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Throughout the paper, my concern generally focusses on the need for action towards a progressive end. It is, however, the process involved that has most fascinated me. For the CAW in the face of chaos, has shown a remarkable ability to simultaneously outline a general framework for action and still allow for the responsiveness needed to address problems in innovative manners. It is this ability to allow for divergences and still integrate it into a larger picture of an alternative that strikes me as perhaps the most useful lesson available to unions attempting to advance progressive Post-Fordist alternatives.

GRAFTING ONTO THE FUTURE:

**The Canadian Autoworkers' Struggle to Advance a
Progressive Post-Fordist Mode of Regulation**

by

Anne Brackenbury

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

(Master of Arts)

Department of International Affairs

Carleton University

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Christopher J. Maule, Director
The Norman Paterson School
of International Affairs

Professor R. Mahon, Supervisor

ABSTRACT

In the face of a chaotic Post-Fordist restructuring, the Big Three North American auto producers have appeared reluctant to tie their fortunes to one model of industrialization. The result is an industry that comprises a spatial unevenness within the continental trading block. This fragmented and uneven spatial landscape imposes difficulties onto union strategies that remain centered at the national level. Both sub-national and supra-national pressures conspire to pose considerable challenges to the CAW in advancing a progressive Post-Fordist mode of regulation. In the face of this challenge, the CAW must avoid neglecting its responsibility to act where possible while at the same time recognizing that limitations make simple solutions impossible. Between these extremes, the CAW can find the room to begin brokering these divergent interests in a flexible and cohesive manner.

ACKNOWLEDGEMENTS

It's often difficult to remember who to acknowledge when a thesis constitutes such a significant period of one's life. Every person who has ever found the patience to sit down and discuss these issues with me has influenced the outcome in some manner. This includes family, friends, classmates and co-workers. There are, however, a few that stand out immediately against that crowd.

To those at the CLC who supported me and yet continually forced me to get off my theoretical high horse, I can only offer a humbling thanks, especially those at Educational Services who reminded me that solutions come from discussion, not from running them around in your head for months on end. To my supervisor Rianne who knew, often times before I did, what it was I wanted to say, and who expected nothing less than my own realization of the fact, I cannot even begin to thank for her unspoken respect of and faith in my abilities. And, finally, to Gloria, whose intellectual, emotional and practical support has been unending, there is little I can say to measure the influence she has had on both me and this work.

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INTRODUCTION

Humanity does not make history just as it pleases, but it does make history. By the backdoor choice enters the historical edifice.

Russel Jacoby
The Last Intellectuals

This paper had its genesis in a question surrounding the breakaway of the Canadian region of the United Automobile, Aerospace and Agricultural Implements Union (UAW) and the subsequent challenge facing the Canadian Autoworkers (CAW) as a separate and autonomous union. In the face of restructuring that struck at the heart of national, master collective bargaining agreements, the CAW's ability to both effect and advance a progressive outcome in the auto industry appeared unclear. Restructuring efforts were leading to a trend away from national agreements and towards both sub-national (local and regional) settlements and supra-national (continental) integration. The resultant squeeze at the national level promised to limit significantly (though not eliminate completely) the role of national unions. Over the long course of writing this paper, the question remained consistently the same. My perspective, however, underwent a significant transformation.

As I encountered both industrial relations literature and Regulation theory, I was forced to review the limited role I had ascribed to unions in influencing the outcome of restructuring. For unions do not just temporarily resist the inevitable forces of change, they play a more pro-active role in determining the outcome. The research question then, began to change from, "what will happen to the CAW once capital consolidates its strategy" to "what role can the CAW

play in solidifying a new economic model, and how can they do so in as progressive a manner as possible?"

This, in turn, became a very complex question. While it is necessary to believe that unions play an integral role in the restructuring process, it is also clear that they do not do so simply as they please. Unions are part of a web of interactions which comprise a struggle to consolidate a new social compromise during periods of crisis. They must simultaneously respond to their limitations and yet not allow those limitations to prevent them from acting where action is possible.

This balance, between recognizing limitations and still focussing on action, is a difficult one to achieve. For when one believes in the ability to act and influence the course of events it is often easy to carry things to the logical extreme and outline simple strategies that quickly become anachronistic as events move and change along the way. On the other hand, to recognize limitations can also lead one to the assumption that action is impossible and suits no real purpose in the larger scheme of things.

In the course of writing this paper, I have encountered the same difficulties unions must feel when trying to balance out what seem to be mutually exclusive extremes. My methodology included the need to be honest about the reality existing in the auto industry over the course of restructuring. Imposing idealistic solutions onto a complex reality seemed to create more harm than good. At the same time, the data extracted from the reality of restructuring seemed so inconclusive and so contradictory that without some context in which to situate it, complexity would become confusion rather than serve a useful analytical purpose.

In the end, I have had to struggle to remain somewhere between those extremes. Rather than avoid developing any theory or sense out of the complex restructuring that marks the decade of the 1980's, and rather than develop a grand theory that would outline simplistic strategies for action at the expense of accounting for reality, I have opted for something akin to Burawoy's notion of "extended theory". Here, the social scientist starts with a theory she expects will explain the reality relatively well. When she encounters something quite different, she returns to revamp that theory in order to make it richer and stronger in its explanatory powers. Put simply, "the shortcomings of theory become grounds for a reconstruction that locates the social situation in its historically specific context of determination." (Burawoy, 1991:5)

Extended theory attempts to strike a balance between theory and reality, between the researcher as both participant and observer. My 18 months of work in the labour movement (at the Canadian Labour Congress developing strategic policy around the issues of training and plant closures) proved to me how difficult a balance this is to strike. Never wanting to be unfaithful to the concerns of those in the labour movement and yet being forced to develop an outside critique at the same time, it was not until after I had finished my work there that I found I could sit down and honestly review my experiences there. The challenge was to remain as faithful as possible to that experience without being so caught up in it that I could not feel free to make some interpretations of my own.

I started with my theoretical grounding in the Regulation School which depicts the current conjuncture as a period of crisis between relatively stable times of capital accumulation. I focus particularly on the work of Lipietz and Lebourgne (1987) and their attempts to view technological

change as an important factor in creating options for a new Post-Fordist regime of accumulation. This model proved particularly effective because of its ability to incorporate both changes in the workplace using new technologies, and those occurring at the level of industrial organization. It also promised to raise the issue of spatial configurations arising out of these changes. Most importantly, however, this analysis outlined options for labour action in what has been a very complex decade of restructuring. The very breadth of its explanatory powers, however, compromised its ability to draw in the specific situation facing Canadian Autoworkers. Thus, while alternatives were clearly articulated, the model lacked any sense of the process needed to attain those goals in situations where reality conflicted with theory.

This led to an extension of the theory through returning to the complex reality and drawing from actual CAW movements made in restructuring that might be considered progressive. In the process, it was apparent that in the North American auto industry progressive alternatives might be very different from those articulated by unions in other countries or regions.

Melding Holmes (1987, 1990) understanding of an uneven spatial landscape arising out of Post-Fordist restructuring with Streeck's (1989) view of institutional strategies focussing on training and Mahon's (1990) understanding of the need for unions to embrace new and broader challenges (ie. race, gender, ecological concerns), a theoretical framework finally emerged that could more closely capture the fluidity of restructuring and the challenge facing the CAW. In the process it became clear that the role of national unions has significantly changed. Rather than aim energies towards a national mode of regulation based on a state-capital-labour compromise, unions are forced to develop innovative responses

in a wide variety of arenas. The CAW faces limitations in advancing a clear progressive strategy during the almost chaotic Post-Fordist restructuring that has marked the last decade. These limitations, however, do not preclude progressive action. They simply force us to redefine the notion "progressive" as well as the way in which those goals can be realized.

The present situation facing the CAW must be viewed in light of the historical context that underlies and influences its current ability to act progressively. Chapter Two introduces the CAW as a social actor and outlines the way in which national unions played a large role at the height of the Fordist system. It includes a direct comparison with American auto workers and the American variant of Fordism that developed as a connected but separate mode of regulation. These differences went a long way in providing a different strategic and ideological focus for CAW action as restructuring began to intensify.

Chapter Three outlines these restructuring efforts from the viewpoint of both capital initiatives and union responses. Here the divergences that developed by the early 1980's were sustained, even after the CAW has become an autonomous union within an increasingly integrated industry. It becomes apparent, however, that while the CAW has maintained a strong defence against negative restructuring, the broader spatial aspects involved are beginning to exert pressure at both the sub-national and the supra-national levels. It is these forces which compel the CAW to begin rethinking strategies and responding in innovative ways.

In Chapter Four a national union strategy is sketched out based on CAW responses to pressures at a number of levels. Training becomes the focus for debate at the workplace, sectoral, and national levels as a way to not only

control the damage being inflicted on the union, but as a means to finding alternatives to a state-capital compromise that seeks to exacerbate divisions developing at all levels. With this as the goal, however, national strategies must also seek to incorporate broader concerns. This includes building organic support in civil society at both the national and transnational levels.

Throughout the paper, my concern generally focusses on the need for action towards a progressive end. It is, however, the process involved that has most fascinated me. For the CAW in the face of chaos, has shown a remarkable ability to simultaneously outline a general framework for action and still allow for the responsiveness needed to address problems in innovative manners. It is this ability to allow for divergences and still integrate it into a larger picture of an alternative that strikes me as perhaps the most useful lesson available to unions attempting to advance progressive Post-Fordist alternatives.

CHAPTER ONE

A POST-FORDIST CHALLENGE: REJOINING THEORY AND PRACTISE

Grafting is a means whereby a plant, perhaps tender or uncertain is fused into a hardier member of its strain, and so the two take advantage of each other and produce a third kind without seed or parent. In this way fruits have been made resistant to disease and certain plants have learned to grow where previously they could not.

Jeanette Winterson
Sexing The Cherry

It is fashionable these days to speak of a crisis in theory. In virtually every sphere - political, cultural and moral - rational, utopian guidelines are giving way to fragments. Those who put forth systematic explanations are charged with fraud in their efforts to fit the vibrancy and fluidity of reality into the static and linear conceptions of space and time associated with theory.

There is hope in this sort of movement. It includes the need to incorporate groups that had previously been marginalized, by challenging the notion of an objective "truth". It also seeks to bring theory down from its often obfuscating heights into the realm of the living. But there are also dangers. For often in the midst of a moving and fluid reality associated with periods of crisis, lie the seeds of despair and by extension, the paralysis of action. At a time when action is most needed, deconstruction can leave our energy idling in neutral gear.

Unlike artificial structures that have been judged unsound and thus require demolition prior to rebuilding, social forces assume a more complex, organic nature. While forces work to deconstruct and lay bare the oppression associated with old ideas and institutions, other, more positive forces move to fill the vacuum left behind. Beneath the din of deconstructionism are the uncertain and tender strains of rebuilding that must be unearthed and nurtured along their way to healthy, autonomous growth.

In periods of crisis, theory must strive to seek a balance - to illuminate trajectories toward change without compromising the integrity of that movement. Theory is needed to provide contexts for specific action, but without the tendency towards becoming a "conceptual straight-jacket" (Pollert, 1988: 296). Instead, theory must be sturdy enough to be disregarded once it has served its purpose, for it is the events around us and their significance for real and positive change that must assume primacy in the end.

By utilizing theory as a means to action rather than striving to reach an ultimate truth, opportunities arise that are within the realm of possibilities rather than the dreams of a theorist. Rejoining theory and practise may allow for a sort of grafting process to occur where uncertain but real choices are strengthened and their opportunity for success somehow enhanced. It is with this intent that this paper is written and it is why a Regulation approach informs the theoretical framework.

1. A REGULATION APPROACH

The French Regulation School originated in Paris in the 1970's as way to outline the more concrete nuances that characterized separate national compromises between the state, labour and capital during the post-war period.¹ Central to the Regulation approach are three general concepts that provide the context in which analysis occurs. As they sought to define and understand the period of post-war prosperity, Regulation theorists outlined first the model of industrialization to determine what sort of relations of production were at work. For all intents and purposes, the model of industrialization refers to the way in which productivity is achieved in any given period.

At a wider level, the regime of accumulation encompasses the general schema that is developed between production and consumption. It encompasses both the more specific model of industrialization at work as well as the mode of regulation - the institutional and societal norms that act to reinforce the regime. The important point about the Regulation approach has been its ability to allow for divergences at a number of levels. There may be more than one model of industrialization occurring at any given time. In fact, Jessop's addition of a fourth concept, the model of growth referring to patterns of development at the national level, goes even further in outlining variations. When a number of countries, or a number of leading economic sectors adopt a variant of the same general model, they form a time period in which this model is said to be hegemonic. These periods become generally stable times in which capital can continue

¹ Within the Regulation School there are a wide variety of divergences. For the purposes of this paper, I draw my influences from Boyer, Lipietz, Lebourgne and Jessop. For a good overview of the Regulation approach see Boyer (1988) and Jessop (1988 & 1991).

to be accumulated with a general degree of consensus from civil society.

2. FORDISM AND THE CRISIS

Fordism is the term used by Regulation theorists to describe the relatively stable and prosperous post-war period, epitomized by its ability to achieve productivity gains unlike anything previously experienced. While I will outline the general concepts involved in this period, it is important to bear in mind that though these may have proved a dominant trend at the time, they were certainly not the only models of industrialization at work. In addition, these general ideas took a wide variety of concrete forms in various industries and various national political economies.

2.1 The Fordist Model of Industrialization

The model of industrialization that assumed hegemony during the Fordist era was characterized by a deepening of earlier Taylorist principles based on Scientific Management. The breakdown of work into specific jobs and tasks was an attempt to extract the knowledge of the traditional craftsperson in order that it could be controlled and driven more efficiently.

The processes at work centered around the notions of separation and standardization. Workers' knowledge of conceptualizing a task was separated from its execution. The conceptualization of the job was centered in engineering and design offices and away from the shop floor. Standardization allowed for finding the most efficient way to carry out those tasks, subjecting workers to a sort of rigorous control. This was most blatantly accomplished with Fordism, where

Taylorist tasks were numerically controlled by machines. Worker "idleness" was avoided by, "subordinating the worker to the rhythm of the machine" (Scharf 1984:4).

This rigorous, standardized and segmented model of industrialization was to lead to increased productivity by attempting to erase all aspects of human fault from the production process. Its success derived from the standardization of production based on economies of scale. Goods could be produced in far larger quantities than previously possible and so achieve cheaper unit costs. Yet while the Fordist model of industrialization reached unprecedented heights of growth in the advanced industrial countries, it did so at its own peril. The very conditions of success in the Fordist model were also those that would plunge it into crisis by the late 1960's.

The attempt to separate the invention of new techniques (by placing them in the hands of engineers) from the execution of tasks on the shop floor would eventually lead to inefficiencies. If innovation was left to a handful of engineers it meant it could only:

contribute to a general rise in productivity by the ever more complex machines it designs. The majority of the production team finds itself excluded in principle from the battle for productivity and quality.....But this is the counterpart ...[of contemporary complaints] that operatives' involvement and imagination is excluded from the process of technical change (Lipietz & Lebourgne, 1987: 5).

The crisis in the Fordist model of industrialization then, arose once it had reached its peak of efficiency. The system simply exhausted itself after a while and these problems with productivity and quality soon became the basis for needed changes in the system.

This model of industrialization when extended to the macro-level resulted in a steady rise in the productivity of output and the volume of per capita fixed capital. This steady growth was juxtaposed with growth in consumption by everyone but those who did not earn wages. Standardized durable goods provided what Davis has suggested as the "auto-house-electrical-appliance complex as the mainspring of economic growth" (1984: 11). It was a period of carefully balanced growth dependent on wedding production and consumption patterns.

2.2 The Fordist Mode of Regulation

The mode of regulation that grew up alongside this regime, and in fact played a crucial role in allowing for a continued balance between consumption and production patterns, relied on a number of factors.

Wage Relation

The notion that wage rises would accompany productivity increases led to the development of complex, long-term collective bargaining agreements that provided for cost-of-living adjustments and annual wage increases. Laws governing labour relations also instituted minimum wage guarantees. Both of these ensured that purchasing power would remain in line with productivity increases, and worked to create a rigidly orchestrated form of economic growth. As productivity began to decline in the late 1960's, wages remained rigidly fixed and this balance soon hovered on the brink of disaster.

The Welfare State

Within Fordism, the need to extend purchasing power across all levels of society meant that even those who were not working would receive some minimum level of purchasing power. State support allowed Fordist production to turn inwards in controlling demand at a national level. Income was guaranteed for a group of non-active labour market participants, through the use of various welfare and unemployment insurance schemes. In addition, the growth of a state bureaucracy to administer these programs ensured a group of government workers emerging with steady purchasing power.

Oligopolistic Industry Structure

The final form of regulation occurred at the level of industry. With large companies generally ruling production, informal cartels were developed in the manufacturing sector to avoid competitive concerns over price slashing. Pricing could be kept in line and easily controlled to mirror productivity increases.

