

## **Forum on Labour and the Economic Crisis** **Can the Union Movement Rise to the Occasion?**

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## PRESENTATION / PRÉSENTATION

# Forum on Labour and the Economic Crisis: Can the Union Movement Rise to the Occasion?

### *Introduction*

**Jim Stanford**

MANY LABOUR ACTIVISTS and socialists no doubt felt mixed emotions as an over-leveraged, irresponsible, and morally bankrupt global financial system slipped into crisis. On one hand, at last the workers' movement had a glorious opportunity to expose the failings of the current order and step up the fight for alternatives. On the other hand, it is equally clear that workers and their organizations will face fearsome attacks as employers and governments lash out at anything that restrains their efforts to resolve the crisis on their own terms. The crisis, therefore, presents the labour movement with an enormous opportunity, but also with enormous threats.

The central tenets of neoliberalism are clearly more vulnerable to fundamental critique today than at any time since the emergence of this new order nearly three decades ago. Obviously this is true of the tough-love financial policies which have been a hallmark of neoliberalism from the beginning. Just a year or two ago there was a pompous conviction in mainstream economics<sup>1</sup> that a "new consensus" had emerged in financial and monetary policy, according to which central banks should rigorously target the rate of inflation, and all other problems of macroeconomics (unemployment, inflation, and economic cycles) would then be solved. This view was the economic equivalent of Francis Fukuyama's infamous claim about the "end of history" – arrogant, premature, and unfounded. Now it suddenly lies in shambles. Far from ushering

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1. Stated most famously by John B. Taylor, "Teaching Modern Macroeconomics at the Principles Level," *American Economic Review*, 90(2) (May 2000), 90–94.

in financial stability and protecting the real value of wealth (which was a central motivation for neoliberalism in the first place), the practice of globalized financialization has destroyed wealth at an unparalleled pace and left the whole economic system staggering.

Other key planks of the neoliberal platform are also vulnerable, not just its monetary and financial vision:

*Privatization:* Most obviously in finance, but in other sectors too, it turns out that the private sector does not always know best. Public-private partnerships, the latest and most manipulative incarnation of privatization, have been stopped in their tracks by the freezing up of private credit. More by default than by design, privatizing governments around the world have suddenly reversed course to take major public ownership positions, in everything from banks to auto manufacturers.

*Globalization:* World trade is collapsing (falling by as much as one-third during the crisis). This is not due to long-feared “protectionism.” Rather, it reflects the workings of free markets themselves (and the crisis they created in incomes and demand). The supposed gains in efficiency from global trade liberalization have been dwarfed by the much larger negative effects of macro-economic contraction on spending and hence trade. (In economists’ lexicon, “Okun’s gaps are much larger than Haberger’s triangles.”) One symbol captures fittingly the legacy of globalization: how bizarre that the financial system (and then the government) of Iceland should collapse as the ultimate result of the meltdown in real estate prices in Florida. Far from inevitable or efficient, globalization has proven both uncontrollable and irrational.

*Fiscal Policy:* In mainstream circles it was universally accepted until this year that fiscal policy was no longer suitable as a counter-cyclical measure, and that governments should focus on balancing their budgets. Now it is clear that fiscal stimulus is essential at moments of crisis (when monetary policy becomes ineffective due to frozen credit and ultra-pessimistic expectations), and that large budget deficits are appropriate to counter uncertainty and collapsing demand. Moreover, the fact that tight-fisted governments paid off so much debt in the past decade merely intensified the desperation of financial investors to seek more elaborate (and, in retrospect, risky) outlets for their portfolios. It would have been better for all concerned if there had been a lot more good old-fashioned government bonds around, to stabilize portfolios and absorb market volatility.

So there is clearly plenty of intellectual and political scope, in the wake of the crisis and its myriad of policy and political contradictions, to go on the offensive against the business-dominated framework which has governed most of world capitalism since the late 1970s – and which has contributed to so much

human hardship since then. In this regard, the present spectacular failure of neoliberalism presents the labour movement (and the left more generally) with an historic opportunity to challenge the long-term direction of the system.

