations over wages and hours of work between workers and employers. Unions become inextricably linked to the community politics structuring local labour market conditions. The spatial distribution of labour processes across the world market forms an international division of labour, and some of the distinct characteristics of national labour movements, as say between the countries of North America. But it is the vast differences in the labour markets and social relations of Mexico, for example, which are crucial to the conditions of workers in Mexico auto plants, even when the technology employed in the plants might be quite similar to those in Canada and the US. It is specific social relations which produce and deploy technology (always as a historical political project), and unions are crucial social actors shaping this process.

Labour markets are, in turn, embedded and legitimated in the even wider processes of state formation. Nation-states provide a common currency, legal structure, and social institutions, and remain the central location of power and class formation. For unions, states present the legal framework in which they must conduct themselves; develop the social policies in which the conflicting interests of workers and employers over employment security versus labour market flexibility are struggled over; and establish the key institutional matrix in which social classes contest political power. The US, for example, forms its industrial relations system in the highly legalistic and restrictive national Taft-Hartley Act of 1947, which followed the more favourable Wagner Act of 1935. The Act gives American unions legal certification to represent specific groups of workers in particular workplaces, but highly restricts forms of collective action at and beyond individual workplaces. Canada adopted a similar certification process through the Industrial Relations and Disputes Act of 1948. But the provincial states are the central locales of industrial relations legislation and have wide
variations between them, and unions have preserved a far greater scope for collective action at workplaces, especially the public sector compared to US unions, and in sectoral bargaining (Swartz, 1993: 388-9). In contrast, Mexican unions were incorporated into the Mexican state system after the revolution through a corporatist type labour relations system with unions given legal status as the voice of a specific ‘producer’ group. The 1931 Federal Labour Law in particular made union leaders effectively part of the state bureaucracy, leaving workplace representation, initiative and capacity of Mexican unions severely truncated (Middlebrook, 1995). It is impossible, therefore, to speak of a singular North American labour movement without accounting for the distinct national union histories, struggles and legal and political contexts that form the varieties of national capitalisms (Albo, 2005).

This still leaves the terrain of the world market, and unions need to form some organizational capacity at this level as well. The processes of capital accumulation always occur in an encompassing world market enforcing competitive imperatives on each firm and state to cut costs and innovate, thereby continually transforming conditions of work. The world market also forms new interdependencies as place-specific labour processes and markets become linked through the increased circulation of commodities and labour. Canada, the US and Mexico have, for example, at times grown more interlinked as in the late the 19th century phase of industrialization even while they were each forming their modern territorial states. At other times as in the postwar period, they all adopted more nationalist policies in which trade unions played a larger role as part of national ‘social accords’ that framed wage and industrial policies. The trade integration of NAFTA, and the global processes of the internationalization of capital, has posed a new context of competition and interdependencies for the labour movements of North America to address. In the auto industry, for example, labour processes in all three countries are directly intertwined through international production networks linking the circulation of parts and production volumes of individual plants (Moody 1997).

This complex organizational terrain – of local, national and international scales of social structures and organizational action – has made for enormous variety in the form of unions (Jackson, 2004). In the simplest sense unions can be defined as combinations of workers pursuing wage improvements and better working conditions through collective bargaining and political actions. Workers are organized into unions on the basis of both their craft (such as carpenters or nurses) and sector of employment (such as steel or retail), and these are still the predominant forms of organization in North America. The shift from manufacturing to service sector work has, however, altered any strict functional relation between occupation and sector and union. Most industrial unions have, for good and ill, become general unions, with a steel union like the United Steelworkers just as likely to be representing employees in the service sector today in both Canada and the US. Mexican unions are less heterogeneous in this sense, but are also more complex in their relation to the enormous informal sector and peasant organizations.

Trade unions are also organized into centrals (or national federations) that attempt to organize workers and the varied unions into a political force capable of reinforcing local and sectoral struggles and forging a common political programme. In Canada, for example, the Canadian Labour Congress (CLC) has organized the majority of unions under its umbrella since 1956. But there also other smaller trade union groupings outside
the CLC, and Quebec has its own centrals in the form of the Quebec Federation of Labour and the Confederation of National Trade Unions, reflecting the linguistic and national differences internal to Canada. In the US, the American Federation of Labour-Congress of Industrial Organizations (AFL-CIO) was consolidated in 1955, and gathers virtually all US unions together.

Mexico, however, has a quite distinct array of union structures. The Partido Revolucionario Institucional (PRI) long dominated the Mexican state in a form of one-party rule, and its associated unions were largely gathered in the largest Mexican union federation, the Confederacion de Trabajadores de Mexico (CTM), the Congreso del Trabajo (CT), along with a few smaller federations organizing peasants. These centrals have been declining in strength from the 1980s on, and since 1997 the Union Nacional de Trabajadores (UNT) have also contested for the terrain of official trade unionism and traditional corporatist bargaining, while also providing some space for union memberships to push for democratization. Other new centrals such as the Frente Autentico del Trabajo (FAT) have pushed for even further democratization of Mexican unions and a more aggressive stance for ‘class independence’ and linking unions with class struggles. These competing federations in Mexico are coupled with an enormous number of local unions of various sorts -- estimated at over 30,000 – with all manner of operations, from managing protection-type contracts insulating employers from legitimate unions to ones negotiated by democratic but isolated class struggle unions (Mexican Labour News and Analysis, 1999).