Though these three aspects generally defined the inner workings of Fordism, the concrete manifestation of Fordism varied from country to country as it was consolidated. As Piore and Sabel have suggested, it was in the U.S. that Fordism first took root. As American based corporations moved outside their home country and set up foreign direct investment in various other countries, a network of institutions evolved at the national level to cement and concretize various models of growth. So, while the wage relation might generally have comprised a balance between purchasing power and productivity increases, it differed in its form of adaptation in each country. While the U.S. might

have developed collective agreements with cost-of-living adjustments, the Japanese industrial relations system based itself on notions of lifetime employment, age-related wage structures and enterprise unions (Mahon, 1987).

The state too, had varying roles to play in the regulation of Fordism. While the 'American way' was to provide an expansion of internal demand, the Japanese model focused on an active role for the state in driving external demand, especially from the American market during the post-war reconstruction period. And, in European countries, the state played a larger role in developing a stronger welfare state variant of Fordist capitalism. There the commitment to full employment policies resulted in the development of radical Keynesian policies.²

The nuances that developed at the national level came to play an increasingly important role for national actors such as unions. Even though capital had begun to move at transnational levels, the consolidation remained at the level of the nation state. And it meant that the institutional framework of Fordism in North America differed quite markedly from that which developed in areas like Western Europe or Japan. The more limited role of the state in North American Fordism; its reluctance to take a more active role in full employment policy and focus instead on minimal movements towards social support while buttressing the free movement of capital; its adversarial industrial relations system that stood somewhere between the subservience of Japanese enterprise unions and Western European co-determination with

² For instance, Mahon (1987) discusses the implications of Sweden's social policies and the Rehn-Mediner economic policy which focussed on full employment where possible and the facilitation of workers from declining to dynamic areas of the economy. She also discusses the role of unions in developing a solidaristic bargaining policy to avoid tendencies towards wage and skill polarization.

capital; and its relative openness to foreign penetration during the post-war reconstruction of Europe and Japan - all these factors created very different conditions for unions during the heyday of Fordism.

Added to this is the even more subtle and yet marked distinctions that developed within North America (ie. between Canada and the United States) throughout the Fordist period. As Chapter Two highlights, this included a more active role for the Canadian state in developing employment policies and the provision of social safety-net practices as well as a more pervasive spread of unionization. To an outsider these nuances may appear more imagined than real and yet for Canadian and American unions, these subtle divergences have created significantly different conditions for developing strategies towards progressive action.

These complex webs of structures that together formed Fordism, faced internal productivity problems in varying degrees and at various times depending on the country involved. At the core, however, was the level of alienation that spawned and exacerbated labour unrest by the 1970's. In places where Fordism had virtually thwarted any individual attempts to fight worker alienation, it had simultaneously allowed for a strong sense of collective power. Where unions could effectively harness this collective power, they were given the added strength of disrupting production at given times. Whether it was a strong collective labour movement or a weaker form, labour unrest during this period was testimony to the degree of alienation experienced at the workplace (Lipietz, 1986).

In response to this deepening crisis, corporations began to find it increasingly attractive to look for ways in which they could move outside the constraints imposed on them by a nationally regulated regime of accumulation. The flexibility

of moving to more remote and cheap locations for production without the fetters of state demands was tempting, especially in areas where the state stood on the more ambiguous ground between restricting capital and freely supporting its movement. That is, North America became more vulnerable to the flight of capital since its relationship with the state had always been relatively unclear.

Eventually, the apparent free movement of capital began to create, in its turn, a pressure at the national level. Markets became less dependent on internal demand as corporations moved outward and trade balances became out of sync with the growth of the inner market. The response in the 1980's began to center on national competitiveness (Lipietz & Lebourgne, 1987).

3. POST-FORDISM AND ROUTES OUT OF THE CRISIS

Unlike earlier Marxists who defined general structures and also suggested that "structures somehow maintain themselves quasi-automatically without effective social agency and without significant transformation," (Jessop, 1991:307) the Regulation approach seeks to rewrite history with a view to including the centrality of human and social action. Crisis periods do not simply erupt and fizzle into ready-made solutions. Instead, the act of social change remains open-ended, "a rather blind process, largely unintentional" (Boyer, 1988:5). For solid new directions to emerge, a necessary struggle must occur - the struggle between various groups with vested interests. In this way, a sort of grafting process occurs, where various strains are tried out, tested and fused with others to create new breeds. Sometimes the result differs only slightly from the original depending on the strength of the strains being fused. At

other times the result differs drastically from what preceded it. In most cases a number of forces are being grafted together, forming exponential possibilities.

Post-Fordism, then, is a period during which all these struggles and minor eruptions are at work in search of the best hybrid that will achieve as solid a social consensus as possible. It is now, and it is moving, changing and replete with nuances that carry it simultaneously in a myriad of directions.³

One thing that does appear certain is the importance of technology as the driving force behind this change. The introduction of micro-electronics has spawned a cornucopia of possibilities for overcoming some of the problems endemic to the exhausted Fordist regime. Using this as a starting point, and basing my analysis within the structure developed by Lipietz and Lebourgne in their paper, New Technologies, New Modes of Regulation: Some Spatial Implications (1987), it is possible to begin tracking how technology can alter the form of capital accumulation through its introduction in the production process as well as its implications for industrial organization. To do so is to admit some form of causal relation which carries biases of its own. At the same time

³ Wood (1989) develops a lengthy discussion over the need to clearly delineate between the terms "Post-Fordist" (production patterns that involve a sharp break from Fordism) and "Neo-Fordist" (presumably a time when both Fordist and new methods of production are occurring at the same time). While I sympathize with his concerns, worrying too much about defining concepts in the abstract only serves to obscure the reality of what is occurring. For my purposes (leaning heavily on the work of Lipietz & Mahon), "Post-Fordism" refers to the general strains of movement that are occurring at the present time. It suggests that the current juncture marks changes (if not departures) from traditional Fordism. In this case, the "post" in Post-Fordism may have less to do with what follows Fordism, than the need to reflect on and analyze the present in terms of a Fordist past. In this sense the present would indicate a struggle to consolidate some new economic model, rather than assume the emergence of any one model - to pinpoint the possibilities and work to support them rather than wait for the inevitable unfolding of some new structure.

it is necessary to begin somewhere, and to have a reference point from which we can build a context for strategic action.

That said, it does not necessarily follow that this technology provides one overarching solution to the problems inherent in Fordism. Though technology has implications for change, it is also limited by the way it is introduced. As Mahon suggests,

Technology per se has no pre-determined socio-economic impact; rather its impact is shaped by the way it is put to use and that, in turn, is shaped by the broader socio-economic environment (1988: 8).

The Post-Fordist challenge, then, is to analyze the way in which new technologies are being implemented and the way they are further affected by the spatial unfolding of that restructuring (ie. the location of production). Lipietz and Lebourgne's analysis offers more promise than most precisely because of their ability to introduce the spatial element. The strength of their theoretical model lies in its ability to outline concrete possibilities emerging out of a very complex reality, especially possibilities for progressive alternatives.

The final outcome, however, is often a hybrid that develops out of the particular Fordist context in any given area; the way in which the crisis was weathered; and the ability of unions and other social actors to embrace their given context and develop innovative responses from there. This last point is one that will be resonate throughout the course of this paper. It is based on the belief that long-lasting change must be organically compatible with the soil in which it is planted.

In the context of the structure outlined by Lipietz and Lebourgne, it is necessary to determine first the form of Post-Fordist restructuring taking root in the production process with a focus on the role of unions in both consenting to and dissenting from management-imposed solutions. And, it is necessary to analyze both the effects and limitations of union action as they are manifested in changes in industrial organization and the location of production.

3.1 Post-Fordism and the Production Process.

The search for solutions to the problems of Fordism has generally amounted to a quest for flexibility. Despite the fact that "flexibility has become the slogan of the current transition" (Cohen & Zysman, 1987), there appears to be more obfuscation than clarification of the term. In order to get at the possibilities, it is important to understand what management discerns as the underlying problem.

The root problem in the Fordist production process was management's inability to tap the special knowledge of the worker - the innate knowledge involved between the execution of the task and innovation that would lead to greater productivity. As much as Fordism stripped workers of their traditional knowledge at work, it created a new source of collective power that made it more and more difficult to crack. In gaining flexibility then, management would like to crack through the walls of that collective power.

Lipietz and Lebourgne outline two overarching approaches to this problem. The first entails deepening Taylorist principles by creating a workplace virtually devoid of workers. This "Superfordist" form of production was most harshly implemented at FIAT's robotgate during the height of labour unrest in 1970's Italy. It has since proven to be

less than satisfactory when machines breakdown and threaten to disrupt the entire production process (Mahon, 1987; Lipietz & Lebourgne, 1987).

The second major tendency falls under the rubric of "Flexible Automation". In this model it is not the degree of automation that takes precedence so much as how this is accomplished. Micro-electronics are used to alter production from a standard, connected moving assembly line into a group of separate work stations. Through computer-aided design and manufacturing, it is possible to keep all machines working rather than having some lay idle. Inventory is tightly controlled and monitored so that parts can be delivered just-in-time for assembly. The flexibility gains of such practices are considered far greater than those provided for in the Fordist assembly line. In its ultimate manifestation, economies of scale (producing a large number of cars to cut down the production price) are supplemented by economies of scope (smaller batches of production used to achieve greater variety within a given product range). It means that producers can turn out a wider variety of high quality models at a relatively reasonable price.

Yet, as Cohen and Zysman (1987) suggest, there are a number of rigidities involved in flexible automation. This restructuring involves a long period in which introduction of new technology can be consolidated, and it requires a considerable capital input. This is an expensive tradeoff for companies with more short-sighted goals. Besides, if production is wedded so closely between delivery of components and assembly, (ie. they no longer rely on stockpiles) production becomes more vulnerable to breakdown and disruption.

This vulnerability, as well as the labour requirements for such production, have led to a desire to dismantle traditional Fordist organizational and labour relations systems. That is, a parallel flexibility in labour rules is seen as a necessary prerequisite for success. The major issues at stake involve: skill, wages and mobility for the worker. First, it is suggested that general-purpose machines need to involve general purpose workers, thus the move towards multi-skilling and teamwork. Here a worker is expected to know a variety of tasks so that she can detect and solve problems where needed. This is a marked departure from relatively unskilled Fordist workers who developed their *raison d'être* through the "job description" painstakingly negotiated by the union and management.

The move towards multi-skilling affects the internal mobility at the workplace. Workers must be willing and able to move from job to job and able to master the nuances involved in each. In addition, wages no longer become tied to specific positions (since the worker is continually changing those positions) but to how flexible that worker becomes (ie. how many jobs she can perform). This is the so-called "pay-for knowledge" system. All of this illustrates a marked departure from the rigid Fordist contract involving set job descriptions, annual increases, and pay based on seniority.

Were changes to production methods made in a vacuum, this extreme manifestation of achieving flexibility might be borne out. Industrial restructuring, however, does not occur in a vacuum. While it might be clear that management carries with its position, the means to initiate strategic change (through product choice and technical capacity), it by no means claims the unfettered right to impose new ideas, at least not without a reaction and struggle of some form. Here, at the micro-level, unions play an important role in

actually constraining management choices through bargaining the terms of its introduction. Thus, as Streeck (1987) suggests, it is necessary not only to look at the execution of management strategies, but also at the influences and roles institutions like unions exert on the actual conception of those strategies⁴

Following from this, it is necessary to view the role of unions in coming to grips with the changes being forced upon them by management - changes that are occurring at a rapid rate. Here Lipietz and Lebourgne outline two alternatives labour might negotiate in general terms at the workplace.

The first alternative most closely represents what the authors term as a "Californian" (or Japanese) model of industrialization. In this case, labour's collective power developed throughout the Fordist years is broken down into an individualized commitment to work. Through the promise of career advances and bonuses on the one hand, and the threat of job loss on the other, individual workers agree to involve themselves in productivity and innovation issues. Pay is related to knowledge or the general financial health of the corporation. Presumably, the union here would be relatively weak, agreeing to wed its goals with the financial bottom line.

The second approach emerges along the lines of that found in Scandinavian or Western European countries where unions have remained strong. (This is termed the "Saturnian" model of industrialization). Here, labour maintains a collective power vis-a-vis management and hammers out an

⁴ Streeck (1987) makes a convincing argument that strategic decision-making within firms involves a complex "web of interactions" that both constrain management initiatives and provide new opportunities. He encourages us to look beyond the notion of unions as simply institutions that resist the inevitable forces of change.

accepted bargain. In return for job security and high wages (ie. forcing a rigidity in the wider external labour market), workers agree to become more mobile within the workplace. This Saturnian option is one outlined by Streeck as an effective union strategy that allows for a rejuvenation of industrial capacity through a compromise between management and labour and balances mass production in a more flexible way. Pay is important in terms of ensuring domestic demand for goods produced, but internal flexibility by the union is needed to deal with innovation and productivity issues.

If the choice is between the Saturnian and Californian approach to industrial relations, a progressive union strategy would lean towards achieving the former. There are, however, other factors to consider in the restructuring process. That is, while unions might aim to achieve a form of Saturnian industrial relations on the shop floor, a broader strategy that includes both recognizing the effects of these changes on industrial organization and the location of production, is needed to truly advance a progressive outcome.

3.2 Technology and Industrial Organization - Some Spatial Possibilities.

The way a firm decides to organize production has also been opened up with the introduction of new technology. Under the Fordist structure, large firms remained heavily vertically integrated, directly owning almost all stages of the production process. As companies pushed past national boundaries, parts of the production process moved to places where locational advantages were attractive. Usually this meant that lower-skilled production went to cheaper areas while higher skilled work remained closer to research and development centers in the advanced industrialized countries.

This led to conceptions of a New International Division of Labour. As products became more and more standardized, labour-intensive work would be transported to less developed countries (Froebel et al, 1980).

With new possibilities for economies of scope arising out of new technology, however, vertical integration takes on a different form. The instability in markets characterized by the crisis led to shorter product life cycles and the need for competitive corporations to "mutualize" risks. Specialized firms grouped together into loose networks. This vertical near integration is characterized by separate but stable connections between suppliers and customers, partnership, and an increased use of sub-contracting. It becomes a way to control the unruly nature of the competitive market without imposing too heavy a structure that would sacrifice the desire for flexibility.⁵

Within this general movement towards flexibility, Lipietz and Lebourgne outline two alternatives. The first is a dispersion of production to new areas - the territorial disintegration of production to other countries or regions. The second notes a limited relocation of production creating territorially integrated systems of production within traditional manufacturing locations. When these forms of industrial organization are mixed with the labour processes outlined earlier, a number of spatial implications are possible.

The first spatial configuration outlined by Lipietz and Lebourgne mixes Neo-Taylorian labour processes with territorial disintegration and emerges as a "Specialized

⁵ For a discussion of this concept see both Holmes (1986) in light of corporate uses of subcontracting and Lipietz and Lebourne (1987) for a full definition of vertical near integration. In management literature this is often referred to as "joint ventures" or "strategic alliances".

Production Area", assuming a largely outward orientation for exporting and relying on low-skilled and cheap labour. The second model mixes Californian labour relations with territorial integration. This "Local Production System" has a variety of levels of production within the same area, relying on a supply of professionals to serve that industry. Finally, when a Saturnian labour relations system is mixed with territorial integration, a "System Area" emerges where the industry forms the focus for a number of service industries that support it within a given area.

System Areas rely on management's ability to use what appear as constraints in the labour market and from unions, as opportunities to create a new form of Diversified Quality Production that mixes the benefit of mass production and continued internal demand for products with a new flexibility on the shop floor that allows for higher quality and greater product differentiation (Streeck, 1987). Negotiations by all those involved (including the state and its commitment to a continued role in supporting a welfare capitalist system) provide for a convergence of interests.

Though a System Area of Production as a mode of regulation based on Saturnian industrial relations and territorial integration would become the most desirable hybrid for labour at this juncture, there remains a large gap between outlining it as a desired goal and deciphering the route in which it can be actualized. That is, a System Area may be a choice that occurs within the realm of possibilities facing Western European unions, but it is questionable whether it might be so for the North American context, and the CAW in particular.

If a System Area is to emerge, the preconditions include both a willingness on the part of management to commit to long-term investment in marketing and product development and

to accept high wages and a rigid external labour market, in exchange for union acceptance of flexibility on the shop floor. Both aspects are necessary in order for the model to work effectively. It also presupposes a desire, on the part of the state to constrain the movement of capital with a strong commitment to welfare capitalism and social goals.

In this context, a union strategy would hinge on its power to defend high wages and limit access to the external market, before it could willingly allow for flexibility on the shop floor. And this presupposes an institutionalized union presence that accepts a decentralized work organization built on good faith. In the wider labour market, unions play a key role in ensuring a supply of skills that result in a well-educated work force with broad skills. A publicly regulated (as opposed to privately run) training system fills the gaps that might occur when training is left to the hands of the market. In short, these rigidities force management to work within the confines of a system that develops a "trickle up" process, each aspect of the intricate system intricately reinforcing other areas (Streeck, 1987).