At the same time, however, there are immense threats and risks in the present moment. While crisis and breakdown open opportunities for discrediting the status quo, we cannot underestimate the determination of elites within the present order not just to defend its main features, but to actually take advantage of a moment of crisis (even one of their *own* making) to push for the deepening and extension of neoliberalism. In this way, workers face a dual threat from the current crisis. First, they are exposed to the immediate economic and social costs of the recession itself: lost jobs, lost incomes, lost homes, and in many cases lost lives. Second, and more lastingly, workers face the risk that this moment could actually lead to structural changes that further disempower workers and their organizations. In other words, far from conceding that there was anything wrong with the recipe they have been following, neoliberal governments and their advocates will seize on the fear, confusion, and divisions caused by the crisis, as predicted by Klein,<sup>2</sup> to push for even more market-oriented measures – including more attacks on unions and collective bargaining. Unions will be hard-pressed to push back those regressive attacks, let alone to make forward progress in reforming or dismantling some of neoliberalism's worst features in light of its obvious failure.

Perhaps this is how to explain the strange juxtaposition whereby the labour movement possesses a wonderful opportunity to put the guardians of neoliberalism on the defensive for their failures, yet it is unions themselves (not financial speculators) facing the most intense attacks and public disapproval. Consider two recent instances in which Canadian unions were scapegoated for economic problems that they clearly did not cause: the attacks on auto-workers unleashed during the bankruptcy restructuring of General Motors and Chrysler, and the attacks on municipal workers in Windsor and Toronto launched by municipal governments (who invoked budgetary pressures resulting from the broader economic decline to justify their demands for concessions). The unions in both cases were merely trying to hang onto previously-negotiated compensation in the face of the crisis; it was employer and government demands for concessions that sparked the respective confrontations, not union demands for "more." Yet it was the unions vilified as barriers to change, protectors of narrow special interests, and even – in wilder commentaries – as the very source of economic decline in the first place. Most worrying, this anti-union scapegoating clearly found resonance amidst a majority segment of the wider public.

Collective bargaining, of course, is never a popularity contest, and there is nothing new in the attempts of employers and governments to finger-point at unions, nor in the public expression of broader anti-union sentiment. It is a

2. Naomi Klein, *The Shock Doctrine: The Rise of Disaster Capitalism* (New York 2007).

central job of unions to “hold the line” on their past gains during tough times (and, indeed, by doing so they play an essential macroeconomic function, by forestalling a downward cycle of wage and price deflation during severe crises<sup>3</sup>). Anti-union commentators will exploit inequality between different groups of workers (resulting from the uneven coverage and progress of collective bargaining), pitting worker against worker, in an effort to undermine the power of unionism in general. This leads to arguments like “Why should Tim Horton’s workers subsidize, through their taxes, the bail-out of autoworkers who make more than twice what they do?” or “Why should Tim Horton’s workers pay, through their taxes, for the sick days of municipal workers?” Yet how would Tim Horton’s workers, slaving away for barely minimum wage, possibly benefit from crushing the unions that have made gains in *other* sectors of the economy (like the auto industry or the public sector)? That would make the prospects of improving their own wages and conditions (whether through unionization, or through broader policies like higher minimum wages) even more remote. Nevertheless, the intensity of the anti-union onslaught has been daunting, and is reason for a careful examination by labour activists of our position, our strategies, and our messaging. Our activities (from bargaining to campaigning) must be consistently oriented in favour of a vision of the universal rights and interests of workers – rather than focused on the particular interests of our own members.

