

**TRADING WORKPLACE RULES FOR POTENTIAL NEW INVESTMENTS**

**TRADING WORKPLACE RULES FOR POTENTIAL NEW INVESTMENTS  
AN UNSUSTAINABLE OPTION**

**A PROPOSAL FOR A NEW APPROACH**

**By**

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## Abstract

The North American auto industry is in a period of transition. The major assemblers are all moving towards reorganizing production to be more flexible. Flexibility has both a technical and a work organization definition. Technically, flexible manufacturing indicates the ability to produce multiple vehicles in the same plant. This allows for faster changes between products, ideally matching consumer demand more responsively than competitors. More importantly, the work organization dimension of flexible manufacturing includes changes to work rules. This includes the introduction of team work, mandatory weekend work, and the development of a class of temporary, part-time workers.

The Ford Motor Company is considering the introduction of flexible manufacturing practises at its Oakville, Ontario site. This location has had two factories on site since August of 1965. One of these factories was closed permanently prior to the announcement that new investments were being considered for the location. The vehicle that is being produced in the second plant has a poor sales record. Potential new investments would reduce or end the repeated layoffs that workers in the remaining plant are forced to endure. Investments have been made contingent on changes to local operating practices.

The local union's attempts to protect workers from work rule changes that could erode their quality of life have been weak. The local has adopted the company's competitiveness agenda rather than developing a more autonomous, worker centred agenda. A reduction of front line union representatives will constrain the local's capacity to mobilize workers on the shop floor. The lack of discussion or debate over the appropriate response to Ford's demands has further alienated workers from their union. The local maintains some important resources that could be mobilized to improve the present situation.

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## Introduction

The significance of the auto industry in Canada is impossible to deny. It is one of the most important manufacturing industries in the country. It is also an industry that is heavily reliant on foreign investors. The Canadian government has been structuring policies to induce manufacturers to locate automotive assembly facilities in the country since the turn of the 20th century. (Eden & Molot 2002) These policies were originally aimed at the Big 3 American companies. Tariff barriers were the centrepiece of this set of policies until the signing of the 1965 Auto Pact. This bilateral agreement guaranteed duty-free trade in automobiles provided that certain Canadian content and production numbers were maintained. The Auto Pact was popularly understood as 'one vehicle imported duty-free for every vehicle produced'.

The Auto Pact contributed to Canada's status as a major producer of automobiles despite the total absence of any indigenous auto assembly companies. One of the results is that Canada maintains one of the highest automotive assembly to sales ratios in the world. (Holmes & Kumar 1998: 97) Canada's assembly to sales ratio also rates high for the continent. (Blum 1998: 63)

In 1996, almost 96% of vehicles produced in Canada were exported to the US (Holmes & Kumar 1998: 98). Roughly 150 000 workers were employed in automotive parts and assembly industries in the late 1990s. The well developed input-output linkages and multiplier effects in the auto industry are also of substantial importance to the Canadian economy.

The period from the 1970s onward saw a generalized reduction of government from the role of Keynesian economic stimulator specifically, and a change in government the manner of intervention into the economy in a general way. The introduction of 'free trade', first with the Free Trade Agreement (FTA) in 1984, then with the North American Free Trade Agreement (NAFTA) in 1995, signalled the Canadian permutation of the broader international shift towards neoliberalism. The FTA and NAFTA serve as archetypal examples of neoliberal policy in that they are designed to facilitate the movement of capital (while the mobility of labour remains severely restricted), and to protect the rights of capital in ways that the Canadian citizenry or political elites had hitherto refused to consider. (McBride 2003)

For the Canadian automotive industry, the 'free trade' agreements were designed to insulate the American companies from the emerging threat of Japanese transplant competition. Both the FTA and NAFTA enshrined a two-tier character for the Canadian assembly industry. (Eden & Molot 2002: 376) The Japanese transplants were given a secondary status, as they could not meet the high North American content requirements for duty-free status. For workers in the auto industry, excess productive capacity, increased competitiveness, and increasing capital mobility marked the period. The combination of these three factors led to a substantial increase in the structural insecurity for workers.

This was followed by restrictions on trade union rights (Panitch & Swartz 2003) and the systematic assault on workers expectations (Gindin 1995: 170) of the eighties and nineties. This period is generally considered to be 'neoliberal'. This has entailed a renegotiation of the relationships between corporate decision making, workers' and union

strategies and government policy. The dynamics between these three actors continues to be subject to reconfiguration.

A centrally important consequence of the neoliberal project for workers in the automotive industry is the expansion of decreased job security. One of the most important issues for workers in automotive assembly is now job security. The insecurity of workers has been skilfully adapted and exploited by private capital as a sort of 'veto power' over workers bargaining demands. The response of Canadian unions to the increasing power of capital has been weak. Responses to competition that are limited to efforts such as the UAW's 'Buy American' campaign will not be sufficient to protect workers. (Babson 2002: 28)

The Ford motor company is not different from other major assemblers in their desire for a continuous improvement in 'efficiencies'. Among other things, this generally translates as work intensification. Ford has recently been successful in their efforts to change local operating practices and work rules in their negotiations with Local 707 of the Canadian Auto Workers.

On January 11, 2002, the Ford Motor Company announced that it would be closing the Oakville Truck Plant. The second plant that is located in Oakville has seven weeks of scheduled, market driven downtime between today and March 2004. Sales of the only product being assembled in Oakville are poor.

It is within this context that Ford has demanded changes to local operating practices. Ford has suggested that potential new investments could be made in Oakville if work rule changes that were demanded are met. The company has made it clear that Oakville workers are competing against workers in the US and Mexico for potential investments. There are no guarantees.

Despite workers' acceptance of various concessions, Ford has not committed to new investments. This situation has led to this exploration of what alternatives to the present course are articulated by workers and whether these differ based on variations in the political experience of workers. Surveys and focus group discussions were used to investigate these questions. Details concerning the focus groups and questionnaires may be found in Appendix 1.

The main finding of the research is that no clear alternatives to management's restructuring strategy were articulated by these workers irrespective of the level and nature of political experiences. The main argument is that these findings are not only explained by the structural imbalance in these workers' and their union's power relation to management, but are also explained in light of the union's decision making processes. These processes effectively precluded significant collective debate by workers concerning management's demands. This effective collective demobilization was promoted by both management and as will be shown, by the union.

Local 707 represents roughly 4300 workers at Ford's two plants in Oakville, Ontario. Two factories have operated at the Oakville location since the mid-sixties. The larger of these two plants has been the Oakville assembly plant (OAP) with about 2900 workers. These workers assemble Ford's poorly selling minivan known as the Freestar. The second of the two plants was closed on July 1<sup>st</sup>, 2004. The Ontario truck plant (OTP) had been opened in the mid 1960s, producing Ford's popular F-150 and F-250 pickup trucks. Roughly 1400 people worked in this plant. Production of these vehicles was moved to a US plant.

The January 11, 2002 announcement that OTP would be closing was quickly followed by expressions of disbelief and outrage. The local leadership advanced a line of



reasoning that the decision was political and could not have been based on either productivity or quality criteria. (*Reporter*, Jan/Feb 2002)

The first mention of a 'fightback' campaign was made in late spring of that year. This was essentially a package of information created and distributed by the national union. It was somewhat understandable that the national union was heavily relied upon throughout this campaign and the related bargaining with the Ford Motor Company. Local 707 was going through a protracted period of instability in local leadership. The local had five different presidents between January 2002 and July 2004.

In the midst of this political turmoil, local union president John Teixeira was hired on at the national office of the CAW for a staff position in the health and safety department. It is noteworthy that the national office of the union decided to appoint the president of Local 707 to a staff job at this particular time. The local was clearly facing a crisis. One plant was scheduled to close while the future of the other was uncertain. The timing of this appointment extended the most unstable period of leadership in the local's history.

The actively serving vice president of the local was required to step in until another round of elections could be held. This was Bob Van Cleef. A November 2003 by-election was held that brought a new vice-president. Van Cleef held the presidency for ten months. Another new president came into the job in the summer of 2004. This was an extremely contentious election with Bob Van Cleef running against Gary Beck, the in-plant union chair of the trim department in the van plant.

Many rumours of questionable tactics circulated throughout this election. Accusations that in-plant representatives supportive of Beck's campaign were having workers taken off the line to be told that Beck was better choice for president and that he could guarantee a flexible manufacturing investment were common. This election required a second round of run-off voting. Given the wholesale lack of political continuity and stability in leadership throughout this period, an exceptionally high dependence on national union resources is a predictable result.

During this period of instability, substantial changes to work rules were demanded by Ford. Ford hinted at a \$1.2 billion investment into the Oakville facility. Such investments were made contingent on changes to work rules. It was also made clear that Oakville workers were in competition for new investment with two other Ford plants. The two other plants were located in Georgia and Mexico. (Appendix 3) Significant work rule changes that have been agreed to include mandatory weekend work, expansion of a temporary, part-time class of worker, reduced union representation structures on the shop floor and limits on workers' mobility through the internal labour market. The role of the general membership in this process has been extremely limited. The response from the local union has been weak.

The analysis in this thesis is structured around a model of union renewal that has been articulated by Lévesque and Murray (2002). Lévesque and Murray have articulated three areas that are key to union renewal strategies. These broad areas are *proactivity* and independence of agenda, *internal solidarity* and democracy, and *external solidarity*. "Proactivity refers to the ability of local unions to shape and put forward their own agenda." (Lévesque and Murray 2002: 45) The advancement and communication of such an agenda indicates a significant degree of autonomy from management. Next, internal solidarity "relates to the mechanisms developed in the workplace to ensure democracy and collective cohesion among workers." (Lévesque and Murray 2002: 46) Finally, "external solidarity refers to the capacity of local unions to work with their communities and to build horizontal and vertical coordination within their union and with other unions. It also includes the building of

alliances among unions, community groups, and social movements.” (Lévesque and Murray 2002: 46) The model that these theorists have developed conceives of these three areas as overlapping and mutually supportive. It is presented as “a strategic toolkit for thinking about building local union power.” (Lévesque and Murray 2002: 40) Local 707’s responses will be evaluated in terms of these three areas.

The research concludes that the local union’s record in these three areas has been weak. The local union largely adopted the company’s competitiveness agenda. This means that the union’s agenda was not independent, although it was well communicated to the general membership. Significantly, the internal dialogue of the union has shifted. The historic rhetoric of temporary accommodation to management’s goals and ‘no concessions’ (Yates 1993: 204, 205) has been abandoned. This progress has not been instantaneous, but has been a gradual progress (Wells 1997: 183) towards a more enduring alliance with management. The rhetoric is now more conservative and it emphasizes the competitive advantages of some workers over others.

The concept of *internal solidarity* at the local is used in two distinct ways. First, the concept refers to the relationship between workers and their union. This is formal internal solidarity. Second, *internal solidarity* may also refer to the relationship between workers on the shop floor, quite separate from any institutional or formal union structures. This will be referred to as *informal internal solidarity*.

Formal internal solidarity is under serious threat at Local 707. Instability in local leadership and questionable election tactics during the recent executive board elections has contributed to an alienation of many members that is expressed in extremely low voter turnout numbers. More dangerous than these temporary threats are the changes to representation structures that have been agreed to. A reduction in front line union representatives, an increase in their workload, and supervisory intervention into the relationship between workers and their union all threaten a fragile formal internal solidarity. The lack of any substantive internal debate or even discussion of the consequences of various strategies or tactics required to respond to Ford’s demands contributed to an erosion of democracy and thus internal solidarity.

In contrast, *informal internal solidarity* may be fuelled by the work rule changes. Specifically, reduced and constrained front line union representatives may limit the efficacy of formal channels to get problems solved. This may lead to an expansion of tactics outside of formal channels that would be more successful at problem solving. Also, limits on workers’ mobility in the internal labour market may stimulate an increased ‘investment’ by workers who cannot leave a department in improving the situation in that department.

The local union has flying squad activists who are politically active members outside of the plant. These workers are situated in a rich network of horizontal linkages with other locals, unions and community organizations. While these activists lack the international contacts that would be necessary in a more thorough and organized response to Ford’s regional competitiveness strategy, the union’s national office maintains many such contacts that could serve as a launching point for development of worker to worker communication. The union already maintains strong vertical linkages between auto locals and the national office. On their own, these links are insufficient because they operate at an elite level, separate from the general membership. These linkages should be combined with the horizontal links that are presently found in the flying squad networks.

Workers with political experience outside of the plant expressed different ideas about responses to Ford’s competitiveness strategy from workers without such experience. The different ideas expressed by these two groups of workers were complimentary. Workers

with political experience articulated a desire for the development of a 'global consciousness' and for a more sustained focus on education. This is complemented by workers without political experience outside of the plant focusing on increasing internal democratic practices and communication within the membership.

## **Proactivity:**

### **Agenda, strategy, and the capacity to communicate**

The first potential source of power for the local union lies in the ability to collectively determine and move towards an independent, proactive agenda. The degree to which a union is proactive is an indicator of independence from the company. It means that the local union is not simply responding to the employer's competitive strategy and subordinating their interests to the goals of the workplace.

The company's agenda is clear. Ford has made it clear that they are considering three locations for new investment. (Appendix 2) If the company is able to put workers into direct competition with each other, this is to their advantage. Workers will be placed into competition and attempt to out-bid each other using work rule concessions as their bargaining chips. This strategy is reliant on workers not attempting (or succeeding) in getting out of the strategy of competition.

Workers obviously engage in such competition with the goal of improving the short-term prospects for job security. The increased mobility of capital has enlarged the scope for competition between workers in different geographical locations. The three plants that Ford claims are in competition with each other for new investment are all in different countries. The articulation and implementation of goals that are independent of the employer's agenda require dependable and consistent communication.