A strong union that can effect the sort of rigidities needed to constrain capital is one which has developed a historical basis for this sort of relationship, and one that has weathered the crisis in strong enough shape to still exert that influence. More often than not, this background is more suited to Western European unions than those which have emerged in North America. And it is here that Lipietz and Lebourgne's model for analyzing strategy faces considerable weaknesses in the face of a North American reality. Like management theorists who have tried to impose Japanese models of industrialization directly onto North American plants, a progressive strategy for unions based solely on the notion of building a System Area seems out of place. As Holmes (1990) has suggested, management strategies

for restructuring in the North American auto industry have focussed largely on the goal of flexibility and competition. The result has been the development of a wide variety of models in work and wage practices between companies and plants and across the continent.

This result emerges out of many factors endemic to the particular variant of Fordism that developed in North America and was consolidated in the auto industry. Most notably it included a limited role for unions and the state, and a lot of room for capital to move relatively freely within its own sphere. Even more importantly, though the industry was integrated along continental lines, the national institutions that formed the mode of regulation created an uneven development in the spatial division of labour on each side of the Canada/U.S. border. This uneven development led to the emergence of a Canadian union poised to outline a radical set of demands. As discussed in Chapter Two, it meant that Canadian auto workers emerged out of the crisis with very different priorities.

When industrial strategies are more chaotic and less clearly planned by management (ie. they rely on an experimental "wait-and-see" attitude), unions are more restricted in playing an effective role. That is, Western European unions have always had the luxury of institutionalized strength and a willingness for capital to recognize that strength and set clear priorities. This has not been the case in North America. Even though the CAW might have emerged as a more potent and militant force than its American counterpart, the integration of the industry creates divergences and an uneven spatial landscape that eventually returns to constrain the ability of the CAW in imposing their own progressive solution.

It is here that I depart from Lipietz and Lebourgne's model for action. For though they try to incorporate a spatial analysis into their framework, it remains a linear analysis, as if action leads to some predetermined unfolding of a spatial organization in one direction or another. They do so, presumably as a way to foster action, and yet as North American trade unionists know, it remains a false sense of action in the midst of their reality. When so many models are experimented with in a large space at such a rapid rate, action in one area is bound to have a series of effects that ripple throughout the continent and introduce a new level of problems onto union strategies. That is, spatial elements have an effect in and of themselves. To deny this reality when developing effective strategies is to remain consistently outside the realm of possible alternatives.

In This context, a national strategy that aims to consolidate a progressive alternative must work to both enhance democracy at the workplace as well as account for what is occurring in the external labour market. Training becomes integral to a national strategy because it can simultaneously address questions and skill and worker control as well as address the unevenness that has emerged out of different models. By raising the level of skill in the sectoral and national labour markets, unions can begin to plug holes that threaten to polarize and thus constrain actions in given areas. In the process, they can also address individual worker desires for job enhancement.

When training is propelled onto the agenda, unions must decide how they can use it as a means to getting at the most progressive alternative. They cannot simply involve themselves in schemes that are negotiated in bad faith (ie. when training is used to legitimize the badly fragmented status quo). Doing so may actually exacerbate those polarities. Instead, unions must be clear about what they

want to achieve out of training and push both management and the state to agree to similar principles. Only then will unions be able to make effective compromises in other areas.

Often this involves a union strategy that includes both the need to deconstruct the dominant paradigm of competitiveness, and to make concrete moves towards cementing alternative models. Though this may appear as inappropriate militancy or reactionary defensiveness in the eyes of some, it can actually work to lay the basis for a fundamental challenge to the dominant paradigm - one that moves outside accepting competitiveness as the bottom line.

This is not always an easy challenge to meet. Often the choices will be cloaked in extremes - accepting vs. rejecting work reorganization and training, localizing production vs. accepting the inevitable forces of internationalization. And yet if the truth exists anywhere, it does so somewhere in the middle. By being critical and embracing the issues of work reorganization, training, and industrial policy on their own terms, unions can work effectively to transform existing institutions to meet these dualistic challenges.

Pressures, however, also emanate from a supra-national level; from the fact that a national union exists within the confines of a continental industry. This suggests that rather than restrict itself to the defensive posturing so characteristic of the Fordist mode of regulation that focuses on national issues, unions must turn outwards to build ties beyond their borders. To neglect this responsibility is to pretend that unions act in a vacuum rather than in the lively social space that exists around them. While transnational agreements between progressive forces at the institutional level may not yet be within the grasp of unions and other social allies, the opportunity for establishing relationships that mark understandings of agreed upon principles across

borders is, and it can lay the groundwork for eventual institutional changes.

This dualistic challenge forces unions to sometimes move outside Fordist-like compromises with the state and capital, and into the trenches of civil society. Doing so allows unions to consolidate support both within their own structures and with progressive allies, and this process provides the impetus and ability for unions to begin work at the transnational level.

CHAPTER TWO

THE BIRTH OF A UNION: FORDISM, THE CRISIS AND THE EMERGENCE OF THE CAW

The current challenges facing the CAW in the North American auto industry and the strategy it employs must be understood in the historical context that underlies the present. Deconstructing the auto industry during both the heyday of Fordism and the subsequent crisis is a necessary step in outlining both the process by which the CAW has achieved its pivotal role in the the Canadian labour movement in general, and the potential it has as a key player in consolidating a progressive alternative route out of the crisis.

To outsiders, the North American auto industry may appear monolithic, the same general model used on both sides of the Canada/U.S. border. In comparison with European or Japanese models this may be true. And yet on closer inspection, the subtle differences that emerged beneath the veneer of a generally connected Fordist industry appear as significant. These differences can largely be accounted for at the national level where the mode of regulation, though similar, remained quite separate between each country. Thus, while transnational forces resulted in the continental integration of the auto industry during this period, national institutions regulated that industry in sometimes very different ways.

This chapter seeks to draw out those differences by offering a comparison of the Fordist system that emerged in the U.S. and that which developed in Canada. For it is these differences that both laid the basis for the emergence of a

self-confident Canadian region of the UAW, and were in turn, exacerbated by the growing militance of Canadian auto workers. During the Fordist period and the years of crisis that followed, Canadian auto workers began to find their voice. So strong was this voice that it led to the eventual breakup of the UAW and the formation of the CAW as an independent and autonomous union with very different strategic priorities for restructuring.

1. FORDISM IN THE AMERICAN AUTO INDUSTRY

As was discussed in Chapter One, Fordism refers to that relatively stable post-war period that witnessed phenomenal growth. Despite similarities that can be included under this label, Fordism found a number of variants after it was developed in the United States and exported worldwide. As the guiding principle - balancing mass production with mass consumption - Fordism was forced to accommodate existing sets of institutions in each adoptive country.

It was in the auto industry that the development of Fordism as a new regime of accumulation found its origins. The new model of industrialization was working to extend the principles of Taylorism in a way that allowed for the ever-increasing importance of economies of scale to measure greater profits. The segregation and standardization of work and the subjugation of the worker to the movement of the assembly line promised great growth. But Fordism could not simply exist with the advent of new forms of work organization. It was forced to be integrated into society by creating a compromise between vying interests. This mode of regulation took a number of years to develop.

In the auto industry, companies worked to control and stimulate demand for their products by developing an oligopolistic structure. The four major auto companies worked to keep prices in line and steadily increasing rather than involving themselves in cut-throat competition. In addition to this, General Motors went so far as to embrace "Sloanist marketing " as the model for growth. Under this policy, GM could develop a series of models that would appeal to a wide variety of tastes. Starting with small Chevrolets and working their way upwards to family cars and luxury end Cadillacs, GM ensured a "cradle to grave loyalty" for their products in this period (Yates, 1988).

In the meantime, a struggle ensued over what mode of regulation would be most appropriate for this period. The historic UAW-GM strike in 1946 became the battleground. At this time, the UAW began to demand radical reforms that would ensure protection from the likes of another Great Depression. The result, however, was a compromise cemented in the 1948 Treaty of Detroit, a

system of collective bargaining and a form of political interest mediation which encouraged the centralization of decision-making and the abandonment of militant practises in favour of responsible union behavior (Yates, 1988:10).

In effect, the Treaty of Detroit epitomized the form of Fordist development in the United States - a development that witnessed the union trading off its militance in return for financial security for its workers.

Central to this compromise was a form of nation-wide collective bargaining agreements settled between the national office of the UAW and the company. Cost of Living Allowances (COLA), Annual Improvement Factors (AIF) and later, a form of guaranteed annual income in the form of Supplementary

Unemployment Benefits (SUBs), became standard aspects of contracts during this time. In exchange for financial security, however, the union agreed to forfeit its right to legally strike during the life of the agreement, and bargaining became highly centralized through nation-wide contracts that set the pattern and then were adopted by locals (Kotchan et al, 1986).

This wage relation between unionized workers in the central core and companies, may have seemed a positive development for the trade union movement in the US at the time, but it also effectively hampered development of a more comprehensive welfare state at the national level. By relying heavily on collective bargaining protection in the unionized core, unions ensured the minimal development of national laws that would extend purchasing power to all citizens. The Taft-Harley Act effectively limited union rights that had been expanded under the earlier Wagner Act and the welfare state provided little more than basic assistance for the poor. (Mahon, 1989)

What developed in the US then, was a sort of dualistic Fordist system where anywhere from one-quarter to one-third of the American population was excluded from the benefits of economic growth. This compounded problems when the unionized core refused to organize other areas of the secondary sectors of the economy. And, as Davis (1984) has suggested, American Fordism could not overcome the tendency towards a "split-level economy" when the Democratic Party failed to mend rifts that had developed within over racial lines. By the 1980's, a fractured Democratic Party and a unionization rate hovering below 20% resulted in wide divisions within the labour market (Mahon, 1987).

How could a system based on mass consumption and mass production succeed when it excluded nearly one-third of the population? As Davis (1984) suggests, the sheer size of the U.S. population was enough to ensure substantial growth for a number of years. In other countries like Canada, however, this would not become a feasible alternative. As a result, a different Fordist hybrid would take form.

2. PERMEABLE FORDISM?- THE CANADIAN AUTO INDUSTRY IN THE POST-WAR PERIOD.

The Fordist model of growth in the Canadian auto industry underwent a series of developments during the post-war period. In fact, this time period witnessed a continual revamping of production and patterns that allowed for a departure from the model developed in the United States.

Prior to the Second World War, the Canadian auto industry had developed independently in a structure that had worked quite well under a trade system providing preferential tariffs in the British empire (Van Ameringen, 1984). Ironically, however, these very tariffs encouraged in the 1930's, the introduction of branch plants by American-owned companies. At this time, independently owned Canadian companies quickly disappeared as American companies jumped the tariff wall to serve the Canadian market. At the outset of the post-war period, the Canadian industry came to comprise two main segments. In the labour-intensive assembly sector, the big four American-owned companies controlled virtually 100 percent of production. In the components and parts sector, production encompassed plants that were owned by the Big Four producers, other foreign-owned parts plants and a small segment of independent, Canadian-owned parts plants (Holmes, 1983).

Even labour remained susceptible to foreign influence. With the 1936 strike by autoworkers in Oshawa, Canadian workers were soon subsumed under the international UAW, as they looked for help in dealing with GM. This led the Canadian region of the UAW to develop parallel but separate agreements with the Big Four companies (Yates, 1988).

This outside influence during the development of a post-war regime led to what Jenson has called a form of "permeable Fordism", not only in the auto industry but across the Canadian economy at large. It was, "designed domestically but always with an eye to the continental economy," (Jenson, 1989). What occurred in the US did not determine what would occur in Canada, but it would come to play an important role in influencing decisions.

One of the driving forces behind the Fordist model of industrialization was the need to push minimum efficient scales of production to higher and higher levels. The greater the number of cars produced in a batch, the greater the productivity. In Canada, however, this became an increasingly problematic goal. Branch plants that had emerged to serve the Canadian market, were finding it difficult to offer the wide variety of models available in the United States at an efficient level. The domestic market in Canada simply was not large enough to provide so many models with such short production runs.¹ By the late 1950's, this situation was creating severe problems in the Canadian industry that resulted in a \$500 million deficit (nearly one-half of Canada's total \$1.2 billion current account deficit).

¹ See Holmes (1983 & 1987) and Johnson (1963) for discussion of the problems that developed from short production runs. The "miniature replica" effect simply became too expensive to carry on.

To gain greater efficiency, suggestions centered around the idea of lengthening production on a continental scale. This was the genesis of the 1965 Automotive Products Trade Agreement (Auto Pact). In this new plan, the Canadian auto industry was integrated into, and rationalized along, continental lines. But rather than simply extend production and risk the closure of Canadian branch plants with the elimination of the tariff, the Canadian industry was provided safeguards that would ensure continued Canadian production. Stipulating minimum Canadian value-added requirements and creating ratio requirements for production to sales, the industry was promised at least a minimal survival.²

The effect of the Auto Pact, however, and the integration of the industry along continental lines, ensured more than a minimal survival of the industry. Instead, it spearheaded a period of growth that would lead to fundamental divergences in the development between the Canadian and American segments of the industry. These locational advantages, along with a stronger Canadian welfare state, and different internal union dynamics would play crucial roles in facilitating the breakaway of the Canadian region of the UAW.

² Safeguards were key to the Bladen Commission. See Johnson (1963) for a discussion of the crucial importance of safeguards in maintaining "fair" as opposed to "free" trade.

3 LABOUR DIVERGES

3.1 The Importance of Locational Advantages for the Canadian Industry

In the years immediately following the Auto Pact, the Canadian auto industry expanded significantly. The "letters of intent" secured from the Big Four American companies had provided for a temporary 60 percent Canadian value-added increase in the cars sold in Canada, as well as a commitment to increase Canadian value-added by \$260 million over the first three years of the agreement.³

The effect was considerable. Over this time period, Holmes notes that industrial output in the Canadian industry rose by 68%, employment jumped by 32 percent, and US imports increased 993 percent higher than expected. This new investment, however, was to occur in a such a way that favoured low-skilled, assembly work over technical capacity. Over the decade of the 1970's, a disproportionate part of investment went to assembly production rather than more research intensive areas, creating a "spatial division of labour" within the industry.

Just as the North American auto industry was plunging into crisis by the end of the 1970's, this distorted structure actually worked more in favour of the Canadian industry. Over the decade of the 1970's, productivity had increased significantly in the Canadian segment of the industry. Canadian workers enjoyed up to to a 30 percent wage advantage over their American counterparts. This was the result of higher productivity, a significant devaluation of the Canadian dollar by the late 1970's, and government

³ See, Canada, (1983) Federal Task Force, An Automotive Strategy For Canada, Supply & Services, Ottawa and Beigie (1970).

coverage of costs like health insurance which companies had to pay themselves in the United States (Holmes, 1987 & Gindin, 1989).

In addition to the wage advantage enjoyed by Canadian workers, the mix of models that evolved out of restructuring (largely smaller and mid-size) were to fare better over the course of the recession and newer, more modern plants were less vulnerable to shut down. Add to this the fact that the Canadian industry was well situated with respect to cheaper energy inputs and other production resources, and it becomes evident that by the height of the crisis in the the early 1980's, the Canadian auto industry and thus, Canadian auto workers, were facing considerably different circumstances than their American counterparts.

But locational advantages could not completely account for the militant response of Canadian workers to the recession they faced in the early 1980's. Broader factors, including differences in general institutional structures, the organization of the union and the conscious direction of the union leadership, were to cement the need for a Canadian break-away from its international parent.

3.2 The Broader Fordist Mode of Regulation

As we saw in the American variant of the Fordist mode of regulation, the need to regulate purchasing power and productivity was largely a private affair. Strong collective agreements in the core manufacturing sector reigned supreme and labour laws soon came to be limited to the peripheral population who were seeking subsistence. Though the mode of regulation that emerged in Canada bore a strong resemblance to that in the United States, there were some subtle

differences that would play a significant role with the onset of crisis.

One of the most important of these differences was the relatively strong role played by the Canadian federal government in developing an industrial relations system that provided more room for growth in unionization. There was no "right-to-work" equivalent in Canada. This precluded a wide division between well-paid unionized workers in the central core and those on the periphery. Far from providing a tight labour market, it did allow for more manageable differentials than those emerging in the United States (Mahon 1989, Gindin, 1989).

In addition to a slightly less polarized labour market, unions launched a more aggressive organizing drive in Canada. The inclusion of strong and militant public sector unions meant, as Gindin points out, that whereas American autoworkers enjoyed a 40 percent higher wage than in other sectors, in Canada this wage differential remained as low as 20 percent. In part, this may have leant greater sympathy and a sense of solidarity for autoworkers when they chose to pursue a militant course of action.

