

Preface

Ignorance compounded by arrogance may mark the spirit of political leadership in these troubled times, as evident in the title of this book, but as we survey our contemporary horizons the spectacle of crisis and decay impresses us most. The onset of the acute economic crisis in 2008 merely intensified old news. Things have only worsened of late by degree, and if the left fails to speak to capitalism itself, to its grave defects, to its irredeemable character, then all the additional suffering brought about by recent developments will truly be for naught.

The pageant of humanity in the age of capitalism has been an illimitable web of misery. If we let the apologists define the present, if we let them pretend that things like rising unemployment, deepening poverty, the destruction of workers' lives, feckless corporate corruption, bloated capital markets and so forth are associated with the "crisis" rather than with capitalism itself, then we will have done a terrible disservice to working people everywhere. This is a decisive moment in history, and the left must make the narrative of the present its own, particularly by framing it within what is also known to be true about the nature of capitalism. The crisis is about capitalism *qua* capitalism, not an accidental set of developments linked to the depraved irresponsibility of the financial sector — itself a child of the relative unprofitability of the "real" economy.

The remarkable thing about capitalism is its ability to contradict Aristotle's ancient insight into the nature of politics. At the outset of the *Politics* the peripatetic philosopher claimed that all politics "aims at some good." Nowadays, as is widely understood, the goal of politics is capital accumulation — and little more. Public policy is singularly shaped by the accumulation preferences of the corporate world. The aim of goodness has been replaced by salutary promises of goodness "in the future." Along the way there is scarcely a thing that politicians will not say or do to get better rates of return on each dollar of corporate investment, and the unconscionable harm that this conduct has created for people around the globe is also well known. What we tend to think of as "politics," especially progressive political resistance, merely trails in the wake of this awful truth.

All of this is worsened by the fact that decent rates of profit are hard to sustain over the long haul. Rates of corporate profitability, for example,

started to fall sharply in the late 1960s and early 1970s. With these declines came a redoubled assault by capital on the world's working class. The goal has been to drive down wages and restore rates of profit. This is where this book begins. It focuses on aspects of this assault on the working class in the Canadian setting. Over the last few decades we have witnessed changing conceptions of working life, a deregulation of labour laws, falling rates of unionization, a sharp drop in labour militancy, stagnating real wages, the sustained presence of a large pool of low-wage earners and the expansion of the number of workers lacking basic protections, and the gutting of much social policy.

The severity of the downturn that began late in 2008 prompted comparisons with the 1930s and engendered hope that a *new* "new deal" for working people might be imminent. But there is a difference between then and now that tends to go unnoticed: in the 1930s there was a vital, active left, and real alternatives to capitalism were on the table. In the present era the left is moribund. Organized labour as a political force has been crushed. In the "deal" that emerges in the next few years the voice of the working class will be largely absent. Only a revived left can really change things. And so our task is just beginning — again!

Along the way one's debt to colleagues, friends and family inevitably accumulates with the passing of time. Encouragement, intellectual support and enthusiasm during the dog-days of any writing venture mean more than all of the riches of Croesus. For this I am deeply grateful, but I fear that my gratitude will never match their endowment of beneficence. I wish to extend special thanks to Elizabeth Hamilton, data librarian at the University of New Brunswick, for her kind assistance as I navigated my way through the labyrinthine productions of Statistics Canada. Deborah Sloan, Administrative Secretary in the Department of Political Science at the University of New Brunswick, always managed to make daunting tasks a little easier. Beverley Rach and Brenda Conroy at Fernwood Publishing graced this project with a blend of professionalism and skill that was truly humbling. And Errol Sharpe's unwavering support every step of the way simply made this book possible. Lastly, and on a more personal note, I wish to thank the "three cool cats" and their feline matriarch for putting up with your old tom.