The organizational matrix of national labour movements only begins to tell us how workers are organized as a class, and their class capacities to structure collective bargaining outcomes and struggle over state policies. The division of workers into separate workplaces, for example, may result in the ‘sectionalism’ in a union as it focuses narrowly on its own workers wages and job security. Such a focus on economic interests is often termed business unionism for its concern only with servicing members. A variant of this type of unionism is ‘social partnerships’ whereby a union also works closely with the employer in shaping bargaining demands that ensure firm-level competitiveness. Corporatist unionism adopts these same concerns, but integrates them into formal institutions of tripartite negotiations with employers’ associations and the state. In contrast, social movement unionism is oriented to building the capacities of union memberships to challenge hierarchical relations in the workplace beyond just wage bargaining, and has unions also attempting to organize the ‘working class as a whole’ in the struggle for democratization and social justice. This political division is central to situating the past and present politics of North American unions (Robinson, 1994; Madrid, 2003). As a result of the militant opposition of American business, including the extensive use of private violence against union organization to this day, US unions have been pushed to embrace a narrow business unionism, and have never overcome workers’ disorganization in the face of repeated employers’ offences. Reliance on the business-oriented Democratic Party for political representation has provided little relief and, indeed, reinforced the American union focus on maintaining local workplace representation. In Mexico, corporatist unionism has often made it difficult to distinguish union positions from the policies of the Mexican state and the PRI. Historically, this provided union leadership some access to the Mexican state, but often at the cost of limited rights with respect to strike action, mandated and open collective bargaining, and
freedom for political activities. In contrast, unions in Canada have been linked with social
democratic parties and ideology, and this has provided some space for social unionism in
Canada. But there have also been parallels with American practices of marginalizing
radical union currents, and seldom have Canadian unions moved beyond the goal of more
managed forms of welfare capitalism.

These types of divisions in the political strategies of unions also appear as
divisions over international union solidarity in the world market (Waterman, 2001). The
concern of business unionism, for example, with firm-level competitiveness and
economic interests may push unions in the direction of policies of chauvinism toward
workers in other countries. In contrast, social movement unionism often encourages
union development internationally and provides material solidarity with workers engaged
in critical struggles. North American unions here have had an ambiguous, and often
sordid, record with respect to internationalism. Dominated by business and corporatist
unionism, their field of political action has been dominated by local concerns, seldom
even extending to national agendas for coordinating industrial action. The AFL-CIO has,
moreover, often been deeply protectionist of American jobs, while at the same time
backing US government policy of compelling states to integrate into the world market
and blocking alternative models of development. The legacy of an authoritarian state and
corporatism has made Mexican unions often more of an instrument of Mexican state
policy than of worker internationalism. Canadian unions have been, in this context, more
open to solidaristic strategies but with minimal organizational energies and strategic
focus, particularly at the federation level. Internationalism in Canadian unions has also
had a central paradox: the many international unions in Canada have often been drawn
into the conservative international agendas of the AFL-CIO, while the more nationally-
based Canadian unions have become the more they have attempted to establish a serious
international orientation. Union strategies to build a more solidaristic North American
labour movement to parallel the economic integration project of NAFTA have thus had a
fledgling foundation from which to build.

2. Common Pressures: Neoliberalism and North American Workers

National industrial relations systems are, according to the theoretical points above,
always politically-specific and contingent institutional arrangements for accommodating
and containing the structural conflicts between the social classes over wages and control
of the work process. Even if the competitive pressures of the world market are general,
they are always particular in how they impact on specific workplaces, and how national
institutions, companies and labour movements respond. Three common pressures –
economic slowdown, neoliberal labour market policies, the internationalization of capital
-- on North American labour movements under NAFTA need to be briefly highlighted.

A first pressure is the ‘long slowdown’ since the 1980s that followed the postwar
economic boom that intensified competitive imperatives and economic integration. The
postwar boom was a particular period that favoured more inward development strategies
that also strengthened the bargaining power of unions and conditions for workers. Rapid
growth, mass production industrial systems, expansionary welfare policies all contributed
to high labour demand and union formation as unemployment fears lessened. But as
economic instability struck in the 1970s, a long phase of industrial rationalization began.
Slower growth increased international competition across the world market. This generated, especially in North America, labour-saving plant shutdowns, and a massive shift in industry from its concentration in the north-east of the US and central Canada to the southern US and, in part, northern Mexico through the 1980s. Workers in unionized manufacturing jobs that were supposedly secure now faced unemployment and wage pressures. In the public sector, government cutbacks – which hit all three North American countries with the high interest and Peso crisis of the early 1980s – also impacted public sector employees (Albo, 1990). Partly as a result of these trends and partly as a result of tendencies in capitalist development as a whole, private service sector jobs grew enormously. These were often forms of contingent work in jobs of questionable quality: involuntary part-time work in private services in Canada and the US and informal sector work in Mexico. In these new areas of employment, there was little or no coverage by unions (Campbell, et al., 1999).

It was these trends that began a process of social polarisation that has characterized the neoliberal period of trade integration and liberalized markets that began in the mid-80s and has continued to this day. It is, indeed, difficult to disentangle the push for free trade and international capital mobility that begin in this period from the ‘employers’ offensive’ at the workplace. Both were destined to restore profitability and facilitate industrial restructuring. The flexible manufacturing systems that have followed mass production, for example, have been implemented in the form of ‘lean production’ where work intensity and increased work-hours have been important aspects of technological changes to squeeze more surplus labour out of workers while trimming wage costs. Workers across North America have consistently taken a smaller share of the value they add at work while employers have increased their share. Hence, although growth rates in the second half of the 1990s picked up (with a mild recession taking hold in 2000), various government reports suggest that unemployment rates in North America are likely to remain higher than they were in the 1970s and 1980s; contingent and informal sector work is likely to continue to grow; and the wage compression and wage inequalities that have grown since the 1970s are unlikely to see a reversal (OECD, 2004: 11, 48-9, 129; Commission for Labor Cooperation, 2003: 6). While these economic trends all suggest the need for unions to defend workers, the period of neoliberalism has hardly been the most propitious for union organization.