Finally, though Canadian party politics may have been split more along regional than class lines (Jenson & Brodie, 1988), the emergence of the CCF-NDP as a third party, helped to evolve a stronger bent towards the left. The Canadian welfare state, while hardly enjoying the strength it did in many Western European countries, did depart markedly from the American state. It provided universal access to things like pensions, health care, unemployment insurance etc. Again, this helped to limit moves towards an American style split-level economy.

More importantly, the rise of the Waffle movement within the NDP helped foster a stronger sense of left nationalism in Canada. This, along with the realization that alliances with the national government might prove more beneficial than that found within the international union, made for strong moves towards nationalism in the Canadian region of the UAW. By the late 1970's and early 1980's, a nationally based alliance of Canadian auto workers and a fraction of nationally based capital (ie. independent parts makers) began to make inroads into state policy in the auto industry. The effect was the beginning of a discussion that marked greater state intervention in dealing with foreign auto producers by the mid 1980's and a relatively stronger state commitment than existed in the United States to maintain both automotive production and employment in Canada. ⁴

3.3 Internal Union Dynamics

These differences in environment facing American and Canadian auto workers, played a large role in facilitating the sense of militance that emerged in the Canadian region during the early 1980's. But these were not sufficient conditions in themselves to warrant action. There was an important aspect of agency within the Canadian region that emanated from within the union itself. Analysis of collective action on the part of the union can, as Yates convincingly argues, be traced to two developments: the sense

⁴ VanAmerigen (1984) develops this thesis in a convincing manner. Two reports in particular, the 1978 Report of the Sector Task Force on the Canadian Auto Industry and the 1983 Task Force, An Automotive Strategy for Canada, criticized the increasing dependence of the Canadian industry on the technical auto headquarters in Detroit. As Perry (1982) suggests, it led to a fundamental shift in policy in the 1980's over the way the Canadian state would actively encourage foreign transplant production in Canada.

of union identity or ideology, and the structure that facilitated action in the union. According to Yates (1988,) there were significant departures from the American model within the Canadian union in these respects. And these departures allowed for a separate path of action on the part of Canadian workers.

In the area of ideology, it was the early development and sustained presence of a militant left caucus within the Canadian region that accounted for divergences with their American counterparts. From its inception, the Canadian region possessed a vocal left caucus coming out of Communist and CCF circles. This left caucus survived the UAW's purge of the late 1950's far more successfully than in the United States, and though it remained relatively quiet during the restructuring of the 1960's, it was rekindled in the 1970's, leading the call for a national union. The existence of a left caucus allowed for a dialectic at the grass roots level that would foster a more radical approach to issues within the union.

More importantly, however, it was the unique organization of the union structure in the Canadian region that gave voice to this wing of the union. The Canadian region avoided the overbureaucratic and hierarchical structure of its international parent, thus leaving room for strong rank and file discussion and involvement in the decision-making process (Yates, 1988). The key to this participation was the evolution of the "District Council". It was the focus of debate and priority setting and its distance from the leadership and focus on local representation would ensure it became an important vehicle for militant strategy. The District Council soon came to be directly tied to policy-making in the Canadian region. This was due largely to the fact that economic policies in Canada

were separate from those in the United States and needed to be recognized as so.

It was this focus on the District Council as a forum for ideological debate that aided the Canadian region of the UAW in developing a collective identity through their struggles in the 1970's.⁵ Both the debate and the struggles they endured, led to what Gindin has recognized as the growing "self-confidence" of the union just as it was poised to face the onslaught of crisis in the early 1980's.

4. THE ONSET OF CRISIS

Growing divergences in the environment facing both Canadian and American autoworkers, as well as ideological differences, made positioning vis-a-vis capital a very important factor as the recession was about to lurch into crisis proportions. In fact, the divergences that had developed throughout the history of the International union, but that had become clearly pronounced during the decade of the 1970's, became more deeply established during these years of crisis. The militant Canadian response during these years was to prove the final straw that would break the back of the International union in Canada.

Though productivity problems had been plaguing North American auto producers since the late 1960's, it was the drastic increase in international competition during the 1970's that precipitated an all-out crisis by the early

⁵ For a good discussion of the struggles from the confrontation with Douglas Aircraft over imposing American wage and price controls in 1971, to alliances with radical Quebec elements, the fight against wage and price controls and a series of bitter strikes, see Yates, (1988 & 1990) and Gindin (1989).

1980's. Growing competition from foreign car producers (especially the Japanese) challenged the hegemony of the Big Three even within their domestic market, and the oil shock of 1979 exacerbated this by making small, fuel-efficient foreign imports increasingly attractive. The result was a huge loss of market share on the part of the Big Three auto producers. By 1978, Japan had captured 12.4 percent of the North American market and by 1989 this would escalate to 25 percent. (Perry, 1982)

The response to this included a major restructuring and rationalization of operations in North America - largely through the use of plant closures, layoffs and automation. Labour faced huge dislocation as employment in the United States declined 41.4 percent in 1979-80 (Perry, 1982). Though there were the seeds of a more strategic response at this time (revamping the production process, developing alliances with other auto-makers, etc.) most reactions took on a defensive tone - an all-out attack on labour in an effort to cut costs. Where closures and layoffs were avoided, concessions were consistently demanded from workers - either in direct wage cuts or in the elimination of COLA's, AIF's, and pension plans (Yates, 1988).

Labour responded in fundamentally different ways on each side of the Canada-U.S. border. American auto-workers, faced with the threat of closure and outsourcing, readily agreed to wage concessions in return for what they considered to be job security. This was most blatantly evidenced in the bail out of Chrysler in the United States. Here, loan offers to Chrysler were predicated on substantial wage cuts from workers. This precedent led to both GM and Ford demands for re-opening collective agreements in 1982. Wage increases were avoided in favour of lump-sum payments tied to profit levels (Balance & Sinclair, 1984).

In Canada, the response differed quite markedly. Though Canadian auto workers, bound by the the 1970 International Bargaining Agreement with Chrysler, were forced to accept initial concessions, they met further demands for cuts with resistance. What eventually emerged within the Canadian region of the UAW (and eventually within the Canadian labour movement at large) was a militant "no concessions" policy. Separate settlements were negotiated for the Canadian region including the right to retain a 3 percent AIF increase as well as paid personal holidays and an out-and-out rejection of lump-sum payments tied to profit levels (White, 1987).

The initial impetus to follow a more militant policy in Canada can be attributed to the varying state of industry health in the two regions. As discussed earlier, the Canadian industry had benefitted greatly from restructuring under the Auto Pact as well as with the devaluation of the Canadian dollar during the late 1970's. At the time, productivity increases, a lower Canadian dollar and state covered benefits had amounted to a differential of wages where Canadian labour costs were \$7.50/hour less (Holmes, 1987).

Cheaper costs, relatively new and modernized plants and a mix of favourable small and mid-size models of car production during an energy crisis, all helped to alleviate the state of crisis in Canada at the time. While employment dropped by 30 percent in the American auto industry, it was held to 15 percent over the same time period in Canada, and many of these remained only temporary layoffs. In fact, by 1983, the industry had already begun to expand again in Canada and by 1986, it had reached the peak levels of production and employment it had enjoyed in 1979 (Canada, 1983).

But it was also the ability of the Canadian region of the UAW to develop a sense of solidarity amongst its brothers and sisters during a tight recession. Most of the mainstream media had little sympathy with Canadian auto workers at the start of their "no concessions" campaign. The rest of the labour movement, however, not only rallied behind them, but even adopted the no concessions platform at the national level of the Canadian Labour Congress. And this, as Gindin has suggested, can largely be attributed to the spread of unionization across broader sectors in Canada and the smaller discrepancy in wage levels than that occurring in the U.S. Few American auto workers could have cultivated a sense of solidarity at a time when their wages were 40 percent higher than most other sectors. (Gindin, 1989)

5. IDEOLOGICAL DIFFERENCES: CANADIAN AUTOWORKERS COME HOME

By the time the North American auto industry began to emerge from the depths of crisis to take a breather before committing to more strategic responses, it was clear that the differences between Canadian and American auto workers over wage concessions was approaching an insoluble state. The strength Canadian workers had derived from their battle against concessions only served to heighten a sense of union identity along national lines. In comparison, American auto workers had agreed to tie their fate to corporate goals. As these different ideologies were further entrenched during the years immediately following the 1981-82 recession, the divergence became impossible to sustain under the rubric of one International union.

In the years between the reopening of contracts in 1982 and the next collective bargaining round in 1984, American

auto workers witnessed an acceleration of the trend toward cooperation with the Big Three auto companies. They accepted job security promises in return for lump-sum wage increases. The AIF was completely eliminated in favour of profit-sharing. And, in 1984, American UAW collective agreements initiated the beginning of a long trend towards the dismantling of traditional Fordist job descriptions. Job classifications began to shrink in favour of multi-skilling initiatives (Holmes, 1990).

In contrast, the Canadian auto workers remained staunch in their defense of an adversarial labour relations system. They launched a strike over the issue of a recognized "made in Canada settlement" by the Big Three. With the close integration of the industry along continental lines, a disruption in Canada had created enough pressure to form a quick settlement. Lump-sum payments and profit sharing were rejected and Canadian workers enjoyed a 3 percent annual increase. Soon these material discrepancies became ideological. The problems this created for the International (increasing resentment from their own American members and the strength of unity in the Canadian region) made it imperative for them to distance themselves from the growing "Canadian Problem" (Gindin, 1989).

In December 1984, the Canadian region agreed to form a separate union, and in September 1985, the Canadian Autoworkers (CAW) celebrated their founding convention. From this point onwards, auto producers in North America (both foreign and domestic) would be forced to negotiate separately with the Canadian union.

6. CONCLUSION

Though the North American auto industry was integrated and rationalized across national boundaries, and though the Fordist mode of regulation bore certain similarities that spanned the border (one international union and a generally privatized welfare state), the subtle differences that arose in the context of different national priorities carried considerable ramifications. A divergence began in the 1970's, but it wasn't until the crisis had reached all out proportions in the early 1980's that differences soon came to mean division.

What emerged by this time was a striking division not only in tactics, but in ideological directions between American and Canadian auto workers. A self-confident Canadian union found it more in its interests to tie its fate to a national future rather than a continental one. And suddenly, under these new terms, the Canadian Auto Workers were propelled into the forefront of the Canadian labour movement. In the process, the CAW bore definite responsibilities - to maintain their strength vis-a-vis capital while at the same time, articulate an alternative way out of the crisis. In light of new restructuring efforts that began to assume a more strategic tone and threatened to restrict the movement for progressive action at a national level, the CAW faced a significant challenge.

CHAPTER 3

FRAGMENTED LANDSCAPES: POST-FORDIST RESTRUCTURING AT THE MICRO LEVEL

As the CAW emerged as a separate union, the North American auto industry began to pull out of depths of the recession. By the mid-1980's, oil prices had stabilized and Japanese auto producers had accepted temporary voluntary export restraints. This all allowed for a small amount of room for manoeuvre on the part of the Big Three - an opportunity to sit back for a moment, take stock and embark upon more strategic and aggressive restructuring policies. At that time, a debated raged over the future of the world auto industry in general and the sorts of restructuring policies required to regain profitability. While some claimed the "world car" scenario would force the deindustrialization of traditional auto producing areas with a dispersion of production to less developed countries, others spoke of a neo-infancy stage in which, "the definition of the product and the conditions of competition have once again become open to question."¹

As Wood (1989) rightly points out, both versions of restructuring have often led to a case of hyperbole - an

¹ This quote is taken from Tolliday & Zeitlin (1987), but the debate can be traced back to Altschuler (1982) and his prophetic "world car" scenario where cheap production costs would become the prime determinant of profits. It lead economic geographers like Clark (1986) and Schoenberger (1987) to call for a spatial dispersion of production that focussed on locational advantages. At the other end, Tolliday and Zeitlin (1987) coined the term "neo-infancy" and stressed the implications for reindustrialization in traditional centres that would arise out of micro-electronics. Holmes (1986) strengthened this view with a discussion of the technological implications for sub-contracting and the limited relocation of production.

overexageration of trends that works to obscure the more complex and often contradictory reality of restructuring. This is because periods of crisis rarely give way to simple solutions. The organic nature of the crisis means that as new methods are employed, they encounter a web of interactions that, in turn, can have implications for a different strategic direction. Put simply, the fluidity of action amidst crisis cannot easily be captured by static theories that impose a simple, linear direction for the future. In fact, restructuring in the North American automotive industry has rarely stood still long enough to analyze, let alone imply a clear strategy for a new model of industrialization. Through a process of "trial and error", the Big Three have reacted to initial responses with sometimes very different policies.

This chapter attempts to extract from the complex reality, an understanding of capital's attempts to restructure relations at the workplace and the terms of production in the industry at large, as well as union responses to advance alternatives. While the time frame remains sketchy, it roughly encompasses the period from 1984/85 to 1988. There are, no doubt, overlaps both before and after this time period, but focussing on these years clearly illustrates how capital was moving towards utilizing new techniques to restructure the workplace and how unions were forced to face this challenge head on.

1. THE COMMITMENT TO NEW TECHNOLOGY

It was the revolution in micro-electronics that spawned the debates around restructuring in the 1980's. In order to assess the impact of this, we need to determine to what extent the Big Three auto producers involved themselves in these new terms of production. It would be safe to assume,

that over this period, technology did become integral to restructuring policies, and that this was especially so in the automotive industry. All three companies matched their verbal commitment to technology either by buying up high technology companies of their own, or by striking licensing arrangements with these companies and hiring personnel with a knowledge of micro-electronics.

For instance, General Motors acquired both Electronic Data Systems (EDS) and Hughes Aircraft (a high technology defense producer). And, by 1987, they had also begun to acquire robotics companies, including the Japanese-owned FANUC. Ford and Chrysler, facing more severe financial constraints focussed on licensing arrangements and joint ventures with auto companies who were said to have a leading edge in technology. But Ford did aggressively develop a high technology "World-Wide Engineering Release System" in the realm of design.²

In addition, all three companies have become members of Manufacturing Automation Protocol (MAP) and Technical and Office Protocol (TOP) - computer networks designed to develop and share software information for plant communication in the automotive industry.³

In financial terms, General Motors outstripped its competitors by investing \$40 billion worldwide on technological modernization from 1981-1988. Ford seemed slow in the uptake but by 1987 had announced a \$300 million modernization for four targeted North American plants.⁴

² This information was synthesized from a review of General Motors, Ford and Chrysler Annual Reports, in both Canada and the United States for the years 1987 and 1988.

³ Ibid, (General Motors, Ford and Chrysler, (1987, 1988).

⁴ Ibid., General Motors, Ford and Chrysler, (1987, 1988).

In general then, the Big Three seemed to have put their money where their mouths were in the 1980's. There is little doubt that micro-electronics had a significant impact on restructuring in this past decade. To gauge the form this technological investment has taken and the effect of this commitment, however, it is necessary to see how this technology has been diffused throughout the industry. This means we must analyze movement in terms of: production process changes, union responses to these changes, and alterations to the structure of the industry as well as the spatial implications evolving out of these changes.

2. CHANGES IN THE PRODUCTION PROCESS

The implications for change in the production process via the use of micro-electronics has been widely discussed.⁵ But, as Lipietz and Lebourgne point out there are two general trajectories: a further automation of production that seeks to eliminate the hazardous labour element (Superfordism) or a reinvigoration of the process so that auto production becomes more flexible in response to market demands (Flexible Automation). Within this second mode of production, micro-electronics can be used to lessen the importance of profit based purely on economies of scale. Through computer-aided design and manufacturing, it is possible to keep all machines at work simultaneously rather than leaving some idle. Inventory is tightly controlled and parts are delivered just-in-time through increased electronic communication systems.

⁵ For a general overview of the effects of micro-electronics on production methods, see Piore & Sabel (1984) and Cohen & Zysman (1987), Hyman & Streeck (1988). For a theoretical discussion from a Regulation perspective see Lipietz (1986), and Scharf (1989). For specific reference to the auto industry see especially Wood (1986) as well as Katz (1985) and Dimnik & Richardson (1989).

This allows producers to create a number of different products at a smaller but still efficient scale (economies of scope).

Generally, technological change occurs at two levels: in new equipment, and in the development of new processes. In terms of equipment, computer numerically controlled machines (CNC), computer-aided design and manufacturing (CAD/CAM) and automated material handling systems (AMHS) as well as robotics are designed to make model change-overs a quick and relatively painless process. Rather than retooling the entire plant, reprogrammable tools can be changed quickly to cover new jobs.

In addition, process technologies like just-in-time delivery systems of components saves capital by avoiding stockpiles of inventory. Statistical process control (SPC) provides computer monitoring of the production process so that glitches can be responded to immediately and quality maintained without disrupting the entire line. The ideal is to reach the goal of a computer-integrated manufacturing system that links ideas from head office to engineering to plant office to the shop floor. This would ensure quick responses and an attempt at dynamic flexibility that works to make for quick responses without the hierarchy of the Fordist system.

