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Date Sept 14, 1998
ABSTRACT

This dissertation examines the role of organized labour in governing relations in post-Fordist networked industrial districts within the context of three such sector-districts concentrated in the south-west corner of the Canadian province of British Columbia. It discusses the impact of this role on relational structures and behavioural patterns within these industries and on sector-district performance in the marketplace. It thereby builds upon the scholarly research which followed Piore and Sabel's (1984) popularization of the so-called neo-Marshallian Industrial Districts (MIDs) of the 'Third Italy'.

The study begins with a historical review of labour's influence on the evolution of production organization and institutional governance from the initial emergence of production for the market up to the current era. This review both demonstrates the significant influence of labour on the evolution of market oriented production regimes and provides a broader historical perspective for the analysis of the three cases. These case-studies use primary documentation and interview transcripts to expose the historical source and contemporary practice of labour's normative place in production organization and institutional governance in contemporary 'network systems of industrial governance' (Hollingsworth, Schmitter and Streeck 1994).

Labour's roles in these three sector-districts are compared with each other and with an idealized network construct, both to further illuminate and explain the variable outcome and to illustrate possible avenues for institutional reform. The insight acquired into labour's role in the network model will contribute not just to a better understanding of the future of industrial relations in this emergent system. It will also contribute to the broader, related study of the nature of socio-political organization and institutional governance in the encompassing community.
# TABLE OF CONTENTS

**ABSTRACT**

**TABLE OF CONTENTS**

**LIST OF TABLES**

**ACKNOWLEDGEMENT**

## CHAPTER ONE: INTRODUCTION

1. Introduction 1
2. Crisis and Change in Market Production 4
   2.1. Crisis in Fordism and Post-Fordist Renewal 4
   2.2. The Network Model of Industrial Organization 14
3. The Study Setting 19
   3.1. The Political Economy of Canada 19
   3.2. The Political Economy of British Columbia 24
4. The Cases 28
5. Approach and Goals of the Dissertation 31
6. The Research Programme 35
   6.1. Research Methodology 35
   6.2. Research Sources 37
7. Plan of the Dissertation 42
   7.1. Chapter Outline 42
   7.2. The Bibliography 44

