National Library
of Canada

Acquisitions and
Bibliographic Services Branch

395 Wellington Street
Ottawa, Ontario
K1A 0N4

Bibliothèque nationale
du Canada

Direction des acquisitions et
des services bibliographiques

395, rue Wellington
Ottawa (Ontario)
K1A 0N4

Your file - Votre référence

Our file - Notre référence

NOTICE

The quality of this microform is heavily dependent upon the quality of the original thesis submitted for microfilming. Every effort has been made to ensure the highest quality of reproduction possible.

If pages are missing, contact the university which granted the degree.

Some pages may have indistinct print especially if the original pages were typed with a poor typewriter ribbon or if the university sent us an inferior photocopy.

Reproduction in full or in part of this microform is governed by the Canadian Copyright Act, R.S.C. 1970, c. C-30, and subsequent amendments.

AVIS

La qualité de cette microforme dépend grandement de la qualité de la thèse soumise au microfilmage. Nous avons tout fait pour assurer une qualité supérieure de reproduction.

S'il manque des pages, veuillez communiquer avec l'université qui a conféré le grade.

La qualité d'impression de certaines pages peut laisser à désirer, surtout si les pages originales ont été dactylographiées à l'aide d'un ruban usé ou si l'université nous a fait parvenir une photocopie de qualité inférieure.

La reproduction, même partielle, de cette microforme est soumise à la Loi canadienne sur le droit d'auteur, SRC 1970, c. C-30, et ses amendements subséquents.

Canada

National Library
of Canada

Acquisitions and
Bibliographic Services Branch

395 Wellington Street
Ottawa, Ontario
K1A 0N4

Bibliothèque nationale
du Canada

Direction des acquisitions et
des services bibliographiques

395, rue Wellington
Ottawa (Ontario)
K1A 0N4

Your file - Votre référence

Our file - Notre référence

NOTICE

The quality of this microform is heavily dependent upon the quality of the original thesis submitted for microfilming. Every effort has been made to ensure the highest quality of reproduction possible.

If pages are missing, contact the university which granted the degree.

Some pages may have indistinct print especially if the original pages were typed with a poor typewriter ribbon or if the university sent us an inferior photocopy.

Reproduction in full or in part of this microform is governed by the Canadian Copyright Act, R.S.C. 1970, c. C-30, and subsequent amendments.

AVIS

La qualité de cette microforme dépend grandement de la qualité de la thèse soumise au microfilmage. Nous avons tout fait pour assurer une qualité supérieure de reproduction.

S'il manque des pages, veuillez communiquer avec l'université qui a conféré le grade.

La qualité d'impression de certaines pages peut laisser à désirer, surtout si les pages originales ont été dactylographiées à l'aide d'un ruban usé ou si l'université nous a fait parvenir une photocopie de qualité inférieure.

La reproduction, même partielle, de cette microforme est soumise à la Loi canadienne sur le droit d'auteur, SRC 1970, c. C-30, et ses amendements subséquents.

Canada

Skills, Training and Flexible Accumulation:
Federal Labour Market Policy, 1984-1993

by

Vincent J. Dale, B.A.

A thesis submitted to
the Faculty of Graduate Studies and Research
in partial fulfilment of
the requirements for the degree of

Master of Arts

Department of Sociology and Anthropology

Carleton University

Ottawa, Ontario

April, 1994

© copyright

1994, Vincent J. Dale

National Library
of Canada

Acquisitions and
Bibliographic Services Branch

395 Wellington Street
Ottawa, Ontario
K1A 0N4

Bibliothèque nationale
du Canada

Direction des acquisitions et
des services bibliographiques

395, rue Wellington
Ottawa (Ontario)
K1A 0N4

Your file   Votre référence

Our file   Notre référence

**THE AUTHOR HAS GRANTED AN
IRREVOCABLE NON-EXCLUSIVE
LICENCE ALLOWING THE NATIONAL
LIBRARY OF CANADA TO
REPRODUCE, LOAN, DISTRIBUTE OR
SELL COPIES OF HIS/HER THESIS BY
ANY MEANS AND IN ANY FORM OR
FORMAT, MAKING THIS THESIS
AVAILABLE TO INTERESTED
PERSONS.**

**L'AUTEUR A ACCORDE UNE LICENCE
IRREVOCABLE ET NON EXCLUSIVE
PERMETTANT A LA BIBLIOTHEQUE
NATIONALE DU CANADA DE
REPRODUIRE, PRETER, DISTRIBUER
OU VENDRE DES COPIES DE SA
THESE DE QUELQUE MANIERE ET
SOUS QUELQUE FORME QUE CE SOIT
POUR METTRE DES EXEMPLAIRES DE
CETTE THESE A LA DISPOSITION DES
PERSONNE INTERESSEES.**

**THE AUTHOR RETAINS OWNERSHIP
OF THE COPYRIGHT IN HIS/HER
THESIS. NEITHER THE THESIS NOR
SUBSTANTIAL EXTRACTS FROM IT
MAY BE PRINTED OR OTHERWISE
REPRODUCED WITHOUT HIS/HER
PERMISSION.**

**L'AUTEUR CONSERVE LA PROPRIETE
DU DROIT D'AUTEUR QUI PROTEGE
SA THESE. NI LA THESE NI DES
EXTRAITS SUBSTANTIELS DE CELLE-
CI NE DOIVENT ETRE IMPRIMES OU
AUTREMENT REPRODUITS SANS SON
AUTORISATION.**

ISBN 0-315-98446-1

Name VINCENT J. DALE

Dissertation Abstracts International is arranged by broad, general subject categories. Please select the one subject which most nearly describes the content of your dissertation. Enter the corresponding four-digit code in the spaces provided.

SOCIOLOGY - GENERAL

SUBJECT TERM

0626

SUBJECT CODE

U·M·I

Subject Categories

THE HUMANITIES AND SOCIAL SCIENCES

COMMUNICATIONS AND THE ARTS

Architecture 0729
Art History 0377
Cinema 0900
Dance 0378
Fine Arts 0357
Information Science 0723
Journalism 0391
Library Science 0399
Mass Communications 0708
Music 0413
Speech Communication 0459
Theater 0465

EDUCATION

General 0515
Administration 0514
Adult and Continuing 0516
Agricultural 0517
Art 0273
Bilingual and Multicultural 0282
Business 0688
Community College 0275
Curriculum and Instruction 0727
Early Childhood 0518
Elementary 0524
Finance 0277
Guidance and Counseling 0519
Health 0680
Higher 0745
History of 0520
Home Economics 0278
Industrial 0521
Language and Literature 0279
Mathematics 0280
Music 0522
Philosophy of 0998
Physical 0523

Psychology 0525
Reading 0535
Religious 0527
Sciences 0714
Secondary 0533
Social Sciences 0534
Sociology of 0340
Special 0529
Teacher Training 0530
Technology 0710
Tests and Measurements 0288
Vocational 0747

LANGUAGE, LITERATURE AND LINGUISTICS

Language 0679
General 0289
Ancient 0290
Linguistics 0291
Modern 0291
Literature 0401
General 0294
Classical 0295
Comparative 0297
Medieval 0298
Modern 0316
African 0591
American 0305
Asian 0352
Canadian (English) 0355
Canadian (French) 0593
English 0311
Germanic 0312
Latin American 0315
Middle Eastern 0313
Romance 0314
Slavic and East European 0314

PHILOSOPHY, RELIGION AND THEOLOGY

Philosophy 0422
Religion 0318
General 0321
Biblical Studies 0319
Clergy 0320
History of 0322
Philosophy of 0469
Theology 0323

SOCIAL SCIENCES

American Studies 0323
Anthropology 0324
Archaeology 0326
Cultural 0327
Physical 0310
Business Administration 0272
General 0770
Accounting 0454
Banking 0338
Management 0385
Marketing 0501
Canadian Studies 0503
Economics 0505
General 0508
Agricultural 0509
Commerce-Business 0510
Finance 0511
History 0358
Labor 0366
Theory 0351
Folklore 0578
Geography 0578
Gerontology 0578
History 0578
General 0578

Ancient 0579
Medieval 0581
Modern 0582
Black 0328
African 0331
Asia, Australia and Oceania 0332
Canadian 0334
European 0335
Latin American 0336
Middle Eastern 0333
United States 0337
History of Science 0585
Law 0398
Political Science 0615
General 0616
International Law and Relations 0617
Public Administration 0814
Recreation 0452
Social Work 0626
Sociology 0627
General 0938
Criminology and Penology 0631
Demography 0628
Ethnic and Racial Studies 0629
Individual and Family Studies 0630
Industrial and Labor Relations 0700
Public and Social Welfare 0344
Social Structure and Development 0709
Theory and Methods 0999
Transportation 0453
Urban and Regional Planning 0453
Women's Studies 0453

THE SCIENCES AND ENGINEERING

BIOLOGICAL SCIENCES

Agriculture 0473
General 0285
Agronomy 0475
Animal Culture and Nutrition 0476
Animal Pathology 0359
Food Science and Technology 0478
Forestry and Wildlife 0479
Plant Culture 0480
Plant Pathology 0817
Plant Physiology 0777
Range Management 0746
Wood Technology 0306
Biology 0287
General 0308
Anatomy 0309
Biostatistics 0379
Botany 0379
Cell 0379
Ecology 0379
Entomology 0379
Genetics 0793
Limnology 0410
Microbiology 0307
Molecular 0317
Neuroscience 0416
Oceanography 0433
Physiology 0821
Radiation 0778
Veterinary Science 0472
Zoology 0786
Biophysics 0786
General 0786
Medical 0786

EARTH SCIENCES

Biogeochemistry 0425
Geochemistry 0996

Geodesy 0370
Geology 0372
Geophysics 0373
Hydrology 0388
Mineralogy 0411
Paleobotany 0345
Paleoecology 0426
Paleontology 0418
Paleozoology 0985
Palynology 0427
Physical Geography 0368
Physical Oceanography 0415

HEALTH AND ENVIRONMENTAL SCIENCES

Environmental Sciences 0768
Health Sciences 0566
General 0300
Audiology 0992
Chemotherapy 0567
Dentistry 0350
Education 0769
Hospital Management 0758
Human Development 0982
Immunology 0564
Medicine and Surgery 0347
Mental Health 0569
Nursing 0570
Nutrition 0380
Obstetrics and Gynecology 0354
Occupational Health and Therapy 0381
Ophthalmology 0571
Pathology 0419
Pharmacology 0572
Pharmacy 0382
Physical Therapy 0573
Public Health 0574
Radiology 0575
Recreation 0575

Speech Pathology 0460
Toxicology 0383
Home Economics 0386

PHYSICAL SCIENCES

Pure Sciences 0485
Chemistry 0749
General 0486
Agricultural 0487
Analytical 0488
Biochemistry 0738
Inorganic 0490
Nuclear 0491
Organic 0494
Pharmaceutical 0495
Physical 0754
Polymer 0405
Radiation 0605
Mathematics 0986
Physics 0606
General 0608
Acoustics 0748
Astronomy and Astrophysics 0607
Atmospheric Science 0798
Atomic 0759
Electronics and Electricity 0609
Elementary Particles and High Energy 0610
Fluid and Plasma 0752
Molecular 0756
Nuclear 0611
Optics 0463
Radiation 0346
Solid State 0984
Statistics 0346
Applied Sciences 0984
Applied Mechanics 0984
Computer Science 0984

Engineering 0537
General 0538
Aerospace 0539
Agricultural 0540
Automotive 0541
Biomedical 0542
Chemical 0543
Civil 0544
Electronics and Electrical 0348
Heat and Thermodynamics 0545
Hydraulic 0546
Industrial 0547
Marine 0794
Materials Science 0548
Mechanical 0743
Metallurgy 0551
Mining 0552
Nuclear 0549
Packaging 0765
Petroleum 0554
Sanitary and Municipal 0790
System Science 0428
Geotechnology 0796
Operations Research 0795
Plastics Technology 0994
Textile Technology 0994

PSYCHOLOGY

General 0621
Behavioral 0384
Clinical 0622
Developmental 0620
Experimental 0623
Industrial 0624
Personality 0625
Physiological 0989
Psychobiology 0349
Psychometrics 0632
Social 0451

The undersigned recommend to the Faculty of Graduate Studies
and Research acceptance of the thesis

Skills, Training and Flexible Accumulation:
Federal Labour Market Policy, 1984-1993

submitted by Vincent J. Dale, B.A.
in partial fulfilment of the requirement for
the degree of Master of Arts

Thesis Supervisor

Chair, Department of Sociology and Anthropology

Carleton University

June 6, 1994

Abstract

This work examines the formation of federal labour market policy during the period 1984-1993. This examination reveals that the market-driven approach to training adopted by the first Conservative government led to a consensus amongst governments, business, labour and other groups that Canada was poorly positioned to respond to global economic restructuring by competing internationally on the basis of a highly skilled workforce. More recent policy innovations have been centred on neo-corporatist labour force development boards at the national, provincial and local levels. The work evaluates the extent to which these institutions can support a Post-Fordist model of economic development in which the active consent of a large proportion of the national population is secured.

Acknowledgements

I would like to thank Rianne Mahon for her helpful comments on an earlier draft. I would particularly like to acknowledge John Harp's encouragement and patient guidance.

Table of Contents

Introduction	1
Chapter One - Crisis and Policy Formation	9
1A - The Basic Concepts of Regulation Theory	9
1B - Policy Formation: Regulation Theory and the State	13
1C - Discourses, Texts and Readers	19
Chapter 2 - Defining the Current Crisis: Fordism and Post-Fordism	23
2A - Fordism	23
2B - The Crisis of Fordism	27
2C - Flexible Labour Markets: A Post-Fordist Solution?	32
2D - Canadian Post-Fordism: Offensive or Defensive Flexibility?	48
2E - Education and Training in Canada	55
Chapter Three - Federal Labour Market Policy	70
3A - Free Market Fordism, 1945-1984	71
3B - Neo-Conservatism, Continentalism and Deregulated Labour Markets	77
3C - The Neo-Corporatist Response to Underinvestment	84
3D - Rights and the Discourse of Competitiveness	96
Conclusion	111
Bibliography	116

Introduction

Public debate in Canada is dominated by the sense that the country is in a period of crisis, a crisis involving global economic restructuring and the emergence of a new international division of labour. A broad consensus has emerged that the days when Canadians could prosper as hewers of wood and drawers of water are well and truly over. Third World countries are able both to undercut Canadian resource prices and to produce basic manufactured goods at prices with which Canadians cannot compete. To carve out a niche in the new international division of labour, Canada, like other Western advanced capitalist societies, must therefore find a new approach to economic development, based on 'engineered' rather than natural advantages.

This aspect of public debate is perhaps most clearly expressed in discussions of the link between education and work. Discussions of the engineered advantages on which future economic growth depends typically focus on the importance of a highly skilled workforce capable of participating effectively in the workplace of the future. This workplace is assumed to differ from that of the past in terms of both the complexity of the technological processes involved and the flatness of organisational structures. The degree of autonomy and skill enjoyed by and demanded of workers is therefore expected to increase. A plethora of reports by governments, task forces, business lobby groups and labour unions call for decisive action. Expect to change careers several times in the course of a

lifetime, we are told. Education will become a feature of the entire life course, the reports predict. Canadians are implored to become more highly skilled, therefore more productive, workers capable of engaging on high value-added production.

A preliminary examination of these positions suggests a number of important questions. First, it is commonly understood that education serves both economic and democratic, non-economic objectives. Does the apparent urgency with which Canada is being called on to carve out a niche in the new international division of labour mean that democratic objectives are to be displaced by economic imperatives?

Second, what are the respective roles of the state and the market in these development? Education is commonly understood as a public good most efficiently provided by the state. Yet the crisis to which current debates correspond appears to involve a weakening of the state relative to foot-loose international capital. What is the importance of state policy in the adoption of new types of economic policy generally and in providing the education and training needed to prepare workers for the future in particular?

My research examines the formation of the labour market policies through which the federal state intervenes in skills development. In Canada, while education and training are primarily the responsibility of the provincial governments, the federal state is also involved by virtue of its responsibility for labour market adjustment and more general issues related to

the management of the national economy. It is important to examine central, federal state involvement in policies related to skills policy because the solidarity of national communities and the integration of national societies are threatened by globalisation and the emergence of a new international division of labour.

The research focusses on the period 1984-1993, covering the terms of two Conservative governments. In retrospect this can be seen as the period in which neo-conservatism, a particular response to the ongoing crisis described above, was consolidated in Canada. The research will show how The Canadian Jobs Strategy, the initial neo-conservative intervention in skills development, failed.

My thesis is that more recent attempts by the state to redress this failure through supply-side neo-corporatist institutions are likely to be necessary but insufficient in averting the polarisation of society, the central stake in attempts to overcome the crisis in question. The development of skills is not a purely economic matter. Rather, skills cut across the distinction between the economic, the political and the cultural. The formation of policy must therefore be articulated with both a viable strategy for economic development and with broad-based political support. The neo-corporatist institutions on which recent policy initiatives are based are most useful in addressing narrowly economic concerns but are of lesser value in attempts to foster such broad-based support. In economic,

political and cultural terms, they are therefore likely to help only a fraction of society to move bravely into the future, leaving many behind.

In exploring this thesis, I will draw on a number of secondary works which have examined policy formation during the period in question. These secondary sources will be supplemented with analysis of a number of particular policy texts. A careful reading of these texts will foster an understanding of the discursive field in which social actors construct and defend their identities and interests. The work is structured as follows.

The methodological approach outlined in Chapter One is twofold. First, a rigorous approach to the definition of the current crisis is outlined. The Regulation School of political economy, particularly the work of Alain Lipietz and Robert Boyer, emphasises the importance of both underlying conflictual capitalist relations and the variable institutional forms in which they are realised. I will therefore argue that the use of its concepts is more promising than attempts to understand the current crisis in terms of Keynesian business cycles, for example.

Second, my approach to the examination of policy formation is introduced. The state is not an autonomous, self-interested body. Rather, it is an ensemble of institutional forms in relation to which various economic and non-economic strategies are adopted. This does not mean that the state is equally

receptive to all policy inputs, however. Rather, the structure of the state is more responsive to some strategies than others. The state theory of Bob Jessop, which emphasises the strategic dimension, is therefore adopted as the most promising means of analysing policy formation in relation to the unequal balance of conflicts rooted in society and the various strategies to which this gives rise.

Because political conflict involves the construction and defence of identities and interests through the discursive mobilisation of meaning, this aspect of Jessop's work is highlighted and extended. In particular, the relationship between discourses, texts and readers is examined.

Chapter Two represents a literature review in which a number of questions are clarified. First, the current crisis is defined as a crisis of the Fordist model of development. Fordism is unique in its ability to generate massive productivity increases and in the way in which it resolves the problem of matching levels of production and consumption. Its eventual collapse has left both individual Western advanced capitalist societies and the international economic system in a state of ongoing crisis to which a range of responses have been heard.

Second, the effect of new flexible technologies on the organisation of work is examined. Marxist theories of the labour process tend to assume that, being based on conflict and control, capitalist relations always involve a deskilling of workers. A review of a wide range of works, however, indicates that an

upgrading of worker skill and autonomy is also currently possible.

This review of the literature dealing with Fordism, its crisis and Post-Fordist responses based on flexible accumulation is sufficient to illustrate the range of possibilities that exist for the workplace of the future. At one extreme, attempts to derive flexibility from internal labour markets will depend on versatile, autonomous workers. At the other, wage cuts, job insecurity and unemployment can be used as a means of achieving external labour market flexibility. In between, the range of possibilities is crucially dependent on aspects of class struggle, particularly whether, and at what level, labour is organised.

Third, the chapter is concerned with demonstrating in a preliminary way that at the aggregate Canadian level a particular response to the crisis of Fordism has dominated. This response can be summarised as an assault on workers aimed at resolving capital's productivity and profitability crisis. Four indicators adapted from the literature are used to provide indirect evidence to support this claim.

Finally, the literature review examines the importance of institutional structures in determining which of several options for the future is adopted. Particular attention is paid to systems of education and training. A prominent and crucially important feature of Canada's existing institutional structure is its poor record in developing the level and type of skills

required for options which empower workers and promote democracy.