A second pressure on unions has come from neoliberal policies for restructuring the labour market. This has been the notion of introducing ‘flexibility’ into the labour market to overcome the ‘rigidities’ of past labour policies introduced when unions were stronger. Previous labour policies provided a degree of ‘security’ for workers against loss of income—workers’ compensation, unemployment insurance, universal health care, welfare, and so on. The neoliberal strategy has been to limit access, eliminate programs and cut benefit levels in the name of wage and job flexibility (these policies may be more accurately described as cheapening labour). Other postwar policies were to provide ‘employment’ security against loss of work—job creation policies for full employment, and training and adjustment programs for workers laid-off. Neoliberal labour market policies have also cast high employment polices aside under the unfounded belief that government cannot create jobs (although we plainly know that teachers, nurses, police and parks supervisors all have jobs), and that only the private sector can create jobs. This has in fact meant a huge increase in service sector jobs, some in high-technology work
and producer services, but the largest number in retail and ‘servant’ occupations (Economic Council of Canada, 1990).

Neoliberal market policies of flexibility also have attempted to limit unions by imposing restrictions on organizing and bargaining activity to the favour and benefit of employers. The various anti-union legal restrictions of the last twenty years have led to fewer organized workers and more coercive and unequal work relations. In Mexico, such labour reforms have been coupled with the mass privatizations of state enterprises and the spread of the maquila sector where labour regulations are minimal, radically altering the context for union organizing and bargaining. Right-to-work laws, which prevent unions from forming a union shop with a compulsory dues checkoff formula (what is labeled the Rand Formula in Canada), is one of the strongest policy measures the US uses to impose labour market flexibility. A vast number of US business moved to the US south where these laws prevail. But the National Labour Relations Board in the US has also moved systematically in the direction of heeding employers’ efforts to delay and block union recognition (Fantasia and Voss, 2004: 125). Legal restrictions on union organizing have also been part of the Canadian industrial relations with neoliberalism, coupled with extensive use of back-to-work legislation compelling union contract settlements on terms favourable to employers (Panitch and Swartz, 2003).

A third pressure on unions is the internationalization of capital. Straightforwardly, increased capital mobility provides leverage for employers relative to the immobility of workers (the provisions for labour mobility in NAFTA apply to professionals in comparison to the free movement of labour in the European Union). NAFTA has reinforced the liberalisation of capital movements in a number of ways. Most directly, the creation of a free trade zone, the limiting of the use of tariffs provides a single market for employers, and investor protection measures through NAFTA all encourage capital mobility. These make it difficult for governments to rollback liberalisation measures, and adopt policies that might encourage industrial intervention or social welfare. Indirectly, increased capital mobility strengthens employer bargaining capacity and opposition to unionization by threat of capital flight, particularly as the increasing market competition compels employers to drive down unit labour costs (Robinson, 1994: 664-5).

Such global labour arbitrage of playing one group of workers off against another is given added feasibility by the fact that world trade and private sector production is dominated by transnational corporations, with their integrated production networks being a key element of regional integration. The US, of course, has the dominant TNCs. The auto industry, for example, increased the number of parts, engine and even leading assembly plants in the wake of NAFTA to export back to the US and Canada, particularly taking advantage of Mexican labour costs that could be up to 1/10th that of workers north of the border. Telecommunications production has seen even more radical shifting of production, while continuing to concentrate research and development in Canada or the US (Moody, 1997: 70-1, 77). NAFTA did encourage a significant shift of some 2 million less skilled jobs to Mexico, particularly in the maquilas at the northern border, with manufacturing employment in both the US and Canada declining as a share of employment (Roman and Velasco, 2004). But Mexico’s low wage strategy in NAFTA has in turn faced pressures from a shift of US and Asian factories from Mexico to China. And countries like Honduras have also gained trade access to the US market and expanded their export-zone ‘maquiladora’ operations in low-wage, low value-added
production. International competition and capital mobility, whether within trade zones such as NAFTA or at the world market level, are crucial pressures that union strategies today cannot avoid confronting.

3. Divergent Responses: North American Unions in Crisis

Despite processes of regional integration, states remain the principal location of political power, and continue to be the guarantors of the legal frameworks that enable capitalist production (Panitch, 2000: 374-5). When organized into unions, working classes develop capacities primarily to contest power locally at the point of production, and at the levels of the nation state (and the various sub-national scales of state institutions). Any discussion of the power of unions and workers must begin, it was argued above, with their ability to struggle successfully within the confines of their domestic states. Given different historical developments, organizational capacities and political circumstances, the national labour movements and central labour federations of Canada, the U.S., and Mexico have taken divergent approaches to fighting neoliberalism and labour market pressures on workers and unions. Moreover, given the divisions within each movement, individual affiliate unions of the central federations of each state have varied in their responses to state and economic restructuring. As will be shown from an examination of each country, this has implications for the attempts unions have made to coordinate activities across national borders, which remain, at best, fledgling.

