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ARTICLE



Workplace restructuring and institutional change: GM Oshawa from 1994 to 2019

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ABSTRACT

This paper examines the evolution of three key institutional systems—CAW/UNIFOR unions, General Motors Canada, and the Canadian federal State—and their impact on workplace relations in Oshawa over a 25-year period. It places particular focus on union policies and shows that important opportunities for workplace transition were lost as local and national leaders avoided critical economic issues and failed to seriously contend with changing objective conditions.

KEYWORDS

Free trade; General Motors; Oshawa Ontario; restructuring; union

Introduction

Oshawa, Ontario was a major manufacturing hub in Central Canada from the early years of the twentieth century until the 2000s. The Oshawa plant produced cars for more than a century, from 1918 to 2019, and was a key site of labour activities for the Canadian labour movement from the late 1930s. The 15-day strike at the General Motors (GM) plant in Oshawa in 1937 helped bring the United Auto Workers (UAW) to Canada and was a significant event for industrial unionism among mass production industries across the country.¹ The strike achieved important gains for workers, including a nine-person bargaining committee, wage increases, seniority for layoffs and rehiring, grievance procedures, and assurances of no reprisals for union activism. Organizers from the Oshawa plant also helped establish the Canadian Council in 1939, thereby giving locals in the Canadian section an elected administrative structure which promoted democratic engagement and education. The Council provided “a level of independence and cohesiveness” for the Canadian region and served as a bulwark for rank-and-file militancy as it frequently blocked the more conservative forms of “responsible unionism” coming from the UAW’s international office.² This allowed a powerful Left caucus—comprised of communists, Left-wing CCF (Co-operative Commonwealth Federation)-ers, and nationalists—to flourish inside the Canadian UAW and helped fortify a culture of resistance and militancy through the postwar period that influenced its eventual break from the international in 1985.³ Yet by 2018,

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when GM announced plans to shutter the facility, this militant tradition appeared nowhere visible. Now, far removed from the radical politics it advanced in the 1950s when it was led by the “Young Turks,” the local union quickly resigned itself to the decision and went some way to frustrate rank-and-file efforts to democratize plant ownership around a green production strategy. Having cut itself off from the broader labour movement and effectively aligned instead with the Liberal Party of Canada,⁴ the national office simply ignored such demands and spent most of its energy negotiating severance packages for the remaining workers and waging a publicity campaign against GM.

Despite the magnitude of this U-turn, many progressive commentators have de-emphasized shifts in union strategy and other key institutional transformations in order to view Oshawa’s decline through a structural lens.⁵ This ignores the lessons of earlier work on the Canadian Auto Workers (CAW) provided by Yates and Gindin, which shows that struggles within the union and the decisions it adopted shaped workplace relations within GM and the nature of state policy.⁶ Instead, it follows the tracks of a broader academic literature that sees the erosion of Canadian manufacturing and automotive capacity only in terms of class power, globalization, and the neoliberal assault on wages.⁷ Such perspectives are not so much wrong as they are overly simplistic and politically restraining: by ignoring the important role of union strategies and fixating on the laws of motion of capitalism or abstract economic shifts, they discern few of the organized forms of power impacting historical eventuation. In these accounts, the latter are either completely unmoored from the former or subsumed into them, and the many-sided nature of workplace restructuring is reduced to sweeping accounts emphasizing a pendulum shift from non-union precarious work to unionized and standardized employment and then back to precarity and nonemployment.

This paper examines the complexity of corporate globalization and the multiple dimensions of its impact on workers and the local economy.⁸ It attempts to broaden the existing literature on workplace restructuring, elaborate a more nuanced perspective on the erosion of labour conditions in GM’s Oshawa assembly plant from 1994 to 2019, and update the historical analysis provided by Yates and Gindin.⁹ Adopting an institutional Marxist framework, we acknowledge the basic elements of capitalist social control outlined by Marxist social theory, but see these as institutionally and historically conditioned.¹⁰ This perspective requires viewing institutions as having emergent properties that develop from the subjectivity of human agents and basic features of capitalism, and recognizing that they “act on and shape the social landscape as the specific formalization of structures.”¹¹ From this starting point, we examine how the local and national union representing Oshawa workers dealt with and shaped changing corporate and state institutional systems over a 25-year period.¹² Without ignoring the intensification of competition under neoliberalism or the dialectical relationship between different forms of organized power, we argue that these decisions and institutional transformations significantly shaped local working conditions, and that the union’s gradual transformation through the neoliberal period altered the growth model established in the 1960s, leading to new tiers of precarious work, growing unemployment, and the collapse of worker expectations and morale.

The next section gives a brief overview of the three decades leading up to the free trade period (1965–1994). It shows that state policy supported Canadian manufacturing investment and helped integrate Ontario into GM’s northern production hub. The rejection by the Canadian section of the UAW of concessionary bargaining extended workplace gains and avoided the rollbacks ratified by their American parent after 1979, even though the Canadians ultimately renewed the narrow focus on collective bargaining established by the Treaty of Detroit. We then examine the long period of restructuring following 1994, with focus on the State and corporate decisions affecting change and how union leaders dealt with, and influenced, these shifts. The deterioration of working conditions and employment opportunities that ensued took shape through two interconnected phases that each impacted workers differently.

From 1994 to 2004, as continental production networks slowly developed and national policy supported manufacturing interests in Central Canada, production was rationalized and corporate reorganization emphasized productivity gains. Yet, though this led to the rapid decline of assembly and non-assembly jobs and greatly intensified work, the full-time workforce remained standardized and compensation rates improved. We chart a slightly different assault on unionized workers after 2005, based on the fragmentation of the labour force and the suppression of wage and nonwage benefits, and show that these conditions resulted from the extension of previous union strategies. We argue that the union’s continuing failure to address changing objective conditions and develop radical class strategies decisively narrowed its strategic options and opened the door to aggressive business policies. The final section concludes the argument and draws together important political conclusions by emphasizing how such strategic shifts ultimately hampered the restructuring of the Canadian auto industry in a green direction.

GM Oshawa from 1965 to 1994

In some ways, the period from 1965 to 1985 marked the golden age of Oshawa production. This era was underwritten by a new industrial strategy based on the Canada-US Automotive Products Agreement. The Auto Pact aimed to transform the Canadian auto industry, which had developed as a “high cost miniature replica of the American industry,” producing “various models of vehicles for a very small market.”¹³ As this production system proved inefficient and incapable of competing with lower-cost American imports, union and corporate leaders began to coalesce around the need for a new policy direction, and the federal government established a Royal Commission on the auto industry in 1960. Ultimately, the Auto Pact was a transitional stage towards globalization: it fostered a new international division of labour that allowed companies to integrate on a North American basis but included safeguards for Canada.¹⁴ As it provided tariff protection against offshore firms in Europe and Japan, it also protected the US-owned auto companies.

While this specialized Canadian manufacturing capacity within a US-centred production system and marked a defeat for left-wing forces within the Canadian region—which recommended more confrontational strategies and the development of

“an all Canadian car”—this was a relatively dynamic era for the Canadian sector.¹⁵ Workers had good-paying jobs with good benefits but without a significant tiering of pay rates, and the amount of subcontracting was far below the scale seen in later periods. Even while the Auto Pact consolidated a longer historical shift towards “responsible unionism,” which involved the partial “displacement of rank and file activism and spontaneous workplace action by leadership-based strategies based on negotiations with corporations and government,” the domestic content requirements of the Pact afforded workers a significant degree of job security.¹⁶

On the basis of these safeguards, which legitimated the movement towards international production and compensated workers for the “tougher production standards” associated with new patterns of crossborder production, Oshawa gained new investment in truck assembly, and the UAW’s Canadian membership expanded dramatically.¹⁷ Moreover, as the Auto Pact “integrated Canada into the same market and productive system as the US,” it “gave Canadians a clear rationale for demanding equal wages.”¹⁸ The union was able to achieve parity by 1968, partly because the American UAW wanted to avoid competing against productive, low-wage Canadian producers. More importantly, this result reflected how class struggle continued in the Canada region despite the general defeat of the Left caucus in terms of the Canadian car. Similar struggles erupted on the shop floor during the 1960s and 1970s, including in Oshawa, as workers responded to difficult and humiliating working conditions.