The Neoliberal Rollback in Historical Perspective

The last few decades have been unkind to the Canadian garment industry and its workers. Consider the case of the Golden Brand garment facility in Montreal. The plant manufactured suits for Moores, the men's clothing business that has sponsored the popular "Coaches Corner" segment of *Hockey Night in Canada* for the Canadian Broadcasting Corporation. Its host, the flamboyant and outspoken Don Cherry, is known for his gaudy suits (manufactured at a unionized facility in Hamilton, Ontario). Bright pinks and yellows, polka dots and flashy ties are not uncommon on this widely watched segment. When the CBC canvassed Canadians to choose the most popular national figure, Cherry made it to the top ten. His Saturday night slots came to feature regular tributes to Canada's fallen soldiers in Afghanistan. The contrast between Cherry's garish garb and Moores' modest attire — "well made" and "well priced" for the "well dressed," according to the company's motto — is almost comical, an advertising coup underscoring that Moores' apparel is suitable for those less eccentric plebians who tune in to treat themselves to Cherry's larger-than-life harangues.

The Moores workers in Montreal had reasonable cause to be hopeful about the future. They were part of a strong company with a long and distinguished history. The Golden Brand facility was founded by Martin Prosserman in 1961 and immediately began importing and manufacturing men's suits. After nine growing years the company was unionized. In 1980, Prosserman and his sons established the Moores retail chain across Canada. In 1996, the Prosserman family sold the successful Moores chain to an American consortium. Within three years the Canadian retail outlet had flipped again to the U.S.-based Men's Wearhouse in Houston, Texas, led by its Horatio-Algeresque CEO George Zimmer. Despite the changes in ownership, the Montreal factory continued to supply suits to the successful Moores retail chain in Canada and to the Men's Wearhouse retail chain operating more than a thousand stores across North America.

The success and corporate philosophy of the Men's Wearhouse company undoubtedly added to the confidence of the Moores workers at the Golden Brand facility. On its website the Houston outfit boasted that "George Zimmer

and Men's Wearhouse believe in giving back to the communities" it serves. It rhetorically philosophized that "after all, being a socially responsible company is just as important as providing excellent customer service." The company's philanthropic commitment to "families and communities" was emphatic and rested expressly on the belief that community strength can be found by healing North America's menfolk who had fallen on hard times. The clothing retailer posted that it "has teamed up with organizations that help men who have faced homelessness, addiction, and poverty, and conquered them. The men served by these organizations have committed to changing on the inside and we are committed to help them reflect that change on the outside."¹ It complemented these lofty sentiments with an explicit commitment to all of its workers — male and female — in the company's annual report of 2006: "When a workforce is treated with respect and encouragement, there's no limit to where they can take the company."² And something was certainly working at Men's Wearhouse. It claimed to be the largest provider of tuxedo rentals in North America. Its sales of almost \$1.9 billion in 2006 amounted to a 45 percent increase in just four years. In the same year its Canadian sales rose by 11.3 percent to \$259.3 million.

Within a few years of acquiring the Montreal facility, however, the competitive global realities of the apparel industry bore down on Men's Wearhouse. In 2005, and irrespective of its rosy financial news, the company tried to make substantial cuts to its workforce at the Golden Brand facility. The vast majority of the employees at Golden Brand were women. Over the next year, several hundred jobs were salvaged owing to the strong resistance from UNITE HERE, the union representing the workers. The union was created with the 2004 merger of UNITE (formerly the Union of Needletrades, Industrial and Textile Employees) and HERE (Hotel Employees and Restaurant Employees International Union). Both founding unions had rich histories dating back decades. The new union, which would split again in 2009, represented more than 450,000 workers worldwide in the apparel and textile sector and the recreational side of the service sector, including hotels, casinos and restaurants.

The success of UNITE HERE was short-lived. By the winter of 2008, Men's Wearhouse announced that it was closing its Montreal factory for good. Its workers were devastated, and the city of Montreal, already reeling from mounting manufacturing job losses in the aftermath of the free trade agreements, was dealt another blow. Shortly after the announcement, the *Montreal Gazette* ran a headline in its business section entitled "Eighth Time Unlucky for Couple," a reference to the fact that one woman and her husband were about to endure their eighth plant closure since the mid-1970s.³ Others were equally disappointed. One forty-two-year-old single mother supporting four children expressed fear about the future. "What will I do," she asked,

“to support my family without this job?” Another worker, a twenty-four-year veteran of the Golden Brand factory who had emigrated from Romania, dwelt on the irony of the crushing news: “We came here as immigrants looking to make a better living and we gave so much to this company — now look what’s happening.” Another mother of two children, who had put in two decades of service to the Golden Brand factory after emigrating from war-torn El Salvador, talked openly about her feelings: “It hurts to hear this news.... To be kicked out after giving twenty years to this company — it’s very hard. Without good jobs like these, how will we take care of our children and give them the opportunities and education that we didn’t have?”⁴