Canada

In many respects, Canadian unions have been the most successful of the three movements at resisting pressures to de-unionize that have come with neoliberalism and free trade. Nonetheless, state policies to create flexible labour markets, labour law reforms that are intended to make unionization more difficult, and employer strategies to shift production away from unionized shops have had a distinct impact on the Canadian labour movement. Union density (the proportion of the labour force organized into unions) has dropped from a high of 40 per cent in 1983 to its 2003 rate of 31 per cent (Panitch and Swartz, 2003: 245). This level of unionization is due to high rates of public sector unionization at 72.5 per cent, whereas private sector unionization has dropped to only 18 per cent. Union density in Canada has also been threatened by patterns of labour process ‘flexibilization’ and new job creation. As manufacturing jobs have been relocated to other sites in the trade bloc, and jobs in unionized plants are outsourced to non-union shops, the union density in manufacturing has declined since the late 1980s. In 1988, the last year before the Canada-U.S. Free Trade Agreement, density in manufacturing was 45.5 per cent. This figure had dropped to 32.4 per cent by 2002 (Jackson, 2003: 10) The tendency for jobs to be created in service sectors of the economy that have traditionally been difficult to organize suggests that the trend towards de-unionization of the Canadian

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1 As governments have downsized and contracted out, the number of government employees has been significantly reduced. Even though density has been maintained as a percentage of those employed in the public sector, the actual number of unionized members in this sector has been reduced. Over the past decade, the federal government has shed 19 per cent of its workforce, the provinces have shed 11 per cent, health and social service employment has been reduced by 7 per cent and local government has lost 4 per cent of the workforce (Swimmer and Bartkiw, 2003: 584)
economy may well continue. In the absence of new organizing drives and labour law reforms that would facilitate organizing in the private service sector, the basic organizational capacity of unions to intervene in the labour market, and to act as a central vehicle of forming and representing the interests of workers, both labour market actors and the social class, will continue to be strained.

All is not gloomy, however, for the Canadian labour movement. Relative to other OECD countries, there has been a strong resistance to pressures to decrease unionization rates. Whereas Canada saw an increase in absolute numbers of union members (though not enough to maintain density given increased numbers within the labour force), thirteen OECD countries saw union membership decrease. Canada now ranks as having the eighth highest unionization rate of 19 OECD countries, with a higher rate than Germany, Australia, New Zealand, the UK, and the Netherlands (Ogmundson and Doyle, 2002: 416) In an exceedingly bad context, these figures show that the Canadian labour movement is doing a relatively good job of maintaining potential strength in the face of global trends towards weakening unions, but not good enough to offset the common pressures of neoliberalism. Retention of membership might also be judged a success within the context of Canadian labour law reform that is intended to facilitate decertification of unions, and to make it more difficult to organize new unions (Martinello, 2000).

The ability to stem the tide of de-unionization has in large part been the result of increased organizing efforts by unions. During periods of stable or slowly growing membership rates, continuing through the period of government and employer promotion of post-war mass manufacturing production, unions paid little attention to organizing new members, particularly in the service sector. As service sector employment has increased, alongside other forces of economic restructuring, unions in both the public and private sector have needed to refocus their energies into organizing. Even unions traditionally associated with the manufacturing sector, such as the Canadian Auto Workers (CAW) and the United Steelworkers of America (USWA), have begun to broaden their efforts in an attempt to organize workers in the service sector (Yates, 2000: 31-2). But this has, in turn, caused its own set of problems of raiding and organizing competition between unions, and the emergence of overlapping general unions across sectors with little coordination to aid bargaining capacity or anything in the way of a strategic direction for the union movement as a whole or in terms of sectors. Indeed, strategic inertia seems to rule the day, in the absence of direction from the Canadian Labour Congress on issues of jurisdiction and consolidation.

Another area in which Canadian unions have been more resilient than other labour movements is in their propensity to strike. In an era marked by concessions bargaining, where unions are pressured to give up previously won wages, benefits, and standards in working conditions, Canadian unions continued to exhibit strike rates higher than other advanced capitalist countries. This suggests that Canadian workers have been more willing to resist downward labour pressures than are other labour movements, and engage in lengthy disputes to do so (Ogmundson and Doyle, 2002: 422). Yet, in absolute terms, the Canadian strike rate shows a steady decline from a post-war high of 1218 strikes in 1974 to 1028 strikes in 1980, 579 strikes in 1990 and 379 in 2000 (which represented a slight rebound from the mid 1990s) (Panitch and Swartz, 2003: 244). Again, Canadian labour’s position appears to exhibit a strong resistance to restructuring only in a
comparative perspective. The willingness to strike should also be understood in the context of the fact that Canadian governments at all levels regularly resort to ad hoc back to work legislation to end strikes in both the private and public sectors (Panitch and Swartz, 2003). Governments of all stripes (even the social democratic New Democratic Party that has been in government in various provinces) have made use of back to work legislation, often including contract settlements that benefit employers in the legislation itself. As such, the utility of strikes as a means of resisting downward labour market pressures has been significantly circumscribed.

The declining strike rate should also be understood in the context of unions’ increasing tendency to enter into partnerships with employers as a defensive strategy. Partnerships include arrangements between unions and employers to manage corporate restructuring, work reorganization, and often even wage restraint. The trade-off for unions is that they gain some negotiating power over the impacts of restructuring on their members, and may gain some job protection. Among the most dramatic of recent partnership arrangements was a 2003 agreement between the United Food and Commercial Workers (UFCW) and the Loblaws chain of grocery stores. The employer, feeling competitive pressures from the American-based Walmart stores intending to break into the sale of groceries, requested that the union agree to re-open its collective agreement and accept wage rollbacks, particularly for part-time workers (whose wages were reduced to minimum wage, minus union dues), and agree that new stores (those intended to compete with Walmart in the sale of low cost department store goods) would not fall under the collective agreement. Under pressure, the UFCW leadership agreed to the concessions behind closed doors and then brought the changes to rank and file members as a done-deal.