There is a broader sense in which the labour movement’s response to the economic crisis has been lacking. Unions from coast to coast, and in all sectors of the economy, have engaged in specific struggles to defend their members and their contracts. Some of those struggles have been heroic; many have been successful. But the union movement as a whole has not yet been able to use the moment of this crisis to mobilize a broader and more sustained critique of the crisis, its causes, and its effects on working people. We thus risk missing an opportunity to put the system as a whole on defensive. Instead of understanding the crisis as the predictable and preventable result of neoliberal market-driven policies, workers come to understand the crisis as a largely random, negative event – one which naturally imposes costs on everyone (including workers who had nothing to do with causing it). If we limit our actions to largely defensive battles over specific contract provisions or specific workplaces, we miss the chance to connect the dots – for the benefit of our members and the broader public. Then, instead of debating whether or not the financial industry should be allowed to maintain the practices which caused the meltdown in the first place, we end up debating whether civic workers should really be entitled to 18 days of sick pay per year or whether autoworkers really deserve semi-private rooms when they are in the hospital.

The labour movement needs to project that the many risks facing workers’

3. Marc Lavoie, “The Perverse Effects of Declining Wages,” mimeo, Department of Economics, University of Ottawa (July 2009).

well-being and economic security stem from a common set of structures, relationships, and practices embedded within this highly privatized, deregulated vision of capitalism. And we need to show that the labour movement can rise to the occasion: inspiring hope and confidence, mobilizing activism, and showing that we can win key battles – both in defense of what we've won in the past, and making new progress overcoming problems that workers faced even before the financial crisis.

In other countries, the labour and progressive movements have responded to the global crisis more actively, collectively, and vociferously. Protests and campaigns to defend existing services and programs, and demand more progressive responses to the effects of the crisis, have made an impact in France, Ireland, Korea, and elsewhere. In Canada so far our movement's response has been less determined, more sporadic, and more defensive.

This has not been for lack of trying. Very tough strikes have been fought – from woodworkers in BC to municipal workers in Ontario. Specific issues have been tackled energetically – such as the Canada-wide campaign to force the minority Harper government to fix the broken Employment Insurance system. Major events have been organized – like the CAW's rally in March for pension protections, the largest labour protest in Ontario in a decade. Labour centrals (the Canadian Labour Congress and the provincial federations) have made some efforts to mobilize broader, multi-union campaigns, but to date those efforts (with a few exceptions) have been inadequate. A more generalized and cohesive fightback against the crisis – one that identifies its causes, rejects attacks on workers, and defines and fights for alternatives (both incremental and more far-reaching) is required. Without it, unions will remain preoccupied with fighting individual, defensive battles. And the broader ideological and cultural terrain will be ceded, allowing knee-jerk anti-union sentiments to fester and become broadly accepted as “common-sense wisdom.”

### **Nine Concrete Ideas for Strengthening Labour's Fightback**

Many left commentators and analysts have analyzed the economic crisis, identifying both the threats and the opportunities that it presents to the labour movement and other progressive forces. More broadly, there is a growing and valuable literature on “union renewal,” which identifies some of the best-practices that successful unions can develop and wield in an increasingly challenging legal and political environment.<sup>4</sup> This literature identifies

4. See for example, Peter Fairbrother and Charlotte Yates, eds., *Unions in Renewal* (New York 2003); Larry Haiven, Stéphane Le Queux, Christian Lévesque, and Gregor Murray, “Union Renewal Amid the Global Restructuring of Work Relationships,” *Just Labour*, 6–7 (2005), 23–36; Pradeep Kumar and Gregor Murray, “Canadian Union Strategies in the Context of Change,” *Labor Studies Journal*, 26(4) (Winter 2002), 1–28; Pradeep Kumar and Chris Schenk, eds., *Paths to Union Renewal* (Peterborough 2006); Craig Phelan, ed., *Trade Union Revitalisation: Trends and Prospects in 34 Countries* (Oxford 2007).

several important, wide-ranging challenges the labour movement must tackle in order to expand its reach, enhance its effectiveness, and modernize its practices. These suggestions are well-placed, and stem in some cases from the analysis sketched out above.