Chapter Three represents a case study in the formation of the labour market policies through which the federal state intervenes in skills development. This study begins with an examination of the era of Fordism, in which policies were limited and policy formation was ad hoc, consistent with the free-market variant of Fordism experienced in Canada. The range of policies adopted as part of initial responses to the crisis of Fordism are also briefly examined.

The bulk of the study deals with the formation of labour market policies during the period 1984-1993, corresponding to the first and second Conservative federal governments. This period is significant and interesting as a case study in the failure of neo-conservative labour market policies. Initial attempts to weaken the federal state with respect to both labour markets and provincial interests led to a broad consensus that Canadians were not generating the type of skills required for effective functioning in the workplace of the future.

The work then proceeds with an examination of the way in which the state responded to this consensus. Of particular interest is the formation of neo-corporatist labour force development boards at the national and local levels. These boards represent an important restructuring of state-society relations and of the structure of representation within the state. These boards involve capital, labour and other social categories in attempts to overcome the limitations of existing

institutions. Although this movement in state policy has been generally supported as a necessary step, it has also been extensively criticised as insufficient to the task of representing a broad range of identities and interests.

In order to examine the way in which policy formation involves attempts to construct, shape and alter these identities and interests, the study concludes with an analysis of policy texts. Particular attention is paid to the way in which these texts propose particular understanding of economic restructuring by attempting to position their readers in relation to various levels of geography (the local, national and global).

Chapter One - Crisis and Policy Formation

Contemporary debates concerning the importance of skills and the reform of training systems are informed by notions of economic crisis and change. It is therefore necessary to develop a rigorous understanding of crisis and change by clarifying the way in which economic development is understood and periodised. In addition, consideration of the process of policy formation, requires a theory of the position of the state and political struggles with respect to the economy.

1A - The Basic Concepts of Regulation Theory

Regulation Theory is particularly well-suited to generating the type of understanding of economic change which the present work requires. In its concern with social relations as the proper unit of social analysis, regulation theory differs from the methodological individualism of neoclassical economic theory. In examining the instability of these relations, it differs from theories of static equilibrium. (Boyer 1990:29,36; DeVroey 1984; Jessop 1988:151; Lipietz 1988:14-16; Noel 1987:313)

Methodologically, regulation theory is consistent with the principles of Marxist scientific realism, which understands phenomenal forms to be distinct from the essential social relations which underlie them. Given this distinction, the role of theory is to develop concrete and complex explanations of events through the elaboration and refinement of a set of concepts and categories. The movement, in theoretical practice,

from the abstract to the concrete involves the development of explanations which have ontological depth, or which identify the real causal mechanisms underlying the events in question. A second type of movement - from the simple to the complex - involves the identification of multiple chains of causation and explanation of the interaction of these chains with each other. (Bhaskar 1983; Jessop 1990b:162-166)

Boyer (1990:31-48) outlines a three-tiered hierarchy of regulation theory concepts which is noteworthy in its adherence to these methodological principles. The first level of this hierarchy is the Marxist concept of **mode of production**, or "the social relations governing the production and reproduction of the material conditions required for human life in society" (Boyer 1990:32). The capitalist mode of production is characterised by two social relations, namely the commodified **exchange relation** and the **wage relation**, through which direct producers are separated from the means of production. Accumulation derives from the operation of the law of value, which governs the allocation of labour to different branches of the economy as individual capitals attempt to claim a share of the social product in exchange for their own products. (Boyer 1990:34; Jessop 1990a:196-198; Lipietz 1988)

The principle claim of regulation theory - and its point of departure from the structural Marxism from which it emerged - is that the dynamics of capitalist development are not the same at all times and in all places. Temporal and spatial variations in

the form taken by social relations are due to the underdetermination of accumulation by the laws of motion of capital. Since any concrete society or social formation consists of the articulation of a number of modes of production, it is necessary - by moving from the abstract to the concrete - to show how accumulation derives from the concrete rather than the general expression of these relations and laws. (Boyer 1990:34; see Brenner and Glick for a defense of the Marxist claim that capitalist dynamics are essentially invariant.).

The second level of Regulation Theory's set of concepts, then, permits a somewhat less abstract specification of the accumulation process. A **regime of accumulation** is a set of mechanisms which brings the forces of production and of consumption into balance in such a way that accumulation is stabilized over a relatively long period of time, despite tendencies toward crisis created by the relations of production and exchange. Specifically, a regime of accumulation establishes regularities in the organisation of production; the time horizon for valorisation of capital; the creation and reproduction of classes through the distribution of value between profits and wages; and a division of social demand consistent with productive capacity. In some cases, articulation with non-capitalist modes of production is also an important feature of the regime of accumulation. (Boyer 1990:34-36; Lipietz 1988; Noel 1987:311)

The third and least abstract level of Boyer's hierarchy of concepts is concerned with the manner in which social relations

are manifested as **institutional forms** in specific situations. In social formations in which the capitalist mode of production is dominant, the relevant institutional forms will include: 1. constraints on the supply of money and credit, through which the commodification of the exchange relation is expressed; 2. a variety of measures institutionalising the wage relation, including the organisation of production and the division of labour, mechanisms for the recruitment and reproduction of labour and for the determination of wages, and patterns of consumption; and 3. forms of inter-capitalist competition. In addition, the forms expressing state-economy relations and the position of the social formation in international relations are mentioned by Boyer as being important. (Boyer 1990:39-42; see also Lipietz 1988:32-33)

A cluster of institutional forms constitutes a **mode of regulation**, or the set of rules, norms and representations of reality which guide individual behaviors and render these behaviors compatible with the logic of the regime of accumulation. The mode of regulation can therefore be understood as establishing a connection between individual microeconomic decisions and the macroeconomic structure, while rejecting notions of individual economic rationality and the autonomous ability of economic systems to reach and maintain a point of equilibrium. (Boyer 1990:42-43)

To a greater extent than Boyer (1990), Lipietz (1988) emphasises the importance of power and conflict in the regulation

of social relations. Regulation involves the development of norms, habits and customs so that social practices are repeated over time and it becomes possible to speak of the reproduction of a social relation. The development of these norms, habits and customs is always subject to dispute, however, with dominant groups imposing rules of behaviour and other groups resisting this domination. Crisis is understood as the obverse of regulation. (Lipietz 1988:14-21)

The triad formed by a regime of accumulation, a mode of regulation, and a technological paradigm - the "general principles which govern the evolution of the organisation of labour" (Leborgne and Lipietz 1988:264-265) - constitutes a model of development.

1B - Policy Formation: Regulation Theory and the State

The utility of the concept of a model of development is limited by the fact that for the most part it fails to capture the links between economic relations and non-economic conflicts and struggles. A promising attempt to theorise social totality is Lipietz's concept of a social mould, which refers to the totality of the laws of tendency governing the reproduction of social relations; the institutional forms which act as coercive constraints on individual behaviour; and the internalisation by social agents of norms and representations of reality. (Lipietz 1988:19-20) Lipietz's work is valuable in that it points to the subjective dimension of social relations and its connection to

structural constraints.

Jenson (1989a,1990) develops this aspect of Lipietz's work. Politics is understood to be as much about collective identity formation - the definition and representation of the social actors in a given situation - as about conflict over the allocation of resources. Non-state institutions, political parties, labour organisations and other groups are seen as important in collective identity formation. A **societal paradigm** - or a common-sense hegemonic understanding of human nature, of social relations and of the proper role of social institutions - acts as the organising principle of these collective identities. In periods of stability, the societal paradigm remains relatively unchanged while in periods of crisis the emergence of new collective identities becomes possible. To the extent that the societal paradigm represents a contingently realised correspondence with the regime of accumulation, it contributes to the process of regulation.

Any discussion of policy formation and the state must address two related theoretical debates within neo-Marxist and post-Marxist circles. The first of these addresses the question of the centrality of class relative to other social categories in the formation of identity. The second centres on the extent to which the state, rather than political spaces located in civil society, should be a privileged site of political struggle. (see Laclau and Mouffe 1985; Jenson and Keyman 1990; Magnusson and Walker 1988; Meiksins Wood 1986)

Post-Marxist positions are most convincing in their observation that the identities and issues articulated by social movements are often more directly engaged with the multiple contradictions generated by capitalist relations than class-based political forms, such as political parties and labour unions. Laclau and Mouffe (1985), for example, argue that a radical democracy based on respect for the plurality of struggles, and differences between them, is a more promising means of constructing a democratic future than class-based statist politics.

However, as Jenson and Keyman (1990) argue, it is necessary to consider how a full range of struggles, located in a variety of political spaces can be articulated in a single political project. No political strategy or political strategy should be privileged *a priori*. Class struggle and strategies directed at the state are therefore of continuing importance in both understanding and responding to various aspects of the restructuring of capital. Attentiveness to the wide variety of practices through which collective identities are organised is therefore important in placing the importance of the state in perspective.

In considering how political inputs lead to policy outputs, then, the structural selectivity of the state must be considered. The state is an "unequal structure of representation" (Mahon 1984:38-43), so that in any given conflict over policy formation some outcomes are favoured more than others. Given this

structural selectivity, pluralist theories which see the state as equally amenable to the representation of all interests must be rejected. Equally, the unity of the state, therefore its ability to fulfill the economic functions attributed to it by instrumentalist state theories, cannot be taken for granted. Rather, the contingent and provisional unity of the state depends on the construction, through a **state project**, of a general interest amongst its various branches and institutions. The state is therefore an object as well as an agent of regulation.¹ (Jessop 1990a; see also Guenther 1988)

The ensemble of state branches and institutions acts as a strategic terrain through which conflict occurs. This makes possible the creation of an **historic bloc**, or the coupling of economic base and non-economic superstructure. The state is therefore of decisive importance in the process of **societalisation**, or the contingent construction of a social totality. (Jessop 1990a:214)

The economic aspects of an historic bloc are secured through an **accumulation strategy**, or the exercise of economic hegemony within the structural constraints of the value-form of capital. A dominant class fraction within the dominant power bloc acts as the centre for a generally accepted model of economic development, based on the integration of various moments in the flow of capital. Such strategies are only successful if

---

¹ For a comprehensive review of Marxist and non-Marxist state theories, see Mahon (1991b).

consistent with certain features of the conjuncture within which they operate, including the dominant form of capital (commercial, financial, or industrial), the international conjuncture, and the domestic balance of forces. Accumulation strategies operate at various levels of geography, with those at higher levels operating as 'global' strategies in relation to those at lower levels. (Jessop 1990a:198-201, 1990b:193)

In contrast to accumulation strategies, hegemonic projects embrace all social forces and are developed at the level of the 'national-popular' rather than exclusively at the level of the economic. Under the leadership of a class or class fraction, a hegemonic project attempts to construct a general interest which adequately addresses a range of particular interests while securing the long-term interests of the dominant class or class fraction. Hegemonic projects may revolve around non-economic matters - such as military campaigns - and the pursuit of accumulation strategies does not necessarily depend on a successful hegemonic project being in place. There is, in other words, no necessary or causal relation between the economic and the non-economic. (Jessop 1990a:207-210)

Despite the absence of such a causal relationship, Jessop follows Gramsci in emphasising the 'decisive economic nucleus' of hegemonic projects, or the ability of hegemonic projects to make material as well as symbolic concessions to subordinate classes. (Jessop 1990a:207-210) Two-nations projects are based on only a small proportion of the population supporting an accumulation

strategy. Those who are excluded from the hegemonic project often subjected to violent repression and in many cases actually subsidise those who are included. (1990a:211-212, Jessop et. al. 1988; see also Davis 1984) A one-nation hegemonic project, on the other hand, refers to a situation in which a large proportion of the society in question is actively encouraged to support an accumulation strategy "through material concessions and symbolic rewards" (1990a:211).

The coupling of the economic and non-economic in an historic bloc is the result of strategic, contingent processes of trial and error, the result of "process(es) without a subject" rather than the result of willful action.² (Boyer 1990:47-48; Jessop 1990b:186-188; Lipietz 1988:14-21) Regimes of accumulation, for example, emerge as the result of multiple competing accumulation strategies, none of which is itself sufficient to impose order and unity on a range of disparate elements in the flow of capital. This emphasis on the strategic is useful in making the point that the concept of regulation is different from - indeed developed as a reaction against - the functionalist and teleological concept of reproduction found in structuralist Marxism. (Jessop 1988:152-159; see also Boyer 1990:47-48; Lipietz 1988:21)

---

² Noel (1987) sees this emphasis on contingency as going too far, leading to weak and underdetermined causal explanations. He seems to favour a return to the Marxist project of discerning a close causal determination of relations of production by forces of production.

1C - Discourses, Texts and Readers

In terms of the formation of collective identities, Jessop argues that discourse analysis is a promising complement to the scientific realist methods with which regulation theory is consistent. This would involve examination of both the discursive practices through which social agents are interpellated by a variety of subject positions and the institutional ensembles which constitute the conditions of production and reception of those practices. (1990a:288-306,346) Of particular interest, Jessop suggests, are:

"The discourses which define the illusory community whose interests are to be managed by the state within the framework of a given historic bloc and hegemonic project."
(1990a:346)

In an examination of policy research, Ball (1990) adapts Foucault's understanding of discourse as the practices which create objects of knowledge and define who is eligible to speak that knowledge. (See Foucault 1980, Dreyfus and Rabinow 1983) Ball is particularly concerned with struggles involving competing educational discourses, particularly as this relates to the creation of 'privileged speakers' or experts.

Similarly, Kenway draws a parallel between the privileged speaking positions created by discourses and Gramsci's (1971) analysis of the importance of intellectuals to the modern state. (See also Showstack Sassoon 1987, postscript) To the extent that

they are succesful in articulating the hegemonic ideologies of a particular dominant class or social group, organic intellectuals act as the 'connective tissue' holding together a social formation structured in domination:

"The mode of being of the new intellectual...(consists) in active participation in practical life, as constructor, organiser, 'permanent persuader' and not just a simple orator" (Gramsci 1971:10)

These approaches to the analysis of policy formation have important parallels with Mahon's definition of the state as an unequal structure of representation and with Jessop's account of hegemonic politics. To the extent that social groups can articulate a state project which succesfully mobilises state institutions or individual state managers to their cause (making them organic to their cause), the state will enunciate discourses consistent with the interests of those groups. The construction of a succesful state project, then, involves mobilising 'privileged speakers' within the state in support of a hegemonic project.

One approach to the analysis of policy formation is therefore to examine the discourses aimed at, and emerging from, the various branches and institutions of the state. This provides an indication of the structural selectivity of the state and, in turn, an indication of whose interests are served by policy outputs. All discourses are governed by logonomic systems, or

sets of rules governing the production and reception of messages. These systems are embedded in ideological systems, in which conflicting social groups contest the power to give meaning to the world. Any set of messages with a conventionally recognised unity can be referred to as a text. Because no logonomic system is ever able to fully impose itself, the reading of a text is always subject to contestation. Readers constantly receive or decode the messages contained in a text in ways which differ from the intended production or encoding. (Hodge and Kress 1988, ch. 1)

This chapter has been concerned with developing a conceptual framework appropriate to the analysis of state policy formation. By understanding the state as an unequal structure of representation through which economic and non-economic strategies are pursued, it is possible to examine concrete policy responses to periods of crisis. This understanding of the state complements the understanding of economic development associated with the Regulation School of political economy. This approach emphasises the institutions of regulation - including the state - in which social relations are realised.

The next chapter extends this conceptual framework by examining the salient features of the current period of crisis being experienced in Canada and other advanced Western countries. While regulation theory is potentially useful for explaining the stability of all possible models of development and the periods of crisis which lead to transitions between models, in practice

it is most closely associated with one such model, Fordism, and its crisis. (Boyer 1990:48) The contemporary crisis to which education and training debates correspond is an ongoing crisis of this model of development.

Chapter 2 - Defining the Current Crisis: Fordism and Post-Fordism

In the previous chapter, a conceptual framework was developed for the analysis of periods of crisis and the policy responses to which they give rise. This chapter builds on that framework by examining aspects of the Fordist model of development and its ongoing crisis. In particular, the analysis focusses on the ways in which the organisation of work associated with Fordism has been thrown into question by changes in technology, markets and conditions of international competition. Through analysis of various variants of Post-Fordist flexible accumulation strategies, an attempt is made to clarify the implications for skills and training and to discern the possibilities and dangers which labour confronts during the current period of crisis.

2A - Fordism

Fordism is based on intensive accumulation.³ This depends on ever-increasing productivity within the same types of production and/or the same geographical area. Productivity increases are derived from ever-improving methods of extracting

---

³ Ideal-typically, this contrasts with extensive accumulation, or expansion into new types of production and into new geographical areas. This depends on the extraction of absolute surplus value and therefore involves little change in productivity levels or in mass consumption patterns. Producers are confronted with the problem of producing enough to meet demands of new markets and are able to treat wages as a cost of production like any other. [Brenner and Glick 1990:49-50; DeVroey 1984:47-53; Noel 1987:311-314]

relative surplus value. Producers are confronted with the problem of finding secure markets for their products and must therefore treat wages as a component of aggregate demand rather than a simple cost of production. (Brenner and Glick 1990:49-50; DeVroey 1984:47-53; Noel 1987:311-314)

The constant improvement of productivity realised by the intensive Fordist regime of accumulation is based on the Fordist technological paradigm. This paradigm is based on building the logic of management control of production relations into production machinery. This control - founded on Taylorist scientific management, or the minute standardisation of production tasks and a formal separation of mental conception and manual execution - allows management the freedom to seek the "one best way" of maximising productivity and minimising worker idleness. (Leborgne and Lipietz 1988:264-265)

The Fordist regime of accumulation and technological paradigm are supported by institutions of **monopoly regulation**.⁴ At an abstract, rather than nationally specific, level, the most important of these are collective bargaining systems in which wages are determined collectively and in association with productivity increases. Other institutions include: vertically integrated monopoly corporations, which protect prices from

---

⁴ Extensive accumulation is ideal-typically associated with **competitive regulation**. This involves determination of wages and prices by market forces, restricted money supply and low levels of state intervention. [Brenner and Glick 1990:49-50; DeVroey 1984:47-53; Noel 1987:311-314]

market forces; and interventionist states, which counter business cycles. (Brenner and Glick 1990:49-50; DeVroey 1984:47-53; Noel 1987:311-314)

These observations point to Fordism - understood at an abstract level - as a process of **social integration**, with the population of a given territory being drawn into the matrix of regulatory mechanisms which constitute the Fordist dynamic.⁵ This integration process can be best understood as a process of spatialisation, or the social creation of space. (cf. Soja 1989) The Taylorist techniques of scientific management on which the Fordist technological paradigm is based introduced particular techniques of power to the class struggle. Poulantzas (1978) examines the nation-state as one such technique.⁶ Poulantzas rejects accounts of the emergence of the nation-state which focus on the creation of a coherent internal market, capable of supporting relations of exchange. It is more important, Poulantzas insists, to understand how relations of production are made possible by the production of "fractured, parcelled, cellular and irreversible space" which characterises the modern

---

⁵ Given this dependence on a certain level of social integration, the Fordist model of development can be understood as a *gestalt* (DeVroey 1984) or a 'whole way of life' (Harvey 1989). This integration involves, *inter alia*, the widespread adoption of a modernist aesthetic and life-style. Gramsci (1971), for example, sees the potential in Fordist production methods for the development of a "New Man" freed from the fetters of peasant lifestyles and beliefs. For criticism of Gramsci's "Americanism and Fordism", see Clarke 1990; For discussion of connections between Fordism and modernity, see Harvey 1989.

⁶ Others include the family, the school, the army, the prison system and the city. (Poulantzas 1978:105)

nation. This is understood as a spatial matrix or grid in which individuals "freed" from their former relations to the land are trapped, facilitating the expanded reproduction of capital. (Foulantzas 1978:103).