In reality, micro-electronic technology does have significant implications for work in an auto plant, and each of the Big Three auto producers have invested in modernizing machinery within plants with a higher electronic content. The use of robotics is the most blatant example of how electronics can be used to automate production and the Big Three have increased this use over the last decade. A report by the Canada Employment and Immigration Commission made in 1985 attested to the 4,000 robots already in use in the North

American auto industry and estimated that the number would triple by 1990 (Canada, 1985). The CAW has documented through their own surveys, that robotics more than doubled between the years of 1985-87, increasing from 18 to 40 percent (Robertson & Wareham, 1987).

How have these robots been integrated into production? By the late 1980's, it became evident that the goal may not have been to automate and displace human labour (ie. not to achieve Neo-Taylorization), for automation was concentrated in specific areas. Spot-welding, spray-painting and basic assembly witnessed the largest percentage of robotic use while other areas of assembly still required a significant human element. This may suggest a limited use for robotics on the shop floor and a move away from the notion of a "workerless factory".

In other machinery, micro-electronics has been important, for the development of computer numerically controlled machines. Up to 30% of auto plants had introduced CNC in some fashion by 1987. (Robertson & Wareham, 1987) This has allowed for quicker retooling for change-overs in production, and yet even here the process has been limited. In General Motor's new Autoplex plant in Oshawa for example, (the most technologically advanced plant in North America) automated material handling systems are in use as are automated guided vehicles (AGV's) that move the partially completed vehicle from one work station to the next. The gains in flexibility are often limited however. Where this might reduce idle time and allow for variations in times between work stations, it has not seemed to increase the auto producer's flexibility to offer more varied products coming off the line. That is, the batch size remains relatively large in assembly production. For instance, the Autoplex has an annual capacity of 730,000 cars and still continues to rely on the production of only one model each year (Financial

Post, 1987).

This becomes even more clear in the case of process technologies being used in the North American auto industry. Statistical process control (SPC) had been introduced into almost 80% of workplaces by 1987 though its usage varied significantly from plant to plant. In some areas, the use of SPC was introduced directly into shop floor tasks after workers had received appropriate training. In other shops, inspectors were given training and became solely responsible for monitoring SPC programs. Still in others, management retained strict control over the monitoring. Thus, while it has come to be understood that SPC is integral to the enhanced quality of products coming off the line, its simple introduction does not suggest, *prima facie*, that plants will attain a greater degree of flexibility in the production process. If SPC is still separated from the production function, it is questionable whether real dynamic flexibility can be achieved.⁶

The same sort of limitations hold true for the much hailed benefits of a just-in-time production system that is lean rather than buffered with the extra weight of stockpiled inventories. In the 1980's, JIT increased by 50% in use with the goal that it would be introduced in some form for every North American plant. The benefits can be substantial, largely through freeing up capital by avoiding stockpiling. For instance, JIT has allowed General Motors to reduce inventory by \$5 billion between the years of 1981-88 (Berry, 1987).

What is important about JIT, however, is that component

⁶ Cohen & Zysman (1987) distinguish between static flexibility that simply tacks flexibility onto a relatively rigid process, and dynamic flexibility that allows for continuous and spontaneous changes in the production process.

producers carry the largest burden of making sure that only enough parts are produced and delivered at the right time. In Fordist times, when high degrees of vertical integration characterized the industry (ie. the auto producer owned every segment of the production process from tire production to final assembly), the Big Three automakers were forced to bear more of the responsibility for component production. In the last decade, however, vertical disintegration has become a real tendency meaning that smaller components producers must bear a disproportionate cost of gaining flexibility on their own, while large assembly producers maintain the benefits of economies of scale.

3. THE INDUSTRY STRUCTURE

While the introduction of new technology has been significant over the last decade, it is also obvious that it has been uneven, falling disproportionately in the areas of component design production and flexible delivery to assembly plants. This tendency has occurred during a time when there is movement towards the dismantling of traditional vertically integrated auto corporations. Despite this, however, the direction is not simple vertical disintegration, but what Lipietz and Lebourgne have called vertical near integration. That is, while the Big Three have moved away from direct control over every aspect of auto production, they have taken great pains to maintain indirect control through the creative use of subcontracting.

As Holmes (1986) points out, subcontracting offers an opportunity for flexibility in two very important ways. In the first place, it allows auto producers to avoid the high fixed costs involved in maintaining in-house parts suppliers, by subcontracting out component production. While direct

control is given up, these suppliers enter into more stable, connected and long-term agreements with assemblers. This, component producers gain in return for agreeing to underwrite the costs of design, quality, and just-in-time delivery for assembly. The bidding wars that ensued in Fordist days over supplier contracts are foregone in lieu of more stable and defined agreements.

A second way of attaining flexibility is in the way that the Big Three auto producers will assume some financial responsibility for operations but leave a lot of room for independence in the sphere of direct production. This is characterized largely in striking joint-ventures and licensing agreements with smaller, innovative firms or those who have worked hard at developing a niche for the product. It smooths out the risk involved in temporary or uncertain markets.

Both of these practices have characterized North American auto restructuring over the last decade. The Big Three have realigned relations with suppliers substantially. It became expensive to modernize both their assembly and parts operations, so in response, they moved to shifting the responsibility for retooling and product design onto the shoulders of the subcontractors.

Multi-sourcing of parts changed to single-sourcing from subcontractors. In this relationship, Emison (1990) has shown how assemblers created strict requirements. For instance, General Motors shifted from division-wide supplier relations to a corporate policy in 1985. Their requirements involved the need for suppliers to demonstrate an ability to meet quality, cost, delivery, technological and managerial competence. In many cases, this has led to the development of a multi-tier system of component producers. On the first tier is the large component manufacturer that locates itself

near, or in proximity to, the assembler. The smaller components producers then produce parts to go to the large components producers (Economist, 1988).

Each of the Big Three auto producers did make moves in this direction during the 1980's. Chrysler already purchased the majority of its parts from outside suppliers and Ford went into early crisis and quickly moved to outsource much of its labour-intensive component production. General Motors had appeared the most reluctant to outsource component production. For a short while it used outsourcing to force more efficiency from its in-house suppliers but soon moved to shedding more component production as financial outlays in modernization of assembly plants created fiscal constraints. (Emison, 1990)

It is indeed ironic that though subcontracting has forced many suppliers to become more flexible in their production, assemblers have remained limited in putting their own houses into a more flexible order. This is evident when we look at the sort of production offered each year by the Big Three. Technology itself has done little to affect the size of production runs. Cars are still assembled on the basis of economies of scale, and yet General Motors offered a wider variety of models than ever before in 1989.⁷ How could it offer so many models, in large amounts, in a market that has continually seen the erosion of General Motor's hegemony and the emergence of new challengers?

The answer can be found in GM's reliance on joint ventures and licensing arrangements. By keeping a financial stake in the development of new models, but remaining outside the realm of direct production, General Motors is assured of

⁷ See GM Canada Annual Report, 1990, and GM, Annual Report, 1990. And, See Car Crafter, , Fall, 1988.

profiting from advances in any one particular area. Unable to shake off the tendency towards "Sloanist marketing techniques", that ensured a cradle-to-grave loyalty for GM products during the golden days of Fordism, General Motors and the Big Three continue to play a "wait-and-see" game by involving themselves, even minimally, in all areas.⁸

Now the Big Three strike agreements with foreign producers (largely Asian) in the smaller car market and in areas in the more upmarket scale, while retaining production themselves in the middle market. For instance, in the sub-compact market, GM has an interest in Isuzu and owns 50% of Daewoo in South Korea. It also maintains a joint venture with Toyota (NUMMI) for production of the Toyota Corolla and the new GEO Prizm. Ford owns 25 percent of Mazda, has an interest in KIA of South Korea, and owns 87 percent of Ford Lio Ho Motor Company of Taiwan. Chrysler has developed a deal with Mitsubishi to develop products and sell them under the label of Diamond Star Motors in North America.⁹

This complex web of relationships at the financial and marketing levels means that though smaller manufacturers maintain the flexibility to design and produce cars on their own terms, the Big Three benefit financially from any gains made in those areas. It means that while there may be a wide variety of auto producers worldwide, financial control still remains in the hands of a few large producers. More than anything, it illustrates the reluctance of the Big Three to focus their strategies in any one area by keeping all their fingers in the pot.

⁸ See Chapter two for a definition of Sloanist marketing techniques used during the Fordist era.

⁹ Synthesized from General Motors, Ford and Chrysler, Annual Reports, 1987, 1988.

Having outlined all this, however, it is still not clear that subcontracting is anything more than a temporal or partial response to the uncertainty of the 1980's auto market. There remains a tendency for large auto producers to maintain direct control over production, or to place as many constraints on outside suppliers as possible to keep them tied to the assemblers' goals.

For instance, General Motors has shown a real reluctance to shed itself of all its in-house suppliers. Being larger, and facing less financial constraints than Ford and Chrysler, GM has understood the advantage that can be culled from retaining a degree of vertical integration (Emison, 1990). Transfer pricing and intra-firm trade provide ways to internalize substantial costs. If GM has the financial capacity to maintain a degree of vertical integration, it might well find a justification for doing so in certain areas. In addition, there are advantages that stem from restricting critical information to in-house contracts, rather than sharing new advances with outsiders. This may account for why GM chose to acquire Hughes Aircraft and EDS rather than strike licensing arrangements. Though licensing may be cheaper than a direct buyout, it also does not ensure that new advances in technology will remain safely in-house, providing a competitive edge.¹⁰

During this period of restructuring then, and out of this apparent mass of contradictions, it is clear that the use of micro-electronics has led to some significant changes in corporate strategies for production. Mass production and

¹⁰ In fact, this line of thinking has led some to speculate that GM might be planning to move towards technological supplier par excellence in the international auto industry, thus reneging on a responsibility for direct production of autos. In this context, GM's new "Saturn Project" can be seen more as a showcase for this new technology than a strong commitment to the production of autos. Labour Research Review (1988) vol. 7, #3, pp. 17-19.

the hegemony of large Fordist vertically integrated behemoths with oligopolistic control over the industry has been challenged in many areas. Efforts to introduce more flexibility into a rigid process has begun the move towards flexible automation that Lipietz and Lebourgne outline. This is achieved largely through the use of micro-electronics and efforts at subcontracting.

At the same time, however, restructuring is not occurring in any clear, linear direction. Attempts at attaining flexibility have been limited most strikingly on the backs of suppliers while assemblers continue to reap the benefits of economies of scale. This makes for a more complicated model than that outlined by Lipietz and Lebourgne, and has significant ramifications for progressive action on the part of labour.

4. NORTH AMERICAN AUTO RESTRUCTURING OUTSIDE THE BIG THREE

Up to this point, the discussion of Post-Fordist restructuring has centered on Big Three policies and strategies within Canada and the United States. There were, however, two other major developments initiated during these early years, though their effects still have not been fully felt.

The first concerns the development of Japanese transplants within the North American auto industry. With the imposition of voluntary export restraints in the early 1980's, Japanese producers decided to build plants in North America to escape the tariffs. North American labour and capital had hoped that in doing so the terms of competition would be finally harmonized. The result, however, was much

different and has created a widening gulf in labour and productivity practises within the North American auto producing environment.

Aside from a few joint ventures, most Japanese plants were built in greenfield sites in areas in close proximity, but just outside traditional Big Three regions in the Midwest and Ontario.¹¹ Thirteen assembly plants and over 300 component plants have been built with new research and development centres so that by the early 1990's, the Japanese will have developed a "top-to-bottom" production system that is completely self-reliant (Holmes, 1990). These plants have, in general, shown significantly cheaper costs in production largely through the use of state subsidies and utilizing a younger workforce (ie. minimal medical insurance and pension plans). These gains have been said to relate to overall labour savings of almost 40 percent though actual productivity remains in line with the rest of the industry (Holmes, 1990). The development of these transplants not only threatens the existence of domestically controlled companies by creating a surplus of plants, it works to create significant pressure on the Big Three to make up the cost-differential by cutting labour costs. That is, huge gaps begin to appear in what was once a relatively tight labour market.

The second major development that is occurring outside the realm of unionized Big Three plants in North America, are the changes that developed in the Mexican auto industry during this time. Since the early 1980's, the integration of

¹¹ Only four joint ventures have been built in the 1980's -NUMMI in California, Diamond Star and Mazda in the Midwest and CAMI in Ingersoll, Ontario. The rest of the Japanese transplants have been built in areas like Ohio or Kitchener, Waterloo. These are generally in the same geographic area as the traditional Big Three plants but just outside the union towns.

Mexico into the North American auto industry has been steady. Within this pattern, a divided industry is developing - one that relies on cheap labour from the border Maquiladora region and one that boasts a relatively sophisticated industry churning out high quality, "world class" engines and other parts using new technology and high-skilled labour in central Mexico (Holmes, 1991).

Both these developments have become an increasing threat as they reach fruition in the 1980's. As they come to mature even more and reach their full potential, even greater pressure than has thus far been exerted will plaque domestic plants in Canada and the United States.

4. UNION RESPONSES TO RESTRUCTURING

Union strategies in response to management tactics have been far from monolithic. On the one hand, the uncertainty surrounding management practices, and the tendency to test a wide variety of experiments, have forced unions to respond in many different ways depending on how they are faced with new technology and work practices. On the other hand, the immediate responses of unions, either in resisting, adapting or embracing management initiatives have also been an important part in determining what sort of hybrids have emerged.

In Lipietz and Lebourgne's model, the choice facing labour at the level of the model of industrialization is that between a Californian model that individualizes the collective labour process and the Saturnian model that works to maintain collective labour strength in the hopes of a negotiated settlement between labour and management. The model itself becomes a little oversimplistic in the context

of the North American auto industry because it assumes both the Californian and Saturnian (as well as the Neo-Taylorian) options to be mutually exclusive where, in fact, both might arise simultaneously. It is, however, a good starting point of analysis and helps us understand the ideological differences that have emerged even more starkly between the UAW and its independent offspring, the CAW in recent years.

The divergences between Canadian and American auto workers started long before the formal separation of the union (as discussed in Chapter Two). It was the early part of the 1980's however, and the onset of the crisis that exacerbated these tensions and led to significantly different bargaining priorities throughout the decade. Skill, wages and mobility became the major focus for discussion during this restructuring period. Collective agreements were open to re-negotiation within the lifetime of a contract (a stark divergence from Fordist times). In essence, it was the UAW's rather weak Fordist legacy and subsequent plunge into deep crisis that forced it to give into certain demands its Canadian counterpart refused to consider.

As Holmes (1990) points out, the American UAW agreed to some major components of bargaining that would affect both wage determination and the sort of connective bargaining based on master agreements that had been consolidated during the Fordist era. Since as early as 1982, but beginning formally in the 1984 collective bargaining round, the UAW began to accept lump-sum payments and the option of profit-sharing in lieu of both the COLA and AIF base increases that had so characterized auto bargaining for some forty years. In the early 1980's, a tendency to agree to reopen contracts and give concessions in return for employment security gave way to a formal acceptance of an elimination of base increases by 1984 (Holmes, 1990).

In addition to tying their wages in line with the company's profitability, the UAW began to accept the erosion of master bargaining in 1982 and 1984 by agreeing to local labour/management committees that were given the right to re-open master agreements in mid-contract to facilitate changes in job classifications and work rules. By the 1987 round, the union had officially tied itself into "cooperation" with the Big Three with "Attachment C", a document that focussed on the need for competitiveness in the North American auto industry (Holmes, 1990).

At this time, more flexible work rules were being demanded by the Big Three. This centered around the need for multi-skilling and was evidenced in the broadening of job classifications as well as a reduction in the overall number of classifications. Seniority rights for mobility inside plants were also limited. Wages were becoming tied into a pay-for-knowledge system as opposed to one based on seniority. The more skills one had, the higher the pay, regardless of one's years of service. Individual bonus systems were introduced as ways to increase the speed of work and attack the heart of collective action. In addition to these advances, team-oriented processes were formally recognized with the UAW's separate agreement with the new Saturn organization in 1985. Cooperative methods were introduced to resolve disputes, effectively replacing the more formalized grievance procedure (Saturn/UAW, 1985).

The trend towards "cooperative" relations with management and the move towards significant changes in work reorganization had made solid inroads by 1988. The team concept was in use in 17 American GM assembly and parts plants, 6 Chrysler plants, 2 Ford Engine plants and all joint-venture plants done with the Japanese.¹²

¹² See especially Slaughter & Parker, (1988) , Blount (1990), and

Canadian auto workers responded to restructuring in quite a different manner. By 1984, the union had rejected, in principle, the notion of profit-sharing and after an intense strike in 1984 that threatened to disrupt the integrated continental production system, they won on most of their demands, including retention of the AIF and COLA and wage increases to bring parity between the three automakers. By 1987, the Canadian union had officially rejected the changes in work rules being practised south of the border, claiming that they marked a challenge to trade unionism. It also rejected the disintegration of connective pattern bargaining in favour of local agreements. This, the union claimed, led to enterprise unionism that resulted in whip-sawing. (i.e. one plant being continually played off against another in the pressure to change work rules) (CAW, 1987).