## CHAPTER TWO: ORGANIZED LABOUR'S HISTORIC ROLE IN MARKET FORMS OF PRODUCTION

1. Introduction 45
2. From Guildism to Fordism 48
   2.1. The Re-Emergence Market Oriented Production in Europe 48
   2.2. The Guild System 51
      2.2.1. Artisanal Organization 51
      2.2.2. Labour Relations Under Guildism 53
   2.3. The Putting-Out System 56
   2.4. The Factory System 60
      2.4.1. Introduction 60
      2.4.2. The Early Manufactories 61
      2.4.3. Factory Mechanization 65
      2.4.4. Mass Production 69
   2.5. Fordism 75
      2.5.1. Micro-Level Foundation 75
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.5.2. Macro-Level Fordism</td>
<td>79</td>
</tr>
<tr>
<td>2.5.3. The Internationalization of Fordism</td>
<td>82</td>
</tr>
<tr>
<td>2.5.4. Organized Labour During the Rise and Fall of Fordism in Canada</td>
<td>84</td>
</tr>
<tr>
<td>3. Beyond Fordism: Summary and Conclusion</td>
<td>87</td>
</tr>
<tr>
<td>CHAPTER THREE: BRITISH COLUMBIA SHIPBUILDING AND SHIP REPAIR:</td>
<td></td>
</tr>
<tr>
<td>ADAPTING 19TH CENTURY STRUCTURES TO 21ST CENTURY CONDITIONS</td>
<td></td>
</tr>
<tr>
<td>1. Introduction</td>
<td>90</td>
</tr>
<tr>
<td>2. From Paddle Wheel to Catamarans</td>
<td></td>
</tr>
<tr>
<td>2.1. The Birth of the Industry in BC and the Organization of its Workforce</td>
<td>91</td>
</tr>
<tr>
<td>2.2. War-Depression-War: Labour's Reaction to Crisis and Change in BCSSR</td>
<td></td>
</tr>
<tr>
<td>2.2.1. Inter-Imperialist War on the High-Seas, Class Turmoil at Home</td>
<td>100</td>
</tr>
<tr>
<td>2.2.2. Peacetime Industrial Retrenchment, Canadian Union Restructuring</td>
<td>107</td>
</tr>
<tr>
<td>2.2.3. Renewed War, Shipyard Expansion and Labour's Response</td>
<td>110</td>
</tr>
<tr>
<td>2.2.4. A National Marine Industrial Strategy</td>
<td>113</td>
</tr>
<tr>
<td>2.3. The Final Slide into Oblivion?</td>
<td></td>
</tr>
<tr>
<td>2.3.1. Dismantling the Core-Satellite Complex in BC</td>
<td>118</td>
</tr>
<tr>
<td>2.3.2. The Union Response to the Crisis of Survival</td>
<td>121</td>
</tr>
<tr>
<td>2.3.2. The Contemporary Union Organizational Structure</td>
<td></td>
</tr>
<tr>
<td>3. State Directed Industrial Restructuring: The BCSSR's Last Chance</td>
<td></td>
</tr>
<tr>
<td>3.1. The Provincial Strategy for Industrial 'Revitalization'</td>
<td>125</td>
</tr>
<tr>
<td>3.2. Contemporary Institutional Restructuring and Organized Labour</td>
<td>134</td>
</tr>
<tr>
<td>4. Summary and Conclusion</td>
<td>138</td>
</tr>
<tr>
<td>CHAPTER FOUR: SOLID-WOOD REMANUFACTURING:</td>
<td></td>
</tr>
<tr>
<td>INDUSTRIAL INNOVATION VERSUS CORPORATIST INDUSTRIAL RELATIONS</td>
<td></td>
</tr>
<tr>
<td>1. Introduction</td>
<td>137</td>
</tr>
<tr>
<td>2. From Cut-and-Run Forestry to Institutionalised Fordism</td>
<td></td>
</tr>
<tr>
<td>2.1. The Formative Years</td>
<td>141</td>
</tr>
<tr>
<td>2.2. Institutionalizing Fordism in BC Forests</td>
<td>144</td>
</tr>
<tr>
<td>2.3. The IWA' Response to Crisis</td>
<td>150</td>
</tr>
<tr>
<td>2.4. A Corporatist Accord in Solid Wood</td>
<td>160</td>
</tr>
<tr>
<td>2.5. Political Consequences of the IWA Alliance with the Majors</td>
<td>162</td>
</tr>
<tr>
<td>3. Solid-Wood Remanufacturing and its Challenge to the IWA</td>
<td></td>
</tr>
<tr>
<td>3.1. The Emergence and Development of Reman</td>
<td>160</td>
</tr>
<tr>
<td>3.2. Functional Organization of the Reman Sector</td>
<td>162</td>
</tr>
<tr>
<td>3.3. Production, Skills, and Training</td>
<td>166</td>
</tr>
<tr>
<td>3.4. Political Repercussions from the Growth in Reman</td>
<td>169</td>
</tr>
<tr>
<td>3.5. Organized Labour Within Reman</td>
<td>173</td>
</tr>
<tr>
<td>3.6. Prospects for Organized Labour in Reman</td>
<td>177</td>
</tr>
<tr>
<td>4. Conclusion</td>
<td>180</td>
</tr>
</tbody>
</table>
CHAPTER FIVE: THE BRITISH COLUMBIA MOTION PICTURE INDUSTRY: ENTREPRENEURIAL LABOUR

1. Introduction

2. The Development of an International Film Making District
   2.1. The Role of Labour in the Emergence of the BC Motion Picture Industry
   2.2. From Exotic Locale to Regular Service Centre
      2.2.1. The External Front: Collective Marketing and Promotion
      2.2.2. The Internal Front: Production Organization
   2.3. 'Canadian Dreams, Local Control'
   2.4. BC Labour's Role in Managing District Growth and Diversification
   2.5. Mounting Inter-Regional Competition and Inter-Union Discord
   2.6. Industrial District Institutional Elaboration

3. The Contemporary Situation
   3.1. The Institutional Structure
   3.2. Labour's Future Role in District Governance

4. Summary and Conclusion

CHAPTER SIX: LABOUR'S VARIABLE ROLE IN NETWORKED SECTORS: INSTITUTIONAL THEORY AND PRACTICE

1. Introduction

2. The Ideal Role of Labour in the Networked Industrial District
   2.1. Labour Skill as a Precondition for Dynamism
   2.2. Labour Training and the Associational Imperative
   2.3. The Elaboration of Labour's Organizational Functions
   2.4. The Structure of Network Labour Organization
   2.5. Institutionalization in the Ideal-Typical Networked Industrial District
   2.6. Summary and Conclusion