The power to develop an agenda, build strategy and communicate these between the general membership have been successfully achieved by the local and national leadership. Unfortunately, the collective course that has been pursued does not have an independence from the company's goals and has been organized in a top down fashion. Very little democratic input into the union's response to Ford's strategy has occurred. The continuing case at Local 707 supports Lévesque and Murray's thesis that the inability of a local union to propose their own agenda will result in a subordination of their actions to the interests of their plant. (Lévesque and Murray 2002: 50)

The articulation and presentation of a business case for new investment by the CAW when a plant is under threat is nothing new. Workers' interests are tied to the plant in which they work due to structures that maintain dependence on wages. However, the nature of the communication employed by the union has changed. The presentation of a business case and the use of the language of management has historically been reserved for use in discussions with management. Alternatively, the language of temporary accommodations to management's stated goals and the language of 'no concessions' was used between the leadership and membership of the union. This was framed (and understood) as a rational accommodation when under threat. The CAW leadership at the National and local level are now arguing the business case to the membership. This shift has been a gradual progress. (Wells 1997: 183) This shows weak independent agenda setting and a shift towards an adoption of the goals of management.

Next, there is evidence that a decentralization of bargaining is occurring. Collective agreements that have been negotiated between the CAW and the Big 3 auto producers are split into three levels: the formal master agreement, formal local agreement, and an informal and unwritten local agreement. The master agreement includes language that applies to all plants that a particular company operates. The formal local agreement is a supplement to the master agreement and covers issues that are specific to a particular location. The

informal local level includes the regular practices that occur at a particular location, but are not formally written in either the master or local agreement. Some of the work rule changes that are being introduced point to the increasing importance of the informal local level that is outside of the collective agreement.

A second-class status of worker is being introduced at the Oakville location. Despite an opportunity at 2002 bargaining to negotiate language regulating this status of worker, progress at the local is developing informally. As a pre-requisite for whipsawing of workers, this is a dangerous course. The risks associated with such a change are tempered by the fact that the national union and master committee are coordinating this informalization between locals. Second class status workers have been working at Ford's Windsor plant for a few years and the national union has coordinated the introduction of such a program between the Windsor and Oakville local unions. Thus, a degree of homogeneity is being maintained despite local informalization.

The package of information that the national union distributed at the local was a business case for investment in Oakville. An argument was made that Oakville workers are productive, efficient and cost competitive. (*Reporter*, President's Report, May/June 2002) A case was also made that new investment should partly be financed by the federal and provincial governments. This framing was picked up and perpetuated by local leaders.

The presentation of a business case is not significant on its own. Business cases for new investment have often been made in efforts to secure new products at particular plants. Workers' dependence on wages earned from private companies provides the natural link that supports workers' having a stake in the status of specific employers. However, such language has historically been used almost exclusively with management, in order to influence management's decisions. Use of such language has now expanded to include the communication between the leadership and membership.

The two lines of communication have historically been more separate, with the business case argued to management and the 'no concessions' language used with the membership; while accommodations were being made to management's demands. (Hargrove 1998: 107, Gindin 1995: 206, White 1987: 220). The 'no concessions' strategy was historically understood to be central to the prevention of a fracturing of the union along corporate lines. (Yates 1993: 206) The business case is now being argued to the general membership. Given the historically low turnout to monthly membership meetings (average of roughly 100 members attending a meeting out of a potential of over 4000), the union local's regular newsletter, *The Reporter* provides the most reliable channel for the distribution of the union leadership's positions to the general membership. These newsletters are direct mailed to members' homes.

Various issues of *The Reporter* include arguments that Oakville workers are efficient, productive and flexible. As an expression of outrage and disbelief over the closure of OTP, the chair of the local's stewards council reported a detailed list of Oakville workers' quality and efficiency awards. (*Reporter*, Stewards Council Report, September/October 2002) Not a single elected representative's report in the union newsletter has mentioned 'no concessions' in reference to the potential new investment.

It is not simply the absence of this phrase in particular that is most important. No reports from the leadership have advanced the line of reasoning that it may be possible to accommodate management in the short term; because there is a gun to our heads with the closure of OTP and no new product for OAP; but that we will be able to build for a better day and make up lost ground when the situation improves. This is significant because it

shows that the rhetoric of the leadership has continued to change. This has not been a stark change, but rather a slow progression, the progress of which has been previously documented. (Wells 1997: 183) The continuing adaptation of the rhetoric is suggestive of a move towards the internalization and articulation of the goals and values (agenda) of the company.

Elite level rhetorical commitments to independence and autonomy have been maintained. For example, national union president, Buzz Hargrove has accused the government of having “internalized the notion that corporations should control our destiny.” (Globe and Mail, May 21, 2002) The irony is difficult to miss. It seems that the local union is tightly weaving its destiny to the company through the adoption of Ford’s agenda while the accusation is made that this is in fact what government seems to be doing. Such rhetoric may well be an aspiration that there be more autonomy from corporations. This aspiration for governments to maintain more autonomy from corporations may exist beside a reality that is presently the opposite. In either instance, the irony is powerful. While the critique justifiably continues to flow outwards, significant and similar changes are occurring internally.

Ford’s first public mention of the closure of OTP prompted a response from the local union that included the argument of a business case that the plant was profitable and should therefore remain open. This case was made to Ford, the public and workers in the plant. Post cards addressed to MPs and MPPs were distributed in *The Reporter*. Workers were instructed to fill out these cards and mail them to government representatives in order to appeal for public funding of the auto industry. A strategy of combining government lobbying and bargaining through the master committee was pursued.

Although this strategy was developed and communicated to the general membership, it was not independent from the company. From the start, this strategy was entirely aimed at meeting the demands of the company. This is consistent with other similar cases where plants were being threatened. (Wells 1997, 2001) Interestingly, the nationally directed response anticipated the work rule changes that the company would later demand.

The national and local union were making the case that Oakville workers were competitive and flexible before Ford publicly articulated any demands from Oakville workers, or mentioned that it was considering a new investment and possible changeover to flexible manufacturing. This is evidence that the union has enough experience negotiating in a defensive, insecure environment to know what the company’s demands will be. Additionally, the union had signed a letter during 2002 bargaining stating that the union agreed to “cooperation in achieving operational improvements at Oakville.” (CAW, 2002: 401) This indicates that the ‘writing was on the wall’ with respect to upcoming changes to local work rule practices.

The future of Ford’s presence in Oakville was extremely uncertain as the union entered 2002 bargaining with the Big 3. General Motors was chosen as the target for this round of bargaining. Ford was number two. This meant that Ford would need to match wage and benefit increases reached at GM. Further, bargaining with Ford was significantly different than bargaining with GM due to threatened plant closures and poor sales records.

During bargaining, it was claimed that the future of production in Oakville was a top priority. The local president’s report of 2002 bargaining included a statement that “the CAW, both locally and nationally, wants to be a part of the new vision for Oakville, and this requires us to do all we can to maintain Oakville as a successful, high-quality, and efficient assembly complex.” (*Reporter*, President’s Report, November/December 2002) The

bargaining committee's priority was clearly the preservation and protection of as many jobs as possible. The central strategy used in efforts to accomplish this goal was to adopt wholesale the company's agenda and goals of quality and efficiency. This is reflected in the rhetoric that was distributed by means of *The Reporter*.

Bargaining outcomes of prime importance to Oakville workers included 600 voluntary retirement packages for senior workers (later increased to nearly 800); a provision guaranteeing 80% income maintenance in the event of market-driven down time for the three year life of the agreement; a commitment for the life of the agreement to mothball OTP rather than tear it down and a commitment from the company that production would continue at OTP until July of 2004.

The company also signed a letter stating that they would consider flexible manufacturing in Oakville contingent on two conditions. (CAW<sub>1</sub> 2002: 400) Ford stated that their commitment was "conditional on the union's commitment to implement operating efficiencies and work practice changes required for a fully competitive manufacturing and assembly operation." (CAW<sub>1</sub> 2002: 400) and on government support for the project

The union's commitment to work practice changes had two concrete manifestations. The system that administers workers' breaks from the line would be changed. Also, a temporary, part-time worker program would be introduced.

Regarding breaks from the line, the practice of 'tag relief' would no longer be guaranteed. This practice means that workers are given a small break from the line both before and after lunch. 'Relief' workers rotate through these jobs, 'tagging' them to allow them to leave for a break. This contrasts with mass relief where the entire line in a given department is shut down for the duration of relief time.

Whether workers receive tag relief or mass relief will now be at the discretion of the company. The negotiated language suggests that shifting to mass relief will have to be premised on poor market conditions. Specific criteria for the establishment of such a case are absent. This increases functional flexibility for the company. Workers who perform the relief jobs know several jobs. Once a shift to mass relief is made, Ford has the ability to place all workers who hold these jobs onto whatever job they wish. This change will be extremely significant for workers who hold the relief jobs, but will have little impact on most other workers.

Next, temporary part-time workers (TPTs) will be hired for the first time at Oakville. These workers will be limited to working on Mondays and Fridays at present. This increases numerical flexibility for the company. The ability to bring a group of workers in and send them home with as little friction as possible has been facilitated.

The manner in which the TPT program has been negotiated and launched at Oakville is of particular importance. No language exists in the master agreement concerning TPTs. The local agreement between the bargaining committee of Local 707 and Ford contains a letter that states "A Temporary Part-Time Employee Program will be implemented no later than January 1, 2003." (CAW<sub>1</sub> 2002: 396) Details concerning the implementation of the TPT program are unavailable. The letter goes on to state that "This program will be modeled after similar programs negotiated at the Windsor operations." (CAW<sub>1</sub> 2002: 396)

The introduction of a second tier status for some workers at the Oakville site is being negotiated locally. The collective agreement language referring to the TPT program is limited to a letter exchanged between the company and the local union. This means that the implementation of the program is not covered in either the formal national or formal local

agreement. As a result, the status and rights of workers hired under the TPT program is not yet clear.

The central reason for a lack of clarity on the implementation of TPTs at Oakville is the lack of formal language. Thus, the negotiation of this program offers evidence of not only a decentralization of bargaining, but also an informalization of negotiations at the local level. Importantly, the decentralization of bargaining is a necessary precursor for the company's ability to whipsaw workers. If some dimensions of bargaining are fragmented into local agreements (*formal and informal*), this allows the company to further their agenda of putting workers into competition with each other.

Such informalization is being carried out with national coordination. The union's in-plant chair for the van plant, Phil Klug reported that "the master [bargaining] committee met with the President and one of the Chairpersons of Local 200 in Windsor to review their implementation procedures for TPT, which has been in place at their location for four years." (*Reporter*, November/December 2002, Plant 7 Chairperson's Report) This means that the introduction of temporary part-time workers is being coordinated between locals by the national union.

It is clear that the master committee is playing a coordinative role in this instance. It is less clear if that role is one of resisting the introduction of a second-tier workforce at Oakville. At the ratification meeting for this collective agreement, members of Local 707 were told that they were the last hold out and that all other locations had adopted TPTs. The Ford master committee is coordinating these concessions across locals.

Ford was able to make gains in both functional and numeric flexibility as well as contributing to a continued decentralization of bargaining to the local level. More importantly, the manner in which the TPT program was negotiated suggests an informalization of bargaining at the local level. The fact that the informalization is occurring with national master committee coordination offers a brake on the progress of the local towards a more vulnerable position regarding whipsawing. Homogeneity of informal work rule concessions are not as bad as heterogeneous, uncoordinated changes to work rules. Uncoordinated work rule concessions that are not the same at every location offers employers increased fertile ground upon which they are able to nurture competition between workers at different locations. Coordinated changes place limits on the divergence of work rules and thus reduces the variety of variables available to be used in a potential competition between locations.

This is not to suggest that Big 3 negotiations are heading backwards for workers in all respects. In fact, strong progress continues to be made on wages and benefits. Continuous improvements in this area are being made at the level of the formal pattern, or national level. This has allowed pattern bargaining across the Big 3 to be maintained while increasingly important work rule concessions are being negotiated at the local level. The negative changes to work rules outlined above are occurring at the informal, plant specific level.

The second condition that Ford articulated before new investments in flexible manufacturing would be considered was government support. Specifically, the company stated that:

In addition to Ford's commitment to develop a fully competitive manufacturing operation and the union's agreement to cooperation in achieving operational improvements at Oakville, obtaining federal and



provincial government assistance will be key to the viability of the business case to achieve this long term vision for the Oakville site. (CAW, 2002: 400)

This statement is an illustrative example of Ford's position. It offers a clear map of the company's vision of a tri-partite productivity alliance. All three 'partners' have their specific roles that contribute to a shared goal – Ford's success. In an immediate way, the local union mobilized as best it could to lobby the various governments to support Ford. Again, Ford was setting the agenda and the local was following. Management at the Oakville site has made the case that they are on the same side as workers in their efforts to lobby Detroit's senior managers for a new product. They have argued that they would also lose their jobs if Detroit refused new investment. In no sense is the strategy being developed independent. It has been limited to pursuing Ford's agenda.

Given the size and importance of the auto sector, it is unsurprising that auto companies are often able to affect changes in government policies rather than simply have policies imposed on the industry. (Molot 1993: 2) This makes government lobbying an expected target. Political considerations have become increasingly important to Ford's locational decisions regarding new investment. (Studer 1998: 92) The local's strategic focus on lobbying government to support Ford by making public money accessible again shows weak and non-independent agenda setting.

In contrast, a consistent demand for an auto sector policy has come from the union's national office. Demands for a new policy have expanded since the 2000 ruling of the World Trade Organization against the Auto Pact. It is argued that the disappearance of this industry specific trade management policy has eroded protections that preserved jobs in Canadian auto assembly. The policies that are suggested as essential for a new auto policy include both incentives for investment and disincentives for 'sales only' auto strategies. (Stanford 2002) Although the policy suggestions developed in these materials are independent from any specific company, they remain elite level lobbying tools aimed at government officials and bureaucrats rather than local level mobilization tools.

In order to complement the lobbying efforts that had been pursued by elected union representatives, a 'special membership meeting' was organized for February 1<sup>st</sup> 2004. The meeting's purpose was largely to engage the general membership with the government lobbying strategy and to convince elected government officials that Oakville workers were concerned about their jobs. Several guest speakers were invited. This included elected officials from all three levels of government and CAW staff economist, Jim Stanford. One reporter described the meeting as "union leaders making desperate pleas for government action to protect Canada's steel and auto industries." (Hamilton Spectator, Monday, February 2, 2004, A7) This meeting was declared a success by the local leadership with roughly 1000 workers from the Oakville plants attending.