Yet this form of class struggle was increasingly “parochial”—it reflected militant opposition to corporate control and a desire to defend worker interests, but not in the socialist or revolutionary sense of fighting for the class as a whole.¹⁹ The shift to responsible unionism was a key part of this because it initiated a degree of centralization that drained power from the base, which from the 1930s had been strongly influenced by communist organizers. As control over wages and bargaining shifted to the top, the national and international office gained new responsibilities and capacities, and became increasingly focused on limiting disruptions in the production process. This limited workplace resistance in exchange for better wages and benefits and strengthened the leadership’s position against workplace based militants and opposition groups. This trade off was reinforced by state policy which similarly emphasized stabilizing production relations and blunting communist influence, though the whole-sale purge of communists which occurred in the US never took place to the same extent in Canada. While communists still played a role at the local level, and formed different groups—Maoists, Trotskyists, and those aligned with the Communist Party of Canada were the most prominent—they had been largely defeated and removed from leadership positions by the 1960s.²⁰

But centralization was not itself the main problem. It was in fact required to deal with increasingly bureaucratized corporations, to educate workers, and to ensure they had equal rights and wages. Moreover, locals maintained a significant degree of power and autonomy within this system. One reason for this was that workplace issues could not be centralized and had to be dealt with on a case-by-case basis. Another was that collective agreements had to be ratified by the membership. This gave local leaders a certain form of negative power to reject agreements, but only if members were willing to strike. The problem was that responsible unionism entailed a specific type of

centralization, one focused on individual consumerism rather than control over investment decisions and management of the workplace, and built around containing rank-and-file dissent rather than democratizing it. This structure was ultimately used to “silence workers” as objective conditions changed and local and national leaders stopped fighting to raise expectations.²¹

However parochial, the class struggle occurring through the 1960s and 1970s differentiated the Canadian workforce: it built confidence and organizational capacity and socialized new workers to the benefits of collective action. This “comparatively militant current of union activism” also influenced Canadian State policy, making it somewhat more open to autoworker demands.²² In the United States, where the UAW had long failed to “make strong connections with and channel the energy of its own members” and had been steadily “drained of its spirit” by the red-baiting and reformism adopted by Walter Reuther after 1946, workers were more susceptible to the introduction of wage restraints in the 1970s and to neoliberal State policies in the 1980s.²³ A key shift occurred in 1979, when Chrysler received a \$1.5 billion loan guarantee from the US government on condition that it restructure operations and greatly reduce labour costs. Given the pattern bargaining system established in the 1950s, the Chrysler bailout led to “demands for givebacks” at Ford and GM.²⁴ For all practical intents and purposes, the UAW perceived the problem in narrow terms and saw concessions as a way to save jobs, while avoiding the hard organizing work of challenging corporate power. As the UAW capitulated to the auto companies’ demands, it aligned with corporate priorities and effectively taught workers to accept competitive constraints. The union’s orientation dampened worker expectations and invited further concessions.

High-ranking officials in the UAW’s Canadian region were more sensitive to the dangers of concessionary bargaining and understood such business unionism as a dead end. Once it became apparent that the US leadership would follow this path, and that this course of action would shape the way for Canadian autoworkers, they sought greater autonomy from the international office and eventually embraced full independence. Bob White, who was elected Canadian Director of the Canadian region in 1978 and became the national president after the breakaway from the UAW in 1985 (a position he held until 1992), played a decisive role in the formation of the new Canadian union. Instead of operating only at the level of rhetoric, White drew on his background in organizing and actively mobilized workers to take positions distinct from the corporations, especially those related to the issue of competitiveness as the prime strategic goal.²⁵ White was not a socialist—he continued to fight the radical elements inside the union and did not see socialism as relevant given the context—but he was more than a social democrat, given his devotion to the working class, and he worked hard to advance the union’s militant tradition.²⁶

The creation of the Canadian Autoworkers Union (CAW) in 1985 thus highlighted a rejection of the US approach and an orientation to independence from the corporations backed by labour militancy. Under White, the CAW not only resisted the major concessions imposed on US autoworkers, but won significant wage and non-wage benefits and emerged as a leader of the anti-free trade coalition after Mulroney began pursuing an FTA with the US in 1986. This “culture of resistance” helped

protect and extend the gains in workers' opportunities and income from the 1960s and 1970s, and, despite GM's threats, jobs in Oshawa were generally maintained.²⁷ The upshot was that the union continued to fight for workers, albeit still on the basis of the particularistic militancy that inspired earlier organizing and activism.²⁸

Crucially, centralization and bureaucratization continued under White, and even more so following independence, largely because new skills were needed to make things run smoothly. Despite White's efforts, including his desire for a democratic Executive Board that could translate the voice of the workers and check the authority of the President's Office, this period saw power float increasingly to the top. Meanwhile, White's "respect" for communist members did not halt the longstanding decline of radicalism within the base.²⁹ In Oshawa, the radical Left had not only been sidelined and politically repressed, by 1980s (and probably much sooner) it had all but disappeared, leaving two bitterly opposed but politically aligned caucuses: the Democrats and Autoworkers.³⁰ As this suggests, the union's progressivism during this period was not largely a matter of rank-and-file initiative; the character of national leadership was more important.

Yet objective conditions were shifting, and although both the Oshawa local and the CAW responded, their responses were not adequate to the extent of the changes occurring. While the Canadian region won key battles following independence, responsible unionism, with its focus on collective bargaining for specific groups of workers and surrendering workplace control to the company, had run its course.³¹ So too had the union's narrow class politics. With the shift to neoliberalism, living standards became more squarely set in relation to State policies—such as free trade and capital controls—and global competitive pressures. This meant that key distributional issues were more often fought beyond the level of collective bargaining, and required confronting the State's structural relationship to corporate power. It also meant there was a marked gap between the union's capacities and orientation on the one hand and the politics needed to challenge neoliberal power relations and State policy on the other. The union's failure to nurture wider class perspectives and become "a centre for working class life and culture" therefore served as a constraint on its future action, and at the same time invited corporate strategies and State policies that extended and fortified capitalist pressures and further undercut union power.³² In this environment, with losses mounting and the membership unable or unwilling to hold leadership accountable and push forward a radical agenda, the same organizational structures that were functional for workers during White's presidency were soon used against them.

Decline and restructuring: from free trade to closure

The shift to free trade signalled the defeat of the Canadian Left, helped to integrate social democracy into neoliberalism, and had an important impact on workplace relations in the Oshawa assembly plant. While these shifts had already begun in the 1980s and early 1990s, they accelerated after the North American Free Trade Agreement (NAFTA) came into effect on January 1, 1994.³³ By extending the 1988 Canada-US Free Trade Agreement to Mexico, the new policy created a super low-wage jurisdiction inside the North American market, allowing firms to obtain additional cost

advantage while retaining preferential access to the United States and Canadian consumer markets. In combination with the Marrakesh Agreement, signed a few months later—which ended the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) and marked the development of the World Trade Organization (WTO)—NAFTA altered the terrain of State and corporate policy and set new deterrents on union activism.³⁴ In important respects, the complex restructuring that took shape over the following 25 years played out against the backdrop of this new competitive landscape and the broader changes in class power and capitalist social organization it reflected.

