The steady consolidation of neo-liberalism since the 1980s has presented several challenges to unions in North America. Through the promotion of free trade, the extension of property rights and the restructuring of the state, the era of neo-liberalism has undermined gains made by workers, and has made the terrain of struggle more daunting for unions. The current challenges should not be seen solely as emanating from the state. Changes in the organization of work, as well as shifts from manufacturing to the service sector, both part of the economic base of neo-liberalism, are also implicated in the common threats to organized labour and workers more generally. These common pressures on labour in Canada, the United States and Mexico, however, have resulted in different outcomes for the three movements. Many have suggested that these common pressures should be met with an increased emphasis on transnational labour cooperation. While this would likely be a good strategy, there has not yet developed a base on which to build this, nor is it possible to build international solidarity without first building capacities at the local level, and the level of the nation state.

COMMON PRESSURES: NEO-LIBERALISM, THE LABOUR MARKET AND THE STATE

The labour movements of North America have been forced to confront three common pressures, economic slowdown, neo-liberal labour market policies, and the internationalization of capital. To varying degrees, these pressures have diminished the capacities of national labour movements to organize and represent the interests of workers. This section will outline the general tendencies of these three pressures. Section two will provide some measure of how the neo-liberalism has registered in each country. The final section will evaluate the current state of international solidarity, as well as its strategic potential in resisting neo-liberalism.

Neo-liberalism has its origins in the collapse of the post-war boom, a period which saw the promotion of inward economic development, rapid
growth, expansionary welfare policies, and the strengthening of the bargaining power of unions. Beginning in the 1970s, the advanced capitalist economies were faced with economic slowdown, which was to last throughout the 1980s and 1990s. As a response to economic instability and increased competition, employers began a series of labour saving plant shutdowns and a major shift of production to lower union density locales in the southern U.S. (and in part to northern Mexico). Further restructuring came in the form of the rise of service sector employment, lean production, flexible manufacturing, and non-standard work arrangements (Albo, 1990; Campbell et al, 1999). This ‘employers’ offensive’ at the workplace was also linked to capital’s greater push toward trade liberalization and continental integration, in part as a means to increase inter-worker competition, and continue the trends, begun in the 1980s, of wage compression and widening gaps between the share of value taken by capital and that taken by workers (OECD, 2004: 11, 18-9, 129; Commission for Labour Cooperation, 2003:6).

A second pressure has come in the form of neo-liberal flexible labour market policies. One element of this involves restrictions on access to, and reduced benefits for, programs such as unemployment insurance or social assistance, which have come to be seen as disincentives to work, causing labour market rigidities. Governments have, in general, given up policies geared toward full employment, preferring instead to maintain a ready pool of labour available to take up new work, particularly in the service sector – by far the most common form of new employment – as it becomes available (Economic Council of Canada, 1990). Flexible labour market policy comes also in the form of restrictions on union organizing and free collective bargaining. These restrictions include reliance on back-to-work legislation, and right-to-work legislation such as in the southern U.S. (Fantasia and Voss, 2004: 125; Panitch and Swartz, 2003). In Mexico, the situation for unions is exacerbated by mass privatization of state enterprises, linked to neo-liberal austerity programs.

A third pressure is the internationalization of capital, which provides leverage for employers relative to the immobility of labour. NAFTA sets in place rules that restrict governments’ ability to impede capital mobility, or to actively pursue industrial development and social welfare. Increased competition that results from trade liberalization compels employers to drive down unit labour costs (Robinson, 1994: 664-5). Transnational corporations (TNCs) – primarily based in the U.S. – have used this increased leverage through threats of capital flight, as well as the expansion of international production networks, which allow production to be moved to lower wage zones. For example, workers in Mexico can earn as little as 1/10th of what is earned by workers in Canada and the U.S. for similar work (Moody, 1997: 70-1, 77). NAFTA did encourage a significant shift of some 2 million less skilled jobs to Mexico, particularly in the maquilas at the northern border (Roman and Velasco, 2004). Yet Mexican workers
themselves are faced with even lower wage competition from China and other parts of Latin America. The liberalized world market has everywhere put workers in competition with each other, further tipping the balance in favour of employers.