The local leadership repeatedly called for workers to lobby politicians to support the auto industry. The local went as far as to publish the contact information of every federal Member of Parliament in Ontario in the March /April 2003 *Reporter*. An appeal to contact these politicians and to "ask if they support the auto industry" served as an introduction to the listed addresses.

Despite these repeated calls, no workers who were surveyed or who participated in focus groups mentioned lobbying politicians. Both focus groups were asked if they saw a role for workers at this location in Ford's decision to change over to flexible manufacturing. Nobody mentioned lobbying government. It is difficult to measure the number of workers

who took the union's instruction up and 'lobbied their representatives.' However, the total absence of any mention of lobbying government suggests that workers were not particularly engaged with this strategy.

The power to develop an agenda, build strategy and communicate these among the general membership have been successfully achieved by the local and national leadership. However, strategy that has been built is not independent of the company and has been organized in a top down fashion. While some of the materials developed by the national office of the union are clearly independent from any specific company, these do not form part of a local strategy.

Local 707 has largely built a strategy that is a reactionary response to Ford's competitive strategy. This means that the local's strategy is not independent. The language of 'no concessions' and the logic behind such stances that suggests temporary accommodation, but not subordination is no longer visible. Union representatives are now arguing a business case of competitiveness aimed at the general membership as well as the company and government. Although the transition in language has not been instantaneous, it offers confirmation of weak agenda setting. Also, a decentralization of bargaining is evident in some of the work rule changes proposed in the FMA. However, coordination across union locals is being maintained despite an informalization of work rules.

## **Internal Solidarity: Democracy in the local union**

The local union power resource referred to as internal solidarity has at least two meanings. First, the concept can be used to describe the relationship between workers and their union. This will be referred to as formal internal solidarity. Second, internal solidarity may also be used to indicate the relationship between workers on the shop floor, quite separate from any institutional or formal union structures. This type of internal solidarity will be referred to as informal. High levels of membership participation and democracy are indicators of a strong local. Locals without the democratic participation and engagement of members generally lack a fundamental cohesion that is necessary for collective action.

A 'flexible manufacturing agreement' (FMA) was reached between the Ford Motor Company of Canada and CAW, Local 707 on May 15<sup>th</sup> 2004. There is no guarantee that this agreement will be implemented. An investment and changeover to flexible manufacturing would trigger the terms of the FMA. Introduction of the work rule changes contained in the FMA pose a substantive threat to formal internal solidarity. An increase in workers' collaboration with management is the primary threat to internal solidarity.

The wholesale lack of internal debate or discussion over different possibilities regarding work rule changes increases workers' alienation from their union. Further, structural changes to union representation practices are contained in the FMA. As will be explained, these changes will tend to reduce the adversarial capacity of the union, thus constraining future possible mobilizations.

Other changes to work rules have the effect of reducing the significance of seniority on the shop floor. Ford's combination of work rule changes and their most recent lean production scheme, the Ford Production System (FPS), will likely further erode formal internal solidarity. These changes combine to establish a substantive change in the manner in which compliance is gained. This suggests that recent changes are not simply a temporary compliance, but rather a step towards the building of a more enduring alliance with management.

Formal internal solidarity cannot be maintained in the absence of a participatory and democratic culture. Democratic practices are at the heart of an active union. If a union is not democratic, it cannot effectively represent workers because their collective desires and needs are obviously not being fed into the organization. Many organizations may anticipate the needs of its members, but without consistent democratic practices, such procedures are bound to lose step with the membership. The desire for more democratic participation and some collective experience with democratic experimentation are both present at Local 707.

Membership involvement in the development of the FMA in Oakville was limited to two narrow interventions. First, Local 707's bargaining committee was empowered to negotiate the terms of potential changes to the collective agreement at the April 25th general membership meeting. Support for the bargaining committee to take this issue up (and potentially open our collective agreement) was nearly unanimous.

There were more members at this meeting than is typical for a regular monthly meeting. There are typically about a hundred members out of over four thousand at a general monthly membership meeting; the April meeting had approximately five to six hundred workers in attendance. The main implication of the question addressed at this meeting was 'open up the collective agreement or risk Ford leaving Oakville.' Near unanimous support is predictable in such a case as the framing of the question dictates that

there is no real alternative to opening the agreement. In other words, there are not very many workers who would choose to risk Ford leaving Oakville and losing their job in order to prevent the opening of the collective agreement. This does not mean that this was the real substantive choice, but rather that the limited framing of the question determined the outcome.

Ford management from Detroit met with the full leadership of Local 707 on May 4<sup>th</sup> 2003 to outline their vision for flexible manufacturing. Ford imposed a deadline of May 15<sup>th</sup> to achieve an agreement in principle. Management reportedly stated that without an agreement in principle, the company would look elsewhere for their new investment. (*Reporter*, May/June 2003, Klug, 7, Appendix 2) The spread of this ultimatum fuelled the ongoing perception that workers were competing with other workers for new investment and the corresponding potential increases in job security.

The time between the 10<sup>th</sup> and the 14<sup>th</sup> was an intense period of negotiation. Workers wondered what the company would be demanding. The company's demands were made clear on Sunday, May 14<sup>th</sup>. (Appendix 2) The local union organized a mass meeting to report. The usual methods used to manage such a meeting were maintained. The bargaining committee offered an explanation of the areas where changes would be made to the collective agreement and unanimously recommended a positive vote.

Changes that were significant for formal internal solidarity included modifications to representation structures and restrictions on mobility through the internal labour market of the plant. The implications of these changes were not discussed at this meeting. These proposed changes were framed as a 'yes' or 'no' question. There was no discussion or debate over what options existed *within* the concessionary package.

Workers were asked to vote on the tentative changes after a short question and answer period. A total of 1586 votes were cast that day – 1338 production, 248 skilled trades – out of just over 4000. This second (and equally limited) instance of membership involvement in the process resulted in a 92.4% positive vote for the list of modifications to work rules. This voter turnout is approximately 37% of the membership that was eligible to vote.

The low turnout may seem difficult to understand given what was at stake. None of the focus group participants mentioned that they had not attended (or why they had or hadn't done so) and none of the workers who filled out surveys addressed this. No questions regarding this meeting directly were asked in either instance. This suggests that the meeting was not seen as particularly important or significant.

Despite the lack of data, the low turnout and voting may be explained in a couple of ways. First, workers who chose not to vote may not have been able to gauge the seriousness of what was at stake. However, the premise that workers did not realize the seriousness of the threat that Ford was making is difficult to accept.

Nearly all issues of the union newsletters (which are direct mailed to members houses) since the closure announcement on January 11, 2002 contained relevant information confirming that the future of the plant was at stake. The major regional (and national) newspapers all reported on the loss of the truck plant and the possibility that Ford may turn to another plant to invest in flexible manufacturing. Television broadcasts covered the story extensively. There was also widespread discussion of the issues occurring in the plant, although this is more difficult to measure.

Evidence from surveys and both focus groups suggests that workers did know what was at stake. Almost all surveyed workers disagreed with the statement that their 'job is more secure now than it was five years ago.' When focus group participants were asked if

Ford could pull out of Oakville permanently, various workers said that this was a realistic possibility. Nobody in either group disagreed with the assertion that Ford could leave Oakville. The degree of insulation from what was taking place that would be required for workers not to appreciate what was at stake would be enormous. Thus, the explanations for the lack of participation must lie elsewhere.

A second explanation for the low turnout is related to the nature of the debate concerning the best way forward. Essentially, the debate was framed as 'concessions or no jobs.' Such a framing ensures a meaningless debate. One worker explained the process as follows:

I think we'll vote yes all day long just because it's in our best interests to do that, just to make sure that we secure the investment, and we just nod our heads and do what's necessary (Focus Group 2)

This suggests that there is not a real 'choice' or a meaningful debate of alternatives. Interestingly, this worker has also highlighted the limited role that most workers have in the process. This simply includes 'nodding heads' and voting 'yes' when issues are in front of you. Given the lack of substantive alternatives, some workers may have chosen to rely on their co-workers who could be counted on to vote 'yes' to the work rule changes and ensure that a small and unorganized minority of workers voting 'no' on the agreement would not put the plant at risk.

A decision-making role constrained to this degree is a recipe for alienation from the process. When asked directly about their role in the process, one worker described the membership's role as "raising your hand at a meeting and saying I, and then just crossing your fingers." (Focus Group 2) It is not a surprise that just over a third of workers decided to participate in vote that was described as "of the utmost importance that ALL members attend" in a call out leaflet for the meeting signed by the president of the local.

Oakville's Liberal Member of Parliament, Bonnie Brown commented that "a member from Oakville who didn't want this [flexible manufacturing] to happen is a moron." (Oakville Beaver, Wednesday May 19, 2004: 1) The vote that took place on May 14<sup>th</sup> was a 'yes or 'no' to work rule changes that had been negotiated and were aimed at attracting a *possible* investment and change to flexible manufacturing. Bonnie Brown's description of the choice is closer to the actual implication of the vote. Brown's statement illustrates the degree of meaninglessness of the vote because she describes the 'yes' vote as for flexible manufacturing and the 'no' vote against the possibility of new investment. In other words, her comment supports the assertion that the 'decision' was essentially meaningless as it was presented.

The options for membership involvement beyond voting yes or no when required were also extremely constrained. When asked about participation in activities organized by the local union that were aimed at mobilizing to prevent the closure of OTP or to make the case for new investment for OAP, one worker stated that he had volunteered to be on a committee, but "they only met during working hours; they don't want to pay me lost time so...I was trying to get them to meet after hours, but ah, none of the guys wanted to meet after hours." (Focus Group 1) The price for this worker's participation was his hourly wage. This proved to be too expensive for him. There is no direct evidence that others made the same choice, but this certainly offers a powerful structural barrier to the

participation of other workers. There is no evidence that the master bargaining committee or the leadership of the local in any way solicited the opinions of the general membership.

Both groups of workers who participated in the focus group discussions were asked directly about their involvement with any political activities related to the closure of OTP. One worker responded that:

I find a lot of that is being told what to do rather than... get a whole group of people together and we'll tell them what to do. It's just easier to tell them that they're part of a committee and that this is what it does – rather than get a group of people and ask for input (Focus Group 1)

This is an example of frustration with the lack of participation in the setting of the agenda. Such a statement points to a lack of democratic input.

The decision to actively engage in a ratcheting down of work rules took place based on a membership meeting of a few hundred where the decision was essentially 'open up the collective agreement or risk Ford leaving Oakville'. Next, a ratification meeting took place where less than 40% of the membership voted on the question of 'concessions or no jobs.' Predictably, workers voted overwhelmingly for the concessions. Further, workers' option of volunteering on committees to help in organizing efforts was structurally limited. A substantive discussion of the implications of alternatives to the present course never occurred.

Ford placed a demand on the local leadership that they provide an agreement in nine days. Attached to this demand was a threat that if an agreement was not reached, the company would look elsewhere for new investment. This extremely short turnaround time limited the potential to initiate and engage in a thorough discussion of alternatives. Ford must have known this.

The impetus for the nine-day turnaround time is particularly curious given that as of September 2004, the company has still not made any concrete commitment to the Oakville location. The reasons for the demand that an agreement be established within such a short window are unclear, although it seems that the deadline must have been artificially imposed. It is also unclear how flexible Ford could have been on this issue. Despite the nine-day ultimatum, any union representatives' articulation of outrage or even unease that a thorough debate could not occur on such a schedule was completely absent. Further, the letter that was attached to the 2002 collective agreement that made Ford's upcoming demands for more 'flexibility' obvious had been known about for almost two years. The wholesale lack of preparation for such a predictable event is surprising.

One of the politically active workers who participated in the June 29<sup>th</sup> focus group described his understanding of Ford's logic as follows:

This is what we're going to do, and we'll throw Buzz [Hargrove, CAW president] a carrot and we'll say well, you know, we'll do this for you, if you do this, this and this, and if you can get 707 to do this, this and this, if you can get 707's members to do this, this and this, then, you guys will have your flex plant (Focus Group 1)

Such a statement articulates a suspicion that the bargaining was organized at the elite level of the union and imposed in a downward direction. It is difficult to imagine that FMA negotiations could have occurred in any other way given the severe constraints. The fact

that an agreement was negotiated, a mass meeting organized and voting accomplished and counted in such a limited time frame all points to an extreme over-simplification of complex issues.

The structures of union representation will be significantly changed with the FMA. Oakville stewards have in practice been granted the entire day off to pursue union responsibilities. This accepted practice deviates from the negotiated language contained in the Collective Agreement. The negotiated language dictates that Oakville stewards are limited to a maximum of four hours per working day off their job to fulfill their steward responsibilities. (CAW, 2002: 23) Despite the fact that this established practice would likely hold up in an estoppel argument before an arbitrator, the FMA includes a change to the relevant language that outlines union representation on the shop floor of Ford's plant in St. Thomas, Ontario.

The St. Thomas plant uses a system of representation where the number of union representatives is directly proportional to the number of workers who are in the plant. (CAW, 2002: 29) While this is also the case at Oakville, the representatives in St. Thomas are full-time rather than part-time and there are fewer of them. The implementation of the St. Thomas language will bring front line, visible union representatives down by between six and eight in Oakville. Oakville workers will have roughly 19 full-time representatives instead of 31 part-time. However, the long accepted practice of Oakville representatives being granted the full day off the line means that the FMA introduces a loss of between six and eight representatives. This will obviously reduce the visibility and presence of the formal union representatives on the shop floor.

Until now, there have historically been clear geographic demarcations between stewards' jurisdictions. One of the results of this model has been that stewards (or alternates) were called in to work whenever a single worker in their jurisdiction was called in. Consequently, if a few workers from different departments were offered weekend work, a union representative for each department represented would also be called in at overtime rates. This practice will also be ending with the implementation of the FMA. At all times, the number of union representatives will be directly proportional to the number of workers in the plant. The number of representatives agreed to in the FMA falls between the previous steward and committee member numbers. Thus, the work of the union representatives will be a combination of committee work and steward work. The result of this change will be a reduction in the number of front line, visible union representatives and an increase in their workload.