Although the context created by trade and capital account liberalization clearly produced new important pressures, it hardly prefigured a certain outcome for GM workers. As much as the new trade agendas were a product of political contingences, workplace conditions continued to reflect the interplay of State, corporate, and labour institutions. These dynamics gave rich texture to the post-1994 restructuring process, making it as much about the intensification, fragmentation, and nonstandardization of work as the gradual reduction of assembly jobs, and all the while rendered GM's withdrawal from Oshawa anything but inevitable. We argue that as GM navigated the new terrain and faced intense competition from foreign and domestic producers, it continually developed different strategies to intensify downward pressure on wages, with different outcomes for workers. Likewise, we argue that shifts within the local and national union did not provide workers with the confidence and organizational capacity to continue their struggles, and further closed space for the type of class militancy required to defeat neoliberal restructuring.

Period I: institutional restructuring from 1994 to 2004

The time between the implementation of NAFTA and the closure of GM's Oshawa facility can be divided into two relatively distinct periods, each identified by a specific type of workplace restructuring and linked to a particular alignment of State, corporate, and union institutional formations. The first period, covering the 10 years following 1994, was characterized by incremental restructuring and organizational realignment involving outsourcing of noncore production, speed-up, and productivity improvements. That GM came to these strategies relatively late, and only after its competitors had implemented similar moves, shows that its reaction to global economic pressures was initially much different and mediated by its historical dominance of the US market and the response it anticipated from workers.³⁵

During this period, the Oshawa plant population fell by more than two-thirds, from about 14,000 to 4,500. Some of this decrease was due to technological changes, but many of these jobs were outsourced to local producers as GM moved away from parts production to cut costs and streamline its operations. In some cases, this outsourcing led to a real reduction of wages as high-paying GM jobs were replaced with low-paying positions outside the plant. For example, a large portion of the 1,100 jobs outsourced between 1993 and 1996 went to local companies, such as Mackie Automotive, who paid workers about 50 percent less.³⁶ However, many positions were initially shifted to companies covered by the same Master and Local Agreements protecting GM workers,

meaning that wage and benefit packages were largely unaltered and workers retained seniority and transfer rights.³⁷ This was the case for workers at both the North Fabrication Plant, sold to Peregrine in 1996, and the Battery Plant, sold to Delphi in 1999. While these agreements partly fragmented the workforce and set the stage for further changes during the second period, they also demonstrated the strength of the union and the competitiveness of the Oshawa economy.

It is especially notable that wages and benefits for full seniority members improved dramatically during this period. From 1996 to 2005, starting wages increased from approximately \$22.00 to \$32.00,³⁸ in part due to the union's ability to negotiate cost of living increases and avoid the trap of lump sum bonuses given to US autoworkers. The 1996, 1999, and 2002 collective agreements also brought significant gains in health benefits, vacation time, and pensions. Yet as workers gained in monetary compensation, workplace conditions deteriorated significantly because productivity improvements were achieved by introducing cost-saving organizational and managerial techniques. Above all, this involved replicating organizational processes in nonunionized Japanese plants and imposing new processes of time discipline designed to increase production speed and control downtime. With the shift to more "competitive work practices," the pace of work increased and workers were increasingly disciplined for each small mistake or slowdown.³⁹ As work intensified in this way, productivity growth rapidly increased. This acceleration worsened work conditions: labour relations became increasingly "degrad[ing]" and disrespectful, mainly because harsh disciplinary mechanisms were required to bring workers into line and accept the physical and mental strain of the new conditions.⁴⁰ This situation became even more problematic as outside, low-wage contractors were brought in to run nonassembly positions, such as custodial jobs, which older workers historically graduated into as their bodies deteriorated from years on the line. That these changes coincided with new wage and nonwage benefits was not at all accidental, and reflected the constraints imposed by corporate competition, as GM's bargaining priorities were strictly set against the performance of its manufacturing units. In this sense, workplace gains entailed the restructuring of operations inside the plant and the dramatic reconfiguration of working conditions that had already occurred, and thereby reflected the "Fordist link" between productivity and wage growth established earlier.⁴¹

This gradual deterioration of employment and work conditions occurred as General Motors Canada continued to enjoy certain competition advantages, including an educated and stable workforce, publicly funded health care, and a favourable exchange rate, but also faced increasing domestic and import price competition. A key problem for GM was that it lagged behind its competitors in terms of per unit labour costs: whereas Ford and Chrysler produced each vehicle using 28–30 h of labour time, and Japanese firms 24–26 h, some studies put GM at 36 h, though the numbers were not strictly comparable.⁴² This problem was compounded by the fact that organizational processes developed by Japanese automakers through the 1980s were resulting in better quality vehicles. In this environment, GM was pressured to restructure around lean production techniques and scale back its nonessential assembly operations. GM thus pursued outsourcing in its parts production facilities and deployed new technical and organizational practices to improve productivity. At the same time, these changes

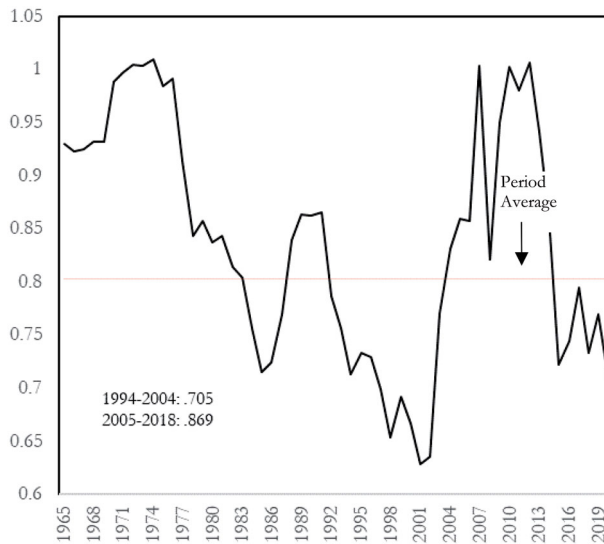


Figure 1. Canada-US exchange rate, 1994–2019.

created the economic space for union leaders to negotiate wage and benefit improvements, especially as these could be used to temper resistance and manage workplace militancy. However, this meant further disciplining the Oshawa workforce and required the local union, responsible for bargaining working conditions, to increasingly restrict its focus and abandon key workplace issues.⁴³

Helping build the conditions for this process of corporate reorganization were the advantages GM continued to gain from Canadian State policy. Although NAFTA changed the competitive landscape, it retained some of the investment safeguards established by the 1965 Auto Pact in that it confirmed domestic content requirements for duty free access to the North American market.⁴⁴ More importantly, the Canadian exchange rate offered a key advantage for Canadian producers because it artificially lowered the cost of Canadian vehicles, offsetting some of the production costs created by higher labour rates.⁴⁵ From 1994 to 2004, as the Canada-US exchange rate averaged .705, GM came to tolerate moderate wage inflation so long as overall employment was decreasing and productivity gains remained high (see Figure 1).

Corporate restructuring was further influenced by developments in the Mexican State and Mexico's manufacturing capacity. While NAFTA rules removed key trade and investment barriers, they did not grant US manufacturers immediate access to Mexican labour markets because the domestic infrastructure was not yet in place to support competitive export production. Before such infrastructure could be put in place, labour groups capable of blocking low-wage competition would have to be defeated. For GM Mexico, the main "target was the militant local in its Federal District plant where workers had conducted six strikes between 1965 and 1979" and won "work rules and wages that put them in the forefront of Mexican auto unions."⁴⁶ GM's so-called "northern strategy" involved closing manufacturing facilities around Mexico City and the Federal District and building new plants in Ramos Arizpe and Guanajuato where there was a "much weaker union tradition."⁴⁷ This strategy was

essentially completed in 1995 when GM opened its 320,000 square foot Silao production facility and closed its remaining southern plants. Nonetheless, its success required the development of a modern transportation network running between key northern production sites and the US border.