Foulantzas' work on the nation-state is based on an engagement with Foucault's analyses of techniques of power. In particular, Foucault (1980:73) describes the importance of the technique of surveillance or panopticism to an understanding of the nation-state. Surveillance is capable both of punishing the body of an offender and normalising or disciplining the bodies of the general population. The internalisation of this discipline within the body is said to make the operation of power economically efficient by making redundant the spectacle of direct bodily punishment. The society of the panopticon, then, is composed of fragmented, isolated individuals, each aware of the presence of the disciplinary gaze, aware that they are under surveillance. (Foucault 1979; 1980:146-165)

Giddens (1985) presents a similar analysis. The nation-state is identified as a fundamental feature of modernity. Like all social systems, the nation-state acts as a 'power container' which facilitates the allocation of resources and the exercise of authority. This authority, which involves the surveillance of the social agents within the demarcated territory of the nation, establishes a 'dialectic of control' and the basis for a polyarchy in which any agent can always establish some sphere of control. The possibility that a single power might gain control

over the means of surveillance and establish a single ideology is also recognised as a possibility, however.

2B - The Crisis of Fordism

A distinction can be made between a crisis in regulation and a crisis of regulation. (Boyer 1990:51-53; Jessop 1988:151; Lipietz 1988:20) The former refers to a routine cyclical crisis resulting from the normal operation of the institutional forms which constitute a mode of development. The latter refers to a situation in which the stability and viability of the mode of development are threatened as the contradictions involved in its long-term reproduction can no longer be contained. (Boyer 1990:51-52)

Post-Fordism is best understood as a crisis of regulation, involving conflict and competition between partial, emergent Post-Fordist accumulation strategies, some of which will show signs of being the basis for the resolution of crisis and some of which will lead to dead-ends. Not all strategies are equally possible, however. Rather, the broad outlines of Post-Fordist crisis are given by the institutional forms of Fordism. Neither is it guaranteed that any strategy will resolve the crisis. This contrasts with an understanding of Post-Fordism as the installation of a fully formed model of development as the result of a teleological process of development.

Analytically, three interrelated aspects of the crisis of Fordism can be distinguished: a crisis of productivity and

profitability, a crisis of internationalisation due to insufficient aggregate demand in national markets, and a crisis of the Keynesian welfare state. DeVroey cautions against monocausal accounts which isolate productivity as the most important of these factors:

"productivity cannot be considered a prime mover since it is itself the result of other factors. The elements comprising the structure thus lie in a circular relationship." (DeVroey 1984:60)

For Leborgne and Lipietz, the explanation for the stagnation of productivity and therefore profitability lies in the same technological paradigm on which the success of Fordism had been based. Fordist methods of production were based on the fragmentation of work according to centrally-developed plans and a sharp organisational distinction between a small number of managers and engineers and a mass of semi-skilled or unskilled workers. Although workers often resisted the full implementation of these plans by improvising production methods on the shopfloor, the logic of the technological paradigm dictated that these innovations could not be reincorporated back into central plans. (1988:264-265)

Instead, in its pursuit of increased productivity, capital was forced to rely on expensive investments in research and development and in fixed capital. This forced up the organic composition of capital (the ratio of investment in fixed capital

relative to investment in labour) This increase led to the virtuous cycle of increasing productivity and wages being broken, as wages rather than profits were cut.

Combined with the saturation of core markets in consumer durable goods, this pressure on wages suppressed aggregate demand and led to increased unemployment. At the same time, international developments contributed to a spiral of crisis. As capital sought a 'spatial fix' for its difficulties, trade, foreign direct investment and the exploitation of labour in Newly Industrialised Countries (NIC's) all increased. These developments merely added to the stagnation of the economies of advanced Western nations. The Keynesian welfare state, in turn, experienced intolerable demands on its services and ultimately experienced a fiscal crisis. (Harvey 1989; Lipietz 1984)

At the level of production relations, the crisis of Fordism can be understood as the emergence of various **rigidities** as obstacles to accumulation. **Labour market rigidities** arise from the fact that the indexing of wage and productivity increases which is the *sine qua non* of Fordism requires collective bargaining systems in which strong unions - in return for share of increased productivity - defend a minute and rigid division of labour by disciplining their own members. This has two consequences. First, managements' ability to introduce innovations in the production process is impeded. Second, social integration becomes problematic in that segmentation of labour markets between relatively privileged union workers and less-

privileged non-union workers - particularly on the basis of gender and ethnicity - promotes intra-class tensions. (Harvey 1989:125-141; Murray 1990a)

Product market rigidities arise because mass production of standardised products requires large-scale investment in dedicated machinery. The potential consequences of overinvestment (the high costs of inventory storage) and underinvestment (loss of market share) mean that investors must be assured that future aggregate demand and uniformity of tastes will be sufficient to constitute a mass market willing to buy the products in question. As noted above, stagnating productivity, internationalisation and the crisis of the Keynesian state each contributed to the uncertainty of precisely these factors. (Harvey 1989:125-141; Murray 1990a)

Flexible accumulation involves a new, accelerated, phase in capital's attempt to control space through the defeat of time and to overcome the rigidities to which Fordism proved susceptible. (Harvey 1989, ch. 14) This can be understood as a shift from the intensive accumulation of Fordism, based on increasing productivity within the same industrial sector and geographical region, to extensive accumulation, which depends on expansion into new regions or nations as a source of growth. (cf. Boyer, introduction) The current round in the globalisation of capital is thus based on its ability to defy national borders and the institutions of previous modes of regulation located at the national level. Castells and Henderson (1987) describe this as a

confrontation between "placeless power and powerless places", involving a marked reduction in the ability of the nation-state to mediate between global economic forces and the impact of these force on the lives of the citizenry.

The acceleration of time and spatial restructuring therefore has important implications at the level of societies. Of particular importance are the effects of spatial dislocation on the formation of collective identities. The parcelled cellular space of the national spatial grid is understood by Foulantzas to be occupied by individuals, the products of a legal discourse which obscures true class positions. (Foulantzas 1978:63-75). This class essentialism renders the work of limited value in understanding the contemporary relationship between spatialisation and identity.

Specifically, whereas Foulantzas fails to recognise that the particular subject positions created by legal discourse are occupied by concrete social agents who are also interpellated by a number of additional discourses, the acceleration of temporal and spatial restructuring to which flexible accumulation corresponds highlights the indeterminacy of social agents in relation to a plurality of subject positions and promotes the creation of multiple, overlapping identities. To the extent that the formation of multiple subjectivities and identities corresponds to a proliferation of political spaces, the state is de-centred as the most important 'power container' and object of political struggle. (Laclau 1977, 1990; Laclau and Mouffe 1985;

Magnusson and Walker 1988; see also Berman 1982)

With respect to the political space of the nation, Robbins (1989) argues that post-Fordism must involve the transcendence of the nation-state and an embracing of the local, continental and transnational levels. Following Anderson (1983), who defines the nation as an imagined community based on a shared sense of time and space, so that all members of a national community are assured of the simultaneous existence of their fellow nationals within a delimited and sovereign territory, Robbins asserts the need to respond to the globalisation of capital through the production of new political identities and "image spaces".

At the level of societies, then, the crisis of Fordism can be understood as a crisis of social integration. In part, new social movements emerged as a challenge to the white male privilege resulting from the exclusion of women and racial minorities from the benefits of strict divisions of labour.

2C - Flexible Labour Markets: A Post-Fordist Solution?

Attempts to overcome the social integration aspect of the crisis of Fordism are at the core of accumulation strategies based on engineered rather than natural advantages. Sorge and Streeck, for example, explicitly understand the preservation of high wage economies in terms of its potential to avert extensive social conflict at the level of (national) societies:

"Industrial restructuring towards diversified quality production is now generally regarded as a highly promising strategy for old

industrial, high-wage economies striving to remain competitive in more volatile and crowded world markets" (Sorge and Streeck 1988:31)

Given the emergence of serious rigidities as limits to the expansion of Fordism, it is unsurprising that flexibility should emerge as the central theme of a number of possible Post-Fordist regimes of accumulation. The restructuring of workplaces and labour markets is central to any strategy directed at the construction of such a regime. An examination of these aspects of restructuring is, therefore, one method of bridging levels of analysis between production relations and societies. This is important given that analyses of Post-Fordism tend to attribute broad changes at the level of societies to changes at the level of production. Such failure to clearly establish connections between different levels of analysis is often accompanied by imprecision as to the empirical referent of concepts. (Hirst 1990; Wood 1989)

Leborgne and Lipietz (1988,1992) describe a variety of contradictory responses to the crisis of Fordism which are likely to co-exist in an international division of labour. In particular, it is possible to distinguish between variants of flexible accumulation based on whether flexibility is derived from internal or external labour markets. An internal labour market consists of the current employees of a firm or organisation. Potential employees not currently employed

constitute the external labour market.

The emergence of different variants of flexible accumulation represents a challenge to the deskilling thesis of Braverman (1974), who predicted that capitalist development would always involve the extension of the principles of scientific management and a consequent deterioration in the skill and autonomy of both manual and clerical workers. Braverman's work is informed by an understanding of capitalist development which emphasises the importance of management control of the labour process and the valorisation which this control permits. (see Cohen 1987)

Braverman's work lacks the basic insight of regulation theory that accumulation is underdetermined by the law of value, however. This is not to deny that accumulation always involves the process of valorisation; rather, a number of factors in addition to valorisation must be specified in order to understand accumulation. In some times and places, for example, accumulation may depend on a lessening of management control of the labour process and an increase in workers' skill and autonomy.⁷

Such is the case with the truly Post-Fordist or offensive variant⁸ of flexible accumulation described by Leborgne and Lipietz (1992). These promote greater worker autonomy through a more organic, though not necessarily less extensive, division of labour characterized by the flexibility of internal labour markets. Firms respond to changes in technology and markets

---

⁷ See Wood (1989) on the polarisation of debate between those who continue to be informed by Braverman's labour process theory and advocates of flexibility.

through internal redeployment of existing workers rather than through hiring and firing. This allows firms to exploit **economies of scope** rather than the **economies of scale** which constituted both the success and eventual failure of Fordism. New technologies⁸ make it possible for a single plant to produce a wide range of products for separate small specialty or niche markets by: 1. reducing the **batch size** or production volume at which markets can be supplied at an acceptable unit cost; and 2. reducing the importance of competition on the basis of cost relative to competition on the basis of quality. (Harvey 1989; Fiore and Sabel 1984; Schoenberger 1988; Sorge and Streeck 1988)

Small batch sizes and diversification of product lines require frequent re-programming of production equipment, which disrupts the continuity of the production process and creates a need on the shopfloor for levels human skill and competence inconsistent with the central planning of tasks. Jobs must therefore overlap and skills must be broad. (Sorge and Streeck 1988)

While confessing a degree of apprehension concerning its macroeconomic viability, race and gender issues, and its location within an international regime, Leborgne and Lipietz favour this variant of flexible accumulation, based on its ability to prevent

---

⁸ The new technologies referred to here include a number of innovations in manufacturing processes, such as computer-aided manufacturing (CAM), computer-aided-design (CAD), computer numerically-controlled machines (CNC's), flexible manufacturing systems (FMS's) and just-in-time (JIT) inventory systems. Microcomputing and telecommunications innovations are also important.

polarisation and to encourage social consent. (1988:272-278) Leborgne and Lipietz see indications that this variant - which would likely be the first choice of labour given that it promises high wages and job security - might also be attractive to capital because it offers employers the ability to overcome the crisis of Fordism and realise increased productivity with acceptable capital investment costs. (Leborgne and Lipietz 1988:272-278)

In contrast to Post-Fordist variants, neo-Fordist variants of flexible accumulation are based on management attempts to capture the labour-saving benefits of new technologies without breaking with the dynamic of management control of the labour process. As in Fordism, internal labour markets are rigid, with jobs and skills narrowly defined. Unlike in Fordism, however, the external labour market is exploited as a source of wage or numerical flexibility. To make this possible, neo-Fordism involves an assault on a wide range of protections formerly enjoyed by workers, including strong unions, welfare state adjustment programs and commitment to high levels of employment. In this sense, neo-Fordism can be described as a defensive variant of flexible accumulation. Furthermore, neo-Fordism leaves unresolved several aspects of the crisis of Fordism, including high fixed capital costs and insufficient and unpredictable aggregate demand. It is therefore susceptible to sharp business cycles and world trade wars. (Leborgne and Lipietz 1988:272, 1992)

Leborgne and Lipietz describe attempts to derive flexibility

from both internal and external labour markets as contradictory. In addition to the intrinsic rewards of greater autonomy, internal flexibility requires that the rewards obtained by workers be sufficient to produce a long-term commitment to the firm:

"...collective involvement of the workers is unlikely to be possible if there is no commonality of destiny of firms and their work forces, i.e. in the context of external flexibility..." (Leborgne and Lipietz 1992:339)

This observation must be qualified with reference to the level at which worker involvement or commitment is negotiated, however. When negotiation occurs at the sectoral or societal level, attempts by capital to exploit the external labour market as a source of flexibility are likely to fail because all workers are likely to be equally-well organised and protected. When worker involvement is negotiated individually or at the level of the firm, however, a distinct segmentation of labour markets is likely to be exploited as a source of flexibility. The prospect of income and skill polarisation of workers therefore emerges as a centrally important stake in struggles over the resolution of Post-Fordist crisis. (Leborgne and Lipietz 1992:338-339; see Gulowsen 1988; Harvey 1989; Mahon 1987; Pollert 1987)

The Japanese experience of life-long employment exemplifies one form of polarisation, known as **Toyotism**. Worker autonomy and involvement in the labour process is negotiated at level of the

firm, with a sharp distinction between the benefits enjoyed by workers in core and peripheral firms. (Leborgne and Lipietz 1992:339, see also Kumazawa and Yamada 1989)

In Western societies in which lifelong employment conflicts with the notion of free labour contracts, a slightly different situation is observable. When negotiation is individualised or when unions fail to organise an entire shop, an explicit and formal division between core workers and peripheral workers is likely to exist. The former provide firms with functional flexibility, or the ability to perform a wide range of tasks, particularly in response to technological changes. These workers derive employment security and in-firm retraining from the fact that their skills tend to be specific and particularly relevant to the firm. (Atkinson and Gregory 1986:13-14)

Peripheral workers, on the other hand, largely provide numerical flexibility, or the ability to quickly alter levels of employment to match changes in the level of production. These may be employees of the firm working part-time or with the understanding that they can be fired at any time. Other relevant distancing strategies include the use of sub-contractors, specialist individuals and employment agencies. (Atkinson and Gregory 1986:13-14)

Given the conflicting possibilities of greater autonomy and sharpened segmentation, flexible accumulation represents both a threat and a source of opportunity for trade unions. Atkinson and Gregory (1986) - who introduce the flexible firm as an ideal-

typical model designed as an analytic tool for understanding the practices of disparate employers - argue that there exists a margin of manoeuvre for action by unions. The core workers who provide the firm with functional flexibility, for example, could bargain from a position of strength over issues of explicit job security, training opportunities and workplace control and then build on this strength to negotiate equivalent benefits for core and peripheral workers and limits on the use of the latter. (1986:16)

Strategies of this type are subject to two criticisms. The first is that they accept segmentation as inevitable, essentially abandoning the notion of class solidarity in favour of what Pollert describes derisively as a "new realism". Atkinson and Gregory argue that employers are engaged in a "flexibility offensive" not only for opportunistic reasons but in response to genuine imperatives, including needs for increased speed in adjusting to competition and technological change, for continued productivity increases, and for reduction of labour costs. (1986:14-15) They accord secondary importance to their own observation that the flexible firm signals a shift in the balance of class power toward capital, including chronically high unemployment, deregulation and anti-union legislation, reductions in the number of large job sites, and decentralisation of management authority.

The second major criticism of the strategy favoured by Atkinson and Gregory is that it fails to observe that labour

market segmentation tends to occur on the basis of gender and race. (Edwards 1979) Skills are socially defined and as such operate as a profound basis of identity. (Jackson 1987; Jenson 1989b; Gaskell 1991; Pollert 1987) Jobs come to be deemed either masculine or feminine as a result of processes which include the formation of boundaries around workers who perform those jobs, such that occupation becomes a profound basis of identity, related in complex ways to the formation of gender and other identities.⁹

For Jenson (1989b), these observations have important consequences for debates about the appropriateness of flexible accumulation strategies as a way out of the current crisis and about the role of women in such strategies. Advocates of flexibility are seen as focussing on the benefits to be derived from labour-management co-operation and ignoring the way in which relations of gender domination are reproduced as part of the very process of skills acquisition. For example, the model of future workers as possessing polyvalent skills and adaptable to multiple situations is considered to rest on a masculinised understanding of the relationship between workers and technology. Jenson argues that the history of labour movements has been in large part an attempt to foster solidaristic class identities which reject attempts to use craft as a principle of exclusion and

---

⁹ Aspects of Braverman's work (1974) - including the creation of reserve armies of labour and the feminisation of the labour market - are useful in highlighting the importance of these processes. (Jenson 1989; Walby 1989)

differentiation within the working class. Contemporary labour movements should be similarly concerned with rendering differentiation on the basis of gender irrelevant to the definition of skill within the workplace, she argues.

The work of Sorge and Streeck is particularly promising in its treatment of the role of unions, which is seen as intrinsically linked to technological change and the selection of product strategies. The increasing overlap and inter-penetration of marketing, technology, work organisation, skills and wages means that firms must integrate these aspects of their operation in "comprehensive commercial strategies" rather than, for example, adopting a product strategy and designing the technology to pursue it, only to discover later that the necessary labour supplies and skills are not in place. (Sorge and Streeck 1988: 25-26)

Streeck offers two major reasons for believing that the pursuit of offensive variants of flexible accumulation both depends on and encourages **strong trade unions**. (Streeck 1989:99-103) First, given its role in defending the separation within industrial relations systems of wage settlements from other strategic considerations labour faces the possibility of being marginalised by the development of comprehensive commercial strategies. Alternatively, unions are presented with the opportunity to renew themselves by developing comprehensive strategies of their own and becoming central players in the politics of production. (Sorge and Streeck 1988:43; Streeck

1989:99-103)

Second, the externally rigid and internally flexible labour markets on which offensive variants of flexible accumulation depend encourage the development of meaningful industrial democracy. In addition to allowing workers to participate in shopfloor decisions, the negotiation of general and flexible rules rather than precise divisions of labour means that the representation of workers' interests occurs at levels higher than the shopfloor. (Sorge and Streeck 1988:36-37; Streeck 1989:99-103)

Flexible accumulation therefore presents labour with both dangers and possibilities. In determining the extent to which the latter can be maximised and the former minimised, the importance of class struggle cannot be overlooked. Technological developments which make flexibility possible should therefore be seen as offering a range of possibilities to be struggled over rather than as a panacea for the crisis of Fordism.

This point can be developed by examining in some detail the important but much-criticised work of Piore and Sabel (1984). The principal claim of this work is that advanced Western societies are now experiencing a moment of choice concerning which one of two technological paradigms - or "visions of efficient production" (1984:44) - will become dominant. The development of technology is seen as analogous to a branching tree rather than a single narrow track. At decisive moments in history, societies experience industrial divides, when choices are made about what

type of technology is dominant. These choices reflect not so much any inherent superiority of one technology over another as the distribution of power in society: "technology (is) ... a refractory yet periodically malleable expression of the distribution of power in society". (Piore and Sabel 1984:21)

For Piore and Sabel, the current industrial divide involves a repeat of the clash between craft production methods and mass production which was so central to the consolidation of Fordism. On the one hand, advanced Western societies might continue down the road of mass production of standardised products for mass markets using dedicated product-specific machinery. On the other hand, the conditions of possibility exist for a switch to **flexible specialisation**, or the production of customised products for smaller, changeable niche markets using general purpose tools. (Piore and Sabel 1984; see also Edwards 1979)

The principal weakness of Piore and Sabel's work is its use of the meta-theoretical ideal types of craft production and mass production to explain historical change. This is at variance with the need, defended in Chapter One, to consider the contingent nature of accumulation strategies and their limited ability to impose unity and order on disparate elements. At most, it is possible to say that in a given place at a given time, one strategy is dominant over others. When Piore and Sabel's method of analysis is adopted, "history must be a process which

permutates the two empirical forms, which are always the same".¹⁰ (Williams et. al. 1987:410; cf. Jessop 1990a on global strategies)

The use of ideal-typical categories has three specific consequences. First, understanding technological choice in terms of rare industrial divides - while quite useful in illuminating the general stakes of contemporary development - makes it difficult to develop explanations at both the level of a society and the level of the firm. As Williams et. al. argue: "the weakness of Piore and Sabel's position is that it virtually abolishes the role of enterprise calculation which, in their schema, must become a matter of identifying the particular implications of universal trends in technology and the market". (1987:436)

Second, their methodology leads Piore and Sabel (1984:276-279) to make a normative claim for a scenario in which flexible specialisation is realised in local communities and regional economies radically different from the contemporary situation. A form of politics based on "yeoman democracy" and a privileging of localism over other levels of geography is seen as the best means

---

¹⁰ A number of writers make similar criticisms of Piore and Sabel. See Hyman (1988) on management's ad hoc and sub-optimal implementation of flexible specialisation; Pollert (1987) on the limitations of "grand theory"; and Wood (1989) on the polarised debate between defenders of Braverman's deskilling thesis and proponents of flexible specialisation.

of muting the power of capital.¹¹ Piore and Sabel optimistically predict that a co-ordination of such regional economies in a system of national social-welfare would reduce the influence of vertically integrated corporations allow a degree a national autonomy by removing reliance on world markets, exchange rates and commodity prices.