For example, an obvious and essential response to the efforts by employers and governments to isolate unions as “special interests” is to position our demands and campaigns as fighting for the interests of all working people, not just union members. In defining and mobilizing around specific issues, therefore, those issues must be carefully designed to spark the interest of broader communities of workers: lower-wage as well as higher-wage, unorganized as well as organized. Making the movement’s structures and campaigns more diverse and inclusive, so that we represent the whole working class (including workers of colour, women, new Canadians, and informal and precarious workers – all of whom face more intense and precarious forms of exploitation), is another no-brainer. This is easier promised than successfully implemented, however, and despite important progress that has been made, unions need to allocate more attention, resources, and creativity to ensure we are as inclusive and representative as we must be. Unions have to continue to integrate and wield new technological opportunities into their work, including the use of internet-based communication tools to educate and organize our members.

All these broader discussions about union renewal are important. What we aim to provide with this special forum of commentaries, however, is something different. This forum features a series of short, practical reports and statements from writers with a personal involvement in recent labour struggles. Together they identify some immediate priorities which the labour movement needs to quickly address, in order for our collective response to the economic crisis to be adequate and effective. And each contribution is illustrated with a *specific, real-world example* of how those priorities can in fact be achieved: stories of specific campaigns, issues, and strategies which have borne fruit, and which the whole movement can learn from. This makes for a less abstract, more hands-on approach that we hope will be useful to labour activists confronting the daunting economic and political conditions of this moment.

The nine contributions we have assembled are short and accessible, and hence do not require a formal summary in this introduction. But a listing of the central themes of these commentaries (and their respective authors) is helpful. Every one of the authors has personal experience with labour organizing and campaigning, and a hopeful, progressive vision of what the movement can and should become. Their short-list of issues and case-studies thus constitutes, in a condensed way, a “to-do list” for the labour movement: what we must do if we are to make the most of the opportunities presented by the crisis, and protect ourselves and our members against its dangers.

*Priority #1 (Fred Wilson): Draw a Line in the Sand to Defend Past Gains.* Workers can’t make historical progress if our standards rise and fall back with

every wave in the broader economy. That's why it's as crucial for unions to hang onto past gains in hard times, as it is to make forward progress in better times. Both, when achieved, are victories. Moreover, defending the core features of existing contracts against demands for concessions can ignite the passion and solidarity that are the ultimate source of union power. Fred Wilson tells the story of one heroic struggle against concessions by Newfoundland pulp workers.

*Priority #2 (Marcy Cohen): Demand More From the System, Not Less, Despite the Crisis.* Unions can't limit themselves to defensive battles, however. In the spirit of the adage, "The best defense is a good offense," we also need to place new demands on the system to address the unsatisfied needs and wants of our members and other working people. We need to prove, in other words, that the system wasn't adequately meeting human needs even before the financial meltdown. This will counteract the temptation (encouraged by those who want to stop change) to simply wait for a "recovery" in financial markets and the overall economy – without addressing the economy's deeper failures. Marcy Cohen positions the "living wage" campaign in this category, as a demand (with broad appeal) that puts the system on the defensive for its failures, rather than unions.

*Priority #3 (Lana Payne): Set Winnable Goals, and Mobilize to Win Them.* We are confronting a multi-faceted neoliberal agenda. How do we inspire people to fight against something so all-encompassing and complex? Clearly we must break the problem down into incremental, "bite-sized" pieces: identifying specific, concrete goals that motivate our supporters into action, and that can be feasibly won. At the same time, of course, we need to make the connections between issues, to show that our challenge comes from a system, not just from one or two bad policies. Lana Payne shows how the fight to improve EI could be the lightning rod for workers' anger over the insecurity they face as a result of the crisis – and how that fight could actually be won in the months ahead.

*Priority #4 (Kristin Schwartz): Build Cross-Sectoral Alliances to Win Things for ALL Workers.* As discussed above, to prevent from being isolated as a special interest group, the labour movement must position itself firmly as part of a broader coalition of forces fighting for measures that will be universally enhancing. This will require breaking out of traditional ways of organizing: getting to know other communities and forces, building trust and relationships, respecting the diversity of opinion and interests that must be present if our campaigns will have the power to win. Kristin Schwartz reports on the diverse alliance-building that was a crucial factor in the successful Ontario campaign to boost the minimum wage to \$10 per hour.