The solution to market access was set in train by Mexico's 1995 rail freight policy, which modernized the industry structure and created the conditions for new investment and improved technical quality. This policy, as the Organization for Economic Co-operation and Development observed, served as the "backbone of efficient supply chains for the industrial sector" and was a "key driver in the cross-border integration of the manufacturing sector that ... developed under the North American Free Trade Agreement."⁴⁸ However, although Mexican large freight rail density increased after 1996, growing about 42 percent by 2004, the measure of change and new capacity required to support development postponed the explosion in Mexican production to come. From 1996 to 2004, Mexico's motor vehicle exports nevertheless increased 39 percent from 13.3 billion to 18.5 billion dollars, and Oshawa retained a measure of cost advantage and production stability.

As much as these changing state and corporate institutional priorities were shaped by the CAW's previous decisions and actions, they now posed particular challenges for the Canadian leaders of the union, who remained suspicious of working with GM to accommodate restructuring and still "rejected the notion of partnership and the false equality it implied."⁴⁹ In 1993, the CAW established a department for work organization to "produce educational programs, pamphlets, and films on the nature of the changes the companies were introducing and possible worker responses."⁵⁰ It also adopted an "Engage and Change" strategy, which combined "resistance to the human resource aspects of lean production, a union agenda on work organization, and a commitment to separate interests with a pragmatic openness to negotiating incremental change where workers can benefit."⁵¹ But these strategies built from the same narrow approach to class struggle developed earlier and remained insufficiently militant—aggressively defending the interests of workers against the corporation required dealing with such critical issues as management's control over investment and work time. This, in turn, meant adopting a wider class orientation and "mobilizing for profound change in the nature of society."⁵² Faced with these alternatives, the trajectory of the union took it further and further away from addressing the critical issue of workplace power.

The frontal assault on unions commissioned by Mike Harris' Common Sense Revolution influenced many plant workers and was a key background factor in the decision to abandon the workplace as a terrain of struggle. This decision also reflected the growing demoralization of workers and the absence of a strong Left political force capable of mobilizing class interests and offering meaningful political alternatives. The conservative leanings of the local membership was another key factor. Although the local had been a powerful force in the Left caucus during the 1940s and 1950s, that radical culture was long gone. In fact, for many workers whose parents or grandparents had also worked in the plant and whose roots in suburban and rural Ontario fostered social conservative tendencies, union power was viewed sceptically. While the local was divided between two political caucuses, they were "aligned on core

principles” and neither was particularly progressive.⁵³ Rather than provoking meaningful dissent, this division fostered bitter internal rivalries, eroded solidarity, and helped fortify a “bully culture” inside the local that closed space for the development of radical sensibilities.⁵⁴ Subsequently, interest in fighting the company, which remained a key part of the local culture, was often linked to a wider conservative politics and in no way translated into a critique of capitalism that identified the structural roots of workplace domination. Especially after Bob White took leadership of the national union, attempts were made to counter some of these tendencies through political education, but these never succeeded in breaking the local’s conservative proclivities. As a result, many radicalized workers pursued social justice campaigns outside the local.⁵⁵

All this made Mike Shields’ 1996 election as local president quite surprising. Shields appealed more to progressive members, but his victory primarily expressed dissatisfaction with GM’s treatment of the workforce and frustration with local infighting and political clientelism. At least initially, Shields sought to align the local with the national union’s priorities and pursued a strategy of social unionism that connected the local to the broader labour movement and rejected seeing worker interests aligned with corporate profitability. After taking office, Shields was an important local figure in the 1996 plant occupation, which itself reflected longstanding hostility to the company and frustration with GM’s bargaining strategies. He also set up a new political task force and mobilized the membership to aggressively fight anti-labour policies. The latter included joining the national union in “storming” the PC World shop in Scarborough and organizing a sit-in to support striking workers and prevent scab labour.⁵⁶

Despite his opposition to the local’s moderate sensibilities and acceptance of all-too-real structural pressures, however, Shields stopped short of challenging the overall direction of the local and national union. As a result, the local fought mainly over wages and benefits and did not seriously take on working conditions and management control. This trade-off facilitated the monetary gains achieved during this period. However, as we argue in the next section, it ultimately weakened the union in the workplace by ignoring the power imbalance between owners and producers and by frustrating attempts to understand the class relations underpinning production.⁵⁷ This strategy further pushed broader perspectives aside and left the union’s fight for job security limited to the level of the corporation, even though GM could never guarantee this (even if it wanted to) because of the uncontrolled and coercive pressures of competition. Moreover, with such a large and powerful local not organizing workers around the possibility and necessity of socialist class struggle and pushing for more transformative change, the national leadership had more and more space to lower expectations and stop fighting for its members.⁵⁸ Escaping from these contradictions would have entailed radically extending the social union model and building the confidence to contend with limiting competition, free trade, and free capital flows, and moving to democratize private investment decisions.

Period II: institutional reorientation from 2005 to 2019

While there is no clear dividing line separating the first and second phases of restructuring, the period following 2005 heralded a qualitative shift in workplace relations. After securing limited monetary gains in 1996, 1999, and 2002, workers suffered a series of more catastrophic defeats over the next 15 years, starting with the announced closure of Car Plant 2 and the elimination of the third shift in Car Plant 1.⁵⁹ What distinguished these events from the gradual process of outsourcing and speed-up characteristic of the first period was that they aimed at terminating and not reorganizing automotive production. Although the first round of restructuring decimated the plant population and greatly intensified work, it increased net production and allowed for wage and benefit gains that took workers further into the middle class. In contrast, the second period challenged the previously established labour bargain, based around high paying jobs for full-time workers in the context of productivity gains. From 2005 to 2019, this bargain was drastically reconfigured by moving to an internally stratified workforce.

From a single-tier employment system based around a large cohort of full-time, full-wage workers, production slowly developed around a new multitier system.⁶⁰ This happened even as full-time, full-pay workers saw real wages decline over the period, as base rates and cost of living adjustments were frozen from 2008 to 2016. The 2008 crisis, in fact, marked another major turning point for the Oshawa plant: as production levels rapidly declined, the starting rate was lowered to 70 percent and new workers were hired with a three-year wage progression.⁶¹ This new second tier of the workforce was given benefits and seniority rights, but received full pay only when their progression period ended. In addition, key workplace benefits were also scaled, as new hires had to wait three years to access a short work week and six years for Supplemental Employment Benefits.⁶²

It was more problematic that GM began utilizing the Supplemental Workforce Employment (SWE) designation in 2006. This third tier became such a key tool for workplace flexibilization that, by 2016, 23 percent of the active production workforce had been absorbed into this category.⁶³ Unlike full seniority workers, SWEs enjoyed virtually no benefits or workplace protections and were left with permanent probationary status, despite working full-time hours—they were hired at a lower wage, and laid off and rehired as production levels dictated. By 2016, when the SWE designation was finally closed, many production workers had been employed by GM for 10 years without gaining any seniority or pension benefits. Instead of rectifying this, the 2016 contract merely granted SWEs second-tier status while starting their progression period at zero, essentially preserving the previous classifications.⁶⁴ Finally, the plant consisted of a large group of non-GM workers, employed in positions previously offloaded to different companies. This fourth tier had its roots in the outsourcing of the 1990s, although it was only when workers were severed from the GM Master Agreement and GM's subcontracting system increasingly forced supply and support companies to bid for contracts on the basis of low wages that employment conditions for those workers changed dramatically.⁶⁵ Despite working in the same plant, under the same conditions, and often beside GM employees, this tier was paid

less, had fewer benefits, and enjoyed tenuous employment conditions because subcontracting provided an additional threat of unemployment.