UNITE HERE immediately launched a campaign to fight the closure. It organized a letter-writing campaign and demonstrations in front of some Moores retail stores. Workers in Montreal carried a coffin to one protest to symbolize the loss of their jobs.⁵ Some Golden Brand workers travelled to Houston to present a petition to the debonair Men’s Wearhouse CEO Zimmer.⁶ “Moores and Men’s Warehouse are turning their backs on hundreds of workers...” voiced the co-director of UNITE HERE Canada. “By shutting down Golden Brand and throwing hundreds more Canadians out of work,” he added, “this company is sending a strong signal to Canadian consumers about how little they respect them, as loyal workers or as loyal customers.” The international president of UNITE HERE emphatically added to this complaint while drawing attention to the money-grubbing bottom line of the corporation: “We’re sick and tired of seeing good manufacturing jobs, like the ones at Golden Brand, lost so that profitable companies like Moores and Men’s Warehouse can extract even higher profits by outsourcing the work.”⁷ In late June the company offered Montreal employees a \$3.5 million severance package. Lina Aristeo of UNITE HERE in Quebec seemed pleased with the offer, which would reportedly put between \$3,000 and \$9,000 in the pockets of each laid-off worker: “We are very satisfied with this settlement.... It is historic, especially for workers in the apparel industry.”⁸ Although the severance package at Golden Brand is uncommon for plant closures in the garment industry, each laid-off worker would only be receiving roughly three months of income. Any protestations of victory would have to be balanced against the fact that more than 500 workers, more than 80 percent of whom were women, were now without jobs and that their families would be facing the prospect of running out of money fairly quickly.

The closure of the Moores facility in Montreal violates our common-sense understandings about corporate health and hard-working people. A healthy company, it seems, was shutting down a factory. A business that claimed to care about “communities” was throwing more than 500 people out of work. Loyal, hard-working individuals, many of whom were trying to build a better life in a new country, were getting turfed out onto the street.

In this small corner of Canadian industry, profits meant job cuts, a healthy company went hand in hand with an expansion in the ranks of the unemployed and decades of loyal service were being reciprocated with permanent layoff notices. What sense is to be made of this? This peculiar intermingling of the good with the bad, of positive reports about corporate health and a hard-working labour force alongside negative reports about plants closures and sudden unemployment is staggering and leads us to seek some kind of explanation.

Sadly, gut-wrenching tales like the one at Golden Brand are so commonplace that we might be inured to them. Perhaps the Moores layoffs are more striking owing to the links between Moores, Don Cherry's oft-expressed support for everyday, hard-working people and Canadian troop commitments in Afghanistan, but stories about corporate restructuring and mass layoffs abound. To explain why such harm befalls working people and to account especially for the odd mix of good economic news (such things as healthy corporate profits and decades of strong economic growth) and bad economic news (things like plant closings and falling wages) over the past several decades, this book focuses on the evolving political accords that have framed the relationship between capital and labour since World War II. These political accords can be conceived of as institutional agglomerations and public policy paradigms that both reflect and frame the collisions between labour and capital. It assumes, as American commentator William Greider wrote in his sweeping survey of the global economy, that the collision between capital and labour is a decisive factor in the unfolding world: "The fundamental struggle, then as now, is between capital and labour. That struggle is always about control of the workplace and how the returns of the enterprise shall be divided." This class struggle registers institutionally. The political accords between capital and labour matter, and we can make much sense of the experiences of working people when we pay due attention to those accords.

But this is certainly not all that there is to the story. The institutional expressions of the class struggle interact with capitalism's *tendencies*, especially fragile rates of profitability, large-scale unemployment and high levels of poverty. A second crucial assumption of this book is that these inexorable tendencies create crisis and instability. Capitalist society can never ever sidestep such problems. Thus, using the term "dialectic" rather lightly, there is a sense in which the tendencies of capitalism on the one side and the political accords between capital and labour on the other side are "dialectical." The political accords can never make capitalism's tendencies "go away," but they can greatly affect the way a society responds to such things as rapidly rising unemployment or falling rates of profit. And at the same time, these ever-pressing tendencies put immense pressure on the evolving character of

the class accord between capital and labour. The interaction between the two guarantees that capitalist society is never at rest.