The year 1987 also marked formal recognition on the part of the Big Three of a completely autonomous Canadian union with a different set of bargaining priorities. The bargaining agenda made the divergence between the two unions startlingly clear. While the UAW had officially accepted "Attachment C" and its implications for wedding union goals with the competitive position of the company, the CAW agenda focused on a continued rejection of lump-sum payments and the need for an AIF to remain in place. They also made pension indexation and innovative early retirement provisions a priority as a more realistic response to what they saw as increasing job insecurity. While the CAW rejected the belief that it was possible to bargain complete job security, they did intend to provide strong income security for their members in the case of layoff (Wohlfarth, 1990).

Holmes (1990) for a discussion of the pervasive effects of the team concept in the American auto industry over the course of the 1980's and its creeping effects on the Canadian industry.

At the formal level of bargaining then, the divergence between the CAW and the UAW during the course of the 1980's almost appears to be a divergence between accepting a Saturnian vs/ a Californian model of industrialization. The CAW's insistence on negotiation as opposed to private agreements dependent on the "good will" of management, its insistence on wage increases and income security rather than flimsy job security provisions, and its critical understanding of the need to maintain collective strength, runs closely along lines approaching a Saturnian model. The inability to give in to management demands for more flexibility on the shop floor is based on the premise that the Big Three must first take seriously the commitment to job security. Viewing events in the U.S. (ie. promises of job security that have led to closure after closure of plants) the CAW has become wary of any compromise at that level. Though seemingly defensive in tone, the CAW was waiting for the Big Three to finally accept its resistance as a constraint towards more progressive solutions.

The UAW, on the other hand, spent the decade consistently giving in to management demands for more flexibility, despite flimsy promises of job security. Faced with immediate threat of closure, individual plants gave into the pressure towards work reorganization, and on the basis that the union might save jobs, the UAW formally agreed to a platform of competitiveness.

This divergence is due largely to the form of development that Fordism took in each country. The uneven development of Fordism within the continental industry actually aided the CAW in developing a strong militance first against concessions and later against work reorganization. The CAW took the strength it had developed emerging from the "no concessions" campaign and continued to apply it to the argument of work reorganization. Policy has been clearly

opposed to these practices and has aided the union in maintaining a degree of success within the Canadian industry. Strategically, the CAW had done relatively well throughout most of the decade in not only defending the membership but in increasing wages and other programs like Paid Education Leave.¹³ Even as a separate union, and to the surprise of many, the CAW won contracts that were progressive without major job loss (Holmes, 1990).

Beneath this veneer of official positioning, however, lies another reality. That is, while it would be easy on the surface, to point towards a militant CAW and a weak UAW, it is less clear when we look at developments at the local level. On the one hand, vulnerable Canadian plants (ie. older plants with little new technological investment) have not been immune from pressure for workplace reorganization. When faced with a "significant emotional event" (ie the closure of their plant), workers at the GM plant in Ste. Therese, Quebec, were forced to accept work reorganization. Even in newer, supposedly less vulnerable auto plants like the state of the art Autoplex in Oshawa, the notion of teamwork has been built right into the production process through the use of Automated Guided Vehicles carrying partially assembled vehicles to work stations of 4-6 people. Here management can monitor and adjust the speed of work, playing teams off against one another. Though the CAW Local 222 remains one of the strongest opponents of the team concept, it is unsure how long they will be able to hold out against a process that demands a degree of blurred job skills and working in teams.¹⁴

¹³ Paid Education Leave is a package bargained by the union to secure a certain amount of dollars per worker per year to have paid time off work and attend union education courses. It has become an integral aspect of the union's solidarity building strategy.

¹⁴ This information is garnered from a tour of the GM Autoplex Plant in Oshawa and discussions with a number of union people in April of 1989.

Finally, there is the issue of joint ventures, particularly the CAMI plant in Ingersoll, Ontario (a joint venture between GM and Suzuki, but managed largely by Suzuki). In an effort to embrace and affect shopfloor relations in a progressive direction, the CAW made a strategic move to organize the plant. The agreement signed with CAMI, however, marks significant departures from traditional agreements with the Big Three. This may force a major challenge within the CAW in years to come, if the union cannot find a way to reconcile its strategy in a greenfield joint-venture plants with those in more traditional plants.¹⁵

Although the UAW caved in to demands of "cooperation" from the Big Three south of the border, there is not monolithic support of these policies at the local level. As Slaughter and Parker (1988) note, resistance to the team concept has occurred at a number of plants, including the Chrysler Newark, Delaware Plant, the GM Oklahoma City plant, and the Pontiac Bus and Truck plant. As well, the local at the GM Van Nuys plant in California has been battling the introduction of the team concept under the threat of closure for close to five years.¹⁶ Finally there is the emergence of the radical "New Directions" movement within the UAW. This movement allies itself with CAW policies towards work reorganization and concessions and bodes well for a possible rejuvenation of a more militant UAW (Slaughter, 1990; Downs,

¹⁵ Holmes (1990), notes that the CAMI agreement formally accepts the notion of team work, of multi-jobs (as opposed to clear job descriptions), of lower wages, of bonuses paid to team leaders and of a lower pension plan. These mark close similarities to the GM/Toyota joint venture (NUMMI, in Fremont, California. Though this was seen as a necessary step for the union to get its foot in the door of Japanese plants, (ie. the union could move standards upward) it might become the basis for re-opening agreements in traditional Big Three plants should the union be unsuccessful in this strategy.

¹⁶ For a fascinating discussion of this local union's strategy to ward off closure and the team concept through the development of a local coalition of community groups, see Mann (1987).

1989).

What this suggests is that union responses have varied. At the formal level a national difference is being played out between CAW efforts to work towards some form of a Saturnian model of industrialization and UAW acceptance of a Californian model. At the same time, however, other divergences are occurring at both the local and the continental levels. The result is a very complex and open spatial configuration that forces a further level of strategic response on the part of unions.

6. CONCLUSION

Auto restructuring in North American has not developed along the simple lines outline by Lipietz and Lebourgne. Though the CAW has attempted to direct restructuring towards a Saturnian model, it is apparent that there are often many exceptions to this general rule. Divergences are occurring within Canada as well as between the Canadian, American and, increasingly, the Mexican regions of the industry.

The differences within and beyond national geographic configurations can be seen to be occurring in a number of ways:

- within plants themselves as technology is utilized to create re-skilling in some areas and de-skilling in others;
- between plants as older plants facing disinvestment are played off against new, high technology plants;
- between assemblers and suppliers as well as within areas of the parts industry itself, as sub-assembly component producers are forced at times to resort to Neo-Taylorist techniques

while first tier suppliers and assemblers utilize just-in-time technologies;

- between domestically owned plants in North America and foreign transplants utilizing the labour force in very different ways.

What these differences suggest is that the official divergence in policy between the CAW and UAW which continued to develop throughout this period of restructuring, might become less relevant in light of the cracks developing at the national level of union consolidation. It also raises the question of how the CAW as a national institution can embrace a Saturnian model of industrialization at the workplace and a System Area as mode of regulation when it is also situated within such a diverse and fragmented landscape.

CHAPTER 4

BROKERING INTERESTS: IN SEARCH OF A POST-FORDIST MODE OF REGULATION

The created spatiality of social life had to be seen as simultaneously contingent and conditioning, as both an outcome and a medium for making history - in other words, as part of a historico-geographical materialism rather than just a historical materialism applied to geographical questions.

Edward Soja
Postmodern Geographies

There comes a point when experimentation must give way to consolidation - when a handful of options developed outside state structures must begin to be formalized and institutionalized so that the parameters of a new paradigm are strongly entrenched in civil society. Throughout most of the decade, the Big Three were content to experiment and wait for results. By the late 1980's, however, the need to draw results from these experiments began to take primacy.

Consolidation of a Post-Fordist mode of regulation can be a difficult process. The haphazard nature of auto restructuring throughout most of the 1980's resulted in the uneven development of Post-Fordist practices outlined in Chapter Three. This uneven development suggests how capitalists, left to the themselves, are often "incapable of managing their own affairs," (Streeck, 1989: 90). Extending this uncertainty to an institutional level threatens to neuter the efforts of progressive forces by placing them in the context of a contradictory space. Institutionalizing spatial unevenness is likely not only to legitimize but also exacerbate those divisions. Unions, largely national in character, are placed in a challenging position. Not only

must they smooth out the uneven development of workplace, sectoral and national practices, they need to put forth alternatives.

This chapter focuses on the CAW's actions at a point when it finds its influence to be considerably constrained at the national level. Rather than outline a strategy in which the CAW should confine itself, I choose to look instead at what the CAW has actually achieved and then pull it together in a way that strengthens that progressive action. The result is not a clear strategy for consolidating a progressive Post-Fordist mode of regulation, but a desire to encourage certain practices that embody the core principles of a Saturnian workplace and a mode of regulation approaching a System Area.

1. UNION STRATEGIES AND SPATIAL CONSIDERATIONS

If national unions are to advance a progressive Post-Fordist mode of regulation, they must understand the spatial implications of restructuring, and they must do so in a way that recognizes space as influencing events in its own right. Spatial analysis aids us in outlining geographical configurations for the eventual institutionalization of a new mode of regulation. Once we understand the nodal point of restructuring we can begin to see where and how a national union strategy can take shape.

Lipietz and Lebourgne take great pains to outline the spatial implications of Post-Fordist restructuring. What their model lacks, however, is the ability to integrate the effects that space exerts on union strategies and choices. As was discussed in Chapter Three, it is not clear that one of the three options outlined as a spatial configuration of

restructuring has been consolidated in the North American auto industry. Instead, a number of models are developing at the plant, regional and national levels within the context of one continental industry. This, in turn, affects the level at which institutionalization of a progressive Post-Fordist mode of regulation can be consolidated.

The struggle to cement a System Area of Production becomes problematic in this light. System Areas require a regulated and tight exterior labour market in order that unions can provide internal flexibility at the workplace as a fair tradeoff. Gaps in this labour market (ie. divergences in the model of industrialization within the same geographical space) immediately drains a union's bargaining power at the workplace and can quickly lead to the sort of whipsawing that results in a downward harmonization of standards.

The gaps that have evolved between plants, between assemblers and suppliers, between foreign and domestic companies and between nations, create a landscape that is so wide and so open, any action in one area is likely to ripple through that the fabric of a heavily integrated industry. Thus, while CM may claim to bargain with a local at the Van Nuy's, California plant independently, it wields considerable power in demanding workplace changes by threatening to withdraw the product and offer it as a reward to more acquiescent plants as far away as Ste. Therese, Quebec. The overcapacity facing the industry (spawned on by the introduction of Mexico and the emergence of foreign transplants) exacerbates this trend.

In addition, the relative abdication of state responsibility in constraining capital at the national level, means that unions have little recourse to getting at an alternative via an alliance with the state. The ability to

constrain capital through alliances with the state in Fordist days no longer exist with the same vitality and thus remove one more constraint on capital's movements.

In a wide open space like the North American auto industry, where national constraints are quickly (though not completely) disappearing, the CAW must find the footing needed to advance an alternative. It means that in the face of both sub-national pressures at the local level and supra-national pressuring arising out of continental integration, a national union cannot simply move down the road to consolidating a System Area of Production by using technology to gain collective strength at the workplace and a territorial integration of production. Instead, the CAW must begin to fill in gaps at a number of levels all at the same time. It means brokering interests at the sub and supra-national levels in often innovative ways that are responsive to issues as they arise.

2. TRAINING FOR WHAT?¹

There can be no doubt that training has become central to the debate around restructuring in recent years. Corporations have articulated their dedication to "people as their greatest investment", and concern over education and "knowledgeable workers" has taken the media by storm.

¹ Much of the information in this section is taken from my work experiences the labour liaison person during the federal government's Labour Force Development Strategy. During this six month term I attended meetings, travelled the country, and spoke with various unions as well as developed briefs on labour's position towards training. I also spent the following twelve months at the Canadian Labour Congress, Department of Educational Services developing materials around the issue of workplace closures and training issues. This involved a cross-country tour of discussions with local activists and gave me an understanding of the gap between official union policy and the reality facing locals.

Governments too, have joined this bandwagon, soliciting report after report in their efforts to prove a crisis in the educational system.² But from where has this concern emanated? Why is it that capital and the state have joined forces in precipitating major educational reform? In simple terms, the need for better educated and trained workers has come to be identified with increased productivity. In the North American auto industry, analysis of Western European and Japanese strategies has come to accredit success in high value-added production to effective training and human resource policies. The model the Big Three have embraced is one of "positive restructuring" - a phenomenon that taps micro-electronic technology and melds it with highly skilled labour to create high productivity and high quality goods. Using this model effectively is seen to provide corporations the competitive edge in the global economy.

Meanwhile, organized labour remains skeptical of this new consensus emerging around them. For not only is its fight for more democratic control over the workplace being appropriated; it occurs in the context of a reality that defies narrow and overly simplistic prescriptions for success. That is, a call for better educated workers appears against a backdrop of deskilling, overcapacity, and layoffs. While corporations articulate their dedication to workers, they simultaneously close-up shop and move to other destinations where cheaper labour can be harnessed.

² The proliferation of reports at both the provincial and federal levels of government attest to the importance this issue has assumed in recent years. See, for example, the 3rd volume of the Report of the Ontario Premier's Council (1991) People and Skills in the New Global Economy, the DeGrandpre Task Force (1989) Adjusting to Win, the Ministry of Colleges and Universities Report, Vision 2000, and the Canadian Labour Market and Productivity Centre (1991), Task Forces Report on the Labour Force Development Strategy.

It makes for a difficult scenario. On the one hand, embracing training in the context of how it is being narrowly defined to attain competitiveness could actually go against worker interests. On the other hand, training cannot be completely rejected just because management is trying to appropriate these concepts for its own ends. Training can also be the impetus to transcending some of the problems of alienation that characterized the Fordist mode of regulation. It can, in the right context, actually extend workers' control on the shop floor.

In this way, the issue of training is an extension of the debate over work organization that emerged earlier in the decade. The difference is that training becomes the formal mechanism which management can use to cement these new changes. It moves beyond the realm of the shop floor and into the broader area of labour market programs and the public educational system. It involves the state's role in providing the infrastructure for a national productive capacity. For these reasons, it is even more critical for labour to respond to this challenge with an alternative model for attaining productivity - one based on increased worker control and the inclusion of marginalized groups in the process.

The challenge this poses for the CAW is a difficult one. Here the union must simultaneously cull from the debate a sense of what was progressive in the Fordist system (ie. a relatively uniform labour market, a more egalitarian distribution of income and maintenance of a collective labour power as key to attaining these) while working to address the limitations in Fordism.³

³ Mahon (1990), provides a good discussion of the drawbacks inherent in Fordist unionism - a strict division of labour limiting control over work on the shop floor, a gender and race blind view of class, and a reluctance to figure in ecological concerns. She warns of the danger

2.1 Deconstructing the Training Myth

By 1988, and just as training became the center of discussion around cementing a new model of industrialization in the auto industry, there were significant differences developing between Canadian and American autoworkers over the issue of work reorganization. As discussed in Chapter 3, the UAW had come to finally and formally accept the new dictates of a competitiveness paradigm that struck at the heart of worker solidarity by individualizing worker's goals and wedding them with the corporation. As training became the natural outgrowth of this new paradigm, the American union had little opportunity but to embrace it in the context of concessions made in the 1980's. The CAW had largely been able to avert formal acceptance of new work organization methods. Still, at a deeper level, forces were at work to threaten that line and the union understood that the sophisticated rhetoric emerging over training would become an increasing threat unless it was carefully unravelled and explored.

The battle had to be integrated very closely with the way the CAW had come to define workplace reorganization. A wave of independent, union-sponsored research on technological change and workplace health and safety provided the basis upon which the CAW could build an argument exposing management's role as the main barrier to creating real productivity increases. The first strategic move was to deconstruct the myths surrounding new technology as the basis for the inevitable emergence of high-valued added, high-skilled production. The call for flexibility was carefully deconstructed and laid bare in all its contradictions.

involved in unions relying on past gains as the primary focus for developing a progressive strategy.

Management's insistence on flexibility has emerged in two very different forms. One is a "functional flexibility" that attempts to increase the internal flexibility on the shop floor through the use of multi-skilling. Workers are enticed out of their narrow job descriptions and into a more general capacity to perform a number of tasks as is needed. The second form is a "numerical flexibility" that allows management to increase and decrease the size of the labour force as production warrants. The CAW has focused on the inconsistency of this sort of action. It illustrates how offering internal flexibility on the shop floor is useless without some assurance of rigidity in the external labour market. That is, while workers agree to multi-skilling in return for job security, management also insists on increasing a tendency towards job insecurity by laying off people at will (Robertson & Wareham, 1987).

