

Canada: Beyond the Economic Crisis: The Crisis In Trade Unionism

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Discussions on the left about the economy might be summarized as warning that things are going to get a lot worse before they get...*worse*. This is not just a matter of the sustained attacks *on* the labour movement but as much a reflection of the crisis *within* labour. For some three decades now, labour has been stumbling on, unable to organizationally or ideologically rebut the attacks summarized as 'neoliberalism.' Though the [Great Financial Crisis](#) held out the promise of finally exposing the right and its supporters and potentially opening the door to a union offensive and possible revival, the attacks on labour actually intensified and labour continues to have no coherent counter-response. As a prelude to directly addressing that impasse in labour, it is useful to begin with something that [Greg Albo](#) recently posed: What is the larger historical significance of this particular crisis? Though cyclical downturns are common in capitalism, structural crises are of relatively rare occurrence, generally separated by a generation or so (30 years or more).^[1] Such crises reflect social and institutional barriers that block capitalism's normal continuation, and the question for capital and capitalist states then becomes what, if anything, might take capitalism to a new stage that allows for the resumption of its drive. For example, the outcome of the crisis that began at the end of the 1960s and ran through the 1970s was first and foremost that the earlier strength of labour was broken. As well, finance was liberalized, globalization was accelerated, and the state was restructured – not weakened or withdrawn – to the end of establishing more autonomy from popular pressures and therefore actually emerging stronger in terms of supporting private accumulation. The resolution of that crisis, in short, set the conditions and contradictions that frame the crisis we face today.^[2]

Managing the Crisis

Four aspects of this present crisis seem especially significant. First, in spite of the domestic and international turmoil there has been remarkably little challenge to globalization and free trade. Contrast this with the last time we had a crisis this deep, in the 1930s, when protectionist sentiments were strong and common, and capitalism as an international system seemed threatened. Yet today, no country has placed existing global capitalism on the agenda.^[3] The focus has rather been that, with globalization taken for granted, how to contain (i.e. manage) crises, particularly the financial crises linked to the expansion of global capitalism.

The second facet of this crisis is that in spite of a general understanding that private bankers and other financial institutions were responsible for the crisis, the solution to the crisis is not to weaken but *strengthen* them and to develop the state capacities to limit – not end – future volatility. This is not a matter of stupidity or corruption (though both play a role!), but a reflection of the structural importance of finance to capitalism as a whole. We often separate finance from the rest of the system and describe it as a speculative parasite

(as [Jim Stanford](#) tended to do in an otherwise valuable contribution). But if that were the case, we should have expected divisions within the capitalist class as industrial capital, suffering in terms of stagnating markets, joined the attack on finance. Instead, there has been remarkably little evidence of splits between financial capital and the rest.

This reflects the extent to which finance and industry are in fact tightly integrated. It is not so much that large industrial corporations need daily credit since they have more profits and cash than they know what to do with. Rather, their alliance with financial capital is rooted in the importance of credit to mergers and restructuring as well as for venture capital for establishing new firms; the need on the part of global corporations for specialized financial services to ease trade and limit exchange rate risks and other uncertainties; the discipline financial markets impose on workers, states, and capital itself to be true to the priorities of profits and private capital accumulation; and – in the case of the U.S. – the special access to the world’s savings that financial markets provide American capital and the American state. Finance and industry are therefore not antagonistic. The contradiction that does exist is that though all of capital would like finance to be less volatile and more orderly, they don’t want to see it regulated to the point that they lose the advantages that global finance has brought them.

A third aspect of the crisis involves the tendencies across countries toward a more authoritarian state. This has been most dramatic in Europe where external institutions have placed ‘technical experts’ at the head of government to carry out ‘reforms’ but is also seen in the legislation essentially trying to outlaw protest in the student strike in Quebec. This is part of a more general trend toward states gaining more autonomy from the electorate to do what’s necessary for capital accumulation. And it has especially emerged in regard to the fourth aspect, downsizing social services and attacking public sector unions, generally the last standing bastion of trade unionism and an irritant, if not a barrier, to state restructuring plans.

Defeat of Labour

In this regard, the story of labour’s defeat doesn’t go back just to the 1970s but to the immediate postwar period when the left inside and outside the labour movement was marginalized. In spite of that political defeat, trade unionism still had the economic strength to make gains, real gains, for a while. But that defeat of the left came with a loss of capacities critical to understanding, strategizing, and mobilizing. And when capitalism changed and now identified past labour gains as a barrier to continued progress, labour’s capacity to resist had been significantly eroded. So the second defeat of labour, taking place through the 1980s and 1990s, shifted from the defeat of a small but influential left inside labour to trade unionism as a whole, especially in the private sector. Today, states are trying to consolidate and complete that defeat by going after the public sector and ensuring that it does not inspire any positive examples for private sector workers.