UNEVEN RESULTS: THE CRISIS OF NORTH AMERICAN UNIONS

In the face of the general pressures that neo-liberalism has brought (and those of NAFTA as one of its manifestations) unions in North America have been put on the defensive, and in some instances have been defeated. Yet given different historical patterns of development, organizational capacities and political circumstances, the three different labour movements have seen varied results of, and responses to, neo-liberalism. It is to these divergent outcomes that we now turn.

CANADA

In many respects, Canadian unions have been the most successful at resisting neo-liberalism. Still, the common pressures discussed above have resulted in a union density that has fallen from 40 percent in 1983 to 31 percent in 2003 (Panitch and Swartz, 2003: 245). While public sector density remains at 72.5 percent, only 18 percent of private sector workers are organized. Density in manufacturing has declined from 45.5 percent in 1988 (the last year before the signing of the Canada-U.S. Free Trade Agreement), to 32.4 percent in 2002 (Jackson, 2003:10). With the rise of service sector work, in which the industrial relations regime has made it difficult to organize, unions’ capacity to intervene in the labour market, and act as a central vehicle forming and representing the interests of workers will continue to be strained.

Still, Canada has seen an increase in the absolute number of workers in unions, while unions in 13 OECD countries have seen an absolute decline in membership (Ogmundson and Doyle, 2002: 416). The ability to stem the tide of de-unionization has, to a large degree, been the result of manufacturing sector unions like the CAW and USWA attempting to move into service sector organizing, creating large, internally diverse general unions (Yates, 2000: 31-2). To a large degree, however, the increase in membership of these two unions is a result of mergers with smaller unions. But this has, in turn, caused its own problems of raiding and organizing competition between unions, with the CLC offering little direction on issues of jurisdiction. At the 2005 CLC convention, however a resolution was passed that might make it easier to effectively manage conflicts over raiding. The impetus for this resolution was a conflict between CUPE and “a rogue local” of the IWA, which raided CUPE/Hospital Employees Union locals in British Columbia.
More so than other labour movements in the OECD, Canadian unions have attempted to resist through the use of strikes. In absolute terms, however, the Canadian strike rate shows a steady decline from 1218 in 1974 to 579 in 1990, and only 379 strikes in 2000 (which represents a slight rebound from the mid-1990s) (Ogmundson and Doyle, 2002: 422; Panitch and Swartz, 2003: 244). The willingness to strike should be understood in the context of extensive government reliance on back-to-work legislation, which can undermine the effectiveness of strikes. The declining strike rate should also be viewed in light of patterns of concession bargaining, an ongoing problem since the 1980s, and labour management partnerships. Among the most dramatic cases of both was a 2003 agreement between the UFCW and the Loblaws chain of grocery stores. The employer, feeling competitive pressures from Wal-Mart, demanded that the union open its collective agreement and accept wage rollbacks. Under pressure from the employer to help manage these competitive forces, the UFCW leadership agreed to the concessions behind closed doors and then brought the changes to rank and file members as a done deal (Vasil, 2003).

Even the CAW, which split from the UAW in 1985 as a protest against the American union’s insistence on concession bargaining (Gindin, 1995), has engaged in some forms of partnerships. There appears to be an increasing frequency of labour-management cooperation in the automotive sector, usually springing from pacts between individual locals and plant managers, but often supported (both implicitly and explicitly) by the national leadership (Wells, 1997: 169-70), this is not to suggest that individual unions or their leaders are the problem. Instead, this points to the fact that all unions, no matter how confident and militant, are subject to the same pressures.