Due to the disappearance of the requirement that a departmental steward be called in to work whenever someone within their jurisdiction was working, a new system of overtime allocation for union representatives will need to be introduced. The in-plant chair of the union will have sole discretion over what representatives are called in for the overtime. The previous structures that allocated overtime guaranteed large amounts of hours (and thus income) to most representatives. The plant chair's centralized control over overtime (and thus income) distribution and the large reduction in the hours of overtime available are guaranteed to generate new conflicts within the union's in-plant committee. The fact that Ford has made broad and significant progress in their work intensification agenda means that union representatives will now have an added incentive to try to stay in their jobs, and off the line. A recipe for conflict within the in-plant committee has all of the required ingredients lined up.

Structures that guarantee workers access to their union representatives during the workday have also suffered a setback. An accepted practice in the Oakville plants is that workers who place a call in for their steward are granted a small amount of time off the line. It is always a challenge to maintain an engaged conversation while keeping up with line speed. Therefore, another worker who is responsible to cover medical and washroom breaks typically performs the necessary work while a discussion with a union steward occurs 'off-line'. This time has never been officially regulated or controlled. This allows workers to speak to *their* stewards (or committee representatives) without the constant pressure of the line. Phone calls or meetings with management or labour relations officers are often required to solve a particular problem. These can usually be taken care of immediately because workers' jobs are covered for a small amount of *time*.

Included in the FMA is a commitment from the union that there will no longer be any automatic time off the line for workers wanting to speak to their union representatives. The modified language requires that stewards request an off-line discussion with the appropriate supervisor. This practice will strategically place a management representative into the middle of the relationship between front line union representatives and workers. The obligation inherent in this agreement will obviously be nearly impossible to enforce. However, the direction in which the local union is heading with the removal of the principle that steward consultations would be taken care of off-line is clear for all members.

The newly introduced limits on getting problems solved immediately by talking to workers off-line will also reduce the capacity to solve problems. The combination of reduced front line union representatives and these limits on problem solving capacities will both reduce the visibility of the union on the shop floor and reduce the capacity of union representatives to effectively solve problems. Internal conflicts between members of the in-plant committee also have a strong chance of increasing.

One focus group participant suggested that "right now we're kind of saying uncle until we get these jobs and then..." (Focus Group 2) This comment suggests that there is a chance that the present accommodations are temporary and that we will build for a better day in the future. However, the loss of front line union representation suggests otherwise. This change points to a structural change that will limit or constrain future mobilization possibilities. These structural modifications that will negatively impact the relationship between workers and their union. A strong possibility exists that formal internal solidarity will be reduced.

One worker attempted to offer an optimistic opinion regarding the potential erosion of front line union representatives in the plant by arguing that "if the flex plant comes in, we're going to have more workers and they're going to have less representation. It doesn't make any sense whatsoever, so that's actually going to create some militancy on the floor. It's going to create people who become active." (Focus Group 1) This assertion is somewhat incoherent if interpreted exclusively through the lens of *formal union structures*. The erosion of union representation and potential increase of internal conflict means that the visibility, presence and effective problem solving power of the formal union will be reduced. It is not clear how this could lead to an automatic increase in workers' involvement.

The statement gains some clarity if it is understood in terms of informal internal solidarity. The reduction of formal structures does not mean that workers will not make attempts to improve their lives on the shop floor. Rather, the logic suggests that if formal structures are reduced, and their efficacy eroded, workers will be pushed to seek other, often *informal forms of internal solidarity* in order to solve problems.



Other areas in which Ford indicated that concessions must be made was in both temporary limits on workers' mobility through the internal labour market of the plant and long term implementation of teamwork. Both of these requirements were integrated into the FMA. These two issues are linked in that they both serve as a frontal assault on the historic maintenance of job rights that are tightly connected to seniority. Preservation of seniority rights is important for the maintenance of protections for older workers. Maintenance of the seniority principle is also central to the job control unionism of the CAW. The significance of seniority rights has been reduced in exchange for a potential increase in job security.

The internal labour market of all organized auto plants is partly governed by the principle of seniority. Some of the highest seniority jobs in the plant are those that allow workers to be insulated from the disciplining pace of the assembly line. This includes cleaning, sweeping, small tool repair and other non-skilled trades maintenance jobs. According to the FMA, all workers performing work in a work group will be required to rotate on a regular basis. The shape and size of work groups are not yet clear, but this could include senior workers. This means that senior workers who had bid onto off-line jobs may be forced to rotate through jobs back on the line as they will not be able to maintain ownership of the better jobs within the work groups.

The consequences of these changes for senior workers may also contribute to the growth of an informal internal solidarity. As these workers lose their ability to use the seniority system to escape bad jobs, their inclination to find other routes to improve their situation may increase.

The Ford Production System is linked to the change to a team based structure. The Ford Production System (FPS) is the Ford Motor Company's latest permutation of lean production. "The training manual for the Ford Production System 3-Day Plant Awareness Session quotes the dictum of Taiichi Ohno, chief architect of the Toyota Production System, that 'Elimination of Waste' requires management to 'reduce the time line by removing non-value added wastes.'" (Babson 1998: 28) Of course, the non-value added wastes are the usual target – the few valuable seconds between jobs where workers recover or set up for the incoming unit. The new investments in Oakville remain possible, but not certain. Thus, specific production targets for a potential new vehicle have not yet been determined. The logic that pervades the FPS program remains the same, the removal of 'non-value added waste'.

The language of empowerment is being maintained throughout the expansion of FPS. The program is designed as an attempt to elicit support of workers as "active agents in reengineering their own jobs." (Babson 1998: 29) The logic of teamwork, job rotation, and 'training' pervades FPS. As is typical of such management directed schemes, FPS maintains the goal of job expansion rather than enrichment, the harnessing of peer pressure through team based structures and training that is aimed at socializing workers to management's goals. (Babson 1998: 31)

An alienation from the process of collective decision making provides fertile ground for Ford's efforts to build collaboration through the FPS system. The lack of membership involvement and substantive debate of alternatives outlined above increases possibilities for alienation of workers from their union.

A few of the survey participants described Ford's efforts as sincere attempts to 'involve workers in the everyday run of the plant,' and 'to have everyone working to achieve the same goal.' Central to management control systems such as FPS is an attempt to get

'buy in' from workers. There is nothing automatic about workers who are alienated from their union becoming more susceptible to such management initiatives. However, workers who are engaged and involved in their unions may be better equipped to contribute to a mobilization capacity against management directives.

Any speculation that FPS was designed as a sincere attempt to empower workers is quickly eroded with a look at the company's 1994 'Production System Study Group on Team Concept' which "puts at the top of its list of 'Common Management Concerns' the possibility that team concept will be 'Misinterpreted as a Democratic Process.'" (Babson 1998: 31) This means that Ford has no intention of opening up decision making in any but a narrowly managed sense. While input from workers may be gathered and selectively applied by management, decision making power remains firmly in the exclusive jurisdiction of management.

One survey respondent argued that Ford was introducing FPS "to make workers more involved in the company (an assembler know his job better than anyone, that is an advantage for the company.)" The introduction of FPS is correctly understood to be an attempt to gather information from front line workers that the company would otherwise not have access to. The potential that workers may interpret a soliciting of their input as democratic input into work organization is strictly limited by the company's own policies quoted above.

Workers in Oakville had a clear sense that FPS was an important variable in Ford's deliberations on where to locate new investments. Survey responses indicated that workers believed FPS was important, but there was not a clear sense of why workers thought this to be true. The reasons why Ford had introduced FPS were also not clearly articulated. In other words, workers think that FPS is important, but were unable to explain why they believed this to be the case.

The lack of any democratic debate and workers' input into decision making or agenda setting has contributed to the lack of coherence in the understanding of FPS. Workplace changes that incorporate teamwork are included in the FMA. The triggering of the conditions outlined in the FMA is contingent on new investment. The new investment has not been made. For this reason, it is too early to analyze the impacts of the teamwork and the spread of FPS.

A second affront to the seniority system is the yearlong limit on workers bidding on and moving to a better job (in or outside of their department). This limit has been imposed in two instances. Upon closing of the truck plant, workers who bid on jobs in the van plant (OAP) are now tied to those jobs for one year. Also, upon the potential introduction of flexible manufacturing workers will not be allowed to bid on jobs outside of their department (they will be rotating through several jobs within the department). This will affect workers of all levels of seniority. Both of these changes are an affront to the historic commitment to the principle of seniority. The modifications will limit the 'churning', or turnover within a particular department, that typically takes place after workers discover that the job they bid on (sight unseen) and were granted is not matched to the level of seniority that they have.

At a superficial level, such an affront to the principle of seniority (that had questionable membership support) may be seen as strictly negative because the mobility rights of workers within the plant are restricted. However, informal internal solidarity has the potential to be increased as a result of these limits. If workers are trapped within a department, they may have more of a stake or commitment to improving the situation in

that particular department. Also, workers may get to know each other better and have more of an opportunity to develop a culture of mutual support if the usual in and out-migration of a given department is restricted.

The significance of seniority for the CAW's job control unionism will be eroded with the implementation of the FMA. Teamwork, limits on workers' mobility through the internal labour market and FPS are all examples of management's desire to make progress in their targeting of quality, efficiency and the elimination of 'non-value added' time. All of these features offer substantive threats to formal internal solidarity.

Various threats to formal internal solidarity in the local are present. The FMA approved by the membership on May 15, 2004 moves the local towards a more enduring collaboration with management. This is the case in at least two ways. The reduction of front line union representatives and the intervention of front line supervisors into the relationship between workers and their representatives are two major threats. Further, this reduction may have the effect of constraining the possibility of future mobilizations. The wholesale lack of internal debate or discussion over different possibilities regarding work rule changes increases workers' alienation from their union.

In contrast, the reduction of front line union representatives, the reduction in the importance of seniority and the negotiated limits on workers mobility in the internal labour market may contribute to the development of an informal, and potentially stronger culture of mutual support than would otherwise be the case.

Also, Ford's most recent lean production scheme, known as FPS, is increasing in importance as union representation is declining and alienation from collective decision making is apparent. The local union has never before faced the crisis of a plant closure and such future uncertainty. This makes comparison with similar historical situations difficult. It is thus nearly impossible to determine if the levels of alienation from decision making are new, or simply a continued progression. The significance of seniority on the shop floor has also been reduced. The combination of these changes will reduce the formal adversarial capacity of the union.

The local union power resource known as formal internal solidarity refers to the relationship between workers and their union. High levels of membership participation and democracy are indicators of a strong local. Locals without the democratic participation and engagement of members lack a fundamental cohesion necessary for leadership initiated autonomous collective action. There is both a desire for more information and democracy. As will be described in the next section, there is also a collective experience with democratic experimentation that could be drawn upon if efforts to develop the local in this direction were initiated.

## External solidarity

External solidarity refers to the horizontal and vertical linkages that exist between union locals, different unions and unions and the broader community. As Ford develops its competitive strategy, workers are placed into competition with each other. External solidarity offers an antidote to the downward spiral of competition and whipsawing.

The need for a substantial change in strategy is clear. A brief examination of potential areas of union strength highlights this need for change. The post-war settlement in Canada resulted in the construction of an industrial relations system that inhibits progress towards external solidarity. Specifically, the Canadian industrial relations system limits workers' ability to bargain over the geographical location of new investments, thus constraining a potential dialogue with workers at other locations. Also, the nationally bounded system of industrial relations has caused trade unions to develop national strategies, despite an increasingly mobile capital. This means that traditional collective bargaining efforts offer little influence over decisions such as location of capital investment.

At present, important horizontal and vertical links within the CAW are nationally limited. This includes the master bargaining committees for the Big 3 producers. No worker representatives from the relevant company from the US or Mexico participate in these structures. Horizontal and vertical linkages that exist between the union, other unions and community organizations need to be broadened and generalized throughout the union.

An important contribution to the advancement of strategy to improve the present course includes opening up access to worker contacts in other countries. The structures employed by the flying squads offer an example to be emulated in the opening of discussions with workers in other countries. The decentralized, democratic practices of the flying squad meet the requirements for more democracy in the process demanded by workers and described in the previous section.

The present trajectory that Local 707 is sustaining will guarantee continued erosion of working and living conditions for workers. Ford has established a pattern of threatened disinvestment followed by demands for changes to work rules. The most recent round of negotiations is similar to the spring of 1994 when Ford made new investments contingent on changes to local practices. (Wells 1997: 182) The present threats are different from the early nineties in that Local 707 lost an entire plant during this round of demands. While this indicates that the stakes were substantially higher, progress within the same pattern has been advanced.

There is no indication that this progress will be slowed or stopped in the near future. This necessitates a changed course of action on the part of the union because the company appears to be satisfied with the present course. Yates has clearly articulated a concise set of union goals, or key areas where unions seek to make improvements.

1. Improved wages and benefits to members
  2. The maintenance or expansion of the number of jobs available
  3. Progress on quality of working life
  4. Preservation of union organization and the capacity to act in the workplace
  5. Enhancement of the labour movement's political influence and / or power
- (Yates 1993: 211)

A brief evaluation of the local's progress in these five areas fuels a compelling argument that a major change is necessary. Improved wages and benefits is the only area where progress continues to be made. Control over these variables is maintained at the national pattern bargaining level. Pattern bargaining is being maintained even while concessions made at the local level are of increasing significance. The steady, predictable increases in wages and benefits have been maintained while all other areas have suffered setbacks.

Any maintenance or expansion of the number of jobs available has been strictly short-term and temporary. Advances have been made in increases in the number of buyout packages offered to senior workers. This advancement is tempered by the fact that Oakville continues to be stuck with a product that is not selling well and the innovative job protections that have been negotiated expire with the present collective agreement.

Third, erosions in the quality of working life are observable at the local level. In addition to the erosion of the significance of seniority, another change that has been integrated into the FMA is mandatory Saturday work. If new investments are made at Oakville and the conditions of the FMA are triggered, workers will be required to work a six-day week on rotating shifts. Interestingly, the same hours or work structures have been negotiated at Bramalea Chrysler and GM's Oshawa facilities. This again highlights a national co-ordination of work rule changes. Additionally, the implications of changes to union representation structures or the progress of Ford's latest work intensification program, FPS is not yet clear.

Next, the union's capacity to act in the workplace has been eroded. As outlined above, new structures will limit the number of union representatives on the shop floor, and increase their workload. Also, a requirement that front line supervisors are wedged into the relationship of workers and their union representatives forms a key component of the FMA. This significantly erodes the local's capacity as well as future mobilization potential.