Other unions, too, have agreed to partnerships in the face of employer pressure, often including threats to relocate jobs. Unions engaged in partnerships and concession bargaining include the United Steel Workers of America, the Hospital Employees Union (HEU) in British Columbia, the Communications, Energy and Paper Workers of Canada (CEP), to cite only the most prominent examples. Even the Canadian Auto Workers, a union that split from the United Auto Workers (UAW) in 1985 as a protest against the American union’s insistence on concession bargaining with General Motors (Gindin, 1995), has engaged in some forms of partnerships. There appears to be an increasing frequency of labour-management cooperation in the automotive sector, usually springing from pacts between individual locals and plant managers, but often supported (both implicitly and explicitly) by the Canadian Auto Workers leadership. Such patterns of cooperation, especially as exhibited by one of the most confident and conflictual unions, bodes ill for improving union political capacity in that it undermines the realization of independent class formation (Wells, 1997: 169-70).²

Despite defensive postures in some cases, Canadian unions have also begun to show new forms of resistance to neoliberalism. Broadly speaking, these forms of resistance can be characterized as the development of social movement unionism, which includes increasing internal democracy within unions to allow for more rank and file participation, broader based bargaining to address issues beyond wages and benefits (and which benefit the wider community), and making concrete links between unions and

²Recent partnerships between the CAW and employers included provisions for job security given government support for the industry (for which both the union and the employer are to lobby).
other social movements such as environmentalists and anti-poverty groups (Moody, 1997: 4-5; CAW/TCA, 2003). Instances of social movement unionism include working with anti-globalization activists in organizing protests against the Free Trade Area of the Americas (FTAA) in Quebec City in 2001. Perhaps the events that indicated the potential were the ‘Days of Action’ from 1995 - 1997 in Ontario, a series of one-day strikes across the province orchestrated as a broadly based protest against a Conservative government that pursued a hard right neoliberal agenda (Munro, 1997). Although the ‘Days of Action’ did not result in a sustained movement, they did demonstrate that unions and other social movements could combine their strengths to pursue common goals.

The opposition of the Canadian labour movement to the FTAA is consistent with its rejection of NAFTA and free trade going back to the 1980s. This has been opposition to both the wage compression and drive to competitiveness through the intensification of work that was predicted to result -- and has been the case -- of free trade and NAFTA (Peters, 2002). It was also principled opposition to the anti-democratic and neoliberal components of NAFTA restraining government intervention while enhancing private property rights. Concrete measures to sustain this opposition and to develop new forms of international union cooperation have, however, been more sporadic. Five major Canadian unions have developed international solidarity funds that are intended to foster greater linkages between unions of the north and south. However, because matching funds are provided by a federal state agency, the Canadian International Development Agency (CIDA), these funds are limited in their ability to develop union linkages capable of creating autonomous labour political activity. Individual unions have made movements toward building greater linkages, including the Canadian Auto Workers’ educational programs to Mexican workers, and the Communications Energy and Paper Workers of Canada has created linkages between its leadership and that of the Mexican Telephone Workers’ Union. Some linkages have also been made between public sector unions in Canada, the U.S., and Mexico (Wells, 1998). There has been a general lack of coordination on these linkages, and there is a tendency for ties to take place primarily at the level of union leadership. Although some attempts have been made to develop international linkages, and take struggles to the continental level, rather than leaving them within the confines of the nation-state, to date these have not diverted Canadian labour’s political attentions away from issues of a more local nature. A major difficulty here, in any event, has been the organizational setbacks of American unions and the disorganization of the U.S. working classes.

The United States
The labour movement in the U.S. entered the neoliberal era of the 1980s substantially behind its Canadian counterpart. Although Canadian unions also exhibit some bureaucratic practices that create divisions between wider interests of rank and file members and the leadership (and union staff), American unions have been much more likely to pursue practices of business unionism. As Nissen notes, business unionism is a practice wherein unions accept the values of business and provide “special services to members (a contract, contract enforcement) for a fee (dues). Generally, unions became servicing bureaucracies, and participation suffered” (Nissen, 2003a: 331). The cozy relationship with employers, coupled with a membership base alienated from the structures of the union has left American unions in a position ill suited to resistance of
neoliberalism. In part, this is because of the bureaucratic practices of unions, which downplayed organizing the wider class of workers in general and instead focused on servicing existing members. It is also due to the legislative assault on unions in the US (including the Taft-Hartley Act of 1947 which limited the capacity of unions to organize, ‘right-to-work’ legislation in many states, and President Reagan’s controversial firing of striking air traffic controllers in 1981). Within such a restrictive legislative regime, and given signals from the National Labor Relations Board (NLRB) that anti-union practices, ranging from hiring anti-union consultants to actually firing employees engaged in organizing, would be tolerated, American employers have become much more aggressive in their quest to prevent unionization (Nissen, 2003a: 324).

Thus union density in the U.S. has declined precipitously. Reaching a high point of 31.8 per cent in 1955, union density in the U.S. has declined to 13.5 per cent by 2001 (and has since held steady at that level) (Panitch and Swartz, 2003: 245). Breaking this figure down, the weakness of American labour comes into clearer focus. Public sector density remains at 37.4 per cent, while only 9 per cent of private sector employees are unionized (Levi, 2003: 47). A further sign of American unions’ incapacity to resist downward labour market pressures is the low strike rate. In 1969 the number of strikes involving more than 1000 workers was 412; this number had fallen to 298 by 1971. By 1999 the number of large-scale strikes was down to an astonishing level of just 17, although in 2000 it was up to 39, still reflecting a very significant decline from earlier periods (Levi, 2003: 48). A labour movement exhibiting such a low union density, a tendency for rank and file members to feel alienated from the union, and a disinclination to use the strike weapon would appear to be in a weak position in its fight against downward pressures on wages and working conditions.