Like before, restructuring was experienced as a quantitative and qualitative transformation of working conditions, yet such tiering of the workforce produced precarious and nonstandard employment conditions inside the GM plant and fostered a general retrenchment of wages and benefits. This was not separate from, but was directly related to, the union's decision to accept higher wages and benefits in exchange for greater management control of the workplace. This control weakened the daily foundations of the union and was the basis for a deeper attack on the wage structure. In turn, it fragmented workers and gave the corporation the confidence to curtail previous increases in wages and benefits. The progression of workplace change during this period and the impact of earlier decisions to leave aside the critical issue of class power are easy to see.

Viewing this restructuring as a complex process forged through different moments of change further highlights the lost institutional opportunities shaping outcomes, even if the constant drive to reduce wages amidst the intensification of neoliberal competition shows the emergence of these forces inside wider economic structures. By 2005, with the economic policy shifts established in 1994 fully in place and GM fighting to retain its market share against foreign competition, the conditions were set for a frontal assault on Oshawa's remaining workforce. What remained of the Auto Pact was terminated in 2001, when the WTO declared the lingering provisions unconstitutional. Three years later, the 10-year phase-in period negotiated under the NAFTA expired, essentially eliminating tariff barriers and quotas across the continent. While hardly marking the start of a single North American market for automotive goods, the end of managed trade policies did officially end Canada's postwar industrial strategy. In its place, auto policy focused on providing limited benefits to firms on a case-by-case basis, mainly through the establishment of different granting programs such as the Strategic Industrial Projects and the Ontario Automotive Investment Strategy.⁶⁶ Federal and provincial governments also focused on triple helix policies linking universities, governments, and industry to support innovative advancement.⁶⁷ But none of these programs set targets as a condition of either the subsidies or for access to the Canadian consumer market and thus failed to establish a supportive long-term framework for automotive production. Instead, the national economic strategy that cohered during this period privileged the financial sector and extractive industries by emphasizing low inflation, high interest rates, and the exploitation of raw materials.⁶⁸ This increased demand for Canadian dollars on the world market, raising the Canadian exchange rate and considerably undermining the low-cost advantage claimed by Canadian producers. It also further pushed workers to accept the discipline of global competition (see [Figure 1](#)).

The 2008 auto bailout reflected precisely these conditions of political restructuring. Faced with the collapse of GM and Chrysler, the federal and provincial governments assembled a \$13.7 billion bailout package. In exchange, they received an equity stake in each company, but this was a face-saving measure to avoid public criticism and was never intended as a constraint on private investment.⁶⁹ Under the terms of the agreement, GM was not required to submit a detailed restructuring plan or maintain

its Canadian operations beyond 2016, and, in fact, was encouraged to downsize its operations and further cut labour costs. The bailout therefore greatly intensified pressure on the workforce while providing only temporary support for the industry and no long-term investment strategy. The United States–Mexico–Canada Agreement (USMCA) trade deal signed in 2018 increased North American content provisions and seemed to set a path for Mexican wages to rise. But since the content provisions could be met through production in Mexico and the rules on Mexican wages were unlikely to be enforced—and in any case were not significant enough to be a factor in location decision—the trade agreement marked a continuation of the post-2005 auto policy.

In this context, and facing intense competition from its foreign rivals, GM continued to restructure its North American operations. This involved idling underperforming factories, rationalizing production, and further dividing the workforce in terms of different compensation for the same work. With the value of the Canadian dollar escalating, Oshawa was at the centre of the restructuring process.

Beyond the opportunity afforded by its 2008 bankruptcy filing, this strategy developed as GM extended its productive capacity in the US South, and continued to build its assembly operations in Mexico. From 1994 to 2004, Mexican vehicle assembly increased by 230,000 units, still leaving Mexico at 40 percent of the Canadian total of slightly over one million units (see [Figure 2](#)). As part of that increase, Mexican production also became more outward looking and no longer aimed to serve the domestic market. This allowed Mexico to integrate with newer facilities in Texas and Missouri and slowly emerge as a key plank of GM's southern production network. After 2005, with Canadian production collapsing in 2008 and Mexican production continuing to expand—first with the development of its San Luis Potosí production facility in 2008, and then its decision to double production capacity in 2014 through a \$5 billion investment in plant modernization—these trends reversed dramatically. By 2018, GM's Mexican production was twice that of its Canadian operations (see

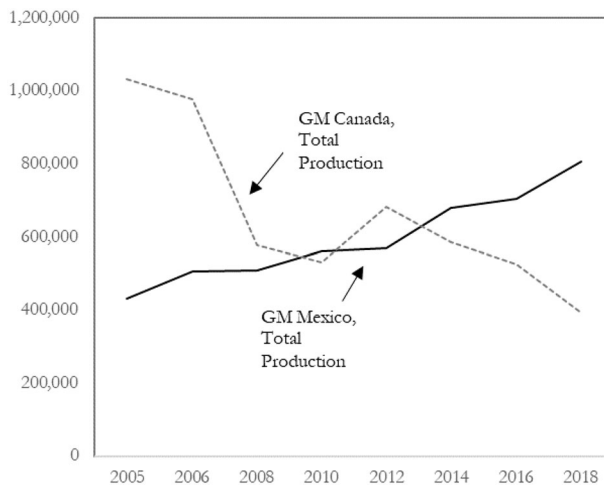


Figure 2. General Motors production strategy, 2005–2018.

Figure 2). What can be seen here is the development of a new production and competition strategy focused around the US southern border.

With GM setting its old northern workforce against its new southern workforce and Canadian economic policy now promoting wage competition in the manufacturing sector, the CAW could either influence restructuring plans through corporatist alignment, as it had with the Auto Pact in the 1960s, or contest the emerging configuration of State-corporate power. Although the former strategy gave workers a voice inside the decision-making structure, it accepted its hierarchical configuration, and, by aligning goals with the objective of profit maximization, it closed the door to more radical alternatives that challenged the prevailing logic of competition. Such limits later inhibited workplace action to save the plant and potentially undermined the start of a green new deal based on the production of battery electric vehicles in the Oshawa plant.

To a certain extent, the union's decision to coordinate with GM marked the path-dependent extension of previous actions and how these made a possible turn to radical class-based alternatives beyond the realm of possibility. The decimation of Canada's political Left, which had seen even the social democratic NDP adopt neoliberal proclivities, was especially significant as well. Absent a socialist political organization that provided an ideological and practical alternative to market rationalities and a coherent analysis of corporate power and exploitation, even such a large union as the CAW found it difficult to think in wider class terms, let alone build a broader coalition of forces supporting the democratic redistribution of economic power. Doing so would have involved risking its own source of institutional power and privilege and developing new institutional capacities to educate workers as well as run grassroots organizational campaigns.

Yet the absence of a strong Left outside the union in no way determined the union's response. Throughout the neoliberal transition, many members expressed frustration with the union's narrow ambitions and hesitancy to struggle. These workers understood that even massive protests, such as those organized through the Ontario Days of Action, faced strict limitations unless effort was made to build new democratic institutions capable of enhancing collective capacity. But these sentiments were never expressed politically and therefore were never mobilized as a challenge in this direction. They instead existed as a general malaise within the membership, at most registering as complaints about specific policies.

Part of the problem were the informal institutional processes and social relations that shaped union meetings and the interaction between leaders and rank-and-file workers. For example, while members could express dissatisfaction at national conventions, and propose resolutions that moved the union in a different direction, they were often prevented from doing so given the cost of criticizing the hierarchy: they could, for example, be "ostracized" and cut off from different benefits such as education programs, staff positions, time off the line, and so on.⁷⁰ Moreover, there was often little debate on key issues because leaders were already tied to the current path and staff worked to manage discontent ahead of meetings. Reinforcing this was the divide between national leadership and rank-and-file workers associated with the union's centralized structure, which limited the ability of members to access

information and to intervene in important debates.⁷¹ As working conditions became more difficult, and the union stopped fighting against speed-up and other key workplace issues, and also placed less of a premium on engaging with rank-and-file members, workers increasingly disengaged and this divide grew, making democratic participation ever more shallow.