There is no evidence to suggest that the labour movement's political influence or power has been enhanced. While the local union leadership's lobbying skills must have been developed through their sustained efforts, the officers who were in place during these intense efforts were not re-elected to their respective positions in the most recent executive board elections. It is not clear that any institutional capacities that would survive changes in local leadership were built in this area.

The lack of forward momentum in these broad areas supports an argument that change is imperative. One area where change is absolutely required is external solidarity. This includes vertical and horizontal linkages between unions and community groups. Given the extent to which Ford claims that workers are in competition with each other and the extent to which workers have internalized this notion, an explicit focus on external solidarity is essential. One of the structural barriers that must be dealt with is the particular construction of the industrial relations system.

In the first instance, the post World War II 'compromise' was built on the clear demarcation of 'management rights'. This means that traditional collective bargaining efforts will offer little influence over decisions such as location of capital investment. Also, the Canadian industrial relations system is nationally constructed and this constrains international developments.

The post-World War II Canadian auto industry offered relatively stable, secure and well paying jobs. These characteristics were due to the successful bargaining efforts and

militant struggles of workers in the industry. Canadian workers did relatively well throughout the 'golden age' of the 1950s and 60s. (Gindin and Stanford 2003: 427) Workers successfully extracted concessions from profitable employers who were enjoying the affluence of the post-war boom.

Employers were willing to consent to workers' demands for consistently rising material standards of living. A superficial scan of post-war bargaining gains offers evidence of innovative, precedent setting gains. (CAW<sub>2</sub>) One of the major gains established in this era was pattern bargaining. The premise of this type of bargaining was (and still is) to take wages out of competition. This combination of steady, incremental wage increases and pattern bargaining made up the heart of the narrow and economistic focus of labour's demands.

Part of the reason for this narrow focus is an outcome of the legal context in which bargaining was occurring. The Rand Formula of 1946 continues to have an important influence over union strategy. This legislative response to an increasing workplace militancy in the post-war period helped to funnel workers' demands towards the specific areas of wages and benefits and away from any control or legal right to influence 'management rights' that were defined broadly. The definition of management's exclusive decision making rights included location of new investment.

Clear demarcation between bargainable and non-bargainable issues limits a more systematic, organized, strategic intervention into corporate decision making in this realm. Innovative attempts are being made to influence Ford's decisions, but these are limited to letters of understanding, and are open and non-enforceable. This does not provide a sufficient brake on Ford's ability to convince workers that they are competing against other workers in other countries for the possibility of new investment.

Trade unions' historic commitment to taking wages out of competition is not as effective as it once was. As capital becomes more mobile and trade rules are liberalized, a narrow economistic focus on wages and benefits will no longer offer workers the protection that it once did. Stillerman points out that "as they [trade unions] grew with the nation-state, they became more embedded in national systems of collective bargaining, political parties, trade law and so on." (Stillerman 2003: 583) The patterns of behaviour that labour has developed since the second World War urgently need to be modified.

Not only are unions largely embedded into national systems, but the consequences of the particular construction of the Canadian class compromise includes a stimulus for a disciplining or suppression of rank and file militancy. (Wells 1995) The regulatory structures are demobilizing. (Yates 1993: 15) Workers' contribution to the 'compromise' is that no strikes can occur during the life of a collective agreement. This means that legitimacy and recognition seeking leaders adopt the role of disciplinarian regarding militancy from below.

It appears that trade unions have maintained their commitment to contracts, grievance procedures and arbitration boards while these particular tools were not designed for the new context. Stillerman argues that "labour has had to unlearn existing patterns of action that are no longer effective in the current neoliberal era." (Stillerman 2003: 580) This 'unlearning' is a continuous process. Commitment to establishing strong contracts, grievance procedures and arbitration cases remains a central component of protecting workers' interest, but strategies can no longer be limited to the use of such traditional tools.

The nationally constructed industrial relations system in Canada also limits the union's response to Ford's international strategy. Continentalization of the auto industry has brought new sources of divisions between workers as they are placed into competition with each other. Independent trade union structures have largely been built within national

boundaries. While extensive international contacts and communication exists at elite levels of the labour movement, worker to worker communication across national borders remains minimal at best. There are no readily apparent links between workers in different countries that include workers from Local 707.

To date, the national office of the CAW has not integrated an international dimension into the 'Auto Policy Campaign.' The policy suggestions included in the arguments for an auto policy are incentives for investment and disincentives for 'sales only' auto strategies. (Stanford 2002) The only mention of anything international is a graph displaying the locations of the most recent 16 new vehicle assembly plants built or announced since 1990. These are split between US traditional, US right-to-work, Mexico and Canada. The graph is used to show that Canada has been losing out to other jurisdictions.

When asked about this campaign, one focus group participant described it as "buy the Big three is basically it. I think 'buy North American' was 'check the label, make sure it's made in North America.'" (Focus Group 1) The logic of this campaign suggests that buying a car made by Ford in Mexico will protect Canadian workers more than buying an imported vehicle. The link between an increase in Ford's profits and preservation of jobs in Oakville is extremely tenuous. When asked if the campaign made sense, this same worker replied,

No, I don't think so, because when you take it into the broader context, just when you say 'buy North American,' that doesn't necessarily encompass human rights. There's a lot of North American sweatshops as well, and so I think if we would have taken that same campaign and put the effort into something like, 'buy union' that would have been a bit better. (Focus Group 1)

The argument being made here is interesting in that it focuses on the target of the auto policy campaign. This worker argues that an emphasis on workers, or 'buying union' makes more sense than a campaign that is focused on particular geographic regions or companies. In other words, a campaign that includes a degree of independence from any particular company or region makes the most sense.

One worker who was surveyed articulated some of the ideas that are contained in the auto policy campaign. "We as a union must encourage everybody to buy Ford, or at least North American, GM, Chrysler" He went on to explain that "We have to work closely with the company to help secure a strong and healthy future for all of us. If Ford makes money, we make money." This shows that the path from the auto policy campaign towards company, or even plant specific affiliations is broad and easily traveled. The dangers of mobilizing such ideas are clear.

A second strategy that the local union claims to be actively engaged with is discussions within the Canadian Automotive Partnership Council (CAPC). The web site of this group claims that:

CAPC is an industry-led organization formed in September 2002 to address the key competitive issues facing the Canadian automotive industry. Membership comprises the CEOs of Canada's five assemblers, CEO's of Canada's four leading parts suppliers, representatives of industry associations, President of the Canadian Automotive Workers Union, President of the

University of Windsor, and provincial and federal Ministers of Industry.  
(CAPC 2004)

This is an elite level research and lobbying organization for the Canadian auto industry. The organization was created by industry, for industry. Maintaining contact or communication with such a group is always advisable. However, this is no forum for the solving of workers problems that are due to these same companies' competitive strategies. Participation in the activities of this group also lacks the needed international dimension.

Studer has pointed out that Ford's competitive strategies are regional, not global. She argues that Ford was the quickest of the Big three to continentally rationalize production. (Studer 1998: 81) This means that any alliance building project between workers who are put into competition with one another is significantly more manageable than any project that would include workers from across the globe. The geographically boundaries are less of a barrier.

One of the logical areas to begin the exploring a possible dialogue with workers beyond the plant gates is with workers who have participated in flying squad activities. The structures employed by the flying squads offer an example to be emulated in the opening of discussions with workers in other countries. Also, the decentralized, democratic practices of the flying squad meet the requirements for more democracy in the process demand by workers and described in the previous section.

Politically active workers who participated in the focus groups all maintained some experience with CAW flying squads. Flying squads are groups of self-organized political activists who organize and participate in political demonstrations, strikes and pickets of various kinds. Members of flying squads may or may not be members of unions and therefore provide a good example of horizontal linkages between locals and the broader community.

Experience in organizing and participating in demonstrations of various types and sizes has led to a degree of debate and discussion over tactics and strategies that rarely occurs in such an open fashion. For a period before September 11, 2001, regular regional flying squad meetings were occurring roughly bi-monthly. These meetings included members from various unions and community groups, although activists from the CAW typically dominated them. Workers from between Oshawa and London in the east and west and from Sudbury in the north regularly attended regional gatherings.

Democratic practices that were employed at these meetings can be described in the language of Roberto Unger's notion of 'democratic experimentalism'. This practice is characterized by a "motivated, sustained, and cumulative tinkering" with collective decision making methods. (Unger 1998: 16) Several important debates occurred at the regional flying squad meetings. Initially, some union members wanted to limit eligible voters on any issue to people who were members of unions. This debate carried over a couple of meetings and was resolved when it was agreed that everyone in attendance at any particular meeting was to maintain an equal vote when voting was required. Also, voting on a particular issue was not understood as limiting the actions or decisions of other members who disagreed, as is often the case at regular union membership meetings.

Another important debate that occurred at these regional meetings concerned tactics. Many workers who were active in flying squads had participated in demonstrations organized by the Ontario Coalition Against Poverty (OCAP). These demonstrations were often militant and confrontational. Although debates about tactics often occurred, a mock



eviction of a provincial politician led to an intense discussion over continued support for OCAP and use of direct action, confrontational tactics.

The mock eviction led to Buzz Hargrove, president of the CAW removing the CAW's \$10 000 per year support for the organization. This action also led to a dramatic increase in the involvement of national union representatives at regional flying squad meetings. The emerging and fragile democratic experimentalism that was occurring suffered a blow from this debate due to the degree of national office intervention. An instruction from a representative of the national union demanded that no CAW flags, shirts or bandanas be worn at demonstrations that were not 'officially sanctioned'. The specific criteria that official sanction indicated, or the route to their establishment was never made clear. Many workers stopped attending regional meetings shortly after this somewhat authoritarian decree was announced.

A further setback that contributed to the erosion of the participatory democratic experimentation was the terrorist attack on the United States that occurred on September 11, 2001. The global social justice community at large suffered a setback during the aftermath of this attack. Many activists argued for a continued commitment to organizing efforts aimed at global capitalist institutions understood to maintain arbitrary power. Others argued for restraint and even temporary abandonment of organizing during the aftermath.

Buzz Hargrove called for the suspension of upcoming demonstrations against the World Trade Organization. Again, the orientation of national office representatives filtered into the regional meetings of the flying squad. The attacks of September 11 destabilized the work of the flying squads as much as any other social movement. This destabilization and erosion of broad-based democratic experimentation has not recovered to date. Many contacts have been established and email lists continue to flow, but the regional meetings where the substantive collective decision making practices were being tinkered with have not occurred for some time.

Despite the setbacks to this experimentation, workers at various union locals including 707 have accrued some concrete experience. This experience is a collective resource that could be mobilized in efforts to build more participatory decision making structures at the local. The desire for more democratic participation and some collective experience with democratic experimentation are both present.

The internal structures of the CAW guarantee strong and reliable vertical linkages. The Auto Councils provide a necessary link between different automotive locals. Focus group participants and survey respondents did not mention anything about the role of the Auto Councils. This suggests that these instruments are not registering in the thinking or strategizing of workers on the shop floor. The Councils and their roles are quite insulated from the shop floor. This means that these horizontal links need to be used in combination with horizontal links outside of the local and national union.

The greatest source of external horizontal linkages comes from the flying squads. Many self-organized activists have established extensive contacts with workers and community activists outside of the local union. Often flying squad activists participate in activities where they maintain no direct material stake. This has contributed to a building of alliances across locals that do not exist between staff or elected representatives at the provincial, national or international level.

While some local union leaders remain suspicious of activists from other unions appearing on 'their' picket lines, striking workers or demonstration organizers are invariably encouraged by the appearance of such external support. Participation in picket line support and political demonstrations has resulted in extensive cross-union and union-community

linkages. Through participation in meetings, organizing and simply showing up at demonstrations organized by others, flying squad activists have built links outside the local and the national union. These linkages are not limited to or controlled by a narrow group of people. Given the informal structures and lack of central leadership, the links are enduring.

The local union leadership also claims to have vertical linkages outside the union. This was expressed in the presentation slides that were used at the May 16<sup>th</sup> special membership meeting. Specifically, one of these slides that refers to important dates for the truck plant mentions “community support for Oakville auto jobs.” (Appendix 2) This reference may be interpreted as evidence of horizontal linkages. However, the flying squads were almost entirely responsible for the attendance at this rally.

As part of the outrage that followed the OTP closure announcement, the local leadership called for a “Peaceful Family Rally,” to take place in a parking lot within sight of Ford’s office building next to the van plant. This ‘family rally’ was planned for a Saturday when almost nobody would be working. The local had t-shirts printed up that stated “Dear Mr. Ford: Why are you taking away my Mommy and Daddy’s jobs?” Reports in the subsequent reporter claimed that the rally was well attended. One woman with political experience described the rally as follows:

That rally was embarrassing. I mean, when you have three hundred people showing up and like 250 of them are from other companies, like, other members, not from your own, that was pretty sad, cause that shows them right there, we can close that truck plant. That was one of the worst mistakes to do, to have that rally. That was bad. You had brothers and sisters coming from Sudbury to support us, from Petro-Canada, from Chrysler, from Windsor, from Oshawa, all because of our, because of the flying squad, and then you had, maybe fifty people from Ford. That was sad. (Focus Group 2)

Not only was the rally poorly attended, but those that did attend were largely there due to the decentralized horizontal linkages of the flying squad.

The flying squad lacks the international dimension that will be necessary for the building of an independent strategy to deal competently with international competition and Ford’s regional strategy. However, these limited international contacts do not reduce the applicability or importance of the model of democratic self-organization that the flying squad offers.

More specifically, an enrichment of flying squad contacts and communication into the international realm would significantly improve the degree of contact between workers at different locations – who are seemingly competing. Presently, there is no communication between workers at different locations. Workers with political experience who participated in the focus group discussions brought up the idea of international linkages and a ‘global consciousness’. However, these ideas were vague and not well developed. Work needs to be done in this area although a strong interest exists.

The national office of the union maintains many international contacts that could be provided as a starting point for such efforts. This could provide the basis for the opening of a substantive dialogue between workers in different nations and regions who are members of different unions. Utilization of the decentralized flying squad model would guarantee that changes in executive board officers or staff representatives would not put an international dialogue into jeopardy.