Yet, there are still signs of life in the American labour movement. Even though the number of strikes has decreased in recent years, there have been important examples of workers willing to strike against employer demands for concessions, and efforts to rebuild the American labour movement. In 2002, the International Longshore and Warehouse Union (ILWU), in the face of an employer lockout, maintained strong pickets to fight against concessions. In the end, it took a presidential injunction by President George W. Bush, the first in decades, to end the strike. But the willingness to fight was a healthy sign (Levi, 2003: 50). Even more encouraging was the nationwide Teamsters’ strike at UPS over job security in 1997, the first major victory for the movement in years, showing some capacity to fight against concession bargaining and competitive pressures. Although the infrequency of these strikes means that it is not possible to generalize this as a new trend towards greater union strength, these strikes do signal a potential for renewed defence of union principles in the U.S.

Along with some movement towards renewed use of strikes by affiliate unions comes another optimistic sign. In 1995, the AFL-CIO union central underwent a dramatic leadership change. A new president, John Sweeney, and a slate of representatives running under the banner ‘New Voices’, took over the leadership of the organization. The new leadership proposed that all unions put significantly more resources into organizing the unorganized, and also placed emphasis on developing new organizing tactics, such as training rank and file members to take leading roles in new campaigns (Voss and

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3 Michael Wachter argues that another reason for increased employer hostility to unionization stems from increased competitive pressures (Wachter, 2003).
Sherman, 2000). The drive towards organizing was not without its successes. The Service Employees International Union (SEIU) successfully organized 75,000 homecare workers in California in 1999, the largest single success for the labour movement since 1937. A renewed focus on organizing, however, has done nothing to rebuild union density levels, although it does seem to have stemmed further decline.

Longstanding practices of business unionism have meant that the primary response of American unions to concessionary bargaining has been to work in partnership with employers. Important examples of this trend include Union of Needletrades, Industrial and Textile Employees (UNITE) partnerships at both Xerox and Levi Straus, the United Steel Workers of America with several steel manufacturing plants, and partnerships entered into by the Communications Workers of America (CWA) at several telecommunications firms. One of the most significant partnership arrangements is between the United Auto Workers and Saturn in Spring Hill Tennessee, which included “directed work teams, off-line problem solving teams, labor-management committees, and the like. But all levels of staff and line management are filled with dual union and management personnel, making Saturn a co-management partnership example….” (Nissen, 2003b: 137). In essence, this kind of partnership encourages unions to take on the role of managers, assisting in solving problems for employers, even if these solutions involve the unions policing their own members. Such partnerships are not without their contradictions though. In 1999, after rank and file mobilization for change, the existing executive was removed from office. The new executive was able then to negotiate a new contract that eliminated some of the terms of the partnership (Nissen, 2003b: 137). Partnerships might very well be the dominant form of response for American unions, but just as a grassroots movement could take over the leadership of the AFL-CIO (whatever the subsequent limits of its period at the helm), so too this could happen at the local level. These ad hoc responses to partnerships at the local level are unlikely to lead to very much if left un-coordinated. That rank and file members still hold onto aspirations beyond co-management, and are willing to challenge the existing leadership, however, is the kind of force on which all labour movements have been built.

These organizational weaknesses and divisions of the AFL-CIO remain a major obstacle to any aspirations for a revitalization of the North American labour movement as a whole. It has been reflected directly in the American labour movement’s position on NAFTA. After largely ignoring the implications of the original Canada-U.S. Free Trade Agreement, the AFL-CIO mounted an extensive campaign against NAFTA, and it has continued to oppose other free trade agreements. This has been as much, if not more, about defensive protection of vulnerable unionized jobs and sectors in the U.S., as opposed to an alternative societal project for reorganizing work and industry. A sign of the AFL-CIO’s continuing ambiguous and often conflicting responses to trade expansion can be seen in its condemnation of the creation of a Central American Free Trade Agreement (CAFTA), while simultaneously arguing for inclusion of protections of workers’ rights in all future trade agreements. And even as it calls for inclusion of labour protections in new agreements, American labour condemns the North American Agreement on Labour Cooperation (NAALC) as an ineffective tool for the advancement of labour rights, particularly with regard to employer uses of unfair labour practices in Mexico (AFL/CIO, 2003).
At the level of individual unions, however, there have been more consistent attempts to create internationally coordinated struggles. For example, the United Electrical, Radio and Machine Workers of America (UE) has consistently supported independent union organizing in Mexico, and has developed long standing ties to the Frente Autentico del Trabajo (FAT) of Mexico (Moody, 1995: 111). A good example of the weakness of American labour’s internationalism can be seen in a traditional industry such as auto, where there is still no coordination between the United Auto Workers and the Canadian Auto Workers. In fact, the dominant form of labour internationalism coming out of the U.S. has been the promotion of practices of business unionism, often undermining progressive regimes through the international bureau of the AFL-CIO in ‘cold war’ fashion. The most conservative unions in Canada, for example, have tended to be the national branches of American internationals.

Mexico

Owing to its less developed economy and long history of authoritarian rule, the Mexican case is the most unique amongst the three states. Historically, the working class in Mexico has been enmeshed in corporatist structures of the state. This has resulted in a lack of union autonomy from the state, and the Partido Revolucionario Institucional (PRI), the instrument of one-party domination within Mexico until recently (Rodriguez, 1998: 71). The largest Mexican union federation, the Confederacion de Trabajadores de Mexico (CTM) along with the Confederación Revolucionaria de Obreros y Campesinos (CROC), Confederación Regional Obrera Mexicana (CROM) and the Congreso del Trabajo (CT), all official unions tied to the authoritarian corporatist arrangements, represent the majority of Mexican workers. Furthermore, these corporatist arrangements have resulted in unions that have acted as coercive agents against their members. Corrupt union bosses became de facto members of the state apparatus, and their privileged positions became dependent upon keeping militant workers in check. As a result, union densities were higher than in other, comparable states, but were nonetheless ineffectual at improving working conditions (Roman and Arregui, 1998: 128). In 2000, overall union density in Mexico was only 15.7 per cent, down from a recent high in the 1980s of 25 per cent. Rates are highest in public administration, at 31.2 per cent, and density in services (including education and health care) is 23.8 per cent (Dumas, 2003). With union leaders often in collaborative relationships with employers and the state, internal practices of democracy and independent action for unions were all but impossible. In addition, state coercion was also prominent. Strike activity was traditionally very low as the state made the conditions for work stoppages illegal in most cases. In those cases where strikes did occur, direct physical coercion was regularly used (Cockcroft, 1998: 160).