Concessions and partnerships, coupled with a reduced propensity to strike, are reason for concern. Still, Canadian labour does continue the fight back. Opposition to hard line neo-liberal governments still brings workers to the streets in protest. Two examples are the Days of Action in Ontario, which challenged the Conservative government of Mike Harris (Munro, 1997), and resistance to the anti-labour agenda of the Campbell government in British Columbia. And unions have been working towards building ties to community groups in common struggle to protect public ownership of electricity, and public delivery of health care, to name but two issues. This fledgling focus on social movement unionism can be a tool used to rebuild unions’ capacity to resist neoliberalism (Moody, 1997; CAW/TCA 2003). But these strategies remain ad hoc and generally do not last beyond individual battles. Canadian unions remain resilient, but this appears to be impressive primarily in relation to the extremely weak state of American and Mexican labour.
THE UNITED STATES

The labour movement in the U.S. entered the neo-liberal era substantially behind its northern counterpart. Organizationally, the business unionism that has characterized the movement in the U.S., and the hierarchical structures on which this is based, have left unions in a poor position to mobilize members in a fight back strategy (Nissen, 2003a). Furthermore, the regime of industrial relations has been highly restrictive. The Taft-Hartley Act of 1947, which limited the ability of unions to organize, was merely the first blow. So-called ‘right to work’ laws, and National Labour Relations Board (NLRB) signals that have shown its willingness to allow anti-union tactics, ranging from hiring anti-union consultants to actually firing employees engaged in organizing, have also contributed to an incredibly difficult environment in which unions must operate.

While the Taft-Hartley Act was the first prong of the legislative assault, it should be noted that union density reached its peak of 31.8 percent in 1955, eight years after the act was passed. It was not until after 1979, and the consolidation of neo-liberalism, that union density declined precipitously, falling to 13.5 percent in 2001 (data on density in Panitch and Swartz, 2003: 245). In the private sector, density is down to a mere nine percent (Levi, 2003: 47). The declining strike rate in the U.S. is another sign of American labour’s decline. In 1969 there were 412 strikes involving more than 1000 workers. By 1999 it was down to 17, and in 2001 there were 29 such strikes (Levi, 2003: 48; Statistics Canada, 2004). These figures demonstrate the extremely weak position of unions in the U.S., suggesting a tremendous amount of rebuilding will be necessary if any effective resistance is to take hold.

Longstanding practices of business unionism have meant that the primary response of American unions to concessionary bargaining has been to work in partnership with employers. Important examples of this trend include Union of Needletrades, Industrial and Textile Employees (UNITE, now UNITE-HERE) partnerships at both Xerox and Levi Straus, the United Steel Workers of America with several steel manufacturing plants, and partnerships entered into by the Communications Workers of America (CWA) at several telecommunications firms. One of the most significant partnership arrangements is between the United Auto Workers and Saturn in Spring Hill Tennessee, which included “directed work teams, off-line problem solving teams, labor-management committees, and the like. But all levels of staff and line management are filled with dual union and management personnel, making Saturn a co-management partnership example....” (Nissen, 2003b: 137). In essence, this kind of partnership encourages unions to take on the role of managers, assisting in solving problems for employers, even if these solutions involve the unions policing their own members. Such partnerships are not without their contradictions though. In 1999, after rank and file mobilization for
change, the existing executive was removed from office. The new executive was
able then to negotiate a new contract that eliminated some of the terms of the

These organizational weaknesses remain a major obstacle to any
aspirations for a revitalization of the North American labour movement as a
whole. It has been reflected directly in the American labour movement’s position
on NAFTA. After largely ignoring the implications of the original Canada-U.S.
Free Trade Agreement, the AFL-CIO mounted an extensive campaign against
NAFTA, and it has continued to oppose other free trade agreements. This has
been as much, if not more, about defensive protection of vulnerable unionized
jobs and sectors in the U.S., as opposed to an alternative societal project for
reorganizing work and industry. A sign of the AFL-CIO’s continuing ambiguous
and often conflicting responses to trade expansion can be seen in its
condemnation of the creation of a Central American Free Trade Agreement
(CAFTA), while simultaneously arguing for inclusion of protections of workers’
rights in all future trade agreements. And even as it calls for inclusion of labour
protections in new agreements, American labour condemns the North American
Agreement on Labour Cooperation (NAALC) as an ineffective tool for the
advancement of labour rights, particularly with regard to employer uses of
unfair labour practices in Mexico (AFL/CIO, 2003).