## Conclusion

Local 707's response to the restructuring demands of the Ford Motor Company has been weak. Workers with political experience had different ideas concerning possible responses to Ford's demands. However, some of these ideas were incoherent and not well developed. Trade union renewal theorists Levesque and Murray articulated three overlapping areas that are considered to be central to any union renewal strategies. These include proactivity and independence of agenda, internal solidarity and democracy and external solidarity.

Local 707's record in these three areas has been weak. The local union largely adopted the company's competitiveness agenda. This means that the agenda was not independent, although it was well communicated to the general membership. Significantly, the internal dialogue of the union has shifted. The historic rhetoric of temporary accommodation to management's goals and 'no concessions' has been abandoned for a more conservative rhetoric that emphasizes the competitive advantages of some workers over others.

Next, formal internal solidarity is under serious threat at Local 707. Instability in local leadership and questionable election tactics during the recent executive board elections has contributed to an alienation of some members. More dangerous than these temporary threats are the changes to representation structures that have been agreed to. A reduction in front line union representatives, an increase in their workload and supervisory intervention into the relationship between workers and their union all threaten a fragile formal internal solidarity. The lack of any substantive internal debate or even discussion of the consequences of various strategies or tactics required to respond to Ford's demands contributed to erosion of democracy and thus formal internal solidarity.

Alternatively, some of these changes may fuel the growth of a member to member, informal internal solidarity. Specifically, as the capacity of elected union representatives to solve members' problems is systematically reduced, workers will likely seek alternative routes to solve problems. Also, limits on workers' mobility through the internal labour market of the plant may result in some workers increasing their commitment to improving the situation in their respective departments as well as offering workers the opportunity to get to know each other better than would otherwise be the case. This may contribute to the growth of an informal internal solidarity.

There is strong evidence from surveys, focus groups and meeting attendance numbers that many workers are uninformed and disengaged at this point. This is true regardless of political experience. This course is not inevitable. Many workers who participated in the focus group discussions articulated specific and concrete methods of improving internal communication and participation in decision making. One woman commented that "there should be a flyer on the floor after every union meeting, saying what's happening." She recommended using flyers on the floor, updates to the Local 707 web site and the newsletter. She rhetorically asked, "how do you get people involved in the union, by telling them nothing?" (Focus Group 2) Clearly there is an appetite for information that is not presently being satisfied.

Similarly, workers who participated in the second focus group also offered concrete suggestions for moving forward and improving the present situation. A worker from the

second group described his frustration by commenting that “the information that filters down to the shop floor is so skewed and so directed as how they want you to vote that it eliminates it [democracy]; any illusion of democracy.” He went on to comment that:

Rather than have three days of the leadership being out of the plant to learn how to propose something in order to get you to vote yes, have three days of people around the plant just giving out the information that was given to them, so that hopefully you’ll agree with the decision that they’re going to make (Focus Group 1)

There is a strong sense of frustration evident in this comment. The actual events that take place during the few days when leadership are out of the plant are not important. Most important is the frustration with the degree to which this worker feels that the debate is managed, and thus not democratic. Again, there is clearly an appetite for more communication and democracy.

Finally, the local’s flying squad activists are situated in a rich network of horizontal linkages with other locals, unions and community organizations. While these activists lack the international contacts necessary to respond to Ford’s regional competitiveness strategy, the union’s national office maintains many such contacts that could serve as a launching point for development of worker to worker communication. The union already maintains strong vertical linkages between auto locals and the national office. These should be combined with the horizontal links that are presently found in the flying squad networks.

Concessions appear to have been in the best interest of workers at Ford’s Oakville site. When the choice of ‘no jobs’ or ‘concessions’ is presented, the response is almost guaranteed to be consistent. Although job security has the potential to be increased due to the concessions, job security is contradicted at the industry level (Wells 1997: 191) One worker who maintains extensive political experience described the changeover to flexible manufacturing by pointing out that “if you’re making three different vehicles, four different vehicles, you’re bound to hurt some other car plant whether it’s here...so eventually, we’re going to be pulling [production] out of some other workers jobs.” (Focus Group 1) Therefore, the strategy of plant or company affiliation will consistently let workers down in the long run.

Both the federal and provincial governments have committed to contributions of millions of dollars towards Ford’s potential reinvestment in Oakville. (Globe and Mail, Tuesday, June 15 2004: B1, The Hamilton Spectator, Thursday, April 15 2004: A1) Despite the commitments from governments in the form of cash and from workers in the form of work rule changes and concessions, the future remains insecure. The balance of power between the component of the trade union that is seeking legitimacy from capital and long term stability and the component of the trade union that is seeking to fight capital and ally with other workers needs to be disrupted. The urgency of opening a dialogue with other workers could not be clearer.

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## Appendix 1

### Methods

I have worked in the Ontario Truck Plant (OTP) since 1996. For the purposes of this research, my employment at this location guaranteed my access to the facilities. The area in which I work is geographically detached from the main assembly plant. This fact had the effect of guaranteeing that I was able to enter the main plant and easily find workers that I did not know and who did not know me.

After Ford's announcement that they would close the Truck Plant in 2004, there was no clear sense of independent worker and union alternatives or strategies. The manner in which Ford skillfully exploited workers' insecurity in order to gain support for work rule changes raised several questions. In particular, what strategies are available to workers who are being put into competition with other workers? The severely limited debate that occurred over the proposed work rule concessions fuelled an exploration of strategic possibilities.

One of the immediately sensible resources that required examination in this search was the views of workers who have political experience outside of the factory. The group of workers at this plant who have the greatest collective measure of external political experience is the 'Flying Squad'. The Flying Squad is essentially a self-organized, cross-sectoral network of politically active workers in southern Ontario. Union locals that sustain active flying squads include auto, steel, communication, energy and paper workers (CEP) and various public sector union locals. Unions and locals sustain their own Flying Squads and often these are networked with other political and direct action organizations. Most participants in these overlapping networks do not hold any official union positions. In the interest of both consciousness raising and rapid deployment capabilities, these workers make full use of the internet and other modern communication technologies.

An assumption was made that workers with political experience beyond the plant would situate events taking place at the plant into a broader context due to their familiarity with some of the symptoms of the neoliberal political project. The thesis of this paper is that workers with political experience outside of the plant will have a better sense of alternatives than those workers who do not had such experience.

Primary research data were gathered from a combination of surveys and focus groups. Survey participants were recruited directly from the assembly line. Workers were approached during breaks and at lunchtime. Participants were unknown to me before this research. An explanation of the purpose of the research was immediately offered to prospective participants. My status as a worker in body build and as a student at McMaster was also explained in the first few minutes. Using the consent form as a guide, the rights to terminate participation at no consequence at any point in time was explained.

Participants were offered the choice of filling out the survey immediately while I waited, or to fill out the survey on their own and have the completed surveys gathered at a later time the same day. Twelve workers filled out the survey while I waited; five were picked up later in the same shift and one participant chose not to return the completed survey.

Salient characteristics that were considered during the selection process were gender and age. Age was used as a rough proxy for seniority. Evaluation of political experience outside of the plant was left to the final section of the survey where participants were asked where they got some of their ideas about alternatives to the present direction of our union.



Two focus groups were organized and held on June 29<sup>th</sup> and July 7<sup>th</sup> 2004. Workers with political experience outside of the factory attended each of these groups. Participants with political experience were active members of the local's flying squad and were recruited by contacting self-identified leaders or coordinators of this group. Workers may also have had some political experience outside of the plant that was not related to flying squad organizing. Given the broad nature of political experience that flying squad members have, the selection of other types of experience was not required.

Political activism within flying squads is entirely membership driven. Although national union staff members have attended meetings and intervened in particular ways, the communication networks and meeting organizing capacities are independent. Typical actions include picket line support for striking workers (regardless of legality), political demonstrations, and political action directed at specific government ministries, public offices (e.g. welfare or immigration offices) or even specific politicians. Participation in flying squad actions is often driven by principled political stances. This means that members would participate in almost any demonstration against a conservative government or support any strike or picket line, regardless of the impetus for the dispute. Workers may or may not maintain a direct stake in the outcome of a particular campaign or action. I purposefully selected self-identified members of this group to participate in the focus groups due to the breadth of political experience that this group maintains. The June group had two flying squad members in attendance and the July group had one.

All of the remaining focus group participants were approached during coffee and lunch breaks at the plant. Participation in a (roughly) two hour-long discussion that would be recorded was requested. Similar to the procedure outlined for the recruitment of workers to fill out surveys, focus group participants were informed of the purpose of the research and my status as both a worker and a student, as well as their right to withdraw from the process at any point in time.

An interview guide was used for both sessions. The first focus group included four men and one woman. The seniority of participants ranged from four to seventeen years. The discussion lasted just over two hours. The second group included three women and two men and lasted one and half-hours. The seniority of participants ranged from six and a half to eleven years. All sections of the interview guide were covered in both sessions.

Restructuring in the Auto Industry  
Questionnaire

The purpose of this questionnaire is to gather information on potential changes to work rules that are linked to the possible shift of Oakville's operations to a system of flexible manufacturing. Questions focus on changes to work rules (hours and regular days of work, break and relief times, seniority rights, etc.). There are also questions about Ford's role, the roles of the union, the various levels of government and your role in the decision to change to flexible manufacturing in Oakville. Confidentiality of responses is guaranteed. If you choose to participate, you will remain completely anonymous.

Age	Sex	Seniority
_____	_____	_____
<b><u>Do you own the job you are doing?</u></b>		Yes / No
<b><u>How long have you been in this department?</u></b>		_____
<b><u>Final year of school completed</u></b>		_____
<b><u>Number of Dependents</u></b>		_____

**Please choose the response that best fits your feeling:**

1. This plant will be in operation until I retire

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree

2. I feel that my job is more secure now than it was five years ago

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree

3. Ford is committed to continuing to produce vehicles in Oakville

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree

4. Why do you think Ford is introducing FPS?

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5. What role should the local and national union play in FPS?

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6. FPS is linked to the possibility of new investment in Oakville

Strongly Agree     Agree     Neutral     Disagree     Strongly Disagree

7. We are in competition with other Ford plants for new investment

Strongly Agree     Agree     Neutral     Disagree     Strongly Disagree

8. Please rate how important you think the following factors are in Ford's decision to introduce flexible manufacturing

- Number of Outstanding Grievances
- Government Incentives
- How closely Bargaining Committee works with Management
- How closely National Union works with Management
- Labour Costs

*1 = Most Important    5 = Least Important*

9. Our union is going in the right direction

Strongly Agree     Agree     Neutral     Disagree     Strongly Disagree

10. There are better alternatives to those presently being considered

Strongly Agree     Agree     Neutral     Disagree     Strongly Disagree

If there are no alternatives, why not?

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If there are alternatives, what are some of them?

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Where did you get some of these ideas?

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## Focus Group Discussion Guide – Restructuring in the Auto Industry

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1. Demographic questions:
  - Seniority
  - Length of time in present department
  - Involvement in union activities
  
2. To what extent are workers at this location competing with workers at other locations for a potential new investment?
  
3. Could you describe what job protections have been negotiated with the company?
  
4. To what extent are you concerned that Ford could close its operations in Oakville? Why?
  
5. Do you see a role for workers at this location in Ford's decision to change over to flexible manufacturing? Do you see a role for the CAW?
  - What changes to work rules are acceptable?
  - Do you see a role for the various levels of Government in the change to a system of flexible manufacturing?
  
6. Can you tell me about your recent union activities? To what extent do these activities have a bearing on what is happening around these issues? Are you involved in any activities outside the plant that relate to these issues? Are any of these activities political?
  
7. Is there anything I have missed or you think I should know, or anything you want to add?

## Results

### Surveys

A total of nineteen surveys were distributed. Eighteen workers decided to return completed surveys. The bargaining unit of Local 707 includes roughly 4300 members. Therefore, these results are not statistically significant. Surveys were designed to gather a cross sectional sample of workers' positions on the plant closure that complements the two focus groups. Distribution and results were obtained between July 5<sup>th</sup> and 7<sup>th</sup>, 2004. This was about

The first section of the survey asked seven demographic questions. The average age of respondents was 42.5 years (median = 44) with a range of 26 – 52 years. There were fourteen men and four women who completed the surveys. Average seniority for both groups was 14.8 years (median = 13) with a range of 6 – 30 years. Average seniority for men was 15.8 years while women had a lower average 11 years. This is not due to higher age of male respondents as the average age of men was 42 years compared to women's higher 44 years. This means that the women in this group were generally hired later in life than the men.

The fourth question enquired about workers' ownership of the job they were presently doing. In all large CAW auto plants, workers engage in a 'bidding' process in order to move through the internal labour market of the plant. As jobs open up, these are posted on bulleting boards and workers have a week to bid on the open jobs. Those with the highest seniority are considered the successful applicant and offered the job. The question about job ownership was included as a potential variable in the construction of feelings of security or insecurity. Seventeen of the workers who responded owned the jobs they were doing, thus preventing this question from being used to compare responses with those who do not 'own' their jobs.

The fifth demographic question asked about the length of time in workers had been in their present department. Average length of time in their department was seven years. Both the fourth and fifth questions could be used to gauge the extent that ownership of job and length of time in a particular department were related to the depth of discussion of workplace issues in that department (due to the fact that workers in a given department knew each other better). Results suggest that ownership of job and the length of time in a department are not related to the level of discussion of alternatives to the present direction of our union.

The next question concerned the final year of school completed. Two workers had less than grade twelve. Eleven people had completed exactly grade twelve. Five of the eighteen workers who responded had completed some post-secondary schooling. All of the workers with post-secondary education were below the median seniority and age cut-offs. In other words, five of the nine workers in the lower half of seniority and age groupings had some college or university education. Post secondary education was split across genders with two women and three men having completed some post secondary.

The final question in the demographic section asked workers how many dependents they had. The average number of dependents was 1.9 with a range of 0 – 5. Number of dependents was included due to the possibility that workers with more dependents may feel more insecurity. This was not the case, as this variable could not be correlated to any other responses. Women reported an average of 2.5 dependents while men reported a slightly lower average number at 1.7.