In the context of making a positive correlation between the use of micro-electronics and reskilling, the CAW has also laid bare the contradictions that are emerging in the reality of life on the shop floor. In a survey of technological change in the auto industry (as well as in the telecommunications sector) the CAW has pointed to the dual trend of reskilling and deskilling. That is, while micro-electronics could lead to more skill demands in certain areas, to greater health and safety standards and to more worker autonomy, it has also simultaneously led to deskilling and downgrading in other areas, to increased boredom and stress, to work intensification and to a more rigid division of labour. More often than not, management and skilled tradespersons experienced increased demands for skill (eg. maintenance workers are now required to have extensive knowledge of new machinery) while assemblers on the line continue with deskilled work at a faster pace as statistical process control is often used to monitor and adjust the speed of work (Robertson & Wareham, 1987).

What this research suggests, is that despite the simplistic picture being drawn by both capital and the state on the implications of new technology for highly-skilled work, a simultaneous movement toward work degradation is afoot. In the context of a training system that focuses on skilled workers and their needs, it becomes apparent that the polarization between skilled and non-skilled workers developing at the workplace would not only mirror this inequality but also exacerbate the process. That is, access to training and educational programs would be restricted to the group of people who required this on the job, while others continue to experience a de-skilling effect, thus widening the gap that has already emerged out of restructuring efforts thus far.

By the time training became the issue then, the CAW was poised to expose the gaping holes in the logic of capital. Continued research on training focussed on exposing barriers to accessing training as well as the type of training being initiated by management. This research has revolved around two main issues - one that suggests real skills training is delivered disproportionately in favour of management and skilled tradespersons, and one that illustrates how training that is more widely accessible has assumed a largely ideological function of "cultural integration".

In the first place, training, designed and developed by management is often weak in imparting skills that will lead to job portability. Often, labour and management have very different notions of the term "generic skill". Management prefers to define this word in terms of specific computer skills related to manufacturing. Labour, on the other hand, defines generic as basic literacy and numeracy skills that will allow workers to learn specific jobs more quickly and effectively. So where management does train, it prefers to minimize costs by invoking "partial" remedies, by providing

only the skills necessary to do the job. In other areas, training may be virtually non-existent, consisting of a manual handed to workers when confronted with new machinery. The point is that there is usually no labour control over the design or implementation of training programs so that basic and needed skills are imparted and that all workers can have access to training that is developmental in its nature.

More importantly, there are real dangers involved in this sort of training when management uses it to sell a corporate line under the guise of skills training. For instance, in some areas, management sets a training agenda to actually define and inflate the requirements for jobs. They break down jobs into the skills they want rather than what is necessary for the job. Many times these skills include appearance, an ability to work in a team setting, ability to solve problems without confrontation, and an understanding of profit structures and requirements. This sort of job requirement and corporate training is sure to weaken the union and in the process, wed workers' goals with those of the company's bottom line (Robertson, 1990).

The deconstruction of "training as a panacea" has been part of a CAW agenda to broaden the debate around restructuring to include an understanding of policies needed to attain real productivity - policies that include the notion of sound industrial strategies, a comprehensive social infrastructure (including a strong welfare state) and a package of individual rights for basic economic needs like employment, training and education (Gindin & Robertson, 1991).

In its 1989 Statement on Work Reorganization, the CAW outlined the problems of training and workplace changes when placed exclusively in the confines of a competitiveness paradigm. Drawing largely from the American experience,

(and from the Canadian experience in a post free-trade environment) the union illustrated how promises of job security existed alongside the economic reality of layoffs and closures; how reskilling was juxtaposed against deskilling and work intensification that have led to serious stress-related illnesses; how a desire for portable skills are placed against the reality of corporate training programs that take on more ideological than practical tones. And they showed how competitiveness is a relative concept so that "no matter how well we do, if others do it still cheaper, then Canadian workers will be less competitive, no matter what else we reasonably do," (CAW, 1989).

Broadening and demystifying the notion of training has been an important step in pointing to the need for an alternative view of development. In fact, the CAW played (and continues to play) a crucial role in the wider Canadian labour movement as other unions and social solidarity groups sit down with business and government officials to hammer out a consensus on training policy.⁴ In the process, both the Ontario Federation of Labour and the Canadian Labour Congress have developed training policy that is worker-centered and placed in a context of wider economic and labour market policies.⁵

⁴ For example, in the federal government sponsored Task Forces on the Labour Force Development Strategy that involved discussions over transforming "passive" labour market policies (ie. UI) into more "active" programs (ie. training), the issue of training was propelled onto the labour movement's agenda whether they were ready for it or not. Prior to this, training policy had focussed on broad concepts of paid education leave (PEL) and a levy/grant system to ensure corporate funding of programs. CAW involvement ensured a heated and sustained debate with business over the need for appropriate and accessible training. Though the outcome of the consultations remains subject to government enactment, the process was invaluable for developing an arena in which the labour movement could demystify and broaden the focus of training.

⁵ See, for example, Canadian Labour Congress (1990, Document #14, A New Decade, Our Future, Resolutions #130-134, and Ontario Federation of Labour (1989), Education and Training, Policy Document which stresses

Remaining critical, however, without offering alternatives can lead many into despair. In the face of the fallout from the Canada-US Free Trade Agreement and increasing pressure on workplaces to bend to changes or face closure, workers need to act quickly and as effectively as possible. In many cases, locals have felt that CAW policy is very different from the reality of the shopfloor. It also leads some to claim inconsistency when the CAW formally rejects workplace reorganization while signing a new agreement with the joint GM/Suzuki CAMI venture, an agreement that moves a long way from traditional collective agreements with the Big Three. In many eyes, this behavior, strategic or not, suggests a certain "ambivalence of the CAW on this issue" (Rosenfeld, 1989: 42).

This perceived ambivalence can be dangerous at the rank and file level, leading to a form of cynicism that paralyzes many in the face of action. It is the need to formulate forward-moving action alongside critical analysis that prevents this sort of paralysis and moves in the direction of an alternative model of industrialization.

Despite the dangers inherent in a training system that is solely management driven, the CAW has not disposed of the training issue altogether. For training represents opportunities as well as constraints. Most importantly, it offers the chance to increase worker control, to buttress worker solidarity and to become a vehicle to ensuring a more equitable division of skill and knowledge. In fact, training can be used as a tool to equalize the uneven effects of restructuring. To achieve this goal, however, the CAW must work to institutionalize these principles at both the

the need for a training tax on employers, and co-determination in the design and implementation of programs.

workplace (ie the sub-national) and the sectoral and national state levels.

2.2 Workplace Strategies

The main obstacle to using training as a means to enhance worker control is the relative autonomy with which management has gone about discerning needs, designing programs and implementing them. In many cases, this results in narrow, competency-based training focussed on short-term needs rather than a long-term transference of skills to workers. It also creates barriers to accessing training. As with workplace reorganization, and hand-in-hand with these experiments, training is almost always developed outside the collective agreement, thus becoming subject to fluctuations in the external market rather than trying to constrain those fluctuations.

In an effort to regulate and restrict these movements, the CAW has recognized that co-determination between union and management over training is a prerequisite, and that co-determination must be present in all stages of the process including: needs analysis, design, and implementation of programs. In order to achieve this, the union would be entitled to notice of changes, appropriate information and consultation with management before any changes were instituted.

The model for training would be developed along the lines of worker health and safety committees. Each workplace would develop a joint union/management training committee and, with union input, would be tied into a number of related issues including technological change, plant closures, affirmative action plans, health and safety initiatives etc. The end result would emerge from negotiation with management

and would be incorporated into the terms of the collective agreement.

At its most progressive, the committee would be largely worker controlled (as are most effective health and safety issues) thus recognizing training as a fundamental worker right rather than a privilege bestowed upon certain individuals by management. In this way, the union fights for the right to influence corporate decision-making rather than simply reacting to management directives made in the name of competitiveness.

Still in its infancy stages, a worker-centered training program is finding its way onto the agenda of some locals. At one of its Northern Telecom workplaces, the CAW local has succeeded in getting a worker-controlled training committee funded by the company. And, even in the face of a plant closure, the CAW local at the Scarborough Van plant has succeeded in winning concessions from General Motors. Here the union secured a \$500,000 retraining fund from the company. Key to this success, however, was a long notice period of closure in which the union (along with community support) was able to exert enough pressure to make General Motors respond.⁶

The need for both time and information in terms of developing effective training policies was at the root of the master agreement struck between Ford and the CAW in the 1990 bargaining round. Though the focus was layoffs and closures, the CAW did succeed in securing adequate notice of layoff (a minimum of 12 months) and access to information that can be used to develop training programs for either adjustment or alternatives to closure. The goal was to secure enough union

⁶ Discussion with Herman Rosefeld, president of the CAW local at the Scarborough Plant, June, 1990.

influence to restrict layoffs rather than facilitate them (Wohlfarth, 1990).

When local unions have the right to influence the design and delivery of training programs, they can also influence the content of that training and ensure that accessibility is extended to everyone as a right. That is, the union can demand generic skills that will lead to real job portability. Skills training can be made specific and measurable - forcing management to agree to train every worker a certain number of hours per year. In addition, training would include broader issues like ergonomics and other health and safety measures to make for a more democratic and humane workplace (Robertson, 1990).

Aside from the need to gain control over training, and thus work on the shop floor, unions can use training as a way to actually enhance both collective strength and social equality. To this end, the CAW has insisted that union education become an integral aspect of any negotiated training programs. Along the lines of the Paid Education Leave (PEL) program already negotiated with management, unions should ensure that a certain percentage of funds opened up for training would be set aside for PEL purposes.

In fact, by 1989, the CAW had already developed a comprehensive educational program on workplace reorganization to be used in union schools. In this program, locals are encouraged to analyze and discuss the ways in which management develops programs that are distributed unevenly in the workplace and how these programs are used to speed up work and increase surveillance of workers. No solutions are provided. Locals are encouraged to discuss ways in which they can develop their own response to these programs through the development of training committees and other means. In fact, locals are encouraged to demand the right to training

as a precondition for any changes management wants to make in work practises. In this way, training provides a vehicle in which the union can demand more control over work reorganization issues (CAW, 1990).

More importantly, the CAW has recognized the need to integrate training into a broader array of union issues including affirmative action and environmental initiatives. For example, one of the major barriers to effective affirmative action programs is the lack of access to training by marginal groups. By extending the scope of training to become a fundamental right for all workers, the union is placed in the forefront of addressing concerns of groups that have traditionally been marginalized. Training becomes a vehicle for social equity, not just productivity increases.

The same can be said for health and safety and environmental concerns. Training programs that include these issues, are more likely to enhance union strength both in the workplace and in the broader social arena. When the CAW local at the Scarborough Van plant developed a coalition with environmental and community groups they realized that simply saving their jobs would not be enough. So they suggested a "green alternative" to General Motors through the production of an electric van. The plan included the need for research and adequate training to face this challenge. GM did not agree to the suggestion, but the coalition was successful in witnessing the union as a focal point for discussions of an alternative. In the process, environmental and community groups may well have developed a new perspective on unions as embracing broad social concerns rather than just saving their own jobs.⁷

⁷ Discussion with CAW president of the Scarborough local, Herman Rosenfeld, June, 1990.

2.3 State Strategies

One of the major criticisms made by the CAW around workplace reorganization and training is its bottom-line connection to competitiveness at both a capital and state level. The complicity of the state in subjecting its role to buttressing rather than constraining capital, limits the gains that the CAW can make both at the workplace and in influencing its own members. Non-union workplaces and those that buy into the divisions already developing, work against the CAW's ability to maintain a solidaristic bargaining option. For these reasons, it becomes necessary to influence the state in ways that will actually work to fill in gaps developing in the labour market, and to integrate concerns that will lead to an alternative to the competitiveness model.

At both the provincial and federal levels of government, training initiatives have arisen in the context of fostering competitiveness. An aging workforce, the use of new technology, the failure of training programs already in existence, and the fallout from free trade have forced training onto the public agenda. In this case, however, capital and the state hope to simply match skills to needs in the market place rather than develop and tighten the labour market by providing publicly delivered skills in the face of market failure. The Liberal government in Ontario initiated the Premier's Council Report as a means to developing a tripartite consensus on making Ontario more competitive. The federal Labour Force Development Strategy has sought to undermine income security programs in an effort to develop more active training programs that will bridge the gap between skills and needs.

These initiatives have thrown the Canadian labour movement into panic mode. In a post-free trade environment

where layoffs and closures become a reality, and on the eve of a continental free trade agreement that threatens to crack open the labour market with its provision of cheap labour sources in Mexico, Canadian workers feel forced into accepting national competitiveness as the only alternative. Many unions have felt the pressure to sign agreements on the state's terms rather than on their own terms.

The CAW, meanwhile, works to influence and broaden that agenda at the state level. The union openly rejected the narrow parameters set by governments during consultation exercises, and has continued to call for labour programs that:

- maintain the existing social safety net (especially the use of unemployment insurance for income support);
- provide universal access to training for basic skills;
- national standards for skills training to develop real job portability;
- and a training tax on employers to force them to take the issue seriously and provide proper levels of training.

In some cases this has led the union to pull out of state training initiatives that refuse to negotiate anywhere outside the paradigm of national competitiveness. For instance, the CAW opted out of both the Ontario Premier's Council consultations on training as well as the federal government's training process in the auto replacement sector. This does not imply that the CAW refuses to negotiate with the state (as some even in the labour movement have charged), but that they refuse to negotiate with any partner who lacks faith in the process.

The labour movement has been divided over how to influence state policy in the area of training. While the

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CAW's strategy relies on calling the government's bluff and holding out until they agree to negotiate on equal terms, with equal labour input, other unions prefer a different strategy. For instance, the Communication and Electrical Workers of Canada (CWC) , have struck a sectoral agreement for training and human resources under the general terms of the state. By utilizing a substantial part of the training fund (resources they have not previously had access to), however, the union hopes to educate members on the need to demand rights to training and other workplace issues, thus gaining effective control over the issue.

At the national level, the same strategic debate was played out in the Canadian Labour Congress (CLC) over its involvement in the Labour Force Development Strategy Consultation Process. While some saw the state negotiating in bad faith and wanted to boycott the process, others saw it as a way to access resources that would provide for an effective labour voice at the local, provincial and federal levels.

The differences in practises need not be viewed as incompatible within a general strategy for the Canadian labour movement. In most cases, unions must survey their bargaining positions to determine what sort of leverage they can exert on capital and the state. CAW contracts are generally believed to be best in the labour movement. Smaller unions, however, often find these clauses way beyond the realm of possibilities. This means that it might be more appropriate to subvert existing institutions in order to get access to some resources and a foot in the backdoor than to entirely forego that opportunity. In the end, the most important thing is not the tactics so much as the general principles.

In the case of the CAW, where bargaining power is relatively large for the union, participation has begun in areas where it can exert this influence. Not surprisingly, it is the auto parts sector where this agreement has been reached on a number of principles surrounding training. In 1991, a capital-labour-state alliance was developed in the form of the Auto Parts Sectoral Training Council. Unlike similar agreements made in the electronics and steel sectors, the CAW feels that agreement on some fundamental principles by all parties will lead to the sort of training system that is worker-centered.

Two fundamental principles underlie this agreement. The first is acceptance of a rigorous bilateral arrangement. For instance, the board comprises four labour representatives and four management representatives as well as two co-managing directors (one for each side) to oversee the process. Unlike other councils that have relied on one Executive Director forced to reach synthesis of discussion, the union feels that this structure institutionalizes their adversarial approach to the issue rather than a "consensus" approach.

The second principle revolves around the issue of access to training. The board has agreed that training will be open to every worker and that a certificate will be issued after training is completed that relates to the industry in general. This industry-wide (as opposed to firm-specific) approach to training should lead to real job portability for workers. In addition, the delivery of training will focus on the principles of adult education. Courses will occur both in community colleges (as opposed to private & unregulated training institutions) as well as on the shop floor through the use of peer instruction. Peer instruction is the lynchpin of union education and follows on the success of CAW programs already in place. Finally, funding will be secured from corporations, and both provincial and federal state coffers.

Unlike the agreement in the electrical sector, this means that training will not be paid for by workers and thus will be recognized as a worker right.⁸

The CAW strategy then, does not preclude work with the state or management, it simply demands that co-determination from the outset remain a firm principle if the union is to involve itself in the process. This agreement, however, is only in its early stages, and it is the first model of its kind. These limitations in affecting state policy then, may also suggest that a union strategy will have to focus on extra-state affairs. Without dismissing the need to institutionalize programs of training at the state level, the CAW recognizes a similar need to build support at a wider societal level for broader issues that can challenge the hegemony of the competitiveness paradigm. In short, alongside formal capital-state-labour negotiations, the CAW has been trying to broaden the public debate from centering around strict notions of competitiveness to a whole different dialogue about what kind of society Canadians envisage in the future.