MEXICO

Historically, the working class in Mexico has been enmeshed in
corporatist structures of the state. This has resulted in a lack of union autonomy
from the state, and the Partido Revolucionario Institucional (PRI), the instrument of
one-party domination within Mexico until recently (Rodriguez, 1998: 71). The
largest Mexican union federation, the Confederacion de Trabajadores de Mexico
(CTM) along with the Confederacion Revolucionaria de Obreros y Campesinos
(CROC), Confederación Regional Obrera Mexicana (CROM) and the Congreso del
Trabajo (CT), all official unions tied to the authoritarian corporatist arrangements,
represent the majority of Mexico’s unionized workers. Authoritarian corporatist
arrangements have resulted in unions that have acted as coercive agents against
their members. Corrupt union bosses became de facto members of the state
apparatus, and their privileged positions became dependent upon keeping
militant workers in check. As a result, union densities were higher than in other,
comparable states, but were nonetheless ineffectual at improving working
conditions (Roman and Arregui, 1998: 128). In 2000, overall union density in
Mexico was ten percent lower than it was in the early 1980s. With union leaders
often in collaborative relationships with employers and the state, internal
practices of democracy and independent action for unions were all but
impossible. In addition, state coercion was also prominent. Strike activity was
traditionally very low as the state made the conditions for work stoppages illegal in most cases. In those cases where strikes did occur, direct physical coercion was regularly used (Cockcroft, 1998: 160).

The expansion of production in *maquiladora* zones along the Mexico-US border has made little room for new independent unions to organize. Although job growth in these regions has been substantial (ten times its 1981 level while non-*maquila* employment in manufacturing was lower in 2000 than it was in 1981) unionization rates and standards of living have been dismal (Cypher, 2001: 20; Wise, Salazar, Carlsen, 2003, 215). Frequently, before plants are even opened in the *maquiladoras*, the existing ‘official unions’ will meet with employers to sign collective agreements that do little more than cover the basic provisions of the existing labour laws. Furthermore, these unions do little to support workers in grievances against employers (Obrera, 2003: 154-5). For these unions, stable collective bargaining helps maintain membership levels and thus a degree of legitimacy within the Mexican state. For Mexican capitalists, the presence of compliant unions guarantees that independent unions with a more aggressive project for protecting workers will have a much more difficult time trying to organize these workers.

Public sector employees have been just as affected by restructuring in Mexico. As part of its neo-liberal restructuring program, the Mexican state has taken a very active policy of privatizing state assets. The Mexican state had traditionally taken a strong role in promoting economic development, and thus acquired a large number of public corporations, for example, in steel, telecommunications, mining and oil, to facilitate this process. As part of restructuring programs prompted by the state by trade integration and structural adjustment policies from the international lending agencies and the U.S. government, but also because of internal pressures from Mexican capitalists for divestment, hundreds of these corporations were sold off (Williams, 2001: 91-2). In order to make the sale of these corporations more attractive, unions were pressured to grant concessions in terms of wages and working conditions. Even in the face of resistance by public sector unions (and peasant rebellions in some of the regions of Mexico), privatization could not be stopped.