*Priority #5 (Gil Levine): Rebuild Active Solidarity Within the Labour Movement (Especially Between Private-Sector and Public-Sector Workers).* Unions, despite their differences, have a deep common interest in defending their members against scapegoating and concessions. Public sector and private sector unions will both confront powerful attempts to roll back past gains and blame workers and their unions for the crisis and its consequences. So unions must work more closely and actively together (through direct partnerships, and through central labour bodies) to buttress our respective capacities to resist and fight back. Gil Levine lists several current examples of ways in which a spirit of solidarity-in-action can replace the cynicism and sectarianism that has characterized much labour movement politics in recent years.

*Priority #6 (Bill Saunders): Political-Economy Training for Labour Leaders and Activists.* Labour movement activists and leaders need their own “story line,” to explain to workers why the crisis occurred, why concessions won’t solve the problem, and what alternatives we can fight for. This requires us to deconstruct the vague, trite idea that “These are tough times, and everyone must tighten their belts.” Instead, we must explain exactly what caused this crisis – and will cause the next one, too, unless the rules of the game are changed. Bill Saunders reports on a successful economic literacy program launched by the Vancouver and District Labour Council, that could be a model for similar efforts by other unions and labour councils.

*Priority #7 (John Cartwright): Build a Multi-Racial and Inclusive Labour Movement.* It is well-established that racialized workers (including new Canadians and aboriginal communities) are now the source of all net labour force growth in Canada. The labour movement must therefore dramatically strengthen its roots in those racialized communities, or face gradual isolation from these workers who both desperately need union representation, and who will constitute an eventual majority of the working class. John Cartwright describes the innovative efforts of the Toronto and York Region Labour Council to build a genuinely multi-racial coalition for workers’ rights.

*Priority #8 (Winnie Ng): Integrate Unemployed Workers (Union and Non-Union) into the Fightback.* Organizing the swelling ranks of the unemployed is an essential, if challenging, dimension of the labour movement’s response to the recession. Workers without jobs face the most immediate and painful costs from the downturn; most of them lack union representation, not to mention decent access to EI and other supports. Winnie Ng describes the remarkable efforts of non-union plastics workers in Toronto who fought back against their sudden job loss, and the theft of \$30 million in owed compensation. Through this fightback, victims were transformed into activists, and the labour movement earned considerable credibility for its role.

*Priority #9 (Bryan Palmer): Build a Socialist Left, Inside and Outside of the Unions.* While it is unlikely that this recession will be as deep or long-lasting, there are nevertheless similarities between the current crisis and the Great Depression of the 1930s. And labour activists, confronting the pessimism and defensive struggles around us, can be inspired by knowledge that the labour movement came out of the 1930s (a much worse downturn) stronger than it went in. This required the workers' movement to successfully innovate with new ways of organizing and mobilizing (including, most importantly, the rise of industrial unionism). However, labour historian Bryan Palmer cautions there are crucial differences between the present juncture and the 1930s. One of the most important is the absence of an independent socialist consciousness among labour activists. That ideology could help to strengthen links across unions, and expand the capacities of the movement to place blame for the crisis on the structures of the economic system (rather than on workers themselves). Some socialists in Canada have been highly critical of what they see as the incrementalism, reformism, and economism of Canadian unions in recent years; yet these weaknesses may reflect more on the failure of socialism (to build a visible and cohesive base within the labour movement), rather than a failure of unionism. In any event, it is clear that the labour movement would be stronger if both the economic system, and unions themselves, were to be challenged more vociferously by the analysis and demands that arise from a broader socialist perspective.

### **Economic Crisis, Union Density, and Union Organizing**

One of the central challenges facing unions today is not directly addressed by the foregoing short-list of priorities, and that is the increasingly urgent need to boost new member organizing and reverse the decline in unionization. Union density has declined in Canada's private sector throughout the neoliberal era, and unions now represent well under one in five private sector workers. This erosion of union power has been partly offset by continued membership strength in the public sector (where density has held steady at around 70 percent). Canada has experienced a smaller decline in unionization (despite the many initiatives implemented under neoliberalism to restrict and roll back collective bargaining) than most other developed countries – especially the US. But overall union density is still eroding here.<sup>5</sup> And this poses obvious threats to the long-run economic and political power of the labour movement.