These circumstances all fortified the distinctly neoliberal logic of union governance that Buzz Hargrove moved to during his presidency (1992–2008) and gave rise to a different type of centralization, though one based on the foundations established earlier. At first, Hargrove continued White's brand of social and class struggle unionism. But this approach changed in the early 2000s as downsizing continued, and the 2001 attack on the World Trade Centre threatened continental trade and seemed to close space for anti-establishment politics. Hargrove's repudiation of working-class militancy (revolutionary or not) and shift to the centre reflected his trajectory towards a narrow approach to the politics of the union, promoting short-term perspectives and narrow cost-benefit calculations. As the national office "drifted closer to the political and corporate elite," it "concentrate[d] power in the president's office," and organized campaigns pressuring governments to "revitalize the auto industry in Canada."⁷² This aligned the CAW with key corporate goals and set the stage for its famous no-strike deal with Magna in 2007, as well as its "endorsement" of the Liberal Party of Canada and strong support for the USMCA trade deal.⁷³

These changes in national leadership established powerful constraints on the Oshawa local, making militant and radical action even more difficult. As noted, post-war centralization meant the local stood in an oppositional but constitutive relationship to the national office—while the local leadership was responsible for stirring up militancy and mobilizing the membership, it was also expected to discipline and socialize the rank-and-file and transmit decisions downwards in a way that served larger strategic needs. As a result, centralization effectively depended on the locals delivering. Whether or not the local leadership would have pursued a different course from that chartered by Hargrove, this autonomy and power was never exercised during this period because the local leadership was not willing to publicly challenge the national agenda. Rather, the local leadership aligned with the national office and publicly accepted Hargrove's brand of defensive unionism.

This could be seen as early as 2002 in the form of the local's strong emphasis on corporate investment as a key bargaining strategy. In fact, Shields went so far as to support the CAW's decision to make "future investment a top priority in 2002 bargaining" and to praise the final agreement for putting Oshawa "in the driver's seat to be awarded the new Buick."⁷⁴ Although Shields likely viewed these negotiations as a practical conjunctural response to changing economic conditions rather than a frontal assault on the CAW's commitment to "fighting back," they further secured the national's shifting agenda by creating the appearance that workers could win significant material gains while identifying themselves with GM and supporting its success (rather than recognizing that GM was increasingly the problem and challenging GM as the solution).

Still, Shields never enthusiastically embraced this realignment of priorities. The more decisive shift in the local's political discourse and its socialization of the

membership came in 2005, when Shields resigned his position and was replaced by Chris Buckley. Under Buckley's leadership, the local focused on Oshawa's contribution to corporate profitability by emphasizing that it earned investment and jobs because of Oshawa's competitiveness—due to the productivity of the workforce as well as its ability to produce high quality vehicles—as opposed to the right of the workers and the community to investment and jobs. This was a matter of shifting attention to the plant's JD Power awards and high position within GM's own production rankings.

By the time Buckley took a position at the national union in 2012, this competitive discourse had been firmly established and workers had been socialized to accept Oshawa's gradual deterioration.⁷⁵ Crucially, for all the talk about corporate greed, the union did not primarily demonize corporate practices. Even as GM dramatically shifted out of Oshawa from 2005 to 2008—repeating and not delivering on the same promises of job security they had made in both the United States and Canada—local leaders redirected worker frustration, both by pleading with consumers to “buy domestic” and supporting subsidies for the auto companies. If anything, this strategy seemed to harden after Caterpillar purchased the London locomotive plant Electro-Motive Diesel and immediately demanded a 47 percent reduction in worker salaries, only to close the plant months later when unionized workers refused such concessions. Inside the union, the Caterpillar experience seemed to confirm the futility of resisting corporate power—even though the union's actual resistance was limited—and the need to pursue State policies and bargaining responses (subsidies and concessions) that essentially looked to “buy” corporate investment.⁷⁶

This investment focus marked a further shift in the local's strategic direction—from wages and benefits, it now focused on job security and working with management to make GM more competitive. This strategy drew attention to low-wage southern labour and free trade policy but did so in the narrowest terms. Absent a radical class perspective, the local still relied on the corporation's unilateral willingness to secure future product. It thereby continued to ignore the limitations of collective bargaining and the State's structural relation to capital. That the local now appeared to fully endorse the workplace changes it had vehemently resisted in the 1990s indicates just how much it had shifted course. Indeed, these practices of speed-up, reorganization, and intensification no longer represented vast transfers of wealth to privileged shareowners and wage and benefit structures that divided the workers and undermined solidarity, but rather were the very foundation of Oshawa's competitive advantage in quality and productivity.

In the end, these strategic changes only further legitimized the neoliberal position that high wages undermine competitiveness and set the conditions for greater bargaining concessions in 2008, 2009, and 2012. Despite the fact that, by 2016, GM was turning a large profit, and an opportunity seemed to exist to reverse the union's course, the national office decided to avoid disruptive action and tempered its demands. Consequently, the 2016 agreement largely extended the union's previous losses. Instead of mobilizing workers and developing consciousness “with respect to the experience of cooperation, solidarity and self-help,” these negotiations endorsed competitive logics and inhibited working-class solidarity by prioritizing narrow objectives.⁷⁷ GM could thus pursue its accumulation strategy free from workplace

disruptions that would have idled production and jeopardized profit margins. Moreover, as union leaders bargained on the terms set by GM, they were forced to accept major rollbacks, which in turn demoralized workers, lowered expectations, and essentially “invited” corporate leaders to push for additional concessions. Whether a different outcome could have been secured had the class struggle unionism pushed by White—with its view of the corporation not as a partner but an institution that had to be challenged and pressured—been radically extended and not abandoned, the union’s weak response to the closures excluded raising alternatives that might have limited or even reversed the damage.

Potentially more significant was how this investment agenda helped set the political options available to workers following 2018. After GM announced its plan to halt assembly, a handful of current and former workers coordinated with local activists to “explore and organize around other possibilities for the Oshawa facility.”⁷⁸ This group, called Green Jobs Oshawa, commissioned a feasibility study to investigate the plant capacity for conversion, and arrived at a plan that addressed the environmental crisis, while maintaining critical manufacturing capacity for the future and expanding the supply of good jobs. The plan called on government to “take over the land and equipment idled by GM” to produce battery electric vehicles with the near-term goal of replacing the fleets operated by national and provincial public agencies and departments, such as Canada Post.⁷⁹ The proposal faced all of the problems encountered earlier—the lack of a radical class militancy within the union, at any level, a centralized leadership increasingly disconnected from the base, the absence of a socialist party in Canada, and wider structures of economic and State power. Yet by raising big questions and presenting alternatives that involved separating the facility and the capacity of workers from the corporation and private property, while giving workers an idea of the limits of their power under capitalism, it offered an opening for radicalism and an opportunity to rebuild an organized Left both within the local and nationally.

Not surprisingly, even though the proposal received considerable media attention and community support and appealed to worker sensibilities, the local and national unions balked at it. Although union leaders seemed to resent being upstaged by rank-and-file workers, the bigger problem was their dismissal of class struggle. As the union remained hopelessly linked to corporate ownership and unwilling to challenge private investment decisions, it instead organized a public relations campaign to mobilize support for the Oshawa plant. With the collapse of expectations associated with years of restructuring and the loss of any type of working-class militancy, radical or not, the fragmented remnants of Oshawa’s formerly massive workforce focused on the buyout package and life after GM.