The importance of this attention to local democracy is evident from the analysis in Chapter One of the current round of capital's globalisation and the crisis of the nation-state. Ultimately, however, Piore and Sabel's account of political struggle is naive and voluntarist. (Pollert 1988) This is particularly evident in the minimal contribution which industrial unions might make to flexible specialisation. Piore and Sabel envision a repositioning of winners and losers within the working class. On the one hand, a shift to craft methods of production would mean improvements in the quality of work life for some craft workers, including the reduction of workplace conflict and alienation, would flow to some craft workers. On the other hand, the abandonment of the Fordist divisions of labour and would weaken unions, particularly those organised along industrial lines.

Mahon (1987) rejects this approach, arguing that instead of

---

¹¹ An alternative to this "small is beautiful" Rousseau/Proudhon model is rejected because of the sharp polarisation and very low level of social integration which would be involved. This "neo-Neapolitanism" would involve relatively wealthy regional economies surrounded by a sea of first-world and third-world poverty.

treating unions as obstacles to the implementation of flexible specialisation, their role in avoiding polarisation and promoting social integration must be emphasised. This role should not involve an intransigent defence of Fordist divisions of labour, however: unions must adopt broader strategies, including meaningful international organisation. (Mahon 1987; see also Mahon 1991a, 1991c)

The third major difficulty resulting from the use of ideal-types also relates to the way in which Piore and Sabel understand the spatial implications of flexible accumulation. Specifically, the forms of competition on which Piore and Sables' model depends is highly improbable. The adoption of craft methods of production is seen by Piore and Sabel as involving a switch to smaller units of production and a decrease in the concentration (or lumpiness) of capital, permitting the restoration of market equilibria and a corresponding reduction in the importance of corporations and the Keynesian state as prime macroeconomic regulators. (Piore and Sabel 1984)

Leborgne and Lipietz (1988,1992) are in general agreement with Piore and Sabel as to the spatial implications of the most offensive variants of flexible accumulation. These both promote and depend on co-operation between firms, unions, universities, regional development boards and regional banks in a "system area". Multiple industrial sectors, made up of both specialist and principal firms, are found in regional economies. (1988:272-278)

However, Leborgne and Lipietz argue that these spatial arrangements are in fact unlikely to decrease the concentration of capital. Reasons for this include the relatively narrow range of flexibility afforded by microelectronics and the time delay involved in setup of both machines and workforces. Most important, however, is the observation that the regional economies described above tend to involve quasi-vertical integration. This involves a dichotomy between primary and specialist firms, such that neither the vertically integrated corporation nor the market is dominant. This dichotomy allows existing principal firms to effectively create barriers of entry for new firms and actually stifle the emergence of a competitive market. It cannot therefore, be assumed that flexible accumulation will solve the problems associated with corporate concentration or the globalisation of production. (1988:274)

For Leborgne and Lipietz the spatial implications of defensive variants of flexible accumulation are even less promising. These tend to involve forms of competition in which specialist firms in "specialised productive areas" have outward orientations to principal firms with few links with other firms in the same region. This results in the polarisation of the world, of countries, of regions. In addition, divisions between primary and secondary labour markets on the basis of race and gender are often inscribed in the geography of cities. (Leborgne and Lipietz 1988:275-276) These spatial effects have been described as the "Latin Americanisation of the United States", a

situation describing the co-existence of wealth and extreme poverty. (see also Davis 1984; Harvey 1989 and Soja 1989)

The forms of competition envisioned by Piore and Sabel are also questioned by Sorge and Streeck (1988), who argue that while the relative importance of price and quality competition may have shifted, production continues to involve high fixed capital costs, meaning that the total size of the combined markets serviced by a unit of production must remain high. Williams et. al. (1987) support this position, presenting evidence that flexible manufacturing systems (FMS) are likely to be used by large-scale producers and to favour the continued centrality of corporations: "the crucial consideration is not batch size but the cumulative volume of all the batches produced through the year. And this cumulative volume is always high...". (1987:432)

By examining a number of variables it is possible to gain an indirect sense of whether an offensive or defensive variant of flexible accumulation is dominant in a particular place at a particular time. Based on the above analysis, a number of such variables can be isolated, including the extent of skills polarisation, the extent of income polarisation, patterns in the adoption of new technologies and patterns of spatially uneven development. In addition, it is necessary to consider the institutional structure of a society to determine how the range of possible futures is constrained.

2D - Canadian Post-Fordism: Offensive or Defensive Flexibility?

In examining these and other questions related to post-Fordist models of development, national specificities are important. When analysis moves to the more concrete level of Canadian Fordism, the process of social integration on which Fordism depends is seen to exhibit particular features and to face particular difficulties. Jenson (1989a, 1990), for example, has explained the specificity of Canadian Fordism in terms of its openness or permeability. In most advanced western societies Fordism involved state support of national economic development strategies based on leading sectors such as steel and automobiles. Social democracy and centralised collective bargaining were prominent features of the mode of regulation and collective identities were organised by a class-based discourse which emphasised workers as the basis of national greatness.

The Canadian Fordist model of development, by contrast, reflected the organisational weakness of the Canadian working class, with staples and manufacturing capitalist class fractions joined in an unstable alliance. The Canadian state supported continental development, based on the export of natural resources and the import of capital. The Keynesian welfare state was poorly developed and collective bargaining remained largely private and decentralised, with neither labour nor capital developing strong central organisations. Instead, institutions of federal-provincial relations were central to the mode of regulation. Collective identities were organised by a discourse of nation-building in which natural resources were identified as the source

of national greatness. (Jenson 1989a, 1990)

In 1988, only 17.1% of all employment in Canada was in manufacturing, with the remainder of the goods sector accounting for 12.4% and the service sector accounting for fully 70.5% of all employment. (Krahn 1991:17) Manufacturing still matters, however. While the manufacturing sector's share of employment continued to decline between 1981 and 1988, its share of total output (GNP) remained at approximately 20%. Myles (1991:358-359) The service sector depends on demand originating from the production of goods while the goods sector depends on a range of services as important inputs to production. Furthermore, the traditional distinction between sectors - based on the extent of contact between producer and consumer - is increasingly being rendered obsolete by changes in technology and marketing strategies. (Economic Council 1990)

Thus when considering the features of alternative post-Fordist regimes of accumulation, the "critical issue for the future is not *whether* to manufacture but *what* and *how*." (Myles 1991:358)

The question of skills polarisation has been examined by Myles (1988). Applied to 1961, 1971 and 1981 Census data, four indicators of skill¹² support Braverman's claim that a majority of jobs involve modest skill requirements. Contrary to

---

¹² The length of job-specific training required to perform the job, the general educational requirements for the job, the cognitive complexity of the job tasks, and the extent to which the job involves the repeat performance of few tasks. (See Myles 1988:339)

Braverman's claim that capitalist development involves an inevitable process of deskilling, however, aggregate skill levels have actually increased. This aggregate upgrading was due largely to the expansion of employment in the new middle-class jobs. Contrary to Braverman's prediction that the growth of this class would eventually prove self-limiting and subject to the same deskilling effects as those experienced by the working class, employment in administrative, professional and technical occupations increased from 24% to 31% of the non-agricultural labour force between 1961 and 1981. (Myles 1988:350-352)

Despite aggregate upgrading, a skills polarisation has occurred, cutting across both the distinction between white-collar and blue-collar work and the distinction between the traditional working class and the new managerial class. This polarisation, which Myles concludes is better described by the segmentation metaphor of dual labour theorists than by Braverman's deskilling thesis, is consistent with the effects of defensive flexibility. (1988:352)

Indications that defensive flexibility has been prevalent in the recent Canadian experience is also supported by the second variable: wages have become more polarised in the 1980's. This has occurred largely as a result of a drop in the relative wages earned by those aged 16-24 and an increase in relative wages paid to those aged 35-50. (Myles 1991:356)

In explaining income polarisation, the Economic Council of Canada (1990) points to the emergence of two distinct employment

growth poles and a sharp distinction between "good" jobs characterised by high income and stability on the one hand and "bad" jobs characterised by low income and lack of security on the other. Between 1967 and 1986, the proportion of workers making middle-level employment incomes¹³ declined from 26.8% to 21.5%. Over the same period, increases occurred in the proportion of both low-income (from 36.4% to 39.4%) and high-income earners (from 36.9% to 39.1%). (Economic Council 1990:14-15)

This income polarisation, the Economic Council concludes, corresponds to concurrent increases in both well-paying knowledge-intensive work and various forms of "non-standard employment". Between 1981 and 1986, non-standard employment - including part-time work, short-term work, self-employment and employment agency work - accounted for almost half of employment growth. Between 1977 and 1986 part-time employment alone increased 60% while full-time employment increased only 15%. As a result of these growth trends, 3 of 10 jobs in Canada were non-standard by 1986. (Economic Council 1990; Krahn 1991)

The burdens associated with non-standard employment are not borne equally by all social categories. For example, part-time workers tend disproportionately to be young and/or female. In 1988, 25% of employed women, compared to less than 8% of employed men, worked part-time. (Economic Council 1990:11-12; Krahn 1991)

---

¹³ Middle-level incomes are defined as those falling in the range from 25% less than the median income to 25% more than the median income. (See Economic Council 1990:15)

Skill and income polarisation cannot be attributed to a shift to employment in the service sector *per se*. Although 90% of all job creation in the 1970's and 1980's occurred in the service sector, which is characterised by greater skills and income polarisation than the goods sector, non-standard employment increased in both sectors. (Economic Council 1990)

The Economic Council identifies technological innovation and changes in human resources practices as likely explanations than sectoral shifts. This claim is supported by the observation that a disproportionate share of new jobs are created by small, non-union firms. (1990:15) Making a similar argument, Krahn (1991) identifies lower labour costs, fewer fringe benefits and greater flexibility as incentives for creation of part-time jobs. (See also Myles 1991) The use of such "distancing strategies" oriented to the external labour market is, of course, a hallmark of defensive flexibility.

Evidence related to the third variable - patterns of technological innovation - is presented by Mansell (1987), who examines the adoption of Socio-Technical Systems (STS) approaches to technology and work organisation. Technically, such approaches are defined as differing from Taylorist scientific management in that they focus on immediately controlling unanticipated events in production processes. Social aspects of Mansell's definition include the promotion of workplace democracy by supporting a range of workers' needs, including autonomy, continuous learning, support and recognition, and the chance to make a meaningful

contribution. Mansell concludes that in Canada the language of STS approaches is often applied to situations which do not differ significantly from scientific management approaches, suggesting a weak commitment to innovation on the part of both management and labour.

Muszyński and Wolfe (1989) also emphasise the poor record of Canadian firms in making capital investments generally and investments in the new technologies associated with flexible accumulation in general. While in Japan, for example, the introduction of new technologies has been found to lead to both improved productivity and upgrading of skills, Canada is more similar to the examples of the US and UK, where firms generally fail to get the full benefits of new technology. Gertler (1991) arrives at similar conclusions, citing evidence that while Canadian manufacturers may be quick to adopt flexible process technologies, their implementation of such technologies is often sub-optimal.

Evidence related to the final variable, spatial patterns of uneven development, also indicates that flexible accumulation has taken a defensive form in Canada. Gertler concludes that, contrary to expectations, changes in technology and work organisation have contributed to continuing uneven development, with manufacturing - particularly in high technology sectors - continuing to be concentrated in central Canada. (Gertler 1991) Similarly, the Economic Council (1990) finds that information-based service activities are at least as place-dependent as goods

production, contributing to continuing uneven development.

2E - Education and Training in Canada: Institutional Barriers to Innovation

This wealth of evidence represents indirect evidence that a defensive flexible accumulation strategy has been dominant in Canada. In order to support this finding, analysis should proceed by examining particular relevant policies and political struggles behind this defensive flexibility. Gertler (1991), for example, argues that Canada has pursued a Post-Fordist accumulation strategy based on the expansion of markets, exemplified in the Canada-US Free Trade Agreement. This strategy - which seeks to foster specialisation and price competition - tends to involve the adoption of new technologies by large firms rather than by networks of small and medium-sized firms. Gertler points to a number of problems with this strategy, including downward pressure on wages and the historic inability of Canadian manufacturers to compete even in their own domestic market. (Gertler 1991; see also Blais 1986)

In order to determine more clearly which policy developments are worthy of further examination and how they are related to broader political and economic strategies, it is necessary to first have some understanding of the structured institutional constraints through which such actions must be channelled. This section therefore presents a brief examination of Canada's national system of innovation, or the "broad array of social and

institutional arrangements that foster rapid adjustment to changing conditions". (Wolfe 1989:16)

Drache argues that Canadian capital has largely preferred to compete on the basis of prices and wage reductions rather than on quality. Flexibility has been experienced as an attack on existing worker rights and has been treated largely as a management prerogative, with unions playing a marginal role. In explaining these observations, Drache points to an institutional structure which allows capital to compete on this basis rather than forcing innovation. (1991:251-259)

A critically important explanation of the failure of Canada's existing institutions to force innovation is the industrial relations system. Canadian unions, Drache (1991:264-267) argues, are poorly-served by the decentralised nature of the existing collective bargaining system. To the extent that it encourages unions to organise at the level of individual firms rather than at higher sectoral, regional or national levels, this system suppresses union membership in particular and the strength of organised labour generally. Other relevant aspects of the industrial relations system include weak job security legislation and the absence of a political commitment to full employment. (Drache 1991; Gertler 1991; Muszynsky and Wolfe 1989)

In addition to the industrial relations system, capital has been able to exploit a wage structure in which minimum wage levels have eroded, in which the wages of adult workers and new labour force entrants are polarised and in which women's work is

both undervalued and ghettoised. (Drache 1991:251-259) Similarly, Gertler describes several institutional obstacles to the pursuit of an alternative accumulation strategy, based on encouragement of regional economies and relative freedom from trade dependency. These obstacles include the marginalisation of small firms and the lack of a strong indigenous machine tools industry. (1991:377-384)

The welfare state is also a decisive element of the national system of innovation. (Esping-Anderson 1987; Myles 1991) Myles points to the importance of politics - understood as "strategic choices...and...institutionalised power relations" (1991:351-352) - in determining employment distribution between good jobs in state services and bad jobs in personal services, for example. Both the German and Swedish economies force constant innovation and productivity improvements by discouraging competition on the basis of low wages. The Canadian economy, on the other hand, encourages the creation of low-wage jobs through various subsidies and through a welfare state which establishes a very low minimum level of social welfare. (1991:362-364)

This finding is consistent with the bulk of evidence presented here. The shortcomings of Canadian post-Fordism derive from an institutional structure which institutionalises polarisation and encourages capital to pursue a strategy of defensive flexibility rather than forcing innovation. Myles describes the Canadian approach as a sub-optimal strategy which "provides the political leverage for those who would prefer an

alternative future for Canada's post-industrial labour market."
(Myles 1991:364)

A number of elements of this institutional structure, or national system of innovation, are worthy of further inquiry. To the extent that offensive flexibility is based on the increased autonomy and use of human skill, however, the various processes by which skill is constructed, recognised and deployed, and the contribution of these processes to innovation, are worthy of further examination.

Training which leads to the development of **generic, fundamental or polyvalent** skills is seen by Streeck (1989) as the key to flexible accumulation based on internal labour market flexibility. In an elaboration of Streeck's work, Wolfe (1989) identifies four dimensions of such skills. First, the importance of **analytic problem-solving skills** is based on the increasing importance of computers in the workplace. Given the resulting prevalence of "informational representations of reality" (1989:14), workers must possess the cognitive ability to reason and infer connections explicitly and without the presence of concrete clues. (Wolfe 1989:14)

Second, **functional literacy skills** - the ability to both read and understand the material being read - is needed when the completion of a task requires the reading of instruction or training manuals, reports or diagrams and applying the results of that reading to the task at hand. (Wolfe 1989:14-15)

Third, **technological literacy skills** are needed to

continuously adapt new technologies and sources of information. These skills include understanding of basic mathematics and science, computer programming and word processing skills, and an understanding of electronics products, including "the fundamental principles of Boolean algebra" (!). (1989:15)

Finally, Wolfe identifies interpersonal and communications skills as a dimension of generic or fundamental skills. In that they tend to be associated with increased worker autonomy and control, new technologies, Wolfe argues, create a need for workers to communicate and work with other workers and with clients, to understand the overall structure of the workplace and to take responsibility and initiative. (Wolfe 1989:15)

In a comprehensive examination of Canada's education and training systems, the Economic Council of Canada (1992) argues that the relationship between education and work no longer corresponds to a life-course in which individuals complete their education in childhood, adolescence and early-adulthood before moving into the labour market for the duration of adulthood. The model of clear and singular transition from school to work, the Council claims (1992:16), should be replaced with the concept of a learning continuum, which captures a constant movement between vocational education and work throughout the life-course.

The primary concern¹⁴ of the Economic Council's report is

---

¹⁴ In addition to concerns about coherence, the council expresses concerns about the quality of education outcomes generally. These include high levels of illiteracy and numeracy, high dropout rate, and mediocre performance of Canadian students in international tests of mathematics and science achievement.

the incoherence of Canada's education and training systems, or the "lack of clear pathways, linkages, and accreditation between these various elements of the (learning) continuum". (1992:17). Like other elements of the national system of innovation, this incoherence is attributable to a number of historical factors. First, the traditional dependence of Canadian employers on immigration as a source of skilled trades people removed any pressure to develop either a "training culture" or a comprehensive apprenticeship and training system. Second, apprenticeships involve considerable power on the part of workers to define legitimate workplace knowledge and to control the organisation of production. As such, they conflict with both the relatively weak power of the Canadian labour movement and the marginality of craft unions relative to industrial unions within that movement. (Jackson 1987; Muszynski and Wolfe 1989).

This incoherent articulation of education and training with work can be illustrated with a variety of data. Only 72% of Canadian 17-year olds participate in formal education, compared to 94% of Japanese and 87% of Americans of the same age. Similarly, 31% of Ontario students fail to obtain a secondary school or post-compulsory qualification, compared to only 14% of German students and 25% of Americans. (Premier's Council 1988:215-233). Incoherence and lack of pathways have important consequences and carry high costs for society and for

individuals. For example, the 64% of Ontario high-school students who either leave school early or do not continue on to post-secondary education after graduation tend to engage in an extended, costly and discouraging attempt to find secure and rewarding employment. (CLMPC 1990a:198; Economic Council 1992:15-16)

It is widely recognised that Canada's apprenticeship system is seriously flawed and underdeveloped. (Economic Council 1992; Premier's Council 1990; CLMPC 1990a) This underdevelopment is indicated by the fact that in 1987 the average age of apprentices in Canada was 26, compared to 17 in West Germany. (Economic Council 1992:21). This suggests that a prolonged period of labour market activity usually occurs before apprenticeship begins and, therefore, that apprenticeship is not clearly articulated with secondary school as an attractive pathway through the learning continuum. Given that the extended commitment and reduced pay involved in apprenticeship are more likely to be acceptable to the young, this high age also contributes to a poor completion rate. The Premier's Council (1990:123), for example, reports a dropout rate of 50% for Ontario apprentices.