The union's participation in affairs outside institutional agreements has heightened over recent years while it strives to integrate the concerns of social allies. In its fight against the Canada - U.S. Free Trade Agreement, the CAW worked hand in hand with the Pro-Canada Network (a coalition comprising anti-poverty, women's, farmer, environmental, peace, labour and church groups) to articulate alternatives. Since that time, this coalition has extended an alternative message of development into broader areas including taxation and constitutional reform.

⁸ Discussion with Hugh Armstrong (Centennial College), a non-voting member of the Auto Parts Sectoral Training Council.

One area in which the union has worked to integrate these broader concerns is in its argument for a shorter work week. Rather than simply rely on this notion as a means to maintaining employment, the CAW has begun to articulate a model of growth that provides more time off work to realize new family responsibilities and the greater demands on us posed by changing lifestyles that are more environmentally friendly.

This is not to suggest that the CAW has been successful in turning heads and affecting direct policy changes. It has, however, dared to broaden the terms of the debate and, in the process, integrate the concerns of a broader constituency - of social movements that have emerged over single issues. Giving voice to these concerns not only allows the CAW to consolidate support within its own ranks, it might broaden the scope of its focus of action, eventually leaving room to effect real and substantial change at the policy level.

3. TRANSNATIONAL STRATEGIES

While the CAW has worked hard to slow down and broaden debate at the workplace, sectoral, and national levels, there remain concerns that will only be effectively addressed at the continental level. That is, even if national concerns are to be the first priority in affecting change, the reality is that for all intents and purposes, the Canadian auto industry and the Canadian economy in general, are integrated into a continental economy that exerts its own pressures and works to limit Canadian action.

The signing of the Canada-U.S. Free Trade Agreement in 1988 and its formal swing into action in 1989 has

significantly constrained the amount of room for manoeuvre on the part of progressive groups like unions. Not only are the terms of the Auto Pact significantly altered, but the general levers of the Canadian economy have been effectively neutered in finding national solutions to various problems.

The changes to the Auto Pact under the FTA revolve around the right of the Big Three to institutionalize their control over continental auto production. That is, while the Auto Pact had served to integrate the industry along continental lines, it still left a large degree of flexibility for differences at the national level in instituting regulatory devices. The FTA now threatens to restrict that flexibility by imposing strict limits on the Canadian state's ability to influence the course of auto production in any way that might appear in opposition to Big Three interests.

The institutionalization of the terms of auto production under the Auto Pact allowed for the Canadian state to offer export credits to the United States for any foreign producer who met Canadian value-added requirements. These duty remission schemes came into direct conflict with American policy that had only applied export credits to Canadian companies. Since the proliferation of foreign transplants that emerged in the 1980's, these schemes have been viewed with increasing alarm south of the border (MacDonald, 1989).

Under the terms of the Canada-U.S. FTA, these practices have been substantially altered. In the first place, the use of duty remission schemes have either been cancelled or programmed to be phased out in the early years of the agreement. In the second place, value-added requirements have been increased from 60 per cent indirect Canadian value-added to a broader 50 percent direct North American content rule (MacDonald, 1989).

The ramifications of this are clear. The new 50 percent direct cost rule is equal to 70-80 percent content in the old rule, since overhead and promotional costs will no longer count as direct production costs. This will make it increasingly difficult for Asian manufacturers outside the AutoPact to qualify for duty-free status, even though it will be easier for the Big Three to import parts from third countries. This blatant discrimination does not bode well for the Canadian segment of the industry. In the first place, there is little reason for foreign producers to locate in Canada when they can do so directly in the United States and not face the added duty crossing the Canada-U.S. border (Macdonald, 1989). In the second place, there is no reason to believe that the Big Three will retain their commitment to production in Canada. The safeguards, though technically left in place, have no threat behind them should they be violated. Meanwhile, the locational advantages that developed out of the use of the safeguards may soon erode, leaving little room for a substantial Canadian industry within North America (Holmes, 1991; Yates, 1991). By clearly enclosing the terms of the AutoPact (ie. by not extending it to foreign transplants), the Big Three have effectively limited interventions on the part of the Canadian state to areas that will benefit themselves. In many cases, what will be good for the Big Three will not necessarily be good for the Canadian industry.

The imminent integration of Mexico into the Canadian and American economies promises to compound problems. The de facto integration of the Mexican auto industry has already exacerbated problems with the Canadian parts sector. After years of being the lowest cost site within the trading bloc, Canadian parts producers now find themselves pitted against low-wage parts producers in Mexico. Secondly, the opportunity for a burgeoning auto market in Mexico may ensure that a disproportionate part of investment is placed there

(Holmes, 1991). In a period of overcapacity, it is the Canadian industry that is likely to lose out with this transfer of resources to Mexico.

Added to this is the increasing pressure being felt at a more general level as pressures to harmonize standards downward increase. The wide openness in wages, skill and labour standards that began in the early 1980's has begun to reach full blown proportions with the integration of Mexico. The result has been an abdication of responsibility on the part of the state to constrain capital and to move standards upwards. The consistent downward harmonization in state policy around social services is evident. Cuts to health care and education programs, social services, unemployment insurance; the steady privatization and deregulation of industry after industry; and the revamping of a taxation system that places the primary economic burden on consumers without compensation in the form of an effective social safety net, all point to an agenda that subjugates social goals to those of the unfettered market.⁹

These limitations at the national level, make transnational concerns an important focus for union strategies. At the policy level, the alternative focuses away from polarization and fragmentation and towards a harmonization of standards that sets a floor on basic rights and recognizes the need to move regulations up to the highest existing standard. National level policy must not only work to mend rifts at the sub-national level, they must begin discussions on agreed movement at the supra-national level.

⁹ See Campbell (1990) and Betcherman & Gunderson, (1990) for a discussion of the connection between various Canadian macro-economic policies and the FTA.

Herzenberg (1991) outlines the institutional paths needed to begin this movement upwards and stresses the need to attack the problem in a number of areas. That is, the alternative must include: the need to negotiate a Japan-North American Auto Pact with specified assembly to sales ratios and local content rules; liberalizing Mexican trade balance rules so they do not have to maintain auto trade surpluses at any cost; intra-continental safeguards (similar to those in the Auto Pact); liberalizing Canada and U.S. investment rules in Mexico in exchange for commitments to real training; and finally the harmonization of Mexican, U.S. and Canadian labour standards by increasing Mexican standards.

This model has as its goal a high wage/ high skill, productive economy that avoids polarization, and is important to outline if only because the need for a belief in a concrete alternative is one progressive movements have often avoided. The problem is that in order to get to the point where states believe they should begin to constrain capital, a strong consensus must be forged from civil society. This makes extra-state work on the part of progressive movements across borders a necessity on their own terms. Only once they have forged a solid platform of interests will institutional reform be a possibility. In the process, a radical agenda that moves even further outside the confines of a continental competitiveness and into a different discussion of economic development might emerge.

In this vein, the CAW's involvement in broader coalition work at the national level has been extended to the continental level. As the Canadian, American and Mexican states meet at formal levels to articulate the terms of a North American Free Trade Agreement, alternate meetings between progressive movements have emerged.

Under the umbrella of Common Frontiers and the Action Canada Network (formerly the Pro-Canada Network) a recent meeting in Zacatecas, Mexico witnessed the emergence of agreement in all three countries on the need to reject traditional trade liberalization in favour of a managed development pact that would safeguard certain economic and social rights in all three countries. Key to this proposal was the notion of maintaining national sovereignty with respect to investment decisions while extending environmental, human rights, social and labour standard minimums across borders. In this way, the groups hoped to avoid the downward pressure that develops from capital playing groups off against one another and tighten the parameters in which capital must operate. A major issue was agreement over the need to cancel Mexico's foreign debt. Until this is achieved, macro-economic policy will continue to work against progressive movements made in the industrial relations and social policy realms.¹⁰

6. CONCLUSION

Since 1988, the pressures to deal directly with changes at the workplace and in the broader labour market have heightened as the spatial effects of earlier restructuring efforts return to exert their own influences on CAW strategies. These spatial effects create complications for a CAW strategy at the workplace as a number of models are tested, and at the continental level as the Free Trade Agreement and Mexico's role in the industry limit the ability of the Canadian state to constrain capital's actions. This

¹⁰ For more information on this historic meeting see, Action Canada Network, (1991) Working Propositions for Zacatecas: Elements of an Alternative Approach to North American Development and Trade, Canadian proposal presented to meeting in Zacatecas, Mexico, October 26-28. And, see Wohlfarth (1991), "Zacatecas Declaration", Our Times, vol.10, #7, pp. 12-15.

means that a new Post-Fordist mode of regulation cannot simply encompass the development of a System Area in the Canadian region of the industry. Forces outside the national level require new and innovative ways to develop progressive responses.

The CAW has responded in a variety of manners and at a number of different levels: the workplace, the sector, the national and the continental arenas. In national and sub-national areas, training offers the opportunity to create a greater degree of cohesion both within the union itself and within Canadian society at large. It must, however, occur within the context of clearly articulated principles of co-determination and a tight labour market. Where this proves difficult, the CAW has opted for a strategy of consolidating these principles in civil society in the hopes that this consensus will one day exert pressures towards institutional change.

The result of CAW action is not a clearly outlined strategy, but a general agreement on principles with a view to allowing for innovative responses developed in situations where specific problems require specific solutions. Union education programs (based on adult education practices) aid the national union in retaining a degree of cohesion but also allowing for spontaneous responses. Though the consolidation has yet to take shape in Lipietz & Lebourgne's model of a System Area, the main principles of collective strength for labour, co-determination, and a strictly regulated labour market, remain the focus. Ironically, in the process, the CAW finds itself in the position of advancing a Post-Fordist alternative that might move beyond the limitations of a national compromise that still remains within the the confines of international competitiveness.

CONCLUSION

Periods of crisis are difficult times in which to develop union strategies for action. No sooner are plans outlined than new developments force a rethinking of the situation. In many cases, it seems as if chaos reigns supreme. To admit this does not mean that unions need to give in fully to the disorder that surrounds them, only that they must be faithful to that reality before they can adequately begin to piece together the fragments. In the process, unions can also discover that chaotic times can be fruitful times in which the seeds of positive alternatives can be planted and nurtured for future harvest.

National unions face considerable challenges in the context of Post-Fordist restructuring. Here, micro-electronics offer the possibility for radical changes not only in the production process but in the way the industry is organized. Lipietz and Lebourgne's model for outlining alternatives is a good starting point because it recognizes the interdependence of changes in both these areas and in the spatial culmination of this restructuring. The geographical configurations that can arise out of this restructuring provide the spatial context in which union strategy must be placed. This model, however, can only be a starting point for looking at what has transpired in the North American auto industry over the last decade. While outlining the alternatives, the theory lacks any explanation for how unions can get at those alternatives and realize them in concrete ways.

Viewing the CAW reality over the last decade, rather than deciding how to fit it into Lipietz and Lebourgne's rather linear theory actually breathes life into its explanatory powers. Though the CAW has not been able to

fully consolidate a Saturnian industrial relations system or a System Area as a new mode of regulation, the principles outlined in the theory have allowed for a framework for independent responses. Not fitting into the theory has nothing to do with a lack of CAW foresight and everything to do with the fact that reality is more complex than Lipietz and Lebourgne would have us believe. While there are important issues delineated in the theory: that between individualized vs. collective labour strength, between fragmented and regulated labour markets and between flexibility at the workplace that allows for job enhancement and flexibility that becomes a management threat, there are few examples of how the most progressive of these issues can be realized. The CAW experience illustrates how unions must differentiate between general goals and principles and how these can be achieved on the shopfloor and in institutional changes.

The most glaring omission from the Lipietz/Lebourgne model is the fact that spatial issues exert their own influences that often constrain unions from acting in any way they please. Thus, while the CAW emerged from the depths of crisis in relatively strong condition, and while it continued to limit management infiltration of the union throughout most of the 1980's, the small cracks that had begun to emerge in the wall of union solidarity and in the general labour market had, by the end of the decade, begun to exert their own pressures.

In the face of these pressures, it was no longer good enough for the CAW to simply defend its past gains. While the strength it possessed as a bargaining unit exceeded both its American counterpart and the Canadian labour movement in general, it was unclear how long this strength could be maintained in light of spatial unevenness developing across the continent. Given these difficult circumstances, the CAW

has followed a general strategy of remaining faithful to solidaristic goals while allowing for a variety of different tactics. This is evident in the union's willingness to both criticize the notion of training when set in the general confines of national and international competitiveness and use training as a means for achieving more control at the workplace, in the sector at large, and in the national labour market.

Even here, the solutions are not always evident. In places where general principles have remained consistently compromised, the CAW has opted for moving outside the formula for capital-state-labour models that so characterized Fordism, and into broader areas that encompass larger social issues. In the process, the opportunity for sowing the seeds of a radical alternative to national competitiveness is emerging.

These positive movements, however, must be placed in the context of a number of developments that threaten their ability to take root in the social and institutional fabric of Canadian and North American society. Most obvious is the external threat that comes from the rapid rate of restructuring occurring at the state level. The Canada-U.S. Free Trade Agreement and the upcoming North American Free Trade Agreement, threaten to constrain CAW efforts by institutionalizing the uncertainty of an unfettered capitalism that seeks to divide workers from workers, regions from regions, and nations from nations. More and more, the CAW finds it difficult to strike progressive agreements with a state that has its interests focussed in other areas. In the process, it is evident that there are limits to what can be achieved in civil society without parallel work at the state level. While acknowledging these limitations, the CAW must continue to chart its own course as much as possible,

thus creating a real sense of alternatives rather than simply remaining defensive.

There are, however, other concerns that emanate from within the CAW's own sphere of influence. These include a lack of resources to face a challenge that taps energy at every level; a movement towards centralizing the organizational structure of the union in the face of increased demands; and a tendency to slip into nationalist flag waving at a time when cementing cross national ties becomes increasingly necessary.

In the first place, it has become clear that a union strategy at this juncture requires responses at a wide variety of levels - sub-national (ie. plant and regional), national , and supra-national levels. This is an increasingly difficult burden as union coffers dwindle in the face of massive layoffs and plant closures. In its determination to find resources and maintain a key role in influencing a progressive agenda in the Canadian labour movement at large, the CAW has also begun to develop tendencies verging on "Superunionism". Over the years, it has come to represent workers in the telecommunications, airline, fisheries and electrical sectors. Though this might be good for union finances, it does not bode well in developing the quick responsiveness needed to react to a wide variety of situations. As Yates (1990) suggests, the very grass roots militancy and decentralized organization that provided room for CAW success in the 1980's, is now on the verge of collapsing into a heavily bureaucratic structure.

Ironically, these tendencies need not be an inevitable result of the challenge facing the CAW. In fact, a lack of resources often allows for a decentralization and spontaneity in response at the local level that can then be integrated

into a broader platform by head office. In short, the CAW can foster a creative tension through dialogue with locals rather than sending down directives from above. This can be achieved by continuing to utilize union education programs as the basis for new and innovative ideas that emanate from a grass roots level. In effect, the union can replace the grass roots basis of the old "District Council" with educational programs that draw out new ideas. In addition, the CAW can learn much from its involvement in coalition building with other social allies. Continuing to work with others under the rubric of the Action Canada Network should not only lay the seeds for a broader consensus, it should remind the CAW that it cannot impose "progressive" solutions for everyone, but that it must listen to others concerns and allow for divergences in tactics should they be necessary.

Finally, there is a tendency within the CAW to view its past successes as part and parcel of a nationalistic strategy for economic development. Tensions with the UAW over appropriate methods for action have reached unprecedented heights in recent years. And as the stories are written and the CAW is associated with the word "progressive", its ability to get beyond the rhetoric and into the concrete level of effecting change may lessen. It is almost as if the CAW's past successes might now become burdens it is forced to cling to or lose faith from the public. Though it has worked hard to meld rhetoric with reality, the CAW must avoid falling back on its reputation by continuing to integrate new concerns onto its agenda. One major challenge is to begin re-establishing ties with the UAW. Separation was necessary to consolidate a different platform. Now the CAW must return to that relationship in a different capacity so that gains can be made on both sides of the border rather than one side gaining at the expense of the other. In the process, the CAW might find that the UAW has something to offer in organizing techniques at the local level. Though the UAW has always

lacked the ability to co-ordinate a strong militance at the national level, it has seen some great successes in radical organizing at the local level. The growth of grass roots militance like that of the New Directions movement within the UAW might be of use to the CAW as it works out its own organizational changes.

The eventual outcome remains sketchy. At one level, the institutionalization of a North American Free Trade Agreement appears to leave little room for manoeuvre on the part of progressive social actors like the CAW. On the other hand, continued determination and belief in the process they are developing, may build the sort of organic basis for something quite different. This movement has largely occurred outside state structures thus far, but time, and a willingness to keep grafting tender and uncertain movements into a solid hybrid may yet prove a powerful basis for a workable alternative.

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