

ECONOMIC CRISIS

Unions and the crisis - Ways forward

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The political and economic setting facing the union movement today is the most difficult since the Great Depression. Unions have already confronted two decades of unrelenting assault from neoliberal policies of labour-market flexibility, austerity and political conservatism. Then, the global financial crisis ripped across the entire world market. Many forecasts for 2009 are projecting negative growth for the world economy as a whole for the first time since the 1930s.

The extent of the economic slowdown already makes for sober reading. In the fourth quarter of 2008, economic output fell by six per cent in both the U.S. and Euro zones, and an astonishing twelve and twenty per cent in Japan and Korea, respectively. Chinese economic growth has also been cut in half, and exports have fallen by forty to fifty per cent across East Asia. No zone of the world market is being insulated. Canada's economic growth has also turned negative, and forecasts suggest negative growth in the order of two to three per cent for 2009.

The financial chaos is causing untold damage to workers. The ILO has suggested that global job losses could reach as high as 51 million for 2009. In Canada, the devastation in the labour market is already immense. Unemployment has already climbed to 7.7 per cent, with almost 300,000 jobs being lost since October alone, and with almost all new jobs created being part-time.

Capitalist Strategies

The employer offensive of today follows a three-decade offensive begun in the late 1970s, as capitalists attempted to restore profitability and control over the labour process after considerable erosion of the post-war boom. The rate of profit had fallen by about half, over the post-war decades, across virtually all zones of the world market. The fall was especially sharp in North America. The decline in profit rates coincided with a push by unions and workers to gain an increasing share of output, to expand public services and to address inequalities facing women and racial minorities. These efforts were backed by the largest and longest strike wave in the history of the advanced capitalist countries — with Canada consistently leading in days lost due to strikes — from the mid-1960s across the 1970s. The capitalist classes responded to union militancy and declining profits with a number of strategies. At the level of the state, neoliberal policies from the 1980s on deregulated markets imposed fiscal austerity, cut welfare, liberalized trade and capital flows, and so on. In terms of workplaces, this meant increased “flexibility” in terms of job controls, wages and employment.

As for wages, the focus was on curbing real wage gains for workers and breaking a linkage between productivity gains and annual wage improvements. More of output increases would thus go toward profits. This initially occurred in the 1970s, as inflation eroded bargained money wages. But, from the 1980s on, it came in the form of pressure from high unemployment rates restraining collective bargaining demands. Except for a few years, the wage austerity has been unrelenting. A number of other strategies reshaped work relations radically. Firms re-organized their labour processes into international production networks and shifted work into low-wage, weak-union production zones. Information and communications technologies have facilitated the introduction of “lean production,” intensifying work processes. Employers have broken with “standard” work arrangements and increasingly resort to contingent workers, cheap migrant labour pools and temporary work programs. In collective bargaining, unions increasingly trade off wage restraint and workplace concessions against job security, agree to co-management schemes for firm competitiveness, and even enter into “voluntary recognition agreements” in order to gain members while giving up the right to strike and other job controls.

The economic crisis has made employers even more militant in their demands for wage austerity and concessions. One strategy has been cuts to negotiated health benefits (insurance plans in the U.S.) for current employees and retirees, as well as other benefits. Another emerging strategy is to redefine — or even walk away from — pension obligations, as has occurred in the steel and auto sectors, and in numerous non-unionized companies. Work intensification is also occurring, as workers are being pushed to give up time off, holidays and work breaks. And capitalists are increasingly using bankruptcy proceedings (or threats of them) to crack open union contracts and demand sharp cuts to wages and benefits. The airline and steel industries in both Canada and the U.S. have adopted this strategy; it is now most visible in the auto manufacturing and parts sectors. In the public sector, such cuts have long been a consequence of privatization.

New Political Openings?

Until the financial crisis, these strategies proved quite successful in re-establishing profitability and capitalist power. This is not to say that growth was restored to same pace as in the post-war period, or that economic hardship did not result for most workers. As Marx pointed out in *Capital*, the “general law of capitalist accumulation” is the amassing of profits and wealth at one pole and a reserve army of labour and social needs left unmet at another. Marx also argued in *Capital* that each phase of accumulation contained the seeds of its own destruction. The internal contradictions of neoliberalism are now readily apparent: fictitious capital and debt massively growing relative to the growth of productive capacity and the deterioration of public services; wage compression leading to increasingly indebted working classes and unstable conditions for effective demand; the undermining of extra-market regulatory capacities to constrain capitalist competition, speculative bubbles and fraud as an endemic feature of financialization; and huge international payments imbalances, reinforcing dependence on the world market while spreading its potential instabilities.

Many union activists had already been pointing out for some time that conventional collective bargaining strategies and union politics were only leading to further setbacks and concessions. The economic crisis has now made this obvious to everyone. Existing union strategies are neither confrontational enough to challenge capitalist workplace strategies after years of concessions, nor are they politically ambitious enough to form the necessary anti-capitalist strategies to form the political agendas and organizational capacities to forge an alternate approach to the crisis.