A central aspect of this three decades long assault on the labour movement has been a profound lowering of expectations. The intensification of competition from the Global South seems to have set boundaries on worker demands, even though most of our trade is still with the developed countries and most workers are now employed in private and public services, sectors not directly limited by trade. Greater globalization seemed to place possible government responses beyond the reach of domestic politics, even though it was states that endorsed globalization (and can potentially also check it). The state-endorsed defeats workers suffered left many workers frustrated but the general impact was to

redefine and lower what they considered 'success.' The world we criticized so strongly a short while ago was now nostalgically looked on more favourably.

[Herman Rosenfeld has captured](#) this shift when he asks why responses that seemed so obvious in an earlier era are now so out of bounds (like rejecting a plant takeover at Caterpillar in 2012 when twenty years earlier the union – with less provocation – acted so decisively to take over another Caterpillar facility). This shift in what is possible in terms of both goals and tactics highlights the cultural change in the labour movement. Talk to any worker and you don't have to convince them that capitalism doesn't work for them. They know that, but believe they just can't do anything about it. Confidence in resistance, let alone change, is at an all-time low. Fatalism is now the dominant mood and the main barrier to fighting back.

To some the stagnation of trade unions is often explained in terms of bureaucratization and the thin democracy characteristic of unions (even though relative to other institutions, union democracy still compares very favourably). But as significant as such aspects are, they do not get to the core of the 'union problem.' As [Steve Tufts and Mark Thomas have noted](#) in their discussion of populism, you can have a very militant and democratic movement but it can also end up being very particularistic ('[militant particularism](#),' in the phrase used by Raymond Williams and elaborated by David Harvey).^[4] Workers can, for example, demand militancy but also insist that their union concentrate entirely and narrowly on defending the workers that finance its operations and not only ignore the plight of other workers such as the poor or new immigrants but even join in the attacks on them. Such sectionalism highlights the fact that though unions emerged out of the working-class, they are not class organizations in the sense of representing the class as a whole.

That sectionalism is directly tied to the issue of bureaucratization and limited democracy. If members see their unions as insurance agencies – instrumental organizations paid for by dues – they won't be looking for more participation but only that they get the service 'contracted for.' Correspondingly, leaders don't see much priority in developing and mobilizing the capacities of workers – never mind raising expectations and putting more pressure on themselves – and so look to developing only that level of democracy, tempered by 'loyalty,' to achieve gains sufficient to avoid bringing their leadership into question."

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There was a time when that narrow solidarity of unions didn't hinder unions all that much; they made gains and those gains even spread to other workers and the community. But that era is over. The notion that workers can survive and defend past achievements, let alone make new gains, through just looking after their own with no larger understanding of the common attacks all workers face and their mutual dependence on the rest of the working-class, is now daily exposed. Absent a class perspective unions can today neither defend their members nor come to grips with how to renew themselves.

Organizing In the Time of Crisis

Let's start with organizing. Only a broader sense of building the class will lead to the commitment of resources and energy to unionize in the present hostile climate. Moreover, making breakthroughs in the new sectors where the majority of workers are now employed

is unlikely to occur without cooperation across unions. The present competition for union dues dollars blocks such cooperation and ends up undermining each union. It too can only come from recognizing that the issue isn't the growth of any particular institution – Canadian Auto Workers, United Steel Workers, Canadian Union of Public Employees or Ontario Public Service Employees Union – but rather that of building the entire working-class as a social force. And it is only when we start with a class perspective that other creative approaches, like bringing individual workers into a union culture whether or not they have a bargaining unit, are placed on the agenda and might have a chance to succeed.[\[5\]](#)

A similar point applies to bargaining. In the 2012 round of the Canadian Union of Public Employees (CUPE) bargaining with the city of Toronto, individual CUPE locals bargained with the municipal state. It was obvious enough that the bargaining had ramifications for all CUPE members and of course workers beyond CUPE. Yet there was no explicit acknowledgment that individual locals can't win against the state and that coordination across the union – itself a step toward winning other workers and their communities over – was paramount. A coordinated strategy might have put the library workers, the workers with the greatest support, first out of the gate. It might have then contemplated selective tactical strikes, escalating to mass mobilizations and eventually bringing in the rest of the public sector while also mobilizing the community around the services provided.

The point is that the only way union renewal can happen in the public sector is first, to recognize what workers are up against, the extent to which the state is determined to isolate them, and that the union isn't confronting an 'employer' but the state itself. Second, and on the basis of such understandings, unions must establish themselves as the leaders in the fight to defend and expand social services. This is not easy; it requires a transformation of *everything* about public sector unions.