Wage distribution has never been beneficial for the working classes in Mexico, and it has been getting worse with the rise of neoliberal state practices. IMF restructuring programs and the devaluation of the peso has undermined workers’ real wages, throwing impoverished workers into a much worse state (Ramirez, 1997: 126-7). In part because of devaluation of the peso, minimum wage earners in 1997 could purchase about thirty percent of what they could in 1980. State policies of retrenchment, including privatization

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4 Within the corporatist structures, the most significant resource of the CTM (the main official union central) was its ability to keep militant workers under control. This gave incentive to the CTM leaders to repress their members (Middlebrook, 1995: 268), p. 268.
of pensions and other services, contributed to the devastation of living standards. While the top ten percent of income earners increased their wealth, there was a six hundred percent increase in incidence of malnutrition in Mexico City (Cockcroft, 1998: 154-6). As a measure of working class capacity, wage distribution demonstrates that workers in Mexico are in anything but a strong position.

The expansion of production in maquiladora zones along the Mexico-US border has done nothing to alleviate poverty, has resulted in adverse health and ecological conditions, and has made little room for new independent unions to organize. Maquila zones are intended to provide a low wage labour market to attract foreign investment. Although job growth in these regions has been substantial (ten times its 1981 level while non-maquilla employment in manufacturing was lower in 2000 than it was in 1981) unionization rates and standards of living have been dismal (Cypher, 2001: 20; Wise, Salazar, Carlsen, 2003, 215). Frequently, before plants are even opened in the maquiladoras, the existing ‘official unions’ will meet with employers to sign collective agreements that do little more than cover the basic provisions of the existing labour laws. Furthermore, these unions do little to support workers in grievances against employers. For example, Maquila work has a tendency to cause significant health problems for employees, including exposure to toxic chemicals and repetitive strain disorder. Unions in these factories usually side with employers when grievances are brought forward, telling their members to return to work (Obrera, 2003: 154-5). For these unions stable collective bargaining helps maintain membership levels and thus a degree of legitimacy within the Mexican state. For Mexican capitalists, the presence of compliant unions guarantees that independent unions with a more aggressive project for protecting workers will have a much more difficult time trying to organize these workers.

Public sector employees have been just as affected by restructuring in Mexico. As part of its neoliberal restructuring program, the Mexican state has taken a very active policy of privatizing state assets. The Mexican state had traditionally taken a strong role in promoting economic development, and thus acquired a large number of public corporations, for example, in steel, telecommunications, mining and oil, to facilitate this process. As part of restructuring programs prompted by the state by trade integration and structural adjustment policies from the international lending agencies and the U.S. government, but also because of internal pressures from Mexican capitalists for divestment, hundreds of these corporations were sold off (Williams, 2001: 91-2). In order to make the sale of these corporations more attractive, unions were pressured to grant concessions in terms of wages and working conditions. Even in the face of resistance by public sector unions (and peasant rebellions in some of the regions of Mexico), privatization could not be stopped.

As with the other national union movements, there are some positive signs that Mexican workers are willing to organize to resist downward pressures on working conditions and standards of living. As the Mexican state engages in uneven processes of democratization, democratic pressures are not only affecting the state. There has also been a significant rise of independent unions in Mexico, most notably the Frente Autentico del Trabajo. Although the working class is still dominated by the official unions of the CTM/PRI era (Middlebrook, 1995: 265-7), progress has been made to develop unions that are controlled by their members, free of state interference in internal workings, and willing to challenge employers openly. Space has been created for
increased independent strike action, and there is more room for unions to develop independent political practice. Furthermore, unions are now more capable of building solidaristic networks, both domestically and internationally (Roman and Arregui, 1998: 131-3). This leaves some room for optimism, but considering the historic practices of the state and capital in Mexico, as well as the declining standard of living, all optimism must be tempered with a realistic assessment of the weak position of the Mexican working class.

Indeed, it is precisely this weak position that has cast a long shadow over the attitude of the Mexican labour movement toward NAFTA. In almost a reverse position of American unions, the Mexican labour movement was partly in favour of NAFTA for potential job gains it envisioned from the reduction of trade barriers in sectors it saw as having a competitive advantage, and in the hope of attracting new industries; and it was partly against free trade as it clearly extended the neoliberal reordering of the Mexican state and the marginalisation of whatever advantages the Confederacion de Trabajadores de Mexico had gained through its corporatist relationship with the PRI and the state. Unions representing workers in state-owned industries were the most likely of the official unions to oppose NAFTA insofar as the trade agreement was a further impetus to privatize these corporations. Over time, however, even these unions were pressured into working with the state in the process of privatization, as a means by which the unions could maintain at least some representation within the state. Of late there has been a division between the Confederacion de Trabajadores de Mexico (along with the Confederacion Revolucionaria de Obreros y Campesinos and Confederacion Regional Obrera Mexicana) and the independent unions over support for NAFTA. The former have been able to able to maintain the right to ‘represent’ workers in the maquiladoras by signing deals with employers before workers have a chance to decide which union will represent them. The latter oppose free trade because of the downward pressures on living standards, but still maintain linkages with some unions in Canada and the U.S. in order to help build their capacities to organize and represent members. These international linkages, however much they have assisted the independent unions in surviving, have not yet given the Frente Autentico Trabajo security. This state of organizational weakness and strategic disorientation is, indeed, why the Mexican labour movement still remains an uncertain actor and tentative ally in any attempt to reinvigorate the North American union movement.