The next section of the survey included three broad questions concerning the future of "this plant". Responses were located somewhere along a five-point spectrum from strong agreement to strong disagreement with the posited statement. The first statement was "This plant will be in operation until I retire." Responses were split evenly across the spectrum. Six workers strongly agreed or agreed with this statement, six were neutral, and six disagreed or strongly disagreed. Feedback from workers who participated in the survey suggested that responses to this question might be distorted by the question's lack of clarity. These surveys were filled out shortly before the closing of OTP. This meant that workers could have disagreed with the statement that the plant would stay open until they retire because everyone knew that the truck plant would be closing in the next month. While others may have interpreted the question as referring to OAP.

Alternatively, high seniority workers could have been retiring at the time of closure (if they had taken one of the negotiated buyout packages) and therefore could maintain full confidence that the plant would stay open until they retired. The question was weak. It could have been stronger if it had asked if workers felt there would be an assembly plant in operation on the site until they retired.

The next question asked workers if they felt that their "job is more secure now than it was five years ago." Almost all workers disagreed with this statement. Only two workers agreed and one strongly agreed with the statement. Notably, all of the women respondents disagreed with the statement that their jobs were more secure than five years ago. These responses point to a strong sense of insecurity across genders, education levels and seniority. This indicates an increasing sense of insecurity in recent history.

The third question in this section asked if workers agreed with the statement that "Ford is committed to continuing to produce vehicles in Oakville." Half of workers either disagreed or strongly disagreed with the statement, five reported neutral feelings and the remaining five reported agreement or strong agreement. This means that thirteen workers were either unsure (neutral) about Ford's commitment or they did not think that Ford was committed to Oakville. There were no clear patterns across genders, education or seniority levels.

The next two questions were open ended with space to write in longer responses to questions about the "Ford Production System" (FPS). When asked why they thought Ford was introducing FPS, five workers stated that it had something to do with cost reductions, four reported that FPS was related to reducing the workforce, three workers believed that FPS had something to do with quality improvements. A few workers pointed out more than one of these goals. All of these responses point to management's various ways and means of maximizing returns. A group of four workers thought that Ford's intentions with FPS were sincere and had something to do with improving communication or involving workers in decision making.

The second question asked workers about what role they thought the local and national union should play in FPS. Twelve workers stated that the union should have some sort of role in FPS. Some of these were non-specific responses such as "a big role", or "a very large role." Nine of the twelve positive responses specifically mentioned protecting workers by policing, monitoring or attempting to control FPS.

The next question asked if workers agreed with the statement that "FPS is linked to the possibility of new investment in Oakville." Nine workers reported agreement or strong agreement with this statement. Five respondents stated neutrality and three expressed disagreement. This indicates a strong feeling that FPS is linked to new investment. The fact that the other half of workers either expressed neutrality or disagreement with the statement

suggests a degree of incoherence. The subsequent question asked workers if they thought they were “in competition with other Ford plants for new investment.” Eleven workers reported strong agreement while the remaining six expressed agreement. (One worker left this question blank). There is an extremely strong sense that workers are in competition with each other expressed in the responses to this question.

Next, workers were asked to rate how important five different factors were in Ford’s decision to introduce flexible manufacturing. This question was in a separate section from the FPS questions and referred to Ford’s potential to make new investments in OAP. The list of variables included number of outstanding grievances, government incentives, how closely the bargaining committee works with management, how closely the national union works with management and finally, labour costs. Government incentives and labour costs were consistently reported as the most important of Ford’s criteria in deciding where to introduce flexible manufacturing. The importance of government incentives remained slightly ahead of labour costs when the factors that were included in the top two, then top three most important responses were calculated.

Next, workers were asked if they agreed with the general statement that “our union is going in the right direction.” One response indicated strong agreement and eleven reported agreement. Three responses were neutral and the remaining three disagreed with the statement. Caution must be exercised in accepting this as a near wholesale endorsement of the direction of the union. While these surveys were being completed, the most divisive elections for local president were being contested. A run-off vote was required and it was during this period that surveys were distributed. This politically charged context made the question potentially confusing and thus weaker. Responses could have changed in the near future, or been based largely on what candidate workers supported.

Workers were subsequently asked if they thought there were better alternatives to the present direction of our union. Eight responses indicated agreement and one strong agreement. Seven responses were neutral and the final two disagreed with the statement. Responses to this question indicate a strong core of hope for better alternatives.

The final section of the questionnaire was made up of three questions. This section was again open for workers to write their ideas in their own words. All three of the remaining questions related to the preceding question about better alternatives to the present direction. The first question asked “If there are no alternatives, why not?” Six workers responded to this question. Four reported having no choice but to go along with company demands (one response squarely located the reason for this as the Federal government’s putting us into a ‘free trade zone’.) The other two respondents to this question articulated trust that the union would do the best they could.

The next question was linked to this by asking, “If there are alternatives, what are some of them?” Thirteen workers responded to this question. Four of these responses suggested a closer relationship between the union and management to different degrees. Five workers expressed a desire for more unity, sternness or a ‘back to basics’ approach on the part of the union. These are not well developed or concrete ‘alternatives’ to the present course.

Finally, workers were asked where they got some of the ideas about alternatives. Most of the responses to this question reported that their ideas came from experience gathered working on the assembly line. A couple of workers indicated that they got their ideas about potential alternatives from union meetings. This question was left open so that any workers with political experience outside of the plant would have the opportunity to include that experience as a source of ideas about alternatives. This turned out not to be the



case. No workers reported such experience. The data on politically experienced workers' opinions were gathered from the focus group interviews.

### Focus Group Interviews

The June 29th focus group included four men and one woman. One of the men and the sole female participant has extensive political experience outside of the factory. The majority of this experience comes from participation in flying squad organizing and actions. One of the participants maintains an elected position on one of the local's committees. This position is not generally understood to be political. The other two participants had either no, or very little involvement (attended a couple of union meetings) with the local union.

The second focus group took place on July 7th. This group included two men and three women. One of these women has some political experience outside of the factory that includes participation at flying squad events. One of the other female participants has made temporary volunteer commitments in the past to help organize with the annual United Way fundraising campaign. One of the men was an elected alternate steward. The other two workers had no experience with the local union. They did not attend general monthly membership meetings.

The results of both group discussions revealed a strong consensus that workers are being put into competition with each other. This feeling was expressed in various ways. Workers clearly recognized that competition for new investment was negative for themselves and their working conditions and that it benefited the company.

Workers argued that the negotiated job security protections were temporary and insufficient to guarantee work. It was understood that these provisions were not a substitute for the necessary new investments that would potentially increase job security. There was a generally a nuanced appreciation of some of the technicalities of the negotiated protections.

A broad consensus was easily obtained on the question of Ford's possible abandonment of Oakville. Most workers agreed that there was a genuine possibility that Ford could leave Oakville completely and permanently. This indicates a pervasive sense of insecurity. The 95% approval rate of the flexible manufacturing amendments was largely explained as a deep fear that Ford could leave Oakville. These results differ slightly with the survey responses where there was not such a clear consensus. The weakness of the survey question that asked about the potential continued operation of the plant until retirement confused the issue, making responses between the surveys and focus group interviews difficult.

Workers explained that their role in possibly securing new investment at the Oakville site was extremely narrow. Raising your hand at a meeting and voting when asked to do so were the only two limited actions that were articulated. This points to a lack of mobilization and engagement on the part of the general membership.

Nobody was willing to argue that the changes to work rules agreed upon in the flexible manufacturing amendments were acceptable. While such changes were described as 'unacceptable', suggesting that workers did not like the proposed changes. There was a consensus that alternatives were lacking, and again fear would drive workers to continue to support the expansion of the company's agenda through work rule changes in efforts to potentially increase job security through new investment.

Workers with political experience did not express a clear plan or set of alternatives. However, there was certainly a need for experimentation and to get moving on something that was continually brought up by these workers. This sense was not the case for workers without political experience. In one case, a female worker with political experience made the case that an expanding 'global consciousness' combined with a strong, sustained commitment to education offered the best route forward for all workers. The particular shape that a 'global consciousness' or continued education was not made clear.

Appendix 2  
Flexible Manufacturing Tentative Agreement Meeting Notes

**CAW - TCA**  
**CANADA**

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Dear Sisters and Brothers,

The past year has been challenging for Local 707 Members and their families.

With the tragic announcement of the closure of the Ontario Truck Plant 2002 bargaining only solidified your bargaining Committee resolve to ensure Oakville workers either had work or income.

We accomplished both, and in addition secured language that with specific criteria Ford would consider new flexible manufacturing for the Oakville facility and secure a long-term future that would see employment levels at over 4000 jobs.

We faced major obstacles with the loss of the Auto-Pact. With the lack of the government(s) recognition of the importance of the Auto Industry, C.A.W. members embarked on a major campaign to protect and preserve this important industry.

The recent announcement of the Ontario Government, \$500 million fund was a cornerstone decision for Oakville.

Ford Motor Company was clear that in order for Oakville to secure the new facility changes were required in the Local agreement practices.

On 14 May 2004, your Bargaining Committee reached a tentative agreement with Ford Motor Company as per the Membership action of 25 April 2004.

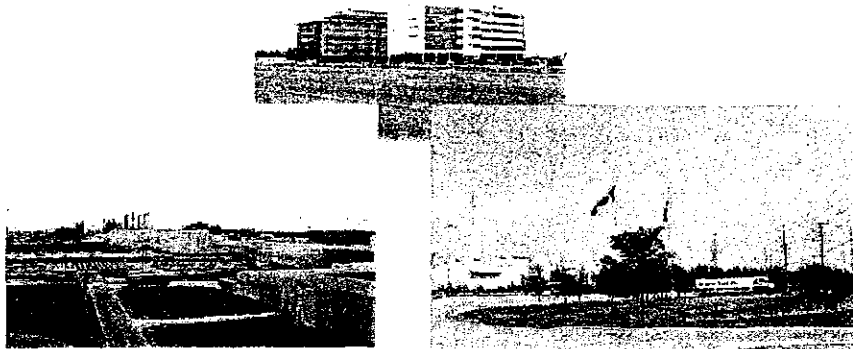
Your Bargaining Committee has no hesitation in unanimously recommending this agreement to the membership.

In Solidarity,  
Local 707 Bargaining Committee

**CAW TCA**  
**CANADA**



**Flexible Manufacturing Tentative Agreement (FMA)**



**Local 707 Special Membership Meeting May 16, 2004**

## FMA Related Dates and Facts

## OTP Dates

- **1966** first truck built as a result of the **Auto Pact**
- **1993** one shifted
- **2001** WTO ruling against the **Auto Pact**
- **2002** Ford announced plant closure
- **2002** community support for Oakville auto jobs
- **2004** plant closure



2002 Community Support For Auto Jobs



OTP 2004

## CAW Auto Policy Campaign and CAPC

- **2001** WTO Ruling against Auto Pact
- CAW President Buzz Hargrove leads CAW Auto Policy Campaign/Fight Back and CAPC initiative
  - **No Rules-No Borders-No Jobs!**



Buzz Hargrove

## Ernie Eves Provincial Government

- \$650 million special provincial fund
- Navistar workers fight back and save their plant
  - **The provincial and federal help was crucial in saving the plant**

## Dalton McGuinty Provincial Government

- \$500 million special fund **April 14, 2004** announcement in Hamilton
  - **No Federal** announcement or commitment at present!

## Local 707 General Membership Meeting

- **April 25<sup>th</sup>** standing room only
  - Motion was overwhelmingly carried for Local 707 to negotiate a FMA and report back to a **May 16<sup>th</sup>** Special Membership Meeting

## Jim Tetreault Director of Ford Manufacturing

**May 4<sup>th</sup>** entire Local 707 leadership met with Jim Tetreault for an overview on possible Flexible Manufacturing

**Tetreault's comments included:**

- *No guaranteed product for Oakville, major issue if people think it's in the bag*
- *"Keystone" union agreement to achieve operational efficiencies for viable business case and Oakville future*
- *Federal and Provincial assistance imperative*
- *3 places being studied for Flexible Manufacturing Oakville, Mexico and USA*
- *Past missed opportunities by Local 707 such as 1997 Ultra Truck*
- *Critical timing to meet Detroit buy-off (Jim Padilla) and Board of Directors Meeting*
- *His preference is for Oakville but changes required to local agreement*

# CAW-Ford 2002 Big 3 Bargaining

- CAW-Ford letter for possible Flexible Manufacturing and next generation products with needed assistance from our governments
- Up to 500 retirement packages of \$60,000
  - Union Improves packages to 686

Mr. B Hargrove  
National President  
National Automobile, Aerospace,  
Transportation and General Workers  
Union of Canada (CAW – Canada)  
285 Placer Court  
Willowdale, Ontario  
M2H 3M5

October 7, 2002

Dear Mr. Hargrove:

During 2002 negotiations, the parties had extensive discussions regarding Ford's North American revitalization plan which included actions to reduce plant operating capacity by approximately one million units by mid-decade to realign capacity with market conditions. These actions included the closure of five plants in North America. The company stated these actions were necessary elements of its plan to become stronger and more competitive in the future.

The company and union focused their discussions on the impact this plan would have in Canada and particularly on the Ontario Truck Plant. The Ontario Truck Plant closure will result in the loss of approximately 1,400 hourly jobs on the Oakville site. The company acknowledged the effects this action would have and committed to work with the union to develop innovative ways to minimize the impact on employees and their families.

The company has made a strong commitment to its operations in Canada and to the CAW as demonstrated by the significant investments in products and facilities over the past decade that are reflected in the increased employment levels of the company. The company confirmed that it intended to continue to demonstrate this commitment through product plans and investment. In this regard, the company provided the following specific actions which reflect its commitment to operations in Canada, employees and the CAW:

- Proceeding with a \$600 million investment in facilities, tooling and launch costs at Oakville Assembly Plant for the next generation Windstar, with a planned launch in the 3rd quarter, 2003.
- Extending production of the PN95 F-Series truck at the Ontario Truck Plant until July, 2004.

400

- Following closure of the Ontario Truck Plant, committing to 900 jobs during the term of the 2002 Collective Agreement on the Oakville site over the present 3200 Oakville Assembly Plant active hourly employee level, excluding normal efficiencies, by pursuing options that may include implementing a three-shift operating pattern at Oakville Assembly or other alternative work.
- Ford's commitment is conditional on the union's commitment to implement operating efficiencies and work practice changes required for a fully competitive manufacturing and assembly operation, as described in a separate letter of understanding.
- Not dismantling the Ontario Truck Plant and agreeing to "mothball" the facility for the term of the 2002 Collective Agreement.