5. Ironically, the unionization rate tends to *increase* slightly during a recession, as private-sector jobs (which are much less heavily unionized) are lost more quickly than public-sector jobs. This is a temporary cyclical phenomenon, however. The more important longer-run impact of the crisis on unionization rates will depend on whether employers are able to take advantage of the crisis to further attack the organizational (and ideological) basis of unions, or whether the labour movement can seize on the crisis to expose the failures of the free-market model and rebuild its power and credibility.

Virtually every union recognizes the historic importance of organizing, and has allocated more resources and leadership attention to that priority. So far, however, the results have been cautionary. Construction is the only private-sector industry in which union membership has held its own in the past decade. This reflects, in part, the prevalence of alternative voluntary-recognition and dispute-settlement strategies, as well as the unions' success in winning a crucial change in labour law in Ontario (where card-check certification was restored for the construction sector). Elsewhere, increased union organizing efforts have run into a wall of ruthless, sophisticated employer opposition, unfriendly labour laws, and doubt among many non-union workers about whether a union would make any difference anyway.

In the US, turning the tide of deunionization will necessarily constitute a central plank in the labour movement's response to the economic crisis. Indeed, the coming debate there over the Obama Administration's labour law reforms (embodied in the proposed *Employee Free Choice Act*, which would restore card-based certification procedures and provide opportunity for first-contract arbitration) will be central to the labour movement's future there. The parallel to Wagner Act labour reforms, introduced in the middle of the last Great Depression, is immediate, although it is doubtful that Obama's proposals (even if enacted, despite the current no-holds-barred counter-offensive from employers and business lobbyists) would spark the same resurgence of union organizing as occurred in the 1930s.<sup>6</sup> In Canada, fighting for similar changes in labour law (including protecting and expanding card-based certification measures) should surely be a central focus for the movement's political efforts. (Removing card-check certification was one of the first acts of the new hard-right provincial government in Saskatchewan – just as doing the same was the first priority for the Mike Harris government in Ontario after it was elected in 1995.) Where those political efforts have been successful (as with the reintroduction of card-check provisions in Ontario's construction industry), the benefits for union membership are obvious. So far, however, the required focus to mount a meaningful battle for labour law reform has been absent from the Canadian labour movement.

On the other hand, it is also obvious that labour law reforms alone would

6. There is an interesting Canadian dimension to the US debate over the Employee Free Choice Act. US business lobbyists have attempted to invoke the Canadian experience to warn of the "dangers" of excessive unionization, citing in particular a contracted study (Anne Layne-Farrar, "An Empirical Assessment of the Employee Free Choice Act: The Economic Implications," LECG Consulting, March 2009, [ssrn.com/abstract=1353305](http://ssrn.com/abstract=1353305)), which purports to prove that higher Canadian unionization rates have caused higher unemployment here. This is especially ironic in light of the fact that Canadian labour market indicators are considerably stronger than those in the US – despite a collective bargaining coverage rate that is more than twice as high. US business scare-mongering about Canadian labour law is reminiscent of similarly misleading attacks by health industry lobbyists there on the Canadian Medicare system. The Centre for Research on Work and Society at York University has organized a response to these false claims from Canadian labour market scholars; see [www.yorku.ca/crws](http://www.yorku.ca/crws).

not be sufficient to ensure the success of union organizing efforts.<sup>7</sup> A revival of a broader culture of expectation among working people in Canada, whereby they come to demand more from the system than they are currently receiving, will be a precondition for a broader revival of support for forming unions and fighting for a better deal in the workplace. One of the greatest successes of neoliberalism has been the clawing back of popular expectations that the economic system “owes” anything to workers, replaced by the acceptance of an individualism in which “you get what you get.” Overcoming this general cultural view, and re-legitimizing the notion that every worker is entitled to a secure job with decent pay and decent security, will be an essential precondition for an upsurge in successful union organizing.