On their capacity to respond to neoliberalism. The Canadian movement has exhibited some weakening and is now clearly on a defensive posture in the face of concessions, although it remains the strongest of the three. In the face of declining membership and pressures from both capital and the state, Canadian unions have taken tentative steps towards diversifying organizing strategies and building a broader based social movement. The success of these steps should not be overstated, but at the very least a project for change is on the table and is being advocated by some of the strongest unions in Canada (such as Canadian Auto Workers and Canadian Union of Public Employees). Beginning from a weaker position, the American labour movement has been more prone to accept concession bargaining and partnerships with employers. Yet, even in the U.S. there have
been advances, limited though they may be, in the direction of social movement unionism. ‘Jobs with Justice’, ‘Justice for Janitors’ and a range of city-based campaigns include efforts by unions like the Service Employees International Union to promote a living wage for workers in precarious employment positions (Nissen, 2003b: 138–42). Even more than the Canadian case, however, the debate over social movement unionism has been very limited and has not gained widespread support in the broader labour movement. Mexican unions are in the most complex position. Mexican unions have traditionally been tied to official corporatist structures in an authoritarian state, and have played a role in limiting the independence of workers’ struggles. State-based attempts to restructure to meet international obligations and to attract investment have consistently led to officially sanctioned anti-union strategies and economic policies that have undermined the living standards of Mexican workers. Given the weak position of independent unions in Mexico, and the severity of neoliberal pressures, the best that can be hoped for is a continued movement towards independent unions that can develop the capacity to resist further downward labour market pressures.

Many union activists and academics have suggested that unions in Canada and the U.S. could assist workers in Mexico in their bid for an independent and effective structure. The North American Agreement on Labour Cooperation (NAALC) was, in part, intended to do just this. Under pressure from the AFL-CIO, the Clinton administration pressed for inclusion of the labour side agreement in NAFTA in 1993 (Williams, 1996). The agreement itself is intended to promote the enforcement of eleven core labour rights, “including freedom of association and the right to organize, free collective bargaining, prohibitions on child labor, and the right to safe and healthy work environments” (Singh, 2002: 438). Through the agreement, National Administration Offices (NAOs) are established in each country to process any complaints made by individuals or organizations. If a claim is deemed to have sufficient merit, and if initial negotiations do not resolve the dispute, the NAO can send disputes to “conciliation” and “arbitration”. To date, however, no dispute had gone this far (Singh, 2002: 438). Although the AFL-CIO’s promotion of the NAALC was alleged to have been designed to force Mexico to uphold the union protections guaranteed in its constitution, and thus create conditions for a strong independent Mexican labour movement, the underlying reason was to protect jobs in the U.S. The NAALC is the only example of the creation of a supranational body that is intended to regulate labour, but its limited capacity to effectively sanction states that violate the agreement renders it almost meaningless. Moreover, the NAALC, despite its claim to promote labour cooperation, has no effective means by which to facilitate connections between the labour movements of North America. This leaves the three labour movements to focus political activities on their own national states, and to pursue international linkages in the absence of any form of continental state apparatus actually enforcing freedom of association and other labour rights.

Proposals to create independent ties between labour movements can be classified as ‘international solidarity’, union strategies to act internationally to counter an already internationalized capitalist class (Moody, 1997). This could be a positive strategy, instituted by unions themselves, to create active links that provide mutual support in struggles. There are, however, limitations to proposals for international solidarity. Unions within each country remain internally fragmented. They have exhibited limited capacity
to coordinate strategy within national borders (indeed, the union centrals in all three countries seem all but strategically incapacitated), let alone between different national union movements with distinct histories and established practices. It will also be necessary to develop greater rank and file participation in democratically structured national and local unions if new political projects are to be sustained (Gindin and Stanford, 2003: 435-6). In the absence of direct member involvement, links between movements will simply be formalistic agreements without the capacity to be implemented fully. Finally, even though there has been movement towards the creation of a single North American market space, this has not translated into a unified political space or the differentiation of national economic developments and dilemmas. Unions still negotiate locally (itself a political act), and are bound by national state-based industrial relations regimes that regulate union activities. Without the deepening of democratic sovereignty within national states (which enables workers and citizens to exercise some policy capacity over the policy issues that most immediately affect them in their daily lives), and the reformation of working class and union capacities at the local, sectoral, and national levels, international struggles, as imperative as they are to undertake, will be limited in their impacts.

In the immediate future at least, international solidarity might assist unions in organizing at particular plants (as unions in one space lend organizing and financial resources to workers elsewhere), or might be able to act to try to prevent certain activities (for example, protests against neoliberal trade deals or coordinated boycotts of employers engaging in abhorrent employment practices). But this strategy is not likely to put positive proposals on the political agenda. Such proposals, made at the level of the nation state, could include attempts to control capital flows, thereby reducing the capacity of employers to use the threat of capital flight to wring concessions out of unions. Moreover, controls on capital mobility would enable states effectively to plan trade (and aid), targeting investment in areas that promote human welfare. Proposals could also include labour law reform. In all three countries, reforms might also revolve around changes that facilitate organizing in the service sector to boost union density, or that include sectoral bargaining. Sectoral bargaining would allow workers in sectors characterized by small workplaces to negotiate en masse with employers, giving unions greater protection against competitive pressures. Because these proposals grate against the logic of neoliberalism, they are not likely to be implemented any time soon. But it is only through challenging the logic of neoliberalism that union movements of North America can hope to carve out a space in which they are not continually forced onto the defensive.
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