**THE STATE OF LABOUR INTERNATIONALISM IN NORTH AMERICA**

Many union activists and academics have suggested that unions in Canada and the U.S. could assist workers in Mexico in their bid for an independent and effective structure. The North American Agreement on Labour Cooperation (NAALC) was, in part, intended to do just this. Under pressure from the AFL-CIO, the Clinton administration pressed for inclusion of the labour side agreement in NAFTA in 1993 (Williams, 1996). The agreement itself is intended to promote the enforcement of eleven core labour rights, “including
freedom of association and the right to organize, free collective bargaining, prohibitions on child labour, and the right to safe and healthy work environments" (Singh, 2002: 438). Through the agreement, National Administration Offices (NAOs) are established in each country to process any complaints made by individuals or organizations. If a claim is deemed to have sufficient merit, and if initial negotiations do not resolve the dispute, the NAO can send disputes to conciliation and arbitration. To date, however, no dispute had gone this far (Singh, 2002: 438). Although the AFL-CIO's promotion of the NAALC was alleged to have been designed to force Mexico to uphold the union protections guaranteed in its constitution, and thus create conditions for a strong independent Mexican labour movement, the underlying reason was to protect jobs in the U.S. The NAALC is the only example of the creation of a supranational body that is intended to regulate labour under NAFTA, but its limited capacity to effectively sanction states that violate the agreement renders it almost meaningless. Moreover, the NAALC, despite its claim to promote labour cooperation, has no effective means by which to facilitate connections between the labour movements of North America. This leaves the three labour movements to focus political activities on their own national states, and to pursue international linkages in the absence of any form of continental state apparatus actually enforcing freedom of association and other labour rights.

Proposals to create independent ties between labour movements can be classified as ‘international solidarity’, union strategies to act internationally to counter an already internationalized capitalist class (Moody, 1997). This could be a positive strategy, instituted by unions themselves, to create active links that provide mutual support in struggles. There are, however, limitations to proposals for international solidarity. Unions within each country remain internally fragmented. They have exhibited limited capacity to coordinate strategy within national borders (indeed, the union centrals in all three countries seem all but strategically incapacitated), let alone between different national union movements with distinct histories and established practices. It will also be necessary to develop greater rank and file participation in democratically structured national and local unions if new political projects are to be sustained (Gindin and Stanford, 2003: 435-6). In the absence of direct member involvement, links between movements will simply be formalistic agreements without the capacity to be implemented fully. Finally, even though there has been movement towards the creation of a single North American market space, this has not translated into a unified political space or the differentiation of national economic developments and dilemmas. Unions still negotiate locally, and are bound by national state-based industrial relations regimes that regulate union activities. Without the deepening of democratic sovereignty within national states (which enables workers and citizens to exercise some policy capacity over the policy issues that most immediately affect them in their daily lives), and the
reformation of working class and union capacities at the local, sectoral, and national levels, international struggles, as imperative as they are to undertake, will be limited in their impacts.

In the immediate future at least, international solidarity might assist unions in organizing at particular plants (as unions in one space lend organizing and financial resources to workers elsewhere), or might be able to act to try to prevent certain activities (for example, protests against neo-liberal trade deals or coordinated boycotts of employers engaging in abhorrent employment practices). But this strategy is not likely to put meaningful proposals on the political agenda. Such proposals, made at the level of the nation state, could include attempts to control capital flows, thereby reducing the capacity of employers to use the threat of capital flight to wring concessions out of unions. Moreover, controls on capital mobility would enable states effectively to plan trade (and aid), targeting investment in areas that promote human welfare. Proposals could also include labour law reform. In all three countries, reforms might also revolve around changes that facilitate organizing in the service sector to boost union density, or that include sectoral bargaining. Sectoral bargaining would allow workers in sectors characterized by small workplaces to negotiate en masse with employers, giving unions greater protection against competitive pressures. Because these proposals grate against the logic of neo-liberalism, they are not likely to be implemented any time soon. But it is only through challenging the logic of neo-liberalism that union movements of North America can hope to carve out a space in which they are not continually forced onto the defensive.

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