3. Case Study Variation from the Ideal
   3.1. Historical Development and Institutional Legacies
   3.2. Case-Study Variation
      3.2.1. BCSSR: The Contradictory Consequences of Historic Resiliency
      3.2.2. Reman: Corporatised Industrial Relations and Structural Change
      3.2.3. BCMPI: Regulatory Impediments to Labour Institutional Assertion

4. Conclusion: The Ideal versus the Reality of Organized Labour in the Network Model

CHAPTER SEVEN: SUMMARY AND CONCLUSION

1. Introduction

2. Findings
   2.1. From Guildism to Networks
   2.2. The Network Production Model: The Findings from the Three Case Studies
      2.2.1. Labour's Role in Revitalizing the BCSSR and its Relational Structures
      2.2.2. The IWA's Difficult Adaptation to the Post-Fordist Forest Industry
      2.2.3. Labour's Institutional Embeddedness in the BCMPI
2.3. Labour's Role in the Network Model: Theoretical Ideal versus Institutional Reality 296
3. Organized Labour's Role in the Network Model: Its Impact on Labour, District, and Community 301
4. The Network Model and Post-Fordist Development 304

BIBLIOGRAPHY 308

APPENDICES 334
# LIST OF TABLES

5.1. BCMPI Output, 1963-1996  
5.2: BCMPI Project Breakdown by Number and Expenditure in BC, 1985-1996  
6.1. Sector-District Industrial Relations Institutional Framework  
6.2. BC Shipbuilding and Ship Repair  
6.3. The Solid-Wood Industry: Fordist and Post-Fordist Institutions  
6.4. BC Motion Picture Industry
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CHAPTER ONE: INTRODUCTION

1. Introduction

In the wake of the crisis-induced decline and subsequent eclipse of the Fordist 'mode of development', alternate models for organizing production, with supportive institutions, have become of interest to economic actors and to students of political economy. One of the more prominent of these models is the so-called network system of production organization, which gained prominence with the publication in 1984 of Michael Piore and Charles Sabel's *Second Industrial Divide*. Under this revitalized form of craft production, geographically concentrated clusters of specialized yet complementary small- and medium-sized firms collaborate in responding to the more volatile, competitive, and open post-Fordist marketplace (Sengenberger and Pyke, 1992, pp. 4-5). The ideal representative of and theoretical inspiration for this production organizational strategy are the so-called Marshallian Industrial Districts of north-central Italy. The strategic combination of competition and cooperation among these small firm clusters has given them both the flexibility to dynamically adapt to the contemporary market, and the economies of scale and scope to successfully compete against old-style vertically-integrated mass production corporations.

Since the discovery of these networked sector-districts, scholarly research has focussed upon uncovering the informal values and norms prevalent among network participants as well as the character of the formal associational structures that serve to stabilize and enforce these relations. The research results from this institutional research highlight the critical importance

---

1 Fordism refers to the political-economic system epitomized by the post-war United States, and other national economies influenced by it, wherein mass-production and mass consumption is institutionally coordinated so as to combine social stability with dynamic economic growth. The nature of Fordism, including its impact on Canada as a whole and on the regional economy of British Columbia, will be discussed further in the body of the study.
of trust-based relations among personnel within individual production units, among firm owner-managers in the district, and between the district and public policy-makers and community-based service agencies, in making this production organizational model work so well.

Employer-led associations are viewed as being of primary importance in promoting these trustful exchange relations. While labour's objective role as a factor in network production has been closely examined, researchers have only conjectured at its potential role as a collective actor in either inculcating trust-based relational norms or in regulating network institutional structures. Considering the abiding scholarly interest over the fate of labour in the wake of the crisis in Fordism in general, and in the function of organized labour under post-Fordism in particular, I strongly feel that this deficiency should be redressed. Consequently, my study explores and evaluates the role of organized labour in the emergence and institutionalization of the network model of production. For my empirical work on this topic, I examine three networked sector-districts concentrated in the southwest corner of the Canadian province of British Columbia.