In recent decades, the press of capitalism's inherent tendencies has combined with Canada's evolving political and institutional framework to strike hard at the working class. When compared with the immediate post-war decades working people have lost considerable ground. The new arrangements were refashioned according to the preferences of the corporate world. Along the way, more and more working people have endured awful experiences similar to those of the laid-off Moores workers, watched their wages stagnate and sometimes lose ground to inflation, become terribly anxious about the future, been forced into rotten, low-paying jobs and lost all confidence in the country's social programs. The gains that the working class forged in the first half of the twentieth century have been continually rolled back since the 1970s. The broad outline of this rollback is the focus of this book. These trends will only worsen as the global economy passes through the current economic crisis, and the ground that working people have lost is unlikely to be made up any time soon. To grasp the full implications of this historic shift it is helpful to review the two institutional configurations of the capital-labour struggle that have dominated Canada's post-war era.

The Fordist Compromise and the Neoliberal Rollback

When Canada's post-war era is approached from the standpoint of the struggle between capital and working people, two distinct eras emerge: the Fordist compromise (congealing at the end of World War II and continuing to the 1970s) and the neoliberal rollback (from the early 1970s to present). From an analytical point of view, both eras feature prevailing production practices, policy conventions and cultural trends that shaped the world and bore down on working families in their day-to-day lives. In keeping with academic literature that theorizes periods of capitalist accumulation, each era may be referred to as a "regime of accumulation" or a "social structure of accumulation."⁹ By such appellations the focus is on the array of dominant institutions that stabilize and promote the reproduction and development of capitalist society, especially by trying to secure an optimal accumulation environment for capital. The terms are employed as a conceptual shorthand that identify and emphasize connections between prevailing economic, policy and cultural trends in Canada at different points in time.¹⁰ The guiding premise is that capitalism is an inherently contradictory society and has endogenous tendencies that lead to recurrent and ever-pressing crises. Both of these features exact an array of moderating institutions to prevent seriously disruptive social conflict.¹¹ These institutional constellations evolve very slowly over decades of class struggle. Once established, the prevailing institutional configurations can be regarded as habits as much as anything — a produc-

tion ethos, a dominant public policy ethos and salient cultural orientations all borne of social struggle and rich with captivating and dynamic histories. The consolidation of these institutional conventions permits longer-term periods of accumulation and economic growth by keeping social conflict within parameters that safeguard overall accumulation and permit the reproduction of capitalist society.¹²

It helps to consider the Fordist compromise era and the neoliberal rollback era from the standpoint of capital, working people and the perennial struggle between them. Beginning with the vantage point of capital, each institutional constellation builds in the productive and policy preferences of the capitalist class insofar as that class can secure them. And its influence is formidable. Capital — always in a struggle with labour, seeking to survive in a competitive environment and forever striving to innovate and find new markets for its commodities — uses every available means to insure that its outlook becomes the dominant orientation of the age. As William Carrol outlines, this process of securing the corporate outlook is politically rich:

Corporate power is not simply a matter of commanding the heights of industry and finance. The consent of subordinates cannot be taken for granted. Much of the work of manufacturing that consent can be delegated to various intellectuals — in media, public relations, academe, etc. — but the corporate elite must exercise active leadership. The ruling class may not rule, but business leadership does reach into civil society and the state, recruiting support for a worldview within which the interest of capital in profitable accumulation is universalized. To reach effectively, to be a leading cultural and political force, the corporate elite must achieve cohesiveness as a business community, with a shared perspective on what is to be done.¹³

Ideas conducive to the strategies of capital will tend to fly over time; ideas hostile to capital's preferences will tend to fall by the way or be shunted to the margins of public discourse. In the end, the prevailing productive and policy practices are responsive to the profit-making strategies of the leading conglomerates of the business world, with cultural practices typically following, especially in the age of the mass media. It is in these ways that it can be said that the corporate world plays the leading political role in shaping society's dominant social and culture orientations.