Further concerns exist as to whether existing apprenticeship programs are appropriate given current economic conditions. The Economic Council argues that while less than 10% of apprenticeable trades are in dynamic services occupations, these occupations account for a disproportionate share of employment growth. (1992:19-20). The Premier's Council expresses concern

that low participation rates in industrial trades apprenticeships, which are seen as the key to future prosperity, are due to poor public understanding of the type of work that these trades involve and the potential rewards that they offer. Similarly, concerns have been expressed over the ability of existing structures to match the supply of apprentices with the demand for skilled workers, noting the coexistence of unemployment and skills shortages. (CLMFC 1990a:161)

The underdevelopment of apprenticeships can be viewed as an instance of the larger problem of the stigmatisation of vocational knowledge in Canadian schools. High schools in most provinces operate on the basis of self-streaming by students. This involves the development amongst students of perceptions of the world of work and a sense of their legitimate place in that world. Based on these perceptions, students then choose from a wide range of optional courses. (Gaskell 1991) Gaskell argues that this process, which involves the (gendered) construction of knowledge, stigmatises the vocational by separating it from the academic. Furthermore, this stigmatisation makes the education system unresponsive to economic change because, while it is essentially transparent to students, it remains largely invisible to potential employers.

Recently, efforts have been made to bridge the gap between work and education through co-operative education programs, in which students receive relevant work experience as an integral part of their education. (CLMFC 1990a) The "Partners" program of

the Ottawa-Carleton Learning Foundation is an example of such initiatives. (OCLF 1992) These programs must be seen, however, as ad hoc responses to the weaknesses of existing institutional structures, including the high school curriculum, rather than meaningful structural changes to it.

As Muszynski and Wolfe (1989:252-253) point out, formal instruction received before (or while) entering the labour market is only one element of training systems. Another crucially important element is vocational training received after leaving school. In this connection, a significant feature of training in Canada is the level of training provided by employers to their employees. There exists a broad consensus that this level is too low, particularly given changes in technology, markets and organisations. The reports of the Premier's Council of Ontario (1988, 1990), for example, argue that the possibility of adopt an economic strategy based on high value-added production and encouragement of medium- and large-size export-oriented firms in Ontario is limited by a "training deficit".

Based on a review of 14 national surveys of training conducted since 1963, Betcherman (1993) concludes that the answers to a "first generation" of research questions are well understood and that a second generation, centred around the need for greater private-sector training, is needed. This would address a number of questions, including the effect of training on the profitability firms, the processes behind the decision to train and the incentives that are most likely to increase

training efforts. As yet, studies of this type have not been conducted in Canada.

With respect to first generation questions, Betcherman concludes that the incidence of training increases with firm size and that training is most likely to be given to those employees who already have high levels of human capital. Because this analysis does not include the results of the 1991 National Training Survey, however, further examination of first generation questions is in order.

The 1987 Human Resource Training and Development Survey conducted by Statistics Canada found that only 31% of all private-sector firms provided formal training to their employees. Total private-sector training expenditure amounted to \$1.4 billion, an average of \$570 per employee, during the reference year. The size of firms, measured in terms of the number of employees, was found to be an important factor. 92% of firms with more than 1000 employees provided training while only 27% of those with less than 10 employees did so. (Statistics Canada 1990)

An alternative measure of the extent of private-sector training is the percentage of all employees who receive training. The 1987 Statistics Canada survey found that only 27% of all employees received any training in the reference year. This measure also varies with the size of the company. In large companies 48% of employees received some formal training while only 18% of those employed in firms with fewer than 10 employees

were trained. The type of training was also found to vary considerably with the size of the firm. For example, in the smallest firms training most often involved apprenticeships or computer-related skills. In the largest firms, by contrast, supervisory and executive/managerial training were the commonly reported training activities. (Statistics Canada 1990)

Workers in some industries are more likely to be given training than others. For example, during the reference period of the HRTDS, 52% of employees in the finance, insurance and business services industry received training while only 19% of food, beverage and tobacco workers were trained. (Statistics Canada 1990)

Of those large firms who provided training, 51% reported that they had been unable to meet the full range of their training needs. The importance of technological change within this range of needs was found to vary with the size of the firm. Half of the largest firms reported that their need for training had increased as a result of technological change while only 22% of the smallest firms reported the same. (Statistics Canada 1990)

While the 1987 HRTDS is widely cited as evidence of the failure of private Canadian firms to provide training of a sufficient quality and quantity, other surveys have reached contradictory results. For example, while the HRTDS found that less than one-third (31%) of private firms provided formal training, other surveys have used a more expansive definition of training and consequently detected greater training effort. For

example, the 1988 Small Business Panel Survey conducted by the Canadian Federation of Independent Business included informal activities in its definition of training found that more than two-thirds (68%) of firms provided some training. (Betcherman 1993)

The 1991 National Training Survey (NTS), conducted by the Canadian Labour Market and Productivity Centre, addresses the definitional problems at the heart of these contradictions. The NTS is intended to establish a commonly accepted definition of training and to provide benchmark data against which future surveys can be compared. (CLMPC 1993) The NTS defines training as "all activities intended to develop employee capabilities and employee skills". (CLMPC 1993:16) Training is considered to be structured, as opposed to unstructured, if it exhibits any of the following features: direct expenditure, provided by an employee whose job description includes training, provided to employees by a supplier of equipment, or provided as part of an apprenticeship, internship or co-operative education program.

In terms of the number of firms providing training, the findings of the NTS differ significantly from those of the HRTDS. For example, 70% of private sector firms were found to have provided some structured training to their employees in their most recent fiscal year. This figure rises to 76% if unstructured training is considered. Like the HRTDS, the data are skewed towards the practice of small firms, who account for 87% of all firms covered by the survey. While only 67% of firms with fewer

than 20 employees provided structured training. 98% of firms with more than 500 employees did so.

When the percentage of employees receiving training is used as the measure of training activity, however, the results of the NTS are more similar to the HRTDS. Of all employees, 36% received some training. This figure is greatest for firms with more than 500 employees, in which 39% of employees received some training. Gender does not significantly determine an employee's likelihood of receiving training. (CLMPC 1993:30-31) The most common types of training were health and safety and orientation training, received by 28% and 19% of employees, respectively. Only 11% of employees received computer training and only 4% were trained in the use of non-office equipment. (CLMPC 1993:43)

The NTS uses the number of hours of training received as an additional measure of "the intensity and depth of training received". (CLMPC 1993:33) The average trainee received 39 hours of training during the firm's most recent fiscal year. When the amount of training provided is divided amongst all workers (trainees and non-trainees) this figure drops to just 14 hours per year. (CLMPC 1993:34)

The NTS found that less than half of medium (100-499 employees) and large (500 or more) firms were able to provide all the training they would have liked. The most common reasons for this were lack of money and time. The inability to find relevant training courses was not a significant problem. (CLMPC 1993:55).

An essential feature of Canadian education and training

systems is the shared jurisdiction between provincial and federal governments. Formally, provincial governments are responsible for education while the federal government is responsible for adult vocational training as part of its responsibility for labour market adjustment and for broader management of the national economy. In practice, however, these responsibilities overlap. The federal government is involved in formal post-secondary education by virtue of transfer payments to the provinces and purchases of spaces in provincial colleges. Provincial governments are often involved in adult training as an extension of their responsibility for education and in association with their own responsibilities for industrial development and adjustment.

The decentralisation and jurisdictional overlap of education and training system has a number of negative consequences. The ability of the federal state to use education as an active and direct instrument of economic policy is limited. Any attempt to do so inevitably confronts a variety of regional disparities and priorities. Additionally, overlapping of jurisdiction may cause confusion over which level of government of government is responsible for particular programs and may lead to duplication of effort, needlessly high costs and exacerbation of the incoherence of the learning continuum.¹⁵ (Schwartz 1993; Economic Council

---

¹⁵ On the other hand since, compared to other countries, the decentralisation corresponds to a depoliticisation, innovation is usually in the form of pragmatic adaptation to local priorities, a potentially rich source of innovative new approaches. As well, this can be seen as the cost of regional, linguistic and religious

1992; Muszynsky and Wolfe 1989) Furthermore, the current division of responsibilities between federal and provincial government, based on an outdated understanding that education and work correspond to distinct phases of a life course, may be particularly problematic in the context of flexible accumulation.

The next chapter therefore examines the formation of federal labour market policy. In particular, the question of whether these policies support an offensive or defensive variant of flexible accumulation is examined. The decision to focus on federal, rather than provincial or local, state policies can be justified with reference to the definition of the current crisis as a crisis of the Fordist model of development. When accumulation becomes incompatible with national markets and institutions, capital attempts to find ways around the institutions of regulation embedded in the nation-state. Given the possibility of polarisation associated with flexible accumulation, examination of federal intervention can therefore be seen as an important means of shedding light on threats to the integration of national societies.

Chapter Three - Federal Labour Market Policy

The concepts of accumulation strategy and hegemonic project, outlined in Chapter One, emphasise the way in which the state acts as a terrain through which conflicts rooted in society are played out. Equally important is the way in which the concepts highlight the operation of a structure-agency dialectic. In addition to an analysis of active, concrete strategies adopted in relation to the state, the range of institutionally-given possibilities presented at a particular time, which is itself the product of previous historical struggles, is also important.

This chapter examines the formation of the labour market policies through which the federal state intervenes in training and the development of skills. As the previous chapter demonstrated, a crucial distinction between offensive and defensive variants of flexible accumulation is the extent to which human skills and competence are required by changes in the organisation of work. Because Canada has, on the whole, experienced a defensive variant of flexible accumulation, it is important to examine the particular policies which contribute to that model of development. This chapter focusses on the years 1984-1993, which corresponds to the period in which the Progressive Conservatives formed the federal government. Before proceeding with this analysis, it is important to consider previous approaches to labour market policy in order to gain an appreciation of the institutional biases, constraints and limitations on policy formation during this period.

3A - Free Market Fordism, 1945-1984

The outlines for the Post-War Canadian model of development were established in the 1945 White Paper on Employment and Income. This document signalled the government's intention to sustain a "high and stable level of employment" through a free-market liberal variant of Keynesianism. The primary role of the state was seen as the fostering of an environment favourable to private investment rather than massive public works, nationalisation of industry or state economic planning. Aggregate demand management was to be secured largely through modest social security spending and fiscal policy. (Campbell 1991:1-5)

Campbell (1991:5) has described this as a "timid and restrained" commitment to full employment which involved minimal institutional or regulatory innovation. The recommendations of the 1943 Marsh Report for extensive income and employment security measures, for example, were ignored. One consequence of this lack of innovation was the virtual exclusion of working class and popular voices from the formation of employment policy. Rather, technical experts within the state bureaucracy were the driving forces for policy development. (Campbell 1991:1-5)

Muszynski (1986:258) argues that in the post-War period labour market policy - encompassing vocational training, unemployment insurance and direct job creation - was implemented in an incoherent way. He blames this on federal-provincial disputes over federal taxation powers. The emergent Fordist model of development - based on resource exports and capital imports -

required that the historically strong federal state remain strong and that federal government intrusions into provincial areas of taxation necessitated by the Depression and by World War II be continued. Provincial refusal to accept this argument led to the failure of the 1945 Dominion-Provincial Conference on Reconstruction and a period of *ad hoc* policy developments. (see also Jenson 1989a, 1990)

After a period during which rising unemployment was tolerated and attributed to factors beyond the control of the state, a consensus emerged in the late 1950's and early 1960's that active labour market policies with a long-term supply-side orientation were needed. This consensus was based largely on belief that unemployment was, to a large degree, structural rather than cyclical in nature. Supply-side policies, consequently, were regarded as more effective than Keynesian demand management not only in dealing with developments such as labour force growth, regional imbalances, limited labour mobility and technological change but also in improving the tradeoff between unemployment and inflation. (Campbell 1991:8-9; Muszynski 1986:260-266)

Other factors contributing to the consensus included the emergence of poverty as a political issue and human capital theory as a solution to it. The political balance of forces - including attempts by progressive Liberals to thwart the growth of the newly-formed NDP and the aggressive new federalism of the Three Wise Men - was also important. (Campbell 1991:8-9;

Muszynski 1986:260-266)

Initially, active labour market policies were very limited, attributable in part to the lack of political support within the Diefenbaker governments for state intervention in markets. The 1960 Technical and Vocational Training Act (TVTA) - which transferred federal funds to the provinces to assist in the provision of vocational and technical training - did not succeed in its intended goals of reducing unemployment or in contributing to regional development. Instead, much of the available funds were used by the wealthiest provinces for the capital costs of building new schools, colleges and training centres.

During the minority Liberal governments (1963-1968) these supply-side programs were extended somewhat, including the consolidation of programs within the new Manpower and Immigration ministry and the replacement of TVTA with the Adult Occupational Training Act (AOTA). AOTA subsidised employers providing on-the-job-training, including apprenticeship training and language training for immigrants. The primary provision of the act, however, was the direct purchase by the federal government of training spaces in provincially-operated education and training institutions. Resistance by the provinces to federal intrusion into the field of education - and the inability of federal officials to predict future labour market needs - diminished the effectiveness of AOTA. (Campbell 1991:8-9; Muszynski 1986:260-266)

The ad hoc development of manpower policy - and conflict

over federal-provincial jurisdiction - continued into the 1970's. Reforms to Unemployment Insurance in 1971 extended coverage to 95 % of the labour force, increased benefit levels and lowered eligibility requirements. Active supply-side programs were supplemented in the early 1970's with federal direct job creation initiatives. The Local Initiatives Program (LIP) and Opportunities for Youth (OFY) targeted community economic development and attempted to undermine new social movements associated with youth unemployment. (Muszynsky 1986:270-271)

Whereas the development of active manpower policy in the early and mid-1960's reflected a somewhat strengthened commitment to full employment, controlling inflation had emerged as a competing priority by the late 1960's and early 1970's as the crisis of Canadian Fordism began. In addition to the stagflation experienced by all Fordist regimes, the continentalist development model pursued in Canada was also vulnerable to increased American protectionism and to resource price shocks associated with the OPEC crisis of 1973. (Campbell 1991:9-11; Jenson 1989,1990; Muszynski 1986: 272-273)

In 1973 and 1974, the federal government attempted to balance these competing priorities while securing the support of the NDP, which held the balance of Parliamentary power. Given diminishing faith in straightforward Keynesian demand management, structural microeconomic adjustments - such as tax and tariff cuts - were introduced in an attempt to promote expansion and employment while controlling inflation. (Campbell 1991:9-11;

Muszynski 1986: 272-273)

These efforts were largely unsuccessful, leading to the emergence in 1975 of monetarism and government spending restraint as the new policy paradigm. One aspect of this new paradigm was the rejection of Keynesian claims concerning the ability of governments to reduce unemployment, which the new paradigm understood largely with reference to supply questions. While attention to supply-side questions was not new, it was no longer coupled with concern over aggregate demand management. This perspective informed the Dodge Report of 1981, which pointed to growing female and youth labour force participation rates and generous unemployment insurance provisions as particularly important structural explanations of unemployment. (Campbell 1991: Muszynsky 1986:273-278)

Initially, the effect of this paradigm shift on labour market policy had been a greater emphasis on efficiency goals relative to equity goals. Whereas existing programs were deemed to direct too many scarce resources towards basic skills training, the **Critical Trades Skills Programs (CTSP)** of 1978 was designed to more closely target specific skills, the lack of which were seen as obstacles to growth. (Campbell 1991:12-13; Muszynski 1986:274)

Bolstered by the recommendations of the Dodge Report for greater targeting of training funds, the federal government extended the principles of CTSP with the introduction of the **National Training Act (NTA)** of 1982. This established federal

funds which could be used by provincial training institutions for occupations in which skills shortages existed. The designation of these strategically important national occupations was based on economic forecasts which in turn were tied to a new strategy aimed at resolving the ongoing crisis of Fordism. (Muszynsky 1986:280-284)

The Third National Policy, a state-led accumulation strategy based on the National Energy Program (NEP) and resource-based megaprojects, corresponded closely to one of the poles of Canadian industrial policy debate. Associated most prominently with the Science Council, this pole favours the domestic production of new technology rather than dependence on the spread of technology through multinational corporations. While recognising reservations concerning government intervention in the economy - particularly concerning designation of industrial winners and losers - this view insists that national performance depends on such intervention. (Blais 1986:62-67; Muszynsky 1986:280-284; Jenson 1989a:87)

The Third National Policy and the NTA centralised relations between the federal and provincial governments. Unlike the US and UK, for example, Canada has not experienced savage 'ideological' assaults on the Keynesian welfare state. Instead, the central questions of Post-Fordist crisis have concerned the proper balance of power between federal and provincial governments over economic development, notably over control of resources. This conflict has been paralleled by crisis of collective identities,

with the discourse of nation-building and individual equality coming under attack from discourses of provincialism/localism and of regional equality. The failure of the Third National Policy - and by extension the targeting of training to nationally designated occupations - must therefore be understood in the context of not only the onset of recession in 1982 but also the ability of competing strategies to undermine the claims of regional fairness on which the centralising strategy depended. (Jenson 1989a, 1990)

3B - Neo-Conservatism, Continentalism and Deregulated Labour Markets

The failure of the Third National Policy corresponded to the ascendancy of continentalism as the dominant accumulation strategy and the emergence of an alternative hegemonic project typical of the pole of Canadian industrial policy debate which favours free trade and continentalism. Proponents of this pole argue that larger markets improve productivity by encouraging specialisation, longer production runs and greater competition. These benefits are seen as sufficient to overcome concerns regarding significant adjustment costs, the likelihood that greater benefits will flow to the US and concerns over threats to political sovereignty and Canadian identity. (Blais 1986:57-61)

This project cannot be reduced to the 1984 electoral defeat of the Liberals by the Conservatives, however. This partisan shift was a necessary but insufficient element of a hegemonic

project which articulated a discourse of province building and regional identities with a notion of freedom which corresponded to privatisation and deregulation. (See Jenson 1989a:87-89)

Other important factors in any hegemonic project include the role of intellectuals, journalists and other activists. Policy shifts within the state were also particularly important to the emergence of a new model of development in Canada in the early 1980's. The neo-classical Macdonald Royal Commission from which the Canada-US Free Trade Agreement ultimately emerged was established by the Liberals and issued its final report after the Conservatives had taken office, indicating that industrial policy debates do not necessarily correspond to divisions between political parties. (Jenson 1989a)

The first major labour market policy initiative of the Conservative governments - the **Canadian Jobs Strategy (CJS)** - must be understood in this context. The CJS - which was implemented in 1985 after a policy review and consultation process - is composed of five programs, each targeted at a particular client group.¹⁶

The **Job Entry/Re-Entry** program provides assistance to women and youth in entering the labour market. Specific initiatives include entrepreneurial skills for potential drop-outs, federal support for co-operative education and language training for

---

¹⁶ A sixth program - Innovations - differs from the others in that it does not target a particular group. The program provides funds for pilot projects which promise innovative solutions to labour market problems.

immigrants. The **Skill Investment** program targets workers who are presently employed but who face displacement by technological or market changes. The **Job Development** program assists the long-unemployed, those who have worked less than 6 weeks in the previous 30 weeks.

The **Skills Shortages** program targets employers who are unable to fill positions in a limited number of occupations designated by Employment and Immigration as being in short supply. The **Community Futures** assists small communities in which the loss of major employers or chronic unemployment has created special needs. Forms of assistance include training, work experience, relocation assistance, entrepreneurial training and support for community initiatives.

Funding for CJS programs is in the form of block allocations to regions. The mix of funding for the various programs is altered according to regionally-determined needs. For example, in regions with low unemployment the Skills Shortages program may receive more funding than the Community Futures program. Regional offices of CEIC, in consultation with Local Advisory Councils (LAC's), are responsible for making these evaluations.

The CJS programs are based on the assesment of individual needs and attempt to bring together elements of labour market programming, including training, counselling and mobility assistance, which previous programs had tended to treat in isolation. The cumulative goals of the strategy are to encourage private sector job creation, to promote the labour market

mobility of individuals and to target federal assistance to those most in need. To this extent, the program goals are consistent with the move, evident in previous Liberal programs, towards a supply-side orientation. Unlike previous Liberal governments, however, the CJS is designed to remedy labour market difficulties encountered by individuals rather than to deal with particular labour market problems, such as cyclical or seasonal unemployment. (Prince and Rice 1989)

The Canadian Jobs Strategy is subject to a number of criticisms, which fall into two major categories: first, concerns over the criteria used to target those most in need; and second, concerns over the quality of training and the way in which it is provided.