Conclusion

This paper examines three key institutional formations influencing working conditions in the Oshawa assembly plant from 1994 to 2019. Following institutional Marxist scholarship, it argues that these were influenced by capitalist social pressures, but nevertheless exerted an independent directional force because of their relative

autonomy. This framework contributes to the existing scholarship on globalization and workplace restructuring in two interrelated ways. First, it shows that changing institutional relations can shape the specific nature of corporate policy with significant impacts for workers and local communities. Oshawa's decline in no way followed an objective standard, even if competitive pressures underlay GM's core operational decisions; rather, it reflected specific decisions and lost opportunities, frictions and complex interactions between key forms of organizational power, and the different openings for strategic action these provided. As a result, while the workforce steadily declined, the restructuring process did not follow a precise linearity; it forever moved forward but along separate pathways, each with different impacts on working conditions and each introducing unique political risks and opportunities. Union decisions were especially important in setting this course because while changes at the State and corporate level remained on a capitalist trajectory, the question of whether these decisions would provide another way forward was always more open. Critically, the union's inability to offer a plausible alternative not only shaped its own strategies, but had an outsized impact on those pursued by State and corporate institutions as well. As we saw, GM adapted its internal corporate structures and strategies because of intensified global competition, new technologies, and new opportunities for domestic and global value chains, but also responded to openings provided by a weaker labour movement. Similarly, the turn in State policy reflected new ideological orientations, historically evolved State capacities, and an assessment of the shifting balance of class forces.

Second, we saw how the union attempted to manage competitive pressures and got caught in the political dead end of embracing corporate investment goals. The working-class militancy and social unionism advanced by White set certain necessary foundations for progressive change by aligning worker interests against capitalist exploitation and corporate power. But, as it was never pushed far enough to reinvigorate debates about economic and workplace democracy, the strategies available to the union increasingly narrowed as objective conditions changed. The gradual turn to business unionism stands out less because it dramatically extended concessions and failed to save the plant, but rather because it fragmented and demoralized workers, combined their interests with those of General Motors, and taught them that fighting for an alternative future was futile. It is easy to see such practices as the outcome of strategies developed earlier, insofar as these lessened the focus on workplace struggle, ignored the issue of State power, and failed to understand the competitive pressures limiting GM's ability to guarantee future job security. All this meant that the CAW/UNIFOR increasingly converged with the conservative model adopted by UAW in the postwar period, and that when a political alternative materialized, offering an opportunity to kickstart Canada's green new deal, challenge neoliberal rationalities, and rekindle radical orientations, absent a leadership with the political imagination to inspire their members and the community to take on the struggle—however uncertain the outcome might be—most workers resigned themselves to expecting any talk of an alternative to fail.

Notes

1. Gindin, *The Canadian Auto Workers*; MacDowell, “After the Strike. Labour Relations in Oshawa, 1937–1939.”
2. Gindin, *The Canadian Auto Workers*; Yates, *From Plant to Politics*. The collapse of the Left inside the UAW was especially pronounced after Walter Reuther took control and consolidated his leadership in 1947. By 1948, Reuther had largely succeeded in destroying “left-wing opposition to his leadership” in the United States. Although the Canadian Left caucus gradually “lost much of its control over the union apparatus” following Reuther’s election, it maintained important sources of influence within the Canadian Council until at least the 1960s. See Yates, *From Plant to Politics*, 185–86.
3. Yates, *From Plant to Politics*, 185.
4. CAW/UNIFOR has never formally aligned with the Liberal Party of Canada, but has rather adopted a strategy of strategic voting that, for all intents and purposes, produces this outcome. The union’s goal has been to mobilize its membership against the Conservative Party by supporting the most viable Left or centre party. While this has meant supporting NDP candidates in ridings where they are competitive, it has often produced a “vote liberal strategy.” See Savage, “Organized Labour and the Politics of Strategic Voting,” 76. The CAW first adopted this strategy at the federal level in 2006 when it “voted to sever its longstanding relationship with the New Democratic Party” and “endorse Liberal Prime Minister Paul Martin.” See Savage, “Organized Labour and the Politics of Strategic Voting,” 75. Local 222 first broke with the NDP in 1993 when members voted to halt funding due to its progressive politics. This reflected deep divisions within the Local and frustration with local working conditions and both the NDP and CAW leadership. See Casey, “Why CAW Local 222 dumped the NDP,” 11.
5. See, for example, Glasbeek, “Oshawa and Postal Workers: Big and Small Lies We Accept”; Johal, “GM’s Closing is a Warning Shot”; Stanford, as quoted in: Rubin, “Jim Stanford on Uber and the Future of Precarious Work.”
6. See Gindin, *The Canadian Auto Workers*; Yates, *From Plant to Politics*.
7. For example, such tendencies appear in Collins and Rothe, *The Violence of Neoliberalism*. They also appear, to varying degrees, in Carroll and Sapinski, *Organizing the 1%*. However, the latter identifies key shifts in corporate organization. Older examples include Grinspun and Kreklewich, “Consolidating Neoliberal Reforms.”
8. The analysis draws partly on archival sources, including evidence obtained from the local union’s monthly newsletter, and four years of interview research with rank-and-file GM workers and members of the local and national union. Interview research consisted of semistructured interviews with local and national union leaders, and current and former GM workers employed between the 1970s and the closure of the plant in 2019. One priority of this research was to hear from workers in Oshawa and try to understand their location in a wider system of institutional and structural power.
9. While both Yates and Gindin focus on the CAW, this paper has a narrower focus because it emphasizes shifts in GM’s Oshawa assembly plant. Though more focused on the competitive constraints impacting the UAW and the opportunities that the “dependent nature of the Canadian industry” provided, Chris Roberts’ work on the Canadian auto industry also helps guide the analysis. See Roberts, *Harnessing Competition*, 12.
10. This analytic lens broadly follows the work of Yates and Gindin.
11. Maher and Aquanno, “Conceptualizing Neoliberalism,” 36.
12. Workers were represented by the CAW/UNIFOR. The CAW broke from the UAW in 1985. Unifor emerged out of the CAW after it merged with the Communications, Energy, and Paperworkers Union of Canada in 2013. Like the UAW, the CAW/Unifor operates as a federation of local unions linked to a strong national office. Local 222 represented workers at GM’s Oshawa assembly complex.
13. Yates, *From Plant to Politics*, 261.

14. Fuss and Waverman, "The Canada-U.S. Auto Pact of 1965."
15. Yates, *From Plant to Politics*, 281. On the "revolution" created by the Auto Pact, see Anastakis, *Autonomous State*.
16. Yates, *From Plant to Politics*, 12–13.
17. Gindin, *The Canadian Auto Workers*. Yet by the mid-1970, Canadian policymakers increasingly feared the Auto Pact was not enough to guarantee "fairness in investment." As a result, federal and provincial governments turned to a strategy of offering incentives to induce automotive investment. See Anastakis, *Autonomous State*, 252, 268. Reflecting its approach to competitiveness, the UAW in Canada rejected this approach, saying that incentives were a "failure of government to fight for what is Canada's by right." See White, "Ford Has a Better Idea, 2"; Anastakis, *Autonomous State*, 286.
18. Gindin, *The Canadian Auto Workers*.
19. Interview.
20. Interview.
21. Interview.
22. Roberts, *Harnessing Competition?* 11. On the relationship between union militancy and Canadian State policy, see High, *Industrial Sunset*.
23. Gindin, *The Canadian Auto Workers*.
24. Brooks, "How the UAW Went From a Militant Trailblazing Union to a Corrupt, Dealmaking One."
25. Whereas the UAW was unable "to define an independent position on competitiveness," the CAW "transcended" the terms of progressive competitiveness by "partially detach[ing] investment and production decisions from purely market determination." See Roberts, *Harnessing Competition*, 11.
26. Interview.
27. Gindin, *The Canadian Auto Workers*. The CAW's ability to resist concessions and its willingness to pursue a more militant track during this period were no doubt helped along by the competitive advantages offered by a low Canadian dollar and public health care. See Holmes and Rusonik, "The Break-up of an International Labour Union"; Wells, "When Push Comes to Shove." Yet this was probably a less important factor than the "fundamental divergences in union strategy and culture" that had emerged since the 1960s. See Roberts, *Harnessing Competition?* 26.
28. By the early 1990s, with Canada's industrial strategy still broadly supporting manufacturing employment, and GM continuing to invest in the Oshawa plant through the mid 1980s despite higher wage costs than in the United States, Oshawa had the lowest income inequality and premature mortality among metropolitan centres in North America and had become a bulwark against the accelerating destruction of secure employment. See Ross et al., "Relation Between Income Inequality and Mortality in Canada and in the United States."
29. Interview.
30. Interview. By 1959, the communist members of the Oshawa local, who had been key players in the Left caucus, had been politically defeated by moderate candidates sympathetic to Reuther and the international office. See Yates, *From Plant to Politics*, 272. By the 1980s, radical views and proposals were basically absent from union meetings and were not a relevant part of the debate.
31. Panitch and Gindin, *The Making of Global Capitalism*, 83. By thwarting worker power at the shop floor level, the Treaty of Detroit also made developing a class response to neoliberal power relations much more difficult. See Panitch and Gindin, *The Making of Global Capitalism*, 83.
32. Panitch and Swartz, *From Consent to Coercion*.
33. This should not be taken to indicate that Mexico was the only, or even the predominant, low-wage substitute for US auto manufactures. The US South played a very important role in this respect and therefore also served to discipline Canadian workers during this period. In this sense, the growth of Mexican automotive production reflects a wider

