

Broad, Dave and Wayne Antony (eds.) *Capitalism Rebooted: Work, Welfare and the New Economy*. Halifax: Fernwood Press, 2006. 185 pages.

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This book is a collection of essays based on challenging the view that we have witnessed the emergence of a “New Economy” in the past three decades – an economy characterized by fundamental changes in the structure and functioning of capitalism itself. The authors identify a number of proponents of this view, describe the key characteristics of the theory of the New Economy and proceed to question its basic premises.

Advocates of the New Economy, according to the authors, believe that global trends in finance, trade and manufacturing, coupled with the expanding role of post-WWII institutions of international corporate governance (IMF, World Bank and World Trade Organization) have largely erased the traditional role of the nation state in shaping economic and social policy. All countries and all societies are converging on a similar trajectory of development. This convergence has been spurred on by the revolution in information technology, computers and communications systems.

Yet far from objecting to these developments, proponents of the New Economy welcome the loss of domestic sovereignty because they see it as necessary for the emergence of a re-invigorated capitalist system that will deliver substantial economic growth and a dramatic improvement in productivity – developments that will eventually result in rising living standards, globally. They also embrace the way jobs are being re-organized, arguing that new, more flexible working conditions are giving workers more choice and the opportunity for improved conditions of both work and income.

As the title of the book implies, its theme is to question whether capitalism has really been ‘rebooted’ - to use a term from the computing world - or whether its basic characteristics remain the same, albeit in new dress. Despite the claims of those who believe that we are entering a new phase in human progress characterized by economic globalization, restructured work (resulting from changes in information and communication technology) and a new form of apolitical politics in which the conflict between capitalism and other world views has been resolved conclusively in favour of the former, Anthony and Broad contend that the underlying relations of capitalist production remain unaltered.

Although composed of eight chapters written by different authors, each focuses on a specific element of the New Economy, providing a unifying structure to the book. The introduction and first chapter provide an overview and synopsis of the debate about the extent to which capitalism has changed as a result of the developments noted above. Chapter two is, arguably, the core chapter of the book. It examines the impact of the New Economy on the

organization of work. Its three co-authors (Dave Broad, Jane Cruikshank and James Mulvale) contend that deregulation of labour markets and the emergence of a global labour pool in both services and goods production has resulted in a deterioration of employment prospects, working conditions and incomes for the majority of workers, while privileging a small group of professionals and managers, as well as the owners of capital. The fashionable argument that greater labour “flexibility” is both necessary and beneficial for the expansion of economic output is, in their view, little more than a veiled justification of a process that is undermining many of the economic and social welfare gains working people achieved in the early post-war period.

Citing data from the International Labour Office and other sources, the authors argue that we are now facing a global jobs crisis in both developed and developing countries. The major industrial countries have experienced a significant increase in part time, casual and informal jobs. Far from being good jobs, these normally offer low wages, little job security and frequent periods of unemployment. Outsourcing has given employers scope to reduce unionization, or avoid it completely. This has been exacerbated by cuts to welfare, unemployment and other social programs. In the developing world, competition for jobs from multinational firms has pushed down wages, while economic liberalization policies have forced large numbers of farmers into the brutally competitive urban labour pools that now characterize many of the poorest countries in the world.

In the Canadian context the same trends are apparent. Although there has been some growth in well-paid information technology jobs, these still account for less than 5% of total employment. This modest growth in good jobs has been overshadowed by the expansion of casual and part time employment, particularly among women workers in other parts of the economy.

Chapter 3, by Janice Foley, focuses on changes in management practices in the New Economy. She reviews data from three major studies of human resource practices in Canadian industry. Some firms have pursued the ‘high road’ - widely publicized by proponents of the New Economy - of providing opportunities for training and employee development. But most other employers have focused on the ‘low road’ of speed-ups, downsizing, outsourcing and casualization. Real wages for Canadian workers have not improved, on average, over the past 20 years, contrary to the predictions of proponents of the New Economy.

Jane Cruikshank’s chapter deals with the impact of the New Economy on education and training. Of particular concern is how the education system has been re-focused on narrow, industry driven priorities. The concept of lifelong learning no longer reflects the humanistic goal of developing an educated citizenry but, rather, concentrates on developing the immediate skills required by employers in their efforts to be globally competitive. While the education and

training level of Canadians has risen significantly over the past three decades, there has been no corresponding increase in jobs that provide scope to utilize this education. As a result, millions of well educated Canadians are either underemployed or simply unemployed. Far from guaranteeing challenging employment, employer demands for higher educational credentials are frequently little more than a method for screening out applicants who are otherwise qualified.

The question of how workplace health and safety practices have been affected by the New Economy is obviously an important one. In his chapter, Michael Polanyi examines recent data on accidents and injuries, noting that Canada has made little progress over the past 20 years in reducing the toll of workplace deaths. Canada remains – according to several international indices – at the bottom of the performance ranking among OECD countries. In addition, the goal of reducing stress and improving the quality of work life has largely been subordinated to the objective of raising output and productivity.

Hunter and Miazdyck-Shield review examine the social welfare dimensions of the New Economy. They review the historical development of the welfare state, documenting how social policies from the English Poor Laws of the 1830s to current arrangements have been shaped by market demands and have reflected the relative power of employers and workers. They note that the cornerstone theory of the New Economy in this area – welfare to work – is basically a return to the older market driven approach that prevailed before the growth of the welfare state in the early post war period. Proponents of the now fashionable “Third Way” have packaged cuts to the social safety net as efforts to re-integrate people into the world of work. They imply that being employed – regardless of how tenuous or poorly paid the job is – constitutes a major improvement over welfare. But in reality, work to welfare has had a devastating impact on the working poor and the unemployed, reducing or eliminating income support while offering few employment alternatives other than insecure, low wage part time, temporary or casual jobs. The authors also note how Canada is gradually harmonizing its social policies with those of the US as NAFTA focused integration proceeds. While acknowledging that Canada still retains some of the worthwhile elements of its social safety net, they also see the introduction of neoliberal welfare reforms as harbingers of a 21<sup>st</sup> century reversion to the Poor Laws of old.

Another chapter looks at how information and communications technologies have affected the labour movement itself. James Mulvale examines how the new technology is affecting workplaces that are unionized as well as how it is impacting on the ability of unions to organize in new sectors of the economy such as call centres. He believes that unions have become more adept at using the opportunities created by the emergence of the Internet and other

communications technologies to communicate with members and reach out to new groups of workers as well as broader social movements.

The final chapter reviews workers' experience with the New Economy thus far. Repeating the theme of the introductory chapters, Dave Broad argues that there have been far more 'losers' than 'winners' and that the claims of proponents of the New Economy that it is ushering in a new, more prosperous era are simply not supported by the evidence. It remains the old economy of capitalism, in which work is still organized on the basis of maximizing the profits of those who own the means of production and labour is still a commodity to be bought and sold.

*Capitalism Rebooted* contains a great deal of useful information. A number of its authors make helpful contributions to the debate about the changing role of work in our society. If there are criticisms, they lie primarily in the duplication of information and analysis provided in a number of the chapters. Each author has attempted to ground his or her contribution within the debate about the New Economy with the result that there is a good deal of repetition. Also, with such a broad subject area, the focus of the book is not always as sharp as it could be. Nevertheless, it makes a worthwhile contribution to the literature on the impact of neoliberalism on work and workers, both in Canada and globally. The bibliography is comprehensive - and impressive.

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