The particular criteria used to isolate target groups - particularly the Job Development program's definition of the long-term unemployed as those who have worked less than 6 weeks out of the last 30 - have been the object of numerous criticisms. These criteria mean that the short-term unemployed and those who are employed but who need re-training are forced to bear costs which could otherwise be avoided. (Senate 1989:14) This position is supported by Corak (1991), who argues that based on analysis of previous work patterns the waiting period for the Job Development program could be lowered from 6 to 3 months while targeting largely the same population and reducing the social costs borne by the unemployed.

The eligibility criteria of the Job Development and those of

the Job Re-Entry program - which is restricted to women who have been out of the labour force and engaged primarily in domestic labour - are of particular concern to women, who are often caught between the need to accept part-time employment as a means of supporting themselves and their dependents and the requirement that they remain unemployed in order to qualify for training. This leads to dependency on poorly-paid jobs which offer little opportunity for upgrading skills.¹⁷ In addition, witnesses before Senate hearings testified that CJS child care and travel provisions inadequately met the needs of women. (House of Commons 1988; Senate 1989)

Beyond these particular concerns, the very attempt to target those most in need must be questioned. Prince and Rice (1989) argue that the CJS represents an admirable attempt to reconcile labour supply issues and the health of markets with the social policy objectives of promoting equity and social justice. In particular, the CEIC (Canada Employment and Immigration Commission) practice of setting participation targets for particular equity groups (women, members of visible minority groups, persons with disabilities, and aboriginal peoples) and monitoring the impact of each CJS program for each equity group is praised.

---

¹⁷ In July 1987, eligibility criteria for the Job Re-Entry program were amended to permit the participation of women who have worked part-time during the qualifying period and women who have been out of the labour but not engaged primarily in homemaking. (CEIC 1988) These changes were not matched with increased funding. (Senate 1989:14-15)

On the other hand, targeting of social programs is generally associated with a low minimum levels of social welfare and with polarisation between those who receive direct social assistance and those who do not. (Esping-Anderson 1987) Such 'residual' welfare states can be contrasted with more universalistic models, which provide higher levels of social assistance to everyone.

With specific reference to labour market programs, Mahon (1989:13-14), has described the targeting of CJS in relation to "the politics of polarisation". Essentially, when training becomes identified as a benefit enjoyed by a particular group, it can more easily be targeted as a source of budgetary savings. Indications of this process can be inferred from the fact that over a three year period in the late 1980's, federal funding for training and labour market adjustment programs decreased 32% while unemployment decreased by only 19% over the same period. In addition, a generally low priority given to training is indicated by the underspending of CJS budgets, which indicates that programs are either poorly understood or dismissed as ineffective by potential participants. (Senate 1989:13-14)

The second cluster of criticisms of the CJS relate to the quality of training provided and the way in which it is delivered. To the extent that the profit motive of employers conflicts with the needs of trainees, wage subsidies provided under the various CJS programs can be used either for the acquisition of disposable job-specific skills and as a means of lowering labour costs or for higher-quality training leading to

the development of generic and portable skills. Often, businesses provide the narrow, job-specific skills which immediate circumstances demand, rather than broad and transferrable skills. In some regions, furthermore, the limited diversification of the private sector makes wage subsidies a poor method of encouraging training. (House of Commons 1988:4; Senate 1989:16-17; Muszynski and Wolfe 1989)

Closely related to concerns about the quality of training are concerns over the method by which it is delivered. The Indirect Purchase Option of various CJS programs allows intermediaries¹⁸ between the government and training institutions to develop training projects and to determine the most appropriate means of providing that training. Whereas previously the federal government had negotiated agreements with provincial governments to directly purchase training spaces in provincial community colleges and public training institutions, the Indirect Purchase Option allows intermediaries to use government funds to buy training spaces from any combination of private training firms and public institutions. (Senate 1989:14)

These changes, which were formally intended to make programs more receptive to client needs, prompted concerns that they disrupted the planning procedures of public education institutions and forced colleges to respond to individual rather than community needs. In some cases, for example, community

---

¹⁸ These intermediaries are referred to as Managing Coordinators under the Job Entry Program and Project Sponsors under the Job Development Program.

colleges were required to modify their programs on short notice to accommodate the wishes of private intermediaries. To the extent that it involves public institutions in the provision of narrow, job-specific skills, the Indirect Purchase Option also frustrates efforts to establish national standards of accreditation. This detracts from the mobility of skilled workers and hinders a societal appreciation of skills and training. (Brown 1991; Senate 1989:14).

In terms of both the targeting of benefits and the quality of training provided, then, the first labour market policy initiative of the Conservative government was consistent with a strategy of defensive flexibility based on external labour market flexibility. The contribution of the federal state to the "national system of innovation" is therefore decisive. In particular, the CJS encouraged labour-market segmentation by supporting the creation of poorly-paid employment, particularly for women. Labour market policy was seen as playing a role in weakening the federal government relative to both the market and regional interests.

3C - The Neo-Corporatist Response to Underinvestment

By the late 1980's, the failure of private interests to respond to the CJS by generating adequate skills had become evident. This failure was understood to be particularly problematic in the context of globalisation in general and the Canada-US Free Trade Agreement in particular. The government's

own Advisory Council on Adjustment, for example, pointed to the coexistence of unemployment and skills shortages and concluded its analysis of current skills strategy with a call for a stronger training culture: "The Council cannot stress too much that Canadian corporations must rethink their approach to training". (Advisory Council on Adjustment 1989:43)

The second major labour market policy initiative of the Conservative government - the **Labour Force Development Strategy (LFDS)** - can therefore be understood as a redefinition of state-society relations intended to promote greater private skills investment. (Mahon 1990) The LFDS addresses a number of concerns related to the way in which training and human resource development occurs in Canada. The government conceded the failure of the private sector to provide adequate training, noting for example that 75% of Canadian firms fail to provide any formal training to their employees and that only 11% of adults receive training. When formal training is provided, it tends to be provided by large firms such as IBM and Bell Northern Research and be provided to employees who are young and/or already well-educated. Barriers to the participation of small firms in training include the belief that qualified workers could be recruited externally. (CEIC 1989b)

The government expressed concern that, left unchanged, these and other current training practices would exacerbate existing skills shortages and mismatches and act as obstacles to the adoption of new technology, increased productivity, and the

ability to ensure continued prosperity by competing internationally based on engineered as opposed to natural advantages. (CEIC 1989b) Based on projected changes in the mix of occupations (rather than changes within occupations), the government projected that 64% of jobs created between 1986 and 2000 would require more than 12 years of education and training. At the same time, and as a result of lower birth rates and a slowdown in the increased rate of female labour force participation, the percentage of the labour force made up of those aged 15-24 is expected to decrease from 22% in 1986 to 17% in 2000. (CEIC 1989b)

The government saw these changes as pointing to the need to derive flexibility from those currently employed, rather than depending on the dynamism which traditionally followed from rapid labour force growth. (CEIC 1989b) That 60% of these workers have no post-secondary education and that almost 25% of adult Canadians are functionally illiterate are cited as particular causes for concern and as evidence that changes are required. (CEIC 1989b:20-21)

There are two components of the LFDS. The first of these is a re-orientation of labour market programs towards more active uses, paid for entirely through a reallocation of spending within the Unemployment Insurance Fund rather than an increase in spending. These reallocated UI funds are derived from longer eligibility periods, decreased benefit rates and longer waiting periods for those who leave a job without just cause. In

addition, the government ends its contribution to UI fund, indicating both a reduced commitment to training and re-orientation from the CJS's formal commitment to equity issues towards a greater emphasis on efficiency. (CEIC 1989a; Mahon 1990)

The shift to more active programs includes an increase in the Developmental Uses of UI funds, intended to double the number of UI recipients eligible for training and to offer increased self-employment and mobility assistance for UI recipients. Other changes unrelated to UI recipients include increased funding to encourage sector-level human resource planning, more funding for co-operative education, and more funding for the Industrial Adjustment Services. (CEIC 1989a)

The second major aspect of the Labour Force Development Strategy is a movement towards greater consultation between government and the labour market partners. This took the form of a two-phase consultation between labour, business, educators and other interested groups, co-ordinated by the Canadian Labour Market and Productivity Centre (CLMPC). These consultations resulted in the creation of the Canadian Labour Force Development Board (CLFDB) in January 1991.

The CLMPC task forces had recommended the creation of a National Training Board, consistent with the government's desire, signalled in the initial announcement of the LFDS, to create a

National Skills Development Advisory Board.¹⁹ (CEIC 1989a; CLMPC 1990b) The composition of the CLFDB is similar to that proposed by the Phase 2 CLMPC task force, with a predominant and equal role for labour and business, each of which is represented by 8 members. Educators are represented by two members, while each of the four equity groups identified by the Employment Equity Act (women, visible minorities, persons with disabilities and members of aboriginal groups) is represented by one member. Federal and provincial government officials are represented in a non-voting capacity. The board reports to cabinet and acts as a source of informed policy advice and direction. (CLFDB 1993a)

To date, the activities of the CLFDB are unsupported by any dedicated training tax. Rather, one of its major activities has been the development of recommendations to the CEIC concerning the level and composition of the UI Developmental Uses fund. Although each of the Phase 1 CLMPC task forces opposed the use of UI funds for any purpose other than income support (including during training)²⁰, this fund has become a primary source of funding for training. (CLFDB 1993b)

---

¹⁹ The final choice of name reflected concerns by Quebec that training is properly regarded as an area of provincial jurisdiction. (See Campbell 1992)

²⁰ The Phase 1 CLMPC task forces reached consensus in a number of areas, including opposition to the use of UI Developmental Uses for purposes other than income support, the need for an increased role in policy formation for labour and business, greater federal-provincial cooperation, improved lifelong learning, greater local and sectoral input into training decisions, and improved sources of information related to training.

Another significant indication that the CLFDB's activities in its first years of operation signalled the emergence of important institutional change has been its support for the development of a network of local and provincial labour force development boards. (CLFDB 1991a, 1993a; OTAB 1991) The National Training Board, as envisioned by the Phase 2 CLMPC task force, was to have three sets of functions and activities. First, it would advocate and promote training, focussing on: the quality and availability of information and counselling; linking education and training through improved accreditation; and encouraging local and sectoral initiatives. Second, it would advise governments on training policy, including assessment of training effort and evaluation of training programs. Third, the proposed board would recommend the development of standards related to certification, equity of access and funding guidelines. (CLMPC 1990b)

The Phase 2 task force also advocated the development of a network of Local Training Boards to complement the activities of National Training Board. This was seen as the most promising means of ensuring that, in terms of program implementation, the knowledge and experience of labour market partners would be fully utilised. Local boards were therefore seen as a source of advice and guidance rather than as a way of privatising program delivery. The national board would determine national standards related to the quality, effectiveness and equity of training within which implementation would occur. The composition of local boards was to be similar to the national board, with provincial

2

of/de

2

PM-1 3½"x4" PHOTOGRAPHIC MICROCOPY TARGET
NBS 1010a ANSI/ISO #2 EQUIVALENT

PRECISION^{SM} RESOLUTION TARGETS

labour and business organisations nominating members. (CLMPC 1990b)

In a somewhat schematic analysis, Hommen (1992) interprets the LFDS and the creation of the CLFDB as a "regulatory" approach to labour market policy which represents a decisive policy shift from the market-driven approach of the CJS. The CJS, Hommen argues, emphasised external labour market mobility and an assault on union protections. This aimed to create Japanese-style enterprise unions with community colleges being marginalised by publicly funded and accredited corporate training centres. The LFDS, by contrast, is seen as representing an alternative to this in that it emphasises internal labour market flexibility. The role of state is to encourage labour-capital co-operation, weaken capital's hire-and-fire power, and to provide industry or firm-level adjustment programs for workers. Recognition of the likelihood of frequent movement between work and education suggests integration of public and private spheres. (Hommen 1992)

Hommen further claims that while the United States is moving towards Japanese-style enterprise unionism, the greater relative strength of Canadian labour is evidenced by the emergence in LFDS of a form of neo-corporatism, in which federal and provincial training and adjustment boards include equal representation of capital and labour. Monopolistic capital and labour organisations are given the public responsibilities and role in decision-making in return for controlling their memberships. (Hommen 1992:10-12)

Canada's experience of neo-corporatism is problematic in two important respects. First, it differs from initial responses to the failure of hegemonic coalitions which signalled the crisis of Fordism. A common response to the stagflation of the 1970's was the development of corporatist institutions as a means of imposing incomes policies.²¹ (Jessop 1990a:ch. 4) As Streeck (1989) points out, the contemporary emergence of neo-corporatist institutions is oriented not to income policies or demand management but to issues of supply management.

Streeck (1989) sees this distinction as important in a number of respects, particularly concerning the possibility of restoring the lost credibility of corporatism. Streeck is indeed justified in arguing that the tendency to associate supply issues with market deregulation and right-wing positions is misguided.²² Unions must therefore learn to emphasise training as a source of efficiency as well as a source of equity by engaging questions related to the supply of skills. However, it is necessary to pay attention both supply and demand issues. Streeck's inattention to macroeconomic issues is therefore problematic. The Canadian Labour Congress (CLC), for example, sees training in the context

---

²¹ In Canada this was done through the imposition of wage and price controls. (See Jenson 1989; Panitch 1986)

²² This has interesting parallels with the work of Murray (1987), who argues that the left should attempt to harness the power of markets towards its own ends rather than trying to eliminate them. This effectively deals with one of Pollert's criticisms (1987) of positions which show any concern with flexibility: that for 'ideological' reasons they pay too much attention to the health of markets.

of full employment and pro-active labour market policy: "training does not create jobs". (CLC 1989, paragraph 41) Reform of existing training institutions must be seen in the context of macroeconomic policies, including money supply and interest rates. (see also Turk 1992)

A second major point of concern related to the emergence of neo-corporatism relates to the limited ability of corporatism to represent a broad range of interests. In terms of legislation and policy innovation, the primary role of the CLFDB is to provide parliament, through cabinet, with advice and direction. Local labour force development boards are seen as playing a key role in the implementation, rather than the development, of policy. Recent developments are therefore best understood as an instance of **tripartism**, in which parliamentary and corporatist state forms are combined. (Jessop 1990a:121)

Corporatism is a state form which fuses state intervention in society, most typically in the economy, with the representation of interests. Under corporatist arrangements, social categories are represented along functional lines, according to their position in the social division of labour. Because the targets of state intervention are directly represented, corporatist arrangements are particularly well-suited to situations, such as labour market restructuring, in which formal class co-operation is a condition of continued

accumulation.²³ (Jessop 1990a:119-125)

Corporatism can be viewed as a less stable state form than parliamentarism, in which the interests of individual citizens are represented according to their membership in a spatially defined electoral district rather than according to their place in division of labour. Far from providing a mechanism for the resolution of class conflict, conflict is moved to the centre of the state structure. Furthermore, the effectiveness of public corporations depends on each constituent element enjoying a monopoly of representation in relation to its membership. Accumulation is therefore threatened by both a breakdown of co-operation between classes and crises of representation within classes. (Jessop 1990a:126; see also Panitch 1986)

The extent to which parliamentarism and corporatism can be effectively combined is also questionable. It is conceivable, for example, that each could be used for the formulation of policy in distinct domains. This would involve, for example, parliament dealing with issues not directly related to accumulation. Conversely, the two could arrive at irreconcilable decisions, threatening the social base of each. (Jessop 1990a:126-128)

The ability of corporatist structures to represent a broad range of interests by linking popular-democratic demands with the needs of accumulation is therefore inherently limited. The "limited hegemonic potential (of corporatism) is reflected in the

---

²³ Corporatism can be seen as even more important when the party system is dominated by catch-all parties which stifle the representation of 'principled differences'. (See Jenson 1990)

crucial role of political parties (or other hegemonic forces) in linking corporatist strategies with a broader, national project". (Jessop 1990a:138-141) Corporatism is therefore no replacement for the organisation of labour in broad-based social democratic parties, which remain important in uniting the social bases of corporatism and parliamentarism in the construction of hegemonic projects. (Jessop 1990a:129-133)

These limitations are directly relevant to the formation of the CLFDB. For example, Butterwick (1992) and Dehli (1993) present feminist critiques of recent trends in state policy. Butterwick emphasises the contradictory nature of the movement towards neo-corporatism, noting both the creation of new public spheres involved in the inclusion of women and equity groups in the LFDS consultation process and the simultaneous exclusion resulting from reduced funding and restricted access to training. (1992:14) Dehli (1993) presents a more elaborate analysis of developments at the provincial level, examining the way in which social categories whose identities cannot be subsumed under the categories of state, business and labour "demand to be granted political sovereignty in their own right", particularly when membership in public corporations is based on economistic notions of class. (1993:101)

The limited representational power of corporatist institutions is particularly problematic in that defensive accumulation strategies which depend on external labour market flexibility and segmentation are most likely to be coupled with

two-nation hegemonic projects. Offensive variants of flexible accumulation based on collective, soldaristic wage bargaining are more likely to succeed if coupled with an expansive, one-nation project. Neo-corporatist institutions must be regarded as insufficient to the construction of such an expansive hegemony.

The type of hegemonic project with which accumulation is coupled is key to understanding the Canadian case. Hommen argues that neo-corporatism is likely to take a conservative, state-centred form, involving representation of only a limited number of workers and leaving unreconciled the tradeoff between equality and efficiency. Thus, the social-democratic scenario, involving less polarisation, is likely to go unfulfilled in Canada. (1992:10-12) Similarly, Mahon (1990) and Campbell (1993) point to both the significance of the movement through the LFDS to a form of neo-corporatism and the way in which this movement is limited by the existing "national system of innovation", those social and institutional arrangements which stabilised a previous model of development and which define the terms for the resolution of the current crisis.

The LFDS and the creation of the CLFDB are the result of a particular state project. In the context of a hegemonic war of position aimed at sustaining a neo-conservative accumulation strategy based on the continentalist free trade option, the state, understood as an unequal structure of representation, has been reorganised. This has involved more than a privatisation of labour market policy. New spaces of representation have been

created within the state. To further understand the potential and limitations involved in this state project, it is necessary to examine the discourses aimed at and emerging from the state.

3D - Rights and the Discourse of Competitiveness

In the previous section, the emergence of a neo-corporatist labour force development board as the preferred labour market policy option was examined in the context of an accumulation strategy based on neo-conservatism and the continentalist free trade option. This involved a particular state project, with a restructuring of the state's unequal structure of representation. Finally, concerns were expressed as to the expansiveness of the hegemonic project to which policy corresponds. This is particularly important in the context of flexible accumulation.

This section extends the evaluation of recent innovations in labour market policy through a consideration of the relationships between space, identity and representation. Policy formation is examined in terms of the field of competing discourses, directed at and emerging from the state, in which social groups mobilise meaning in the construction and defence of their interests. Policy texts, which constitute the 'trace' left behind by discourses, are the means by which access to these discourses is secured. Particular attention is paid to the ways in which particular policy texts position the reader in relation to the global economy and to various levels of geography.

Language involves the construction of solidarity within a

community of speakers. The way in which a text proposes subject positions to its readers is decisive in this process. The following statement is taken from the final report of a government task force:

"Indeed, international competition is no longer across the border; it is across the street and in the shopping mall. Products, services and ideas from around the world jostle for Canadian display space and consumer attention on an equal footing with our own goods and services. Competing in our own neighbourhoods today means competing in the global village." (Steering Group on Prosperity 1992:9)

The statement positions the reader by establishing a geographical dichotomy between the national and international levels and suggesting a movement between the local and global levels. The reader is positioned as a competitive sovereign consumer in one of "our neighbourhoods" (cf. MacPherson 1962). Movement between the local and global levels takes the form of penetration of borders by external forces, namely "(p)roducts, services and ideas from around the world". The dichotomy between local and global is therefore constructed in a way which suggests that competition is appropriate response to a foreign threat.