It is not a matter of simply passing strong resolutions and putting up expensive billboards. The public is – understandably – too cynical to be moved by public relations alone. Rather, it means rethinking union strategic priorities, rethinking the role of staff and their subsequent training, and coming to see union members as potential organizers for moving the public and shifting research and education to that end. It means not just defensively insisting that the public sector is 'good' but also being at the forefront of criticizing its bureaucratization and waste through acting as whistleblowers actively defending the public. And it even means moving to place the level, quality and administration of social services on the bargaining table (in the last municipal strike, for example, might not the municipal workers have emerged more successful, with greater protection for their members, if their primary bargaining demand – the one they might strike for – was keeping garbage services public rather than handing them over to profit-hungry and service-poor multinational corporations?).

Finally, it means creatively addressing the contradiction that traditional strike tactics now isolate workers from the public while it is so crucial to win that public over: e.g. dumping garbage during strikes not in parks but on Bay Street (Toronto's financial district) to make the connection between austerity and finance; continuing bus service but not collecting fares; delivering, as CUPW did in the 1990s, pension and welfare checks even though on strike.[\[6\]](#)

A class perspective is likewise central to union renewal in the private sector. Here the fundamental issue revolves around jobs. The function of unions is to negotiate the sale of [labour power](#) yet the greatest concern of workers is something unions have little or no input

into - the existence of jobs in the first place. Unless unions can deal with workers' prime concern, union renewal can't happen and even the bargaining position of unions will be further eroded as workers, facing the alternative of indefinite unemployment or a very much inferior level of pay and benefits, end up vulnerable to making concessions in a vain attempt to protect their jobs.[\[7\]](#)

Dealing With the Jobs Issue

A number of things follow from any emphasis on seriously dealing with the jobs issue. [Toby Sanger has noted](#) that in not adequately reinvesting its profits in decent jobs, the private sector is openly admitting that it can't provide decent jobs for everyone. Jobs must therefore depend on an expanded public sector, including into spaces that were formerly seen as inherently private. That is, it's not just a matter of keeping health care in the public domain and not outsourcing it, but also thinking in new ways about sectors like auto. For one thing, we can't build new alliances if we're calling for subsidies for General Motors (GM) and the rest of the industry while social services are being cut. Moreover, those subsidies won't, as we've seen, deliver jobs because productivity in the auto industry keeps rising while the market is limited - and a push for far 'more cars' is also not a viable strategy given the already overwhelming traffic congestion and environmental concerns.

On the other hand there is enormous productive capacity in all of those facilities and worker skills; they can make the widest range of things that we do need. What needs to be placed on the agenda, especially by unions, is the waste of closing these facilities when they could be converted to producing socially useful goods, starting with production that addresses the environmental crisis. Taking the environmental crisis seriously means the entire material foundation of society will have to be changed: the transportation and communication infrastructure, the machinery and tools in every factory, the construction of homes and appliances, offices and equipment - everything.

This means explicitly talking about preserving our productive potential not GM and Ford, planning instead of competition, asking about social utility not profit. We obviously can't win this right now, but it poses the question of how we organize today so this becomes a real option down the road. This may sound very radical, but it's worth remembering that in the Second World War, Canada and the U.S. demonstrated an astonishing capacity to convert facilities in a remarkably short time and then reconvert them again after the war.

As fundamental as internal changes are to union renewal, this is only a step to changing the external context facing workers. And in this regard, we can't just lament the power of the financial sector over our lives and occasionally shake our fists at it. We need to question why, in an allegedly democratic society, this sector has such special statue - profiting enormously in good times, blackmailing us to bail them out in bad, and always insisting that what is good for banks should frame public policy. If they are in fact to be treated as having the weight of essentially being 'public utilities,' they should be taken over and become *democratic* public utilities.

This is not just a matter of ideology; it is a practical issue. If we really want to convert industry, if we really want to defend the public sector, if we want to chart what kind of society we want to have, controlling finance is a precondition. Otherwise, we'll remain in the trap of catering to them and being disciplined by them whether it's in the workplace or in terms of government policy. Here again, taking on such a fundamental part of the Canadian establishment is not something that will happen in the short run. But unless we begin to talk

about it now, educate around it and mobilize for it, it will always be out of reach.

Crisis of the Left

In criticizing the labour movement for its failure to change, it is vital to understand this as being as much a failure of the left itself; the crisis of labour and that of the left go hand in hand. There's a strong case to be made that we will not see a renewal of the labour movement unless there's also simultaneously a renewal of the left. It seems clear enough that in spite of some positive developments, the leadership of the trade union movement has neither the inclination nor capacity to radically transform their organizations while the membership is too fragmented and too overwhelmed to sustain anything but the occasional sporadic rebellion. For rank and file workers to do more will require the resources and support from a left with feet both inside and outside unions that can link workers across workplaces, clarify what workers face and why a class response is critical to what workers now face. What, more specifically, might be done?