“Perhaps the most important thing unions can do to rejuvenate their organizing possibilities is to contribute to building a wider oppositional movement and hence facilitate a change in the broader social climate. In other words, perhaps it is only in the context of a movement that extends beyond unions, but includes unions that are participating in, if not leading, struggles against every kind of oppression and every attack on the quality of our lives, that we can really anticipate the long-sought explosion of workers organizing *themselves* into unions.”<sup>8</sup>

In this regard, the challenge of union organizing is fully coincident with the other priorities identified earlier in this article: for the labour movement to develop and propagate an alternative analysis of why this crisis occurred; to show that it wasn’t workers’ fault; to show that labour concessions cannot solve the crisis; to hold accountable those (like the financiers) whose actions did cause the problems we face; and to fight for policies both to address the harm caused by the crisis and to prevent the next one. If the labour movement can do these things, we’ll show workers that fighting back makes a difference – and their interest in joining that fightback, including by forming unions in their own workplaces, will be boosted accordingly.

The labour movement in Canada, like most countries, has been on the defensive against neoliberal policies for a quarter-century. This economic crisis could spark an historical reversal of that painful trend. For this to happen, unions must seize on the failures of the neoliberal model, proving to workers (unionized and non-unionized) that their economic future and security are jeopardized by a system governed by the unregulated pursuit of private profit, and showing them that collective bargaining (and collective action more generally) is the only way to protect themselves. On the other hand, if unions respond passively and defensively to the stepped-up attacks that are coming (launched, with no shame, by those who caused the crisis in the first place),

7. Roy Adams makes this point in “The Employee Free Choice Act: A Skeptical View and Alternative,” *Labor Studies Journal*, 31(4) (Winter 2007) 1–14.

8. Sam Gindin and Jim Stanford, “Canadian Labour and the Political Economy of Transformation,” in Wallace Clement and Leah F. Vosko, eds., *Changing Canada: The Political Economy of Transformation* (Montreal 2003), 433. Emphasis in original.

then the present downturn will only cement the longer-term erosion and weakening of the labour movement. Whether we come out of this crisis stronger (as occurred in the 1930s) or weaker, therefore, depends on the response that we are able to mount.

## ***Holding the Line in the Canadian Pulp and Paper Industry***

Priority #1: Draw a Line in the Sand to Defend Past Gains

**Fred Wilson**

AMIDST THE ECONOMIC crisis of 2009 and the loss of tens of thousands of manufacturing jobs, one key strategic challenge for Canadian labour is how to hold the line and protect the fundamental standards and rights in collective agreements. In the weighing of risks, union leaderships are more than aware that either losing a collective bargaining struggle, or failing to rise to the challenge of a struggle, can result in more than a bad contract. Even worse, these defeats can dramatically change the rules of the whole game for the worse. In particular, industry and pattern-bargaining regimes that increase and protect standards for large groups of workers can be undermined or broken.

Strategic leadership has never been more important. In my experience, the leadership we need involves several features. First, a clear basis of unity and set of principles that allows members to make choices – often difficult, painful choices. Unions must also have organization that gives a concrete form to solidarity. And leadership must ensure that resources are in place to allow unions to take on a fight to the finish, and to finish it.

It is hard to imagine a group of workers more besieged by globalization and the economic crisis of 2009 than Canadian pulp and paper workers. In the past two years, about a quarter of their industry has been closed. Their goals today are certainly defensive, but, in my view, highly strategic. They are making choices, organizing, and struggling to hold the line.

In October 2008 at the national convention of their union (the CEP), President Dave Coles set out the choice that the union had made. “When this battered industry emerges from this dark period, our ranks will be smaller – they already are. But our pensions, our standard of living and our pattern bargaining systems will be intact.”

The pulp and paper industry in Canada has highly centralized bargaining with two pattern systems, a western pattern and an eastern pattern. The two patterns follow each other on key issues like wages and term.

Workers in Eastern Canada from 100 local unions and about 50 mills come together in a caucus which develops a common bargaining agenda and selects