There are, however, several hopeful signs of union renewal that could begin to chart a new direction. In North America, some of this has come from “living wage” struggles led by local labour

councils in major cities, in alliance with community groups, to reach out to the low-waged and unorganized, who are predominantly women and people of colour. The mass immigrants' rights May Day protests, as well as the day-to-day campaigns for the protection of non-status workers, have taken place outside the main union movements, but have also led to new linkages and alliances. A number of campaigns — notably some of the anti-privatization struggles around health care, universities and municipal services — have had successes across several countries. These community-union alliances, often coupled with major campaigns and demonstrations, suggest enormous potential.

There have also been interesting examples of a new organizational internationalism amongst unions. The efforts to coordinate aspects of collective bargaining in the steel, auto and health-care sectors to confront work issues spread across international production networks — efforts extending from North America to both Europe and Latin America — forms one such example. The campaign against the militantly anti-union Wal-Mart is also suggestive. International solidarity campaigns, like those with Palestinian workers in the Occupied Territories and inside apartheid Israel, against the continued assaults on unionists in Columbia, for the rights of migrant workers, or for the rights of workers in countries like Venezuela to experiment in workers' control, are also promising signs of organizational renewal.

New Workers' Demands

In the context of the economic crisis, it is necessary to form a set of demands that might converge across different struggles and sectors to embed an anti-market logic in bargaining that might offset the worst features of the slowdown. In terms of workplace struggles, a core set of campaigns might be: 1. the fight against concessions in wages and benefits; 2. preservation of negotiated pensions; 3. building in annual reductions in work-time within wage negotiations; 4. support for plant occupations and community seizure of assets, particularly in cases of bankruptcy and firms receiving state subsidies; and 5. extension of all other forms of hours reduction in terms of parental leaves, annual holidays, overtime, and so on.

A set of union demands directed at the economic crisis is also important: 6. the overhaul of unemployment insurance systems in terms of benefits, principles of eligibility and administration; 7. industrial strategies directed at ecologically responsible production; 8. massive extension of "green jobs" in the culture, leisure and sporting sectors; 9. nationalization of the banking sector; 10. building a national childcare system; 11. nationalization of the transportation sector and development of a national mass-transit strategy; and 12. establishment of a national housing program.

Ways Forward

These types of demands have been percolating through the union and socialist movements for some time. They will receive no support from the ruling-class power structures in Canada or the U.S. They will depend on reversing the decline of the union movement and the wider impasse of the Left.

Working-class political organization has in the past achieved a great deal: leading de-colonization struggles; campaigning for the expansion of freedoms and equality to women and racial and sexual minorities; improving wages and benefits; and agitating for the extension of universal welfare-state benefits. The social forces that achieved these gains are now quite something else: the Communist parties have all but disappeared, even in places where they once held power (or they have made

their peace with capitalism, as in China); the social-democratic parties now chart a “Third Way” and no longer even pose a reform agenda to neoliberalism; unions are in retreat; and many civil-society movements have evolved into professionalized NGOs navigating the grant economy. The central political coordinates for labour movements over the last century — being for or against the Russian Revolution; attempting a vanguard seizure of the existing state apparatus or reforming it piecemeal; conceiving unions as primarily the industrial wing of this or that political party — no longer provide any kind of map for the struggles unions and workers now confront.

For a brief moment, it seemed as if a decentralized “network politics” — a “movement of movements” — would provide, if not a map for the future, a renewed political capacity for the Left. But apart from episodic demonstrations and annual social-justice fairs, the networks have broken apart more often than they have provided new organizational nodes. There has been almost a complete lack of organizational grounding in the day-to-day struggles of working-class communities, workplaces and unions.

This “anti-power” politics is now being eclipsed by new political experiments. In Latin America, this has taken place under the banner of building 21st-century socialism in a number of countries. A “new” New Left appears to be emerging from the margins in Greece, Germany, France, Portugal and elsewhere. Under the pressure of events, some sections of the North American Left are also beginning to pose the question of how to build anti-neoliberal — and, at times, anti-capitalist — alliances and a new political organization of a pluralist Left. From their anchor in workplace struggles and in particular communities, a renewed union movement is a crucial component of such a new Left. Indeed, in representing the deep diversity of workers and their issues — in terms of gender, racial background, sexual diversity, and so forth — unions have been leading society in this area over the period of neoliberalism, rather than following it. Moving on will require forming new political capacities and an organizational openness and creativity that the Left in North America has not shown for some time. The long decline of unions in the face of powerful capitalist strategies to restore their power over the neoliberal period has already made this clear. It has now become an imperative. That realization is always the point of a new beginning.

P.S.

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<http://canadiandimension.com/articl...>