One initiative that came out of the crisis was the establishment of the [Greater Toronto Workers' Assembly](#). It was inspired by two realities. First, that the formation of a new socialist party was simply not on the agenda until a stronger labour base was laid. Second, the fact that, as noted earlier, out of the last comparable crisis – the Depression of the 1930s – a new form of working-class organization was born. The craft unionism that dominated working-class organization at that time was inadequate to what workers faced and in a remarkable act of working-class creativity, industrial unionism emerged as a dynamic alternative. Today we need to think just as honestly and creatively about whether unions in their present form are adequate.

It's not that unions are going to disappear; they will continue to soldier on and occasionally demonstrate their potential, but on their own unions are simply not enough to deal with what workers face. The Greater Toronto Workers' Assembly has involved an attempt to think about a form of working-class organization that could support union renewal but also act beyond unions. It sees itself as not just another coalition but as bringing together individuals looking for a new layer of politics. This doesn't deny the importance of the particular struggles activists are involved in, but it emphasizes the need for something larger that extends beyond specific unions and specific issues. It is anti-capitalist and looked to be class based with class being defined very broadly to include not just the minority of workers who are unionized, but low-wage non-union workers, the unemployed, and the poor. And it included all the dimensions of our lives that reflect class outside of the workplace.

In terms of union renewal, one especially important goal of the Assembly – one it remains a long way from achieving – was to establish networks of activists across workplaces. This might take the form of fight back committees in every local that are focused on educating their own members, establishing links to the community, and engaging in joint solidarity actions.^[8] The role of the Assembly would be to facilitate the formation of such committees, contribute to organizing the cross-workplace educationals and training, hold forums where experiences could be shared and generally support the development of groups of activists who, among other things, would also fight to inject a [class perspective](#) into their unions.

Three final observations. First, the argument that 'There Is No Alternative' (TINA) is in fact true if we limit ourselves to moderate options; such weak responses simply can't stand up to what we today confront in capitalism. The options we face have been polarized and we need to recognize and confidently assert that, for us, *the radical is increasingly the only thing*

that's practical. Second, and directly related to this, we now have to *think bigger even to win small*. A crucial lesson from the past quarter century is that if we lower our expectations and keep our heads down, this will hardly protect us; in fact it virtually invites the other side to be more aggressive. Unless we think more ambitiously and more radically, things will continue to get worse.

Finally, what we face is an *organizational* barrier. If we understand the inactivity of workers as reflecting their fatalism, their sense that nothing can be done, then this can only be addressed by concretely demonstrating the potentials of organized collective action. Workers aren't inherently radical and they're not inherently conservative – they adapt to the structured options they face. Once they are convinced that organizations exist that hold out some real promise that struggle can change things, even if that will take time, workers will be there. It's in this regard that the socialist Left has failed over the last quarter-century, and it is this organizational challenge that identifies the principal current challenge for the left. •

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Notes:

[1.](#) It is common to identify three structural crises in capitalism before the latest one: the first occurring in the last quarter of the 19th century, the second introduced by the 1929 stock market crash and lasting through the 1930s, the third breaking out in the late 1960s and running through the 1970s.

[2.](#) Panitch, L. and S. Gindin. (2012). *The Making of Global Capitalism: The Political Economy of American Empire*. New York: Verso.

[3.](#) Even in Greece, Syriza (the leading left opposition group) has emphasized the need to modify, not transform, Greece's relationship to the international economy and has posed exit from the Euro not as a goal, but as a reluctant option if the counter-productive austerity pressures continue.

[4.](#) Raymond Williams. 1989. *Resources of Hope*. London and New York: Verso; David Harvey. 1996. *Justice, Nature and the Geography of Difference*. Oxford: Blackwell.

5. The Canadian Auto Workers and Communications, Energy and Paperworkers Union, in preparation for their merger, recently announced their enthusiasm for such an approach. See [Towards a New Union: CAW-CEP Proposal Committee Final Report](#).

6. For a discussion of such an alternative strike tactics, which at least set the stage for when traditional strikes become necessary, see Hurley and Gindin, [Bullet No. 516](#).

7. One particular concession that reflects the logic of thinking instrumentally and undermines even the internal solidarity in unions is passing concessions on to future workers by agreeing to lower wages for new hires (as recently occurred at the Lear Siegler plant in Kitchener). This not only undercuts the union principle of equal pay for equal work but open the way for the next generation of workers using that 'lesson' to in turn betray retirees. And since the very first experience of the very workers on whom union revival will critically depend is to see unionism at its least solidaristic, it virtually guarantees its failure.

8. A group of locals in the airline industry in Toronto (including locals from the International Association of Machinists and Aerospace Workers, the CAW and CUPE) have been working together with some other non-airline locals (particularly in the municipal sector) to support each other in conflicts, do joint educationals, and strategize.

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