Before delving into the individual case-studies, I first embark upon a broad-based historical review of labour's role in the initial emergence of production for the market during the feudal era in Europe and its subsequent evolution up to the rise, crisis, and decline of Fordism in the 20th century. The review will focus on labour's role in the institutionalization of each leading stage in production organization as well as the interactive influence of particular production regimes on their encompassing society. This historical institutional survey will help frame the subsequent discussion in the three British Columbia based case-studies which follow: Shipbuilding and Ship Repair (BCSSR), Solid-Wood Products Remanufacturing (Reman), and the Motion-Picture Industry (BCMPI). Thus, each case study traces the historical role of organized labour during the initial emergence and subsequent evolution of the particular industry
in the region through to its recent introduction of network organizational characteristics. At this stage, I explore in more detail the ways in which labour in each industry has adapted its individual skill profile and production function as well as its collective organizational structure and relational behaviour to the exigencies of network production organization. I look at the impact of these changes on the internal operation of the sector unions and on the unions' relations with each other (where more than one union is present in the industry), with employers and their organizations, with state officials and agencies involved with the sectors, and with other relevant organized actors in the wider political economy. These empirical findings are then contrasted with a hypothetical study of labour organizational involvement in an ideal-typical network sector-district. Causal explanations for the case-study variation from both the ideal and from each other is sought through a discussion of the influence of industrial relations institutional legacies on labour's organizational response to contemporary exogenous environmental pressures and to endogenous structural contingencies in each of the three sector-district case-studies. The dissertation closes with a summary of the findings and of the conclusions drawn therefrom, as well as a brief discussion of some related issues raised by my study which might inspire future related investigations of governance.

In undertaking this study, I have sought answers to several questions raised by organized labour's participation in network production organization. What possible functions can organized labour assume in the network system of industrial governance? What impact might these activities have on the performance of networked sector-districts? And finally, what might be the implications of network industrial relations institutional development for the encompassing society? Following a more substantive discussion of the background to the emergence of the network model and of the literature generated by these events, I will elaborate
more upon these research questions and the methodology used, with justification for each, including acknowledgement of methodological restrictions and research limitations. In the meantime, this introductory chapter continues with a review of the academic debate around the crisis and decline in Fordism and of the future prospects and possible replacements for Fordism; the latter discussion provides an introduction to the network model of production organization. Since the economies of Canada and British Columbia have been deeply immersed in these developments, the chapter will also look at the impact of Fordist industrialization on industrial relations at these levels. It closes with an outline of the chapter organization of the dissertation.

2. Crisis and Change in Market Production

2.1. Crisis in Fordism and Post-Fordist Renewal

The network model of production organization emerged in the wake of a fundamental structural crisis in the post-World War Two Fordist stage of capitalist development.\(^2\) Under this Fordist 'accumulation regime', the ever increasing output of standardized goods from vertically-integrated mass-production corporations had been successfully synchronized with the growing mass consumption capacity of the advanced market economies. Keynesian-inspired counter-cyclical state fiscal policies, formalized producer group bargaining structures, and complementary socializing institutions had created a well articulated 'mode of regulation' to perpetuate this dynamic accumulation regime. Western economies were thereby provided with a

\(^2\)Marx described capitalism as a specific mode of economic development. In his 'prison notebooks', Antonio Gramsci (Forgacs, 1988) transposed the system of production elaborated in Henry Ford's automobile plants to an overall macro-level model of social organization. He thereby isolated Fordism as a specific 'stage' of development within the capitalist era. Much later, the French Regulation School elaborated upon post-war Fordism and its articulated "regime of accumulation" and "mode of regulation" (Aglietta, 1987; Boyer, 1990). The role of labour in Regulation Theory will be discussed in more detail below.
stable, reproducible foundation for the three-decade-long period of dynamic post-war economic growth which followed.

Of course, the dynamism of Fordism brought about unanticipated incremental changes in the economic structure and socio-political characteristics of both the advanced market economies and the global economy as a whole during the trente glorieux (years). These changes undermined the adaptability and coherence of the Fordist accumulation regime, and weakened the encompassing social, economic, and political institutions which helped to regulate it. The social rebellions of the late 1960s, the recessions of the 1970s, and the political-ideological realignments of the 1980s which swept across the globe were the outward manifestations of a crisis in Fordism.

This crisis proved to be especially traumatic for the lynch-pin of the international post-war economy - the United States - and for the mass production industries at the base of its economy. The accompanying social, economic, and political turmoil from the 1960s through the 1980s eroded the institutional foundations of the industrial relations accord established at the model's outset during the Roosevelt era between the American state, employers, and labour. The subsequent abandonment of the foundational rules, norms, and values governing Fordist industrial relations in the United States in particular, and in other associated national economies in general, was given impetus by the concerted de-legitimization campaign mounted by dominant elites against the core beliefs and principles of the post-war edifice.