The statement is part of a narrative, which begins with an account of the (timeless) past: "Canada has always been a great trading nation. Our small economy has long relied on global

markets to provide the high standard of living we enjoy." Thus a basic continuity is established between the past and the present. Since the "the future remains uncertain", however, the reader is invited to support a resolution to this uncertainty which does not threaten to disrupt the basic continuity of the future with the (timeless) past.

This statement can be contrasted with one with quite different conditions of production. Whereas the above statement is drawn from the final report of the government's own Prosperity Initiative, from which most labour groups excluded themselves, the following statement emerges from a conference organised by the United Steelworkers of America and attended by union activists, academics, government leaders and representatives of business groups:

**"Poverty and deplorable living standards affect millions of people in many parts of the world. Our vision of sustainable prosperity does not stop at our national borders, or at the borders of other industrialized nations. Just as it encompasses historically disadvantaged members within our own society, so must it make room for the world's poor peoples."
(USWA 1992:42)**

Like the first statement, this establishes a local/global dichotomy and intervening role of the nation. The reader is positioned as a member "within our own society" and the suggested movement between levels of geography is outward from "our

society" to "many parts of the world". Rather than positioning the reader as a competitive individual faced with a foreign threat, this suggests a solidaristic relation between the reader and "the world's poor peoples". Whereas the first statement is part of a narrative, this text continues by calling for a distinct break with the past: "Changes in global economic structures are necessary not only from the point of view of the peoples of the third world, they are also vital to our own economic well-being".

In their treatment of the relation between the local and the global, then, the two statements examined above exemplify defensive and offensive variants of flexibility, respectively. Alternative post-Fordist scenarios differ in the extent to which they emphasises the importance of democratic participation in the development of a new regime of accumulation. Democratic principles are most likely to be respected when an offensive variant of flexible accumulation, in which the working class is organised at a high level, is dominant. Lipietz (1987), for example, argues that flexible accumulation is most attractive when it permits a reduction in working hours, which would decrease unemployment and social security expenditures. In addition, this would increase free time for recreation, personal development and participation in civic life. Such a regime of accumulation, founded on democratic principles, would also not rely on increased production and would therefore be environmentally sustainable.

Education and training systems in advanced Western capitalist societies are subject to two contradictory dynamics. On the one hand, schools are looked to as the most promising vehicle for the expansion of the opportunities and rights available to dominated groups. One can therefore speak of a democratic dynamic. On the other hand, education and training systems are expected to meet the present and future needs of capitalist relations by acting as the primary agent for the socialisation, accreditation and allocation of labour power. To the extent that such needs are met by reproducing a hierarchical class structure, one can speak of a reproduction dynamic.

The contradictory interaction of these dynamics has important consequences which are likely to be felt particularly keenly in the context of economic crisis.²⁴ The revolution of production techniques and the associated restructuring of class relations mean that democratic concerns may be displaced by narrowly economic imperatives. (Livingstone 1987; see also Bowles and Gintis 1976) This possibility is amply illustrated in the above analysis of policy texts. In struggles over the democratic content of alternative post-Fordist futures, the subject

---

²⁴ Harp's (1992) examination of the implications of this contradiction for post-secondary institutions is applicable to education and training systems generally. The perceived need for greater articulation of education with the needs of capital is seen to involve a restructuring of fiscal arrangements, with the potential for decreased academic freedom. A redefinition of the knowledge which education systems are expected to produce threatens to displace liberal humanist education. In addition, due to changes in procedures of governance the marginalisation of collegial models managerial procedures is threatened.

positions proposed by various policy texts is decisive. On the one hand, globalisation can be represented as a justification for the free reign of the market, with an attendant reduction of liberty. On the other, spatial restructuring can be seen as a challenge to extend democracy by building new solidaristic relations.

The notion of conflictual co-operation between capital and labour, based on pursuit of common interests, is central to the possibility of these offensive variants of flexible accumulation. With respect to training and skills development, Streeck argues that those systems in which school and work are sharply divided are least likely to generate the co-operation and an adequate supply of the skills needed to promote internal labour market flexibility. Rather, he argues, offensive flexibility is dependent on firms becoming "places of learning in addition to being places of production". (Streeck 1989:99)

Skills are best considered a collective good, an optimal supply of which can be produced by neither individual firms nor the state acting alone. Premodern mixed education and training systems in which functions and responsibilities overlap, Streeck argues, seem to be more successful than others in generating the skills supplies on which strategies of offensive flexibility depend. West Germany and Japan are cited as prominent examples. (Streeck 1989:99)

Streeck presents two arguments supporting the claim that society alone cannot generate an adequate supply of generic

skills. First, individuals cannot be depended on to invest in their own skills. Doing so requires deferral of gratification by youths and therefore assumes a pre-formed identity against which self-interest can be rationally evaluated. Youths lack exactly this perception of self, indeed will acquire it only through the process of skills acquisition itself. When education and training is justified to students on the basis of techno-rationality rather than made an obligation, therefore, the supply of skill is likely to be inadequate. (Streeck 1989:92-93)

Second, private firms tend to underinvest in skills due to the possibility of poaching. In Western societies, unlike the life-long employment experience of Japan, the extent to which the flexibility of external labour markets can be reduced is limited. Free wage contracts allow workers to move to another firm before the firm from which they acquired their skills has had a chance to recoup its investment. Paradoxically, when poaching is not a problem - when employers enjoy a local labour market monopoly, for example - investment in skills is likely to be deficient, limiting innovation and flexibility. (Streeck 1989:94-96)

The state acting alone, Streeck argues, is no more effective than society in generating an adequate supply of skills. The West German system, for example, 'recognises that schools are not the best place to generate polyvalent skills. The reasons for this include lack of enthusiasm by students - emerging from separation from the 'real world' - and the inability of schools to simulate the culture and community of workplaces: some learning requires

doing. (Streeck 1989:98-99)

A sharp division between school and work is seen by Streeck as corresponding to a central tenet of liberal discourse, the distinction between public and private or state and society, which is increasingly called into questions as Western societies approach the "limits of functional differentiation". (1989:99) Since Streeck's analysis of skills development strikes at the heart of the discourse of liberalism, and because the textual analysis above revealed conflicting notions of liberty, it is important to examine how discourses related to capital-labour co-operation and the public/private distinction are manifested in texts directly related to the formation of federal labour market policy.

The federal government announced the LFDS with Success in the Works: A Policy Paper. The text begins:

"Canada faces challenges in creating new opportunities for increased employment and prosperity. Our competitors are improving productivity through technology and innovation - and the further education and training of their workforce" (CEIC 1989a:1)

The text thus creates the categories of "us" (Canada) and "them" (Our competitors) and invites the reader to identify with the former. This discursive technique, which tends to elide any opposition within the category of "us", is used repeatedly in a variety of policy texts surrounding labour market policy formation. This often takes the form of a narrative, in which

texts draw the reader into a story of the past, present and future. The first report of the Ontario Premier's Council, for example, argues that whereas the Ontario economy was once based on resources and limited, tariff-protected manufacturing, the adoption of such a strategy is heavily dependent on a highly skilled labour force: "we must increasingly compete by dint of our creativity, our productivity, and our skill in working together". (1988:11)

Later in the text, this technique is supplemented with the notion of "labour market partners":

"The government is launching with this document a major consultation process with its partners in labour, business, provincial and territorial governments, education, training institutions and other spheres in all regions of the country." (CEIC 1989a:13)

Having sought to establish a commonality of interests within the category of "us", the text proceeds to outline the perceived inadequacies of existing training practices. The text then signals the intention of the government to reduce its responsibility for skills development:

"These are the challenges to be addressed in the new Labour Force Development Strategy. These challenges must be dealt with co-operatively by business and labour, with the assistance of governments and training institutions. A much greater participation in, and responsibility for, labour force

Upgrading by business and labour is a major objective of the Labour Force Development Strategy" (CEIC 1989a:2)

Contrary to Streeck's analysis, then, the government embraces the distinction between public and private and moves in the direction of the privatisation of state-society relations, with a reduced responsibility on the part of the state to mediate an inherently conflictual relation. Thus, while claiming to be setting the stage for co-operation, the text blithely claims that the government does not expect "full agreement on all aspects of these changes" (1989a:13). As outlined in the previous section, the reduced responsibility of government includes a restructuring of Unemployment Insurance at the expense of equity goals.

Political struggles involve attempts to fix polysemic discursive elements as moments within a particular discourse, rather than the wholesale choice of one discourse over another. (Laclau and Mouffe 1985). So while a sharp separation between work and education is supported by both Canadian business and labour, this does not indicate an absence of struggle over the terms "public" and "private". Business organisations generally adopt the position that the provision of basic or generic skills should be the responsibility of public education institutions while the development of job-specific skills should be the responsibility of private firms. Consequently, the perceived failures of public institutions of formal education institutions

- including illiteracy, inumeracy and high non-completion rates - are the frequent targets of business organisations. (CLMPC 1990a:244-250)

Labour groups also support the maintenance of a clear differentiation between public and private, adopting the position that while the responsibility for training employed workers lies with private firms, this training should be provided in public institutions, the governance of which should be subject to democratic control by labour, business and other groups. (CLC 1989; CLMPC 1990a:263-264; OFL 1989; see also Mahon 1989 and Wolfe 1989)

However, to the extent that labour would compel capital to train in a particular way, its discourse involves claims to individual rights which conflict with the private property rights of capital. (See Bowles and Gintis 1986, Hunt 1971) Labour representatives on the CLMPC task force on human resource planning, for example, supported federal legislation to clearly identify the rights and responsibilities of all training partners, particularly as they relate to institutions and finances. These would include the obligation for employers to provide basic education and training to current employees, the right of workers to such education and training and joint control over the design and delivery of such training. These rights and responsibilities would be reinforced by national and provincial education and training councils. Provision of education and training would occur largely through recognised public

institutions, which would be encouraged by provincial councils to offer programs responsive to the needs of workers and industry. (CLMPC 1990a:266-268)

A particular aspect of struggle over the terms public and private has been the possibility of a national training tax. The Advisory Council on Adjustment (1989) recommended a mandatory payroll tax in the form of a grant-levy system. A mandatory tax equivalent to 1% of payroll expenses would be levied against all companies. The freedom of firms would be constrained in that qualification for grants equivalent to the amount of tax paid would be dependent on their ability to prove that they were engaged in the legitimate training of their employees.

While labour representatives²⁵ on the CLMPC task force on human resource planning supported the grant/levy approach, business representatives²⁶ were opposed on the grounds that mandatory schemes, including tax/levy systems, are an undue impediment to small business growth and job creation. Instead, a voluntary target for expenditure on training of 1% of payroll was favoured. (CLMPC 1990a:244-250) In addition to reforms aimed at the ability of the public education system to generate broad-

---

²⁵ Michel Blondin - United Steelworkers of America; Ken Georgetti - B.C. Federation of Labour; Glen Pattinson - Communications and Electrical Workers of Canada; Austin Thorne - Canadian Federation of Labour; and Robert White - Canadian Auto Workers Union.

²⁶ Thomas d'Aquino - Business Council on National Issues; Ron Evason - Society of the Plastics Industry of Canada; Barry Foster - Consumers Packaging Inc.; Victor Harris - Stelco; Peggy Hilmer - Maggi-B Limited; and Robert Strother - Noranda Forest.

based on generic skills, business representatives recommended that increased private training be encouraged through a voluntary system of tax credits, through sectoral initiatives and through business sponsorship of co-operative education schemes to facilitate the transition from school to work. (CLMPC 1990a:251-259)

In an important respect, competing claims over the terms public and private - the right to training on the one hand, the right to the free disposition of labour and capital on the other - can be understood as struggles over the definition of skill. Given that flexible accumulation can be pursued by making either internal or external labour markets flexible, the way in which skills and training are defined by competing discourses is particularly important in determining which of range of Post-Fordist futures is realised. The portability of skills, reinforced by rights and national standards, is therefore a central stake in policy discourse.

Jackson (1987) has examined the implications for skills and training of defensive strategies based on external labour market flexibility. When the primary concern of management is to control the labour process and workers' bargaining power, Jackson argues, the training provided to employees is likely to be **competency-based**, that is, to prioritise **firm-specific skills** and the ability to perform a relatively narrow range of prescribed tasks.

This corresponds to a variant of **recurrent education** which, in contrast to the possibilities afforded by offensive

flexibility, amounts to little more than "a continuous recycling of disposable skills" (Jackson 1987:365) Workers are constantly forced to move between work and education according to the immediate needs of employers and without ever being given the opportunity to develop the full range of their abilities and potential, including the development of a coherent political consciousness. (Jackson 1987)

When the full possibilities offered by offensive flexibility are, in fact realised, training can contribute to worker input into technological change and control of the labour process. Thus, an important aspect of labour's attempts to have training recognised as a personal individual right, treated as a normal and guaranteed aspect of every job, is the full development of every individual's talents and capacities. This is seen as a necessary condition for the development of citizenship and democracy. (CLC 1989; CLMFC 1990a:263-264; OFL 1989)

There are important indications that with the state project involved in the LFDS and the creation of the CLFDB, the representation of labour's interests within the federal state has undergone meaningful change. In its 1993 recommendations concerning the use of UI Developmental funds, for example, the CLFDB encourages the CEIC to extend operational changes related to the type of training purchased with Developmental Uses funds. Specifically, the government is encouraged to support "sequential training that offers opportunities for workers to progress from basic education and lower skills training to higher skills

training". (CLFDB 1993b:17) This represents an important shift from the type of job-specific skills encouraged by CJS programs towards the vision of developmental training supported by labour and illustrates the importance of new institutional spaces in which labour can articulate its own agenda for education and training.

Conclusion

This work has examined the involvement of the federal state, through labour market policies, in the development of the skills. The way in which skills are defined is central to the discourse in which struggles over policy formation are embedded. When skills are defined narrowly and developed in the context of competency-based training, democratic concerns are likely to be displaced by economic imperatives. When a broader definition of skills is adopted, the ability of workers to democratically control the labour process is likely to be given greater emphasis.

The second Conservative government (1988-1993) recognised the failure of unregulated markets to generate the level and type of skills appropriate to the context of globalisation in general and the Canada-US free trade agreement in particular. Given the competing policy goal of deficit reduction, the government's labour market policy moved in the direction of neo-corporatist institutions, with the creation of the Canadian Labour Force Development Board. Through this state form, there is an attempt to secure the co-operation of the state, capital and labour.

The emergence of this important branch of the state is indicative of a state project in which the unequal structure of representation embedded in the state is modified. The analysis of discourse - understood as the mobilisation by social groups of meaning and construction of knowledge in the defense of their interests - is important in this regard. Examination of discourse

emerging from the state provides an indication of the ability of competing social categories to have their interests heard and represented.

In struggles over the definition of skill, the bourgeois distinction between public and private has been implicated in a discourse of rights. Labour has demanded that the provision of training by public institutions be recognised as a basic individual right. The resistance of capital to the discourse of rights - which conflicts with its own right to the free disposition of private property - has been especially strong in relation to calls for a national training tax. To date, the ability of the CLFDB to facilitate the development of generic skills is constrained by the use of the Unemployment Insurance Fund, rather than such a tax, to finance federal training efforts.

Despite this important limitation, the CLFDB has given labour a certain margin of manoeuvre in pursuing its agenda on skills and training. Specifically, the development of provincial and complimentary local boards provides labour with the opportunity to offer its expertise in the implementation of policy. This is particularly important as part of the process of engaging global capital at the local level. As well, there are indications that, in response to the recommendations of the CLFDB, the government has begun to place an emphasis on developmental training leading to generic and accredited skills.

The creation of the CLFDB represents an important departure

from the policies of the first Conservative government (1984-1988), which with its Canadian Jobs Strategy pursued a set of policies true to the neoconservatism which has been hegemonic in Western advanced capitalist societies since the beginning of the 1980's. In terms of skills development, the CJS led to training which emphasised firm-specific skills suited to low-paying jobs with little opportunity for advancement. This type of skill is antithetical to the possibilities for economic prosperity and the enrichment of work offered by new technologies and organisational forms. These possibilities require that workers possess generic or polyvalent skills which can be applied to a wide range of tasks, including those not currently envisioned.

In this regard, the definition of the current crisis as a crisis of the Fordist model of development is important. In particular, the technological paradigm at the centre of competing post-Fordist models of development is a central issue. Examination of various flexible accumulation strategies revealed severe labour market segmentation as a possible correlate of the use of flexible technologies. The serious consequences of such segmentation - including extensive social conflict and the disintegration of national societies - are best avoided through the organisation of labour at high levels.

This work has been based on an understanding of the state as an institutional ensemble through which conflicts rooted in society are engaged. The work has drawn on the concepts and methodology of the Regulation School of political economy in

understanding the development of state policies. Attempts to overcome the ongoing crisis of Fordism involve the articulation of accumulation strategies and hegemonic projects. These are always contingent and partial attempts to impose order on a range of disparate elements. This methodology is particularly useful in understanding the creation of local labour force development boards to complement the CLFDB. The globalisation of capital and its ability to defy national borders increases the importance of local boards which facilitate local level struggles over the control of time and space. This corresponds to the partial and limited ability of accumulation strategies at any level of geography to impose order on the flow of capital. Similarly, local struggles with global capital involve the creation of communities and the construction of subjectivities and identities. The partial and limited ability of hegemonic projects to articulate these subjectivities illustrates the importance of a plurality of struggles both directed at the state and at a distance from it.

Such an examination of local-level neo-corporatist labour force developer boards, therefore, would make it possible to discern a middle ground between politics centred on class and the state and those positions which emphasise new social movements and the plurality of political struggle. The importance of national and local boards lies in their ability to allow direct engagement with capital and its ongoing, accelerated attempt to control space and time. That is, local boards allow social actors

to confront the forces which structure their lives.

Academic research cannot be substituted for political action. In terms of hegemonic politics, it is necessary to consider how national-level projects can operate as 'global' projects in relation to lower level struggles while respecting the plurality of struggles and political spaces. The formation of community "through organized social interaction which includes shared expectations and understandings" (Harp 1992:215) is particularly important in this regard. The formation of community in relation to economic forces is simultaneously an opportunity to define skills in relation to democratic needs and struggles rather than in terms of their abstracted economic importance.

To the extent that identities based on the definition of skill at the local level overlap and are articulated with other identities, including class, gender and ethnic identities, the politics of skills are particularly promising in the articulation of expansive hegemonic projects at the national (and supra-national level). Neo-corporatist institutions are most likely to lead to the construction of the extensive hegemony on which offensive variants of flexibility depend when articulated with social democratic political forms and unions organised at national levels.

.

Bibliography

- Advisory Council on Adjustment** (1969) Adjusting to Win, Ottawa: Supply and Services.
- Albo, G.** (1991) "What Comes Next?: Canadian Employment Policies After Fordism", mimeo.
- Anderson, B.** (1983) Imagined Communities, London: Verso.
- Atkinson, J. and D. Gregory** (1986) "A Flexible Future: Britain's Dual Labour Force", Marxism Today, April, pp. 12-17.
- Ball, S.** (1990) Politics and Policy Making in Education: Explorations in Policy Sociology, London: Routledge.
- Berman, M.** (1982) All that is solid melts into air, New York: Penguin.
- Betcherman, G.** (1993) "Research Gaps Facing Training Policy-Makers", Canadian Public Policy, vol. 29, no. 1, pp. 18-28.
- Bhaskar, R.** (1983) "realism", in T. Bottomore (ed.) A Dictionary of Marxist Thought, Cambridge, MA: Harvard University Press.
- Blais, A.** (1985) "Canadian Industrial Policy Debate", In A. Blais (ed.) Industrial Policy, Toronto: University of Toronto Press.
- Blaug, M.** (1993) "Education and the Employment Contract", Education Economics, vol. 1, no. 1, pp. 21-33.
- Bowles, S. and H. Gintis** (1976) Schooling in Capitalist America: Educational Reform and the Contradictions of Economic Life, New York: Basic Books.
- Bowles, S. and H. Gintis** (1986) Democracy and Capitalism: Property, Community, and the Contradictions of Modern Social Thought, New York: Basic Books.
- Boyer, R.** (1990) The Regulation School: A Critical Introduction, New York: Columbia University Press.
- Braverman, H.** (1974) Labour and Monopoly Capital: The Degradation of Work in the Twentieth Century, New York: Monthly Review Press.
- Brenner, R. and M. Glick** (1990) "The Regulation Approach: Theory and History", New Left Review, #188, pp. 45-119.
- Brown, A.** (1991) "The Canadian Jobs Strategy", in T. Wotherspoon (ed.) Hitting the Books: The Politics of Educational Retrenchment, Toronto: Garamond Press.