corporate shift towards the US southern border. Moreover, the shift to Mexican production had deeper roots and did not start in 1994; by the mid-1980s, the auto industry had begun “taking advantage” of Mexico’s Border Industrialization Program (BIP). Established in 1965, the BIP authorized the development of *maquiladora* plants for foreign-owned companies. See Klier and Rubenstein, “Mexico’s Growing Role in the Auto Industry Under NAFTA.”

34. The move to free trade in the 1990s can be easily overexaggerated. While the Auto Pact still served as an important “counter-weight to competitive pressures,” the expansion of the Canadian industry after 1980 probably “owed more to international competitiveness than to constraints on the market.” See Roberts, *Harnessing Competition?* 887.
35. Through the 1980s, GM “remained the most vertically-integrated automaker.” While it was “implementing its version of lean production” by the late 1980s, the “crisis of the early 1990s... forced the pace” of this restructuring. See Roberts, *Harnessing Competition?* 858–59.
36. Shields, “GM Outsourcing is a Threat to More Jobs.”
37. The 1996 strike and plant occupation was important in shaping this process of outsourcing, as the union “won work ownership language permitting assemblers to outsource work to independent suppliers *so long as the same terms and conditions of work applied to the workers performing the work.*” See Roberts, *Harnessing Competition*, 869, emphasis added.
38. In real terms, this represented slightly more than a 20 percent wage increase over the period.
39. Hoar, “Competitive Work Practices,” 3.
40. Hamer, “Preparations for Negotiations”; Shields, “Committee’s Hard Work Pays Off.” On the productivity gains associated with lean production, see Roberts, *Harnessing Competition*; Kumar, “In Search of Competitive Efficiency.”
41. Panitch and Gindin, *The Making of Global Capitalism*, 83.
42. Caines, “The Year In Review.” These numbers might be slightly exaggerated as they can be calculated to produce wide variations. Not only are they influenced by levels of outsourcing, but they also vary based on the vehicle mix favoured by each company because larger vehicles have a longer build time.
43. The pace and intensity of work on the line was perhaps the key workplace issue during this time.
44. While this upheld Canadian access to the North American market, it ultimately marked a further movement from the Canadian production targets set by the original agreement, and further opened the market to European and Asian firms. NAFTA classified foreign products now as anything produced outside North America.
45. This reflects both structural and policy level outcomes—while interest and inflation rates impact the value of the Canadian dollar, it ultimately reflects international demand for Canadian goods.
46. Babson, “Free Trade and Worker Solidarity,” 24.
47. Babson, “Free Trade and Worker Solidarity,” 25; Tuman, *Reshaping the North American Automobile Industry*.
48. OECD, “Freight Railway Development in Mexico,” 7.
49. Gindin, *The Canadian Auto Workers*.
50. Gindin, *The Canadian Auto Workers*.
51. Roberts, *Harnessing Competition*, 866.
52. Gindin, *The Canadian Auto Workers*.
53. Interview.
54. Interview.
55. The local’s conservative tendencies were strong enough that national leaders were concerned Oshawa would vote to remain in the UAW during the recertification process.
56. Shields, “Major Victory For Labour,” 2.

57. To be sure, “shopfloor discontent over the declining quality of working life” and the union’s failure to address key workplace issues were already widely apparent by the late 1990s, as demonstrated by “wildcats at GM Oshawa in October 1999 and in August the following year,” and by the “comparatively low” ratification votes for the 1999 and 2002 contracts. See Roberts, *Harnessing Competition*, 872.
58. This again raises the question of the relationship between the local and national office. As noted, it is important to see these as interconnected. While the national office was able to lead a progressive agenda during the 1980s, radicalism required a base at the local level, which was not present (though it could have been nurtured through national education programs and other initiatives). Further, while the national office has a certain degree of authority over the locals, the latter are by no means powerless and can push the national office in certain ways. This is especially the case if local leaders are willing to exercise their negative power.
59. These closures were announced one month after the 2005 Collective Agreement was ratified.
60. For a good discussion on the impact of workplace tiering, see Corman et al., “Inequality and Divisions on the Shop Floor.”
61. Gindin, “Big Three Bargaining.” This was converted to 6 years in 2009, 10 years in 2012, and 12 years in 2016. In 2012, the base rate was reduced to 60 percent.
62. Supplemental Employment Benefits topped up the Employment Insurance payments workers received during company-imposed layoffs.
63. Moffatt, “GM Strike Authorization Vote Sunday.”
64. The effect was that many full-time workers were given a 20-year wage progression.
65. By 2019, this group included about 10 different companies. These companies were contracted to provide services such as cleaning, building services, sequencing, and security. These workers comprised about 32 percent of workers inside the plant. See Leah, “Why We Occupied Our General Motors Factory in Oshawa.”
66. Holmes and Carey, “Challenges Confronting the Canadian Automotive Parts Industry.”
67. Rutherford and Holmes, “Engineering Networks”; Rutherford and Holmes, “The Flea on the Tail of the Dog.”
68. McBride, *Paradigm Shift*.
69. See, for example, Blatchford, “Ottawa’s Stake in General Motors Could Help Slay the Deficit.”
70. Interview. See, also, Rosenfeld, “Canadian Auto Workers Moves from Fighting Back to Cooperating.”
71. Gindin, “Democracy.”
72. Gindin, “Democracy”; Rosenfeld, “Canadian Auto Workers Moves from Fighting Back to Cooperating”; Shields, “Getting It Back In Gear,” 1.
73. See Diaz as quoted in Thomson, “UNIFOR President Praises New Trade Deal.”
74. Shields, “Achieving the Richest Agreement In Local History,” 2; Shields, “Getting It Back In Gear,” 2.
75. The 2009 closure of the truck plant appears to have been a key turning point in the local. It not only drained morale, but resulted in the loss of senior members, many of whom had some connection to the union’s more militant past.
76. For a further discussion of the Caterpillar negotiations, see Ross and Russell, “Caterpillar Hates Unions More Than It Loves Profits.”
77. Roberts, *Harnessing Competition?* 910.
78. Gindin, “Realizing ‘Just Transitions.’” For a good overview of this campaign and its demands, see Green Jobs Oshawa, “Electric Vehicle Production is Possible in Oshawa.”
79. Gindin, “Realizing ‘Just Transitions.’”

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