The company also reviewed with the union its long-term vision for the development of a world class manufacturing operation in Oakville. This operation would include flexible manufacturing capabilities, a next generation product with multiple derivatives, the potential for a supplier park and/or a pre-delivery inspection operation that could involve the limited final assembly of vehicles for the Canadian market. The parties also acknowledged that in addition to Ford's commitment to develop a fully competitive manufacturing operation and the union's agreement to cooperation in achieving operational improvements at Oakville, obtaining federal and provincial government assistance will be key to the viability of the business case to achieve this long term vision for the Oakville site.

The company and the union recognize that these actions reinforce the company's ongoing commitment to its Canadian operations and to its employees.

Yours very truly,  
FORD MOTOR COMPANY  
OF CANADA, Limited  
T.P. Hartmann  
Vice President,  
Human Resources

401



## FMA Bargaining Processes

- **May 5<sup>th</sup>** Local 707 Bargaining Committee start meeting with the Ford Motor Company
  - **May 10<sup>th</sup>** start of extensive bargaining with Ford at the Bronte Holiday Inn with National Union assistance
  - May 14<sup>th</sup> a tentative FMA is reached
  - May 15<sup>th</sup> Local 707 leadership meet and review the FMA
  - **May 16<sup>th</sup>** Special Membership Meeting to Vote on the tentative FMA



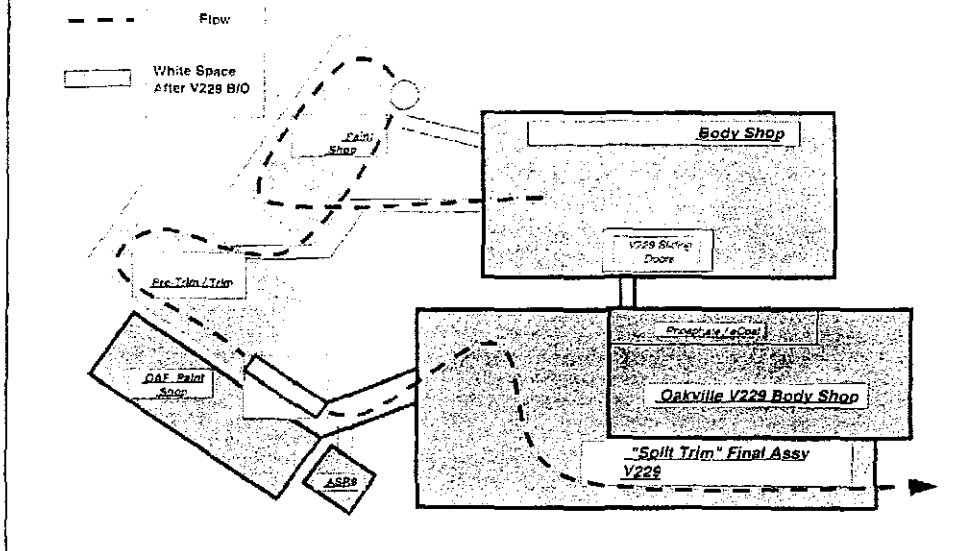
*Local 707 Bargaining Committee*

## Tentative FMA

- **General**
  - **\$1.2 billion** investment for Flexible Manufacturing
  - **3,800 to 4,200** direct jobs (plus spin-off jobs)



## Post V229 Site Overview



## Oakville Site Time Line 2004-2008 (Tentative)

- **July 2004** OTP closure
- **3<sup>rd</sup> qtr. 2004** flexible manufacturing projects begin in OTP buildings
  - OTP Main Plant, Paint Shop and Body Shop
- **3<sup>rd</sup>-4<sup>th</sup> qtr. 2006** launch of FM for program **A**
  - Freestar to continue at required market driven volume
- **1<sup>st</sup> qtr. 2008** launch of FM program **B**

## Tentative FMA (Friday May 14, 2004)

### Major Production Issues:

- 3 Crew system (10 hour shifts rotating through the weekend)
- Outsourcing of Shipping Department

## FMA Production Language

**MEMORANDUM OF UNDERSTANDING  
OAKVILLE FLEXIBLE MANUFACTURING OPERATION**

During 2002 negotiations, the Company and the Union discussed the potential for significant investment for the development of a world class manufacturing operation in Oakville with flexible manufacturing capabilities and a next generation product with multiple derivatives. This investment depends on a viable business case supported by the union's agreement to achieving operational improvements in Oakville and obtaining assistance from federal and provincial governments. Subject to ratification, the parties have agreed to the following understandings, which will become effective if a program is secured and upon formal notification by the Company to the National and Local Union of program approval:

**Work Schedules**

1. Upon implementation of a daily three-shift operating pattern, non-skilled employees assigned to a three-shift operation will receive eight (8) hours pay for seven and one half (7.5) hours of work.
2. Non-skilled employees assigned to a three-shift operation will receive twenty-two (22) minutes of relief per seven and a half (7.5) hour shift.
3. Non-skilled employees assigned to a three-shift operation will receive an allowance of twenty (20) minutes for lunch and shall have their lunch paid for by the company.
4. Although the regular work schedule in the three-shift operation is seven and one half (7.5) hours, the Company reserves the right to schedule non-skilled employees, who are performing the jobs required, for the last thirty (30) minutes up to eight (8) hours providing employees so scheduled are notified prior to the department's lunch period of the shift. Time worked after 7.5 hours will be paid at time and one half and will not be considered overtime.
5. Appendix L will be modified for all employees so that daily overtime in excess of eight (8) hours worked per shift shall be voluntary and hours worked in excess of forty-eight (48) hours in each work week shall be voluntary.
6. It is understood that Appendix L of the Collective Agreement in no way restricts the Company's ability from scheduling employees to work up to eight (8) hours Monday through Friday and nothing in this Memorandum places such a restriction on the Company. In addition, it is understood that the Company will have the right, while it is operating on three (3) shifts to schedule mandatory Saturdays as a regularly scheduled day.
7. It is understood that the Company will not exercise its right to schedule mandatory production shifts on Saturdays that fall on three (3) or four (4) day weekends.

#### **Job Advertising**

8. The current practices with respect to the "Sunset Agreement", as identified in Exhibit "B", will be continued.
9. Base classifications identified in Exhibit "B" will be posted departmentally by classification and by Work Group in which the opening occurs. If the successful applicant is an employee in a base classification, then the secondary opening will be identified in a similar manner and posted bargaining unit wide. Employees who are members of the department where the opening occurs will not be eligible to apply to the bargaining unit wide posting. If there is no successful bargaining unit wide applicant, the senior "pro tem" employee in the plant will be allocated to the opening.
10. Openings shall be posted by classification only. Employees already in the classification and department in which the opening exists will be permitted to move to the primary opening. Employees who are already in the posted classification and department in which the opening exists will not be eligible to move to the secondary opening.
11. Notwithstanding the above, all other practices involving better job equal pay moves will be discontinued.
12. Employees, upon transfer to the Flexible Manufacturing Program "A" and Flexible Manufacturing Program "B", will be restricted from applying for openings posted bargaining unit wide for a period up to twelve (12) months following Job 1 of the launch of the Flexible Manufacturing Program "B".

#### **Job Rotation/Job Ownership**

13. Employees performing work in a Work Group will be required to rotate on a regular basis through the base classifications in the Work Group. The frequency of rotation will be determined by the individual Work Groups.
14. Current practices utilizing the medical placement program and the Ford - CAW Ergonomic process will continue to be the responsibility of the Company.

#### **Turn Around Agreement**

15. Employees associated with a vehicle line where there is a reduction of available work may be laid off directly from such vehicle line for up to 3 months, provided that no summer students or probationary employees are retained at work in other vehicle lines, and provided the SUB Plan is sufficiently funded to pay eligible employees unreduced benefits. Employee benefit eligibility will be continued for the period of layoff for those employees who otherwise would not have been laid off.
16. This Turn Around Agreement will terminate three (3) months following the launch of the Flexible Manufacturing Program "B".

#### Representation

17. Effective May, 2008, Local 707 will complete the conversion to a full-time representation structure as identified in sections 10.52, 10.54, 10.55, 10.56, 10.57, 10.58, 10.59 and 10.60. The following will also apply;
- a. the plant chairperson will be in addition to the number of representatives provided by the table in 10.52
  - b. one (1) additional full-time committeeperson will be added to each bracket of the table if the number of employees in the bargaining unit is less than 4,000
  - c. two (2) additional full-time committeepersons who will represent Skilled Trades employees on the #1 and #3 shifts. In the event of shift elimination, one Skilled Trades committeeperson per shift eliminated will be reduced.
18. Effective with the launch of the Flexible Manufacturing Program "A", the practice of automatically handling employee-union representative discussions off-line will be discontinued. The parties discussed that there may be instances when serious circumstances exist and the union representative shall review those circumstances with employee's supervisor to request an offline discussion. Such requests will not be unreasonably withheld.

#### Temporary Part-Time Employees

19. The current TPT agreement will be modified to recognize the Saturday work schedule. Specific program details will be addressed by the local parties.

#### Product Training Specialist (PTS) Program

20. It was acknowledged that the PTS program has made a significant contribution to previous product launches in Oakville. The Company indicated that it would continue the PTS program for the Flexible Manufacturing Program. Those employees on the PTS program will be restricted from applying for openings posted bargaining unit wide from the time they enter the program until their assignment is completed with the exception of those classifications identified in the Sunset Agreement. Recognizing the significant amount of training and the importance of the position, if a PTS employee is the successful applicant on a Sunset opening and the Company determines it would not be appropriate to immediately transfer the employee to the opening, the parties will determine the steps to be taken to temporarily cover the opening until the employee is available.

#### Weekend Cleaning Crew

21. The Company outlined potential plans for separate weekend cleaning crews for the Body and Paint Departments on a three shift operation. The intention would be to maximize accessibility to tooling during idle time. As such, these crews would be scheduled to work a steady afternoon shift in the following manner:

- Friday – 8 hours
- Saturday – 8 hours
- Sunday – 10 hours

Start times could be adjusted in the event no production is scheduled. Adjustments could be required if 2 or 3 shifts of production are scheduled on a Saturday. Regular premium payments would apply to hours worked. Selection for these crews will be made first by canvassing departmental employees in the applicable cleaning classifications prior to posting.

The parties acknowledge that there are a number of agreement and benefit provisions that are impacted when an employee works the above schedule. The parties agreed to have additional discussions to ensure that employees would not be advantaged or disadvantaged by working the above schedule.

The parties acknowledge that this Memorandum of Understanding was negotiated in advance of any new program approval for the Oakville site. It is agreed that further discussions may be required as additional operational issues are identified that could impact on such considerations as safety, quality, cost, efficiency or timely product delivery. The parties agree to reconvene, as required, to identify resolutions to these issues that will ensure a fully competitive world class manufacturing site as the Oakville operations transition from the current state to that which was envisioned in 2002 negotiations.

## Appendix 3

### Time line

2002

January 1

Local president Tremblay *retires* before the end of his term and VP, Paul Huddart steps in until March elections

January 11

Announcement by Ford (continental restructuring plan) production of F-150 moving to Dearborn, Michigan

March 6

John Teixeira elected local President in executive board elections  
Bob Van Cleef elected VP

May

Bargaining convention  
No Rules – No Borders – No Jobs! National union launches auto policy campaign

May / June *Reporter*

First mention of flexible manufacturing  
707 “Fight back Campaign” launched. Includes buttons and lobbying government

August 17

‘Family Rally’ at central office building at 10am

August 25

Strike mandate meeting: 95% result

September 5

GM selected as target for bargaining (September 17<sup>th</sup> deadline)

September 23

Ford is chosen as next for negotiations

November / December *Reporter*

Collective Agreement ratified by 94%  
2/3 of jobs protected (900 until expiration of agreement in 2005)  
retirement incentives (\$60 000, one for each job not transferred to OAP)  
OTP mothballed, not torn down (until expiration of CA in 2005)  
OTP July 2004 closing date nailed down  
All market related downtime will be compensated with by short work week (80% of gross weekly earnings)  
Flexible manufacturing possibility clause in agreement  
Temporary, part-time workers agreed to for the first time in Oakville  
Mass relief if market demand for products is low



2003

August 2003

Launch of V229 redesigned Windstar (Freestar)

September / October *Reporter*

September 15, Van Cleef steps in as Teixeira takes job at national office

No plan from company for close out

Still no clear commitment for flex manufacturing

November

By-Elections, Arnie De Vaan elected VP

December

Continued meetings between the master committee and the company

2004

January / February *Reporter*

Increase in retirement packages from 500 to 600

Poor sales of Freestar

February 1

“Protect your future in Oakville” special meeting, launch of auto policy campaign  
large turnout, standing room only at local 707 union hall

March / April *Reporter*

Leadership has the operating plan for truck plant closure, still going over details  
before release to membership. Negotiating with company over details. Bargaining  
and in-plant committee in on the process

April 14<sup>th</sup>

Provincial Government press conference at McMaster university

500 million investment fund, only accessible if 300 million is being spent by the  
company, or if 300 jobs will be created or saved.

May/ June *Reporter*

Market driven down time for OAP

May 4<sup>th</sup> meeting between senior management from Detroit and the full leadership of  
707 to outline their vision for flexible manufacturing.

May 15<sup>th</sup> deadline, and Ford would look elsewhere if there was not an agreement in  
principle.

Bob Van Cleef's report:

Almost 700 buy-out packages in the end (682 = an extra 182 from the original)

Tentative agreement on May 14<sup>th</sup>, unanimously endorsed by the bargaining committee. Became known as the 'Flexible Manufacturing Agreement'

May 16<sup>th</sup> meeting at Hamilton Convention Centre  
92% approval for production workers  
97% skilled trades  
without flexible manufacturing, no changes would occur

Executive board elections  
Run-off for president  
Gary Beck elected as president, Stu Brennan as VP.

June 14  
Ottawa to give Ford \$100M.

July 1<sup>st</sup>  
Closure of OTP.