- Butterwick, S. (1992) "The Labour Force Development Strategy: Tripartism and the Inclusion/Exclusion of "Equity" Groups", Policy Explorations, vol. 6, no. 1, pp. 14-21.
- Campbell, R. (1991) The Full-Employment Objective in Canada 1945-85: Historical, Conceptual, and Comparative Perspectives, Ottawa: Economic Council of Canada.
- Campbell, R. (1992) "Jobs...Job...Jo...J...The Conservatives and the Unemployed", in F. Abele (ed.) How Ottawa Spends 1992-93: The Politics of Competitiveness, Ottawa: Carleton University Press.
- Castells, M. and J. Henderson (1987) "Techno-economic Restructuring, Socio-political Processes and Spatial Transformation: a Global Perspective", in M. Castells and J. Henderson (eds.) Global Restructuring and Territorial Development, Beverly Hills: Sage.
- CEIC (Canada Employment and Immigration Commission) (1988) Response of the Government to the Second Report of the Standing Committee on Labour, Employment and Immigration, Ottawa: Supply and Services.
- CEIC (Canada Employment and Immigration Commission) (1989a) Success in the Works: A Policy Paper, Ottawa: Supply and Services.
- CEIC (Canada Employment and Immigration Commission) (1989b) Success in the Works: A Profile of Canada's Emerging Workforce, Ottawa: Supply and Services.
- Clarke, S. (1990) "New Utopias for Old: Fordist Dreams and Post-Fordist Fantasies" Capital and Class #42.
- CLC (Canadian Labour Congress) (1989) "We Can Do It: Invest In Training And Restore U.I.", Policy Paper Adopted At 19th Constitutional Convention.
- CLFDB (Canadian Labour Force Development Board) (1991a) A Proposal to Establish Local Labour Force Development Boards, Ottawa: CLFDB.
- CLFDB (Canadian Labour Force Development Board) (1991b) The CLFDB Response to the Federal Proposals for Constitutional Change with Respect to Labour Market Training, Ottawa:
- CLFDB (Canadian Labour Force Development Board) (1993a) Annual Report 1992-93, Ottawa: CLFDB.
- CLFDB (Canadian Labour Force Development Board) (1993b) Report of the Canadian Labour Force Development Board on the Unemployment Insurance (UI) Developmental Uses Plan for 1994, Ottawa: CLFDB.

- CLMPC (Canadian Labour Market and Productivity Centre) (1990a) Report of the CLMPC Task Forces on the Labour Force Development Strategy, Ottawa: CLMPC.
- CLMPC (Canadian Labour Market and Productivity Centre) (1990b) A Framework for a National Training Board: The Report of the Phase II Committee on the Labour Force Development Strategy, Ottawa: CLMPC.
- CLMPC (Canadian Labour Market and Productivity Centre) (1993) 1991 National Training Survey, Ottawa: CLFDB.
- Cohen, S. (1987) "A Labour Process to Nowhere?", New Left Review #165, pp. 34-50.
- Corak, M. (1991) "Eligibility Rules in the Canadian Jobs Strategy: Shifting the Burden or Targetting the Assistance?", Canadian Public Policy, vol. 17, no. 1, pp. 64-76.
- Davis, M. (1984) "The Political Economy of Late-Imperial America", New Left Review, #143, pp. 6-38.
- Dehli, K. (1993) "Subject to the New Global Economy: Power and Positioning in Ontario Labour Market Policy Formation", Studies in Political Economy, no. 41, pp. 83-110.
- DeVroey, M. (1984) "A regulation approach interpretation of contemporary crisis", Capital and Class, #23, pp. 45-66.
- Drache, D. (1991) "The Systematic Search for Flexibility: National Competitiveness and New Work Relations", In D. Drache and M. Gertler (eds.) The New Era of Global Competition: State Policy and Market Power, Montreal and Kingston: McGill-Queens University Press.
- Drache, D. and M. Gertler (1991) "The World Economy and the Nation-State: The New International Order", In D. Drache and M. Gertler (eds.) The New Era of Global Competition: State Policy and Market Power, Montreal and Kingston: McGill-Queens University Press.
- Dreyfus, H. and P. Rabinow (1983) Michel Foucault: Beyond Structuralism and Hermeneutics, 2nd. ed., Chicago: University of Chicago Press.
- Economic Council of Canada (1990) Good Jobs, Bad Jobs: Employment in the Service Economy, Ottawa: Supply and Services.
- Economic Council of Canada (1992) A Lot to Learn: Education and Training in Canada, Ottawa: Supply and Services.

- Edwards, R. (1979) Contested Terrain: The Transformation of the Workplace in the Twentieth Century, New York: Basic Books.
- Esping-Anderson, G. (1987) "The three political economies of the welfare state", Canadian Review of Sociology and Anthropology, vol. 6, no. 1, pp.10-36.
- Foucault, M. (1979) Discipline and Punish, New York: Vintage Books.
- Foucault, M. (1980) Power/Knowledge, New York: Pantheon Books.
- Gaskell, J. (1991) "Education as preparation for work in Canada: structure, policy and student response", in D. Ashton and G. Lowe (eds.) Making Their Way: Education, Training and the Labour Market In Canada And Britain, Toronto: University Of Toronto Press
- Gertler, M. (1991) "Canada in a High-Tech World: Options for Industrial Policy", In D. Drache and M. Gertler (eds.) The New Era of Global Competition: State Policy and Market Power, Montreal and Kingston: McGill-Queens University Press.
- Giddens, A. (1985) The Nation-State and Violence, Berkeley and Los Angeles: UC Press.
- Gramsci, A. (1971) Selections From the Prison Notebooks, New York: International Publishers.
- Guenther, L. (1988) "Economic Policy Making and State Capacity", Studies in Political Economy, no. 26, pp. 149-172.
- Gulowsen, J. (1988) "Skills, Options and Unions: United and Strong or Divided and Weak?", in R. Hyman and W. Streeck (eds.) New Technology and Industrial Relations, Oxford: Basil Blackwell.
- Harp, J. (1991) "Political economy/cultural studies: exploring points of convergence" Canadian Review of Sociology and Anthropology, vol. 28, no. 2, pp. 206-224.
- Harp, J. (1992) "The Crisis in Contemporary Education: Alternative Models of Reform", Discussion Paper, Department of Sociology and Anthropology, Carleton University.
- Harvey, D. (1989) The Condition of Postmodernity, Cambridge MA: Blackwell.
- Hirst, P. (1990) "After Henry", in S. Hall and M. Jacques (eds.) New Times: The Changing Face of Politics in the 1990's, London: Verso.

- Hodge, R. and G. Kress (1988) Social Semiotics. Oxford: Polity Press.
- Hommen, L. (1992) "Human Resource Development Through Collective Bargaining" Policy Explorations, vol. 6, no. 1, pp. 5-13.
- House of Commons (1988) A Review of the Canadian Jobs Strategy: Second Reprt of the Standing Committee on Labour, Employment and Immigration. Ottawa: House of Commons.
- Hunt, A. (1990) "Rights and Socia. Movements: Counter-Hegemonic Strategies", Journal of Law and Society, vol. 17, no. 3, pp. 309-328.
- Hyman, R. (1988) "Flexible Specialisation: Miracle or Myth?", in R. Hyman and W. Streeck (eds.) New Technology and Industrial Relations. Oxford: Basil Blackwell.
- Jackson, N. (1987) "Skill Training in Transition: Implications for Women", in J. Gaskell and A. McLaren (eds.) Women and Education: A Canadian Perspective. Calgary: Detselig.
- Jenson, J. (1989a) "'Different' but not 'exceptional': Canada's permeable fordism", Canadian Review of Sociology and Anthropology, vol. 26, no. 1, pp. 69-94.
- Jenson, J. (1989b) "The Talents of Women: The Skills of Men: Flexible Specialisation and Women", in S. Wood (ed.) The Transformation of Work: Skill, Flexibility And The Labour Process. London: Unwin Hyman.
- Jenson, J. (1990) "Representations in Crisis: The Roots of Canada's Permeable Fordism", Canadian Journal of Political Science, vol. 23, no. 4, pp. 653-683.
- Jenson, J. and F. Keyman (1990) "Must we all be 'post-modern'?", Studies in Political Economy, no. 31, pp. 141-157.
- Jessop, B. (1988) "Regulation theory, post-fordism and the state: more than a reply to Werner Bonefield" Capital and Class, #34, pp. 147-168.
- Jessop, B. (1990a) State Theory: Putting Capitalist States in their Place. University Park, PA: Pennsylvania State University Press.
- Jessop, B. (1990b) "Regulation theories in retrospect and prospect", Economy and Society, vol. 19, #2, pp. 153-216.
- Kenway, J. (1990) "Education and the Rights's discursive politics", in S. Ball (ed.) Foucault and Education: Disciplines and Knowledge. London: Routledge.

- Krahn, H. (1991) "The changing Canadian labour market", in D. Ashton and G. Lowe (eds.) Making Their Way: Education, Training and the Labour Market In Canada And Britain, Toronto: University Of Toronto Press.
- Kumazawa, M. and J. Yamada (1989) "Jobs and skills under the lifelong nenko employment practice", in S. Wood (ed.) The Transformation of Work: Skill, Flexibility and the Labour Process, London: Unwin Hyman.
- Laclau, E. (1977) Politics and Ideology in Marxist Theory, London: Verso.
- Laclau, E. (1990) New Reflections on The Revolution of Our Time, London: Verso.
- Laclau, E. and C. Mouffe (1985) Hegemony and Socialist Strategy: Towards a Radical Democratic Politics, London: Verso.
- Leborgne, D. and A. Lipietz (1988) "New technologies, new modes of production:some spatial implications", Environment and Planning D: Society and Space, vol.6, pp. 263-280.
- Leborgne, D. and A. Lipietz (1992) "Conceptual Fallacies And Open Questions On Post-Fordism", in M. Storper and A. Scott (eds.) Pathways to Industrialisation and Regional Development, London: Routledge.
- Lipietz, A. (1983) "Towards Global Fordism?", New Left Review, #132, pp.33-47.
- Lipietz, A. (1984) "Imperialism or the Beast of the Apocalypse", Capital and Class, #22, pp. 81-109.
- Lipietz, A. (1987) "An Alternative Design for the Twenty-First Century", mimeo.
- Lipietz, A. (1988) "Reflections on a Tale: The Marxist Foundations of the Concepts of Regulation and Accumulation", Studies in Political Economy, #26, pp. 7-36.
- MacDonald, M. (1991) "Post-Fordism and the Flexibility Debate", Studies in Political Economy, #36, pp. 177-201.
- MacPherson, C.B. (1962) The Political Theory of Possessive Individualism: Hobbes to Locke, Oxford: Oxford University Press.
- Magnusson, W. and R. Walker (1988) "De-Centring the State: Political Theory and Canadian Political Economy", Studies in Political Economy, #26, pp. 37-71.
- Mahon, R. (1984) The Politics of Industrial Restructuring: Canadian Textiles, Toronto: University of Toronto Press.

- Mahon, R. (1987) "From Fordism to ? : New Technology, Labour Markets and Unions", Economic and Industrial Democracy, vol. 8, pp. 5-60.
- Mahon, R. (1989) "Towards a Highly-Qualified Workforce: Improving the terms of the Equity-Efficiency Tradeoff" Colleges and the Changing Economy Background Papers, Toronto: Ontario Council of Regents.
- Mahon, R. (1990) "Adjusting to Win? The New Tory Training Initiative", in K. Graham (ed.) How Ottawa Spends 1990-91: Tracking the Second Agenda, Ottawa: Carleton University Press.
- Mahon, R. (1991a) "From Solidaristic Wages to Solidaristic Work: A Post-Fordist Historic Compromise for Sweden?", Economic and Industrial Democracy, vol. 12, pp. 295-325.
- Mahon, R. (1991b) "From 'bringing' to 'putting': The state in late twentieth-century social theory" Canadian Journal of Sociology, vol. 16, no. 2, pp. 119-144.
- Mahon, R. (1991c) "Post-Fordism: Some Issues for Labour", in D. Drache and S. Gertler (eds.) The New Era of Global Competition: State Policy and Market Power, Montreal and Kingston: McGill-Queen's University Press.
- Mansell, J. (1987) Workplace Innovation in Canada: Reflections on the Past...Prospects for the Future, Ottawa: Economic Council of Canada.
- Meiksins Wood, E. (1986) The Retreat from Class: The New "True" Socialism, London: Verso.
- Murray, R. (1987) "Ownership, Control and the Market", New Left Review, #164, pp 87-112.
- Murray, R. (1988) "Life After Henry (Ford)" Marxism Today, October, pp. 8-13.
- Murray, R. (1990a) "Fordism and Post-Fordism", In S. Hall and M. Jacques (eds.) New Times: The Changing Face of Politics in the 1990's, London, Verso.
- Murray, R. (1990b) "Benetton Britain", in S. Hall and M. Jacques (eds.) New Times: The Changing Face of Politics in the 1990's, London: Verso.
- Muszynski, L. (1986) "The Politics of Labour Market Policy", in W.C. Riddell (ed.) Adapting to Change: Labour Market Adjustment in Canada, Toronto: University of Toronto Press.

- Muszynski, L. and D. Wolfe (1989) "New Technology and Training: Lessons from Abroad", Canadian Public Policy, vol. 15, no. 3, pp. 245-264.
- Myles, J (1986) "The expanding middle: some Canadian evidence on the deskilling debate", Canadian Review of Sociology and Anthropology, vol. 25, no. 3, pp. 335-364.
- Myles, J. (1991) "Post-Industrialism and the Service Economy", in D. Drache and S. Gertler (eds.) The New Era of Global Competition: State Policy and Market Power, Montreal and Kingston: McGill-Queen's University Press.
- Noel, A. (1987) "Accumulation, regulation, and social change: an essay on French political economy", International Organization, vol. 41, no. 2, pp. 303-333.
- OCLF (Ottawa-Carleton Learning Foundation) (1992) Annual Report.
- OFL (Ontario Federation of Labour) (1989) "Education and Training", Policy Adopted At 33rd Annual Convention. .
- OTAB (Ontario Training and Adjustment Board) (1991) Skills to Meet the Challenge: A Training Partnership for Ontario, Toronto: Queen's Printer for Ontario.
- Panitch, L. (1986) "The Tripartite Experience", in K. Banting (ed.) The State and Economic Interests, Toronto: University of Toronto Press.
- Piore, M. and C. Sabel (1984) The Second Industrial Divide: Possibilities for Prosperity, New York: Basic Books.
- Pollert, A. (1987) "Dismantling Flexibility", Capital and Class #34, pp. 42-75.
- Poulantzas, N. (1978) State, Power, Socialism, London: New Left Books.
- Premier's Council (1988) Competing in the New Global Economy, Toronto: Queen's Printer for Ontario.
- Premier's Council (1990) People and Skills In The New Global Economy, Toronto: Queen's Printer for Ontario.
- Prince, M. and J. Rice (1989) "The Canadian Jobs Strategy: Supply Side Social Policy", in K. Graham (ed.) How Ottawa Spends 1989-90: The Buck Stops Where?, Ottawa: Carleton University Press.
- Robbins, K. (1989) "Reimagined Communities? European Image Spaces Beyond Fordism", Cultural Studies, vol. 3, no. 2, pp. 145-165.

- Rustin, M. (1989) "The Politics of Post-Fordism: or, The Trouble with 'New Times'", New Left Review, #175, pp. 54-77.
- Schoenberger, E. (1988) "From Fordism to Flexible Accumulation: Technology, Competitive Strategies and International Location", Environment and Planning D: Society and Space, vol. 6, no.3, pp. 263-280.
- Schwartz, S. (1993) "Accountability, Back-to-Basics and Choice: An ABC for Educational Change?", in S.D. Phillips (ed.) How Ottawa Spends 1993-94: A More Democratic Canada, Ottawa: Carleton University Press.
- Senate of Canada (1989) In Training Only Work Works, Ottawa: Supply and Services.
- Showstack Sassoon, A. (1987) Gramsci's Politics, 2nd. ed., London: Hutchnison.
- Sivanandan, A. "All that melts into air is solid: the hokum of New Times", Race and Class, vol. 33, no. 3, pp. 1-30.
- Soja, E. (1989) Postmodern Geography: The Reassertion of Space in Critical Social Theory, London: Verso.
- Sorge, A. and W. Streeck (1988) "Industrial Relations and Technical Change: The Case for an Extended Perspective", in R. Hyman and W. Streeck (eds.) New Technology and Industrial Relations, Oxford: Basil Blackwell.
- Statistics Canada (1990) Human Resource Training and Development Survey Results, Ottawa: Supply and Services.
- Steering Group on Prosperity (1992) Inventing Our Future: An Action Plan for Canada's Prosperity, Ottawa: Prosperity Secretariat.
- Storper, M. and R. Walker (1989) The Capitalist Imperative: Territory, Technology and Industrial Growth, Oxford: Basil Blackwell.
- Streeck, W. (1989) "Skills and the Limits of Neo-Liberalism: The Enterprise of the Future as a Place of Learning", Work, Employment and Society, vol. 3, no. 1, pp. 89-104.
- Turk, T. (1992) "If Training is the Answer, What is the Question", in N. Jackson (ed.) Training for What?: Labour Perspectives on Skills Training, Toronto: Our Schools/Our Selves.
- USWA (United Steelworkers of America) (1992) Empowering Workers in the Global Economy: A Labour Agenda for the 1990s.

- Walby, S. (1989) "Flexibility and the Changing Sexual Division of Labour", in S. Wood (ed.) The Transformation of Work: Skill, Flexibility And The Labour Process. London: Unwin Hyman.
- Williams, K., T. Cutler, J. Williams and C. Haslam (1987) "The End of Mass Production?", Economy and Society, vol. 16, no. 3, pp. 405-439.
- Wolfe, D. (1989) "New Technology and Education: A Challenge for the Colleges", Colleges and the Changing Economy Background Papers, Toronto: Ontario Council of Regents.
- Wood, S. (1987) "The Deskilling Debate, New Technology and Work Organisation", Acta Sociologica, vol. 30, #1, pp. 3-24.
- Wood, S. (1989) "The Transformation of Work?", in S. Wood (ed.) The Transformation of Work: Skill, Flexibility And The Labour Process. London: Unwin Hyman.

END

2 9-05-95

FIN

Canada's experience of neo-corporatism is problematic in two important respects. First, it differs from initial responses to the failure of hegemonic coalitions which signalled the crisis of Fordism. A common response to the stagflation of the 1970's was the development of corporatist institutions as a means of imposing incomes policies.²¹ (Jessop 1990a:ch. 4) As Streeck (1989) points out, the contemporary emergence of neo-corporatist institutions is oriented not to income policies or demand management but to issues of supply management.

Streeck (1989) sees this distinction as important in a number of respects, particularly concerning the possibility of restoring the lost credibility of corporatism. Streeck is indeed justified in arguing that the tendency to associate supply issues with market deregulation and right-wing positions is misguided.²² Unions must therefore learn to emphasise training as a source of efficiency as well as a source of equity by engaging questions related to the supply of skills. However, it is necessary to pay attention both supply and demand issues. Streeck's inattention to macroeconomic issues is therefore problematic. The Canadian Labour Congress (CLC), for example, sees training in the context

---

²¹ In Canada this was done through the imposition of wage and price controls. (See Jenson 1989; Panitch 1986)

²² This has interesting parallels with the work of Murray (1987), who argues that the left should attempt to harness the power of markets towards its own ends rather than trying to eliminate them. This effectively deals with one of Pollert's criticisms (1987) of positions which show any concern with flexibility: that for 'ideological' reasons they pay too much attention to the health of markets.