The crisis in the Fordist post-war development model triggered qualitative changes in the organization, function, and relations of the state, business, and labour in the economic sphere across the globe. Ideologically driven state liberalization of the rules governing investment, sales, and trade exposed business to the harsh winds of domestic and global competition.
However, market deregulation also freed business from many of the constraints imposed on it by the state and organized labour in conjunction with the institutionalization of Fordist social accords. Individual employers seeking strategic advantage over competitors added momentum to the process of market liberalization by demanding even more government withdrawal from its market regulatory role, as well as the concomitant removal by organized labour of contractual constrictions on capital's freedom. Hapless legislators rushed to placate business for fear of capital flight from their jurisdiction, now made easier under a liberalized investment environment, while labour mounted a haphazard rearguard fight against the relentless corporate assault on its institutional power and privileges.

The collapse of Fordism has been especially painful for organized labour in those sectors of the economy, both public and private, which most benefitted from the post-war institutionalization of this regime. Collective bargaining rights have come under joint attack from employers and the state. The implicit guarantee of an equitable share in returns from productivity increases has been revoked. Expectations of lifetime employment and income security have evaporated. And, the market-insulating social safety net has become more porous. The ensuing weakening of Fordist-style industrial unionism has undermined both the economic and the political efficacy of the post-war labour movement in the western industrial democracies.

The failure to establish a viable and humane successor to Fordism is indicated by persistently high unemployment levels coinciding with a vast expansion in so-called 'junk jobs', by anemic economic growth punctuated with increasingly deeper recessions, by political leaders' resignation to 'uncontrollable' global market forces, and by widespread popular disillusionment with dominant institutions. However, the increasing complexity and diversity of the
international political economy makes predictions concerning future directions equivocal. The breadth of contemporary analysis, prediction, and prescription regarding the new political economy reflects this uncertainty.

The initial onset of a general global crisis in Fordism inspired a search for explanations for the eclipse of what had been a relatively successful model of economic development during the first three decades of the post-war era. The search for theoretical frameworks for structuring this analysis helped to revive interest in the work of Soviet economist Nikolai Kondratieff during the 1920s on economic cycles (1984 [1926]). The apparent exhaustion of the post-WWII boom and the return with a vengeance of the classic capitalist boom-bust cycle inspired renewed interest in Kondratieff's so-called long-wave theory of capitalist development. His research had uncovered a tendency for these 'waves' to be of fifty to sixty years duration, composed of distinct phases of growth, crisis, decline, depression and, upon the emergence of a new industrial locomotive, renewed growth. Each of these waves is initially precipitated by the exploitation by new industries of innovative production technologies to serve new markets. The influence of this leading sector, in turn, stimulates the emergence of institutional structures with concomitant changes in economic, social, and political relational behaviour. However, the economic momentum of this wave is inevitably disrupted by rising wages and class conflict at the core of this dynamism. The ensuing decline in growth rates is exacerbated by climbing interest rates, falling investment, layoffs, and war. As if anticipating future debates, Kondratieff emphasized that, while each successive cycle follows this regular pattern, "each cycle takes place under new historical-concrete conditions, at a new level in the development of productive forces, and hence is by no means a simple repetition of the preceding cycle (p. 99)." The influence of Kondratieff is evident in Joseph Schumpeter's *Business Cycles* (1939) wherein he discusses the important
role which 'creative destruction' plays during the depression trough in clearing the way for the
'heroic' entrepreneur to lead the next growth wave through the exploitation of new technologies.

Later analysts have drawn from Kondratieff's ideas to explain the source of the crisis in
the post-WWII Fordist developmental model. In his discussion of the critical role which
innovative technology might play in "sparking" a renewed cyclical upturn, Nathan Mager (1986)
rails against the role of resistant corporations, profligate politicians, and rigid trade unions in
impeding the innovations critical to economic renewal. Belief in the primacy of technology in
driving socio-economic change also resonates in Freeman and Perez's (1988) description of the
role of random micro-level innovations in impelling the macro-level establishment of a new
"techno-economic paradigm."

In his explanation of capitalist development, Angus Maddison (1982) places greater
weight on the leading role of state policy-makers in promoting the introduction and widespread
adoption of new technologies among domestic industries. He claims this political prescience
gives the innovator nation a leg-up on its rivals. The leading state then encourages and helps to
stabilize supportive socio-economic institutional structures at the national and international level
so as to ensure the full exploitation of the potential of the new technology, thereby creating the
stable framework for a "long phase of capitalist development". The innovator nation's
dynamism encourages rivals to view its technology, and its complementary ideological and
institutional regime, as 'best practice', reinforcing that nation's epochal hegemony.

Maddison uses GDP growth rates among the leading capitalist economies to back up his
claim that the period from 1950 to 1973 was the "Golden Age" of capitalist development. This
era's dynamism was broken by major breaks in American economic policy patterns during the
1970s, supposedly triggered by a series of exogenous "system shocks", which