Working people enjoy no such influence. At best, their preferences and interests are built into the institutional constellation only in a fragmented sort of way. Worker-centred or worker-friendly ideas can never be said to shape the leading practices of the day. Everything from the social background of most politicians through to corporate control of the mass media works to

insure that this relative lack of influence of working people holds true. To say the same thing in a different way, the inclinations and preferences of working people tend not to find their way into government reports, media accounts of the state of the world, university studies and research programs, think-tank publications or party platforms in a way that is sustained. We must always be careful not to overdraw the Gramscian notion that the orientations and interests of working people are absorbed into the hegemonic framework of society. It is true but not too true; usually just true enough to insure the reproduction of capitalist social relations, but never ever enough to permit working people to escape the feeling that things are more or less stacked against them. “Received wisdom” does not tend to pivot from the standpoint of the working class and its interests, quite the opposite.

We can also consider the array of institutions from the vantage point of the broader struggle between capital and working people. It must be stressed that a “social structure of accumulation” protects capitalist society as a whole — not individual capitalists and certainly not working people *per se*. It creates an overall environment where accumulation is optimized in accordance with the expressed calculations of capital and where the social relations of capitalist production are rolled over. There is a sense in which each institutional constellation can be seen as a register of the relative power of the countervailing class forces at different points in time. Once congealed, of course, this institutional configuration shapes the day-to-day class struggles across society. In particular, the predominant institutions contour the conflicts between employers and working people endemic to the workplace, and they establish the parameters within which capital and labour confront each other on matters relating to the labour process, wages, employment and general public policy. The past thus continues osmotically to secrete itself through the pores of the present; “dead struggle” shapes “living struggle” via the constellation of institutions that frame a capitalist society at any given time in history.

The Fordist Compromise

Capital must always “be able to live with” the institutional constellation that defines any era, but this is not the case for the labour movement and working people. It is well-known that the labour movement fought against the institutional arrangements of the late 1800s and early 1900s at every possible turn, and it was only after a decades-long battle, characterized by undulating periods of advance followed by periods of decline, that labour’s pressure led to the entrenchment of the Fordist compact at the close of World War II. The institutions of the post-war era reflected a *compromise* between capital and labour. This compromise amounted to a series of tacit understandings about the manner in which productive life would be managed within the workplace

and across society and included an understanding that the “radical” left alternative (communism) would be eschewed by the labour movement.

To grasp the rich nature of this compromise it is best to start with the basic analytical motto of Fordism: “mass production for mass consumption.” The capacity to produce commodities in greater and greater quantities is an inevitable offshoot of the capitalist way of life, especially as competition forces each generation of capitalists to refine continually their productive forces. These technological refinements invariably mean that work on the factory floor is continually “dumbed down,” that is, broken down into a series of much simpler tasks. In the late nineteenth and early twentieth centuries, technological refinements encroached directly upon the skilled artisans who often controlled the labour process in the early capitalist manufactories. The artisanal labourers rebelled against the inevitable expansion of the unskilled workforce. The tendency to simplify the labour process received a boost with the famous “time and motion” studies of Frederick Winslow Taylor. Taylorism, or “scientific management,” sought to make the labour process as “efficient” as possible, irrespective of its effect on working people, all for the sake of greater productivity. The capitalist world in North America embraced Taylorism in the inter-war period, and this added ideological fuel to the continual degradation of working life. Refinements in assembly-line production, boosted by the electrification of industry and the simplification of the labour process, combined with the expansion of supply chains (“backward” and “forward” economic linkages, as they are sometimes called), the maturation of infrastructural support and the expansion of a pool of would-be capitalist workers, especially through immigration, meant that capitalist industry in Canada could “turn out” commodities in unimaginable numbers for the first time.¹⁴

This transformation within a few short decades was nothing short of remarkable. Prior to 1850 Canada was not a capitalist society, in the sense that enterprises inclined to hire labour were subordinated to the rhythms of non-capitalist production, especially agricultural production.¹⁵ There were capitalist-like operations, but the development of an extensive labour market, capitalist industry and developed market relations had yet to “kick in” in the way they had in the United States several decades earlier. A number of specific economic quirks in Canada delayed the extension of capitalist social relations in Canada. Most agricultural produce was consumed on the farm and locally, and very little ever found its way into wider markets. The farm families were self-sufficient in that most of what was needed to survive was secured on the farm, and what could not be produced was supplied by town artisans and small-scale producers geared to meeting local needs. Some production even had an itinerant character, as artisans sometimes roamed from town to town, and much labour had a distinct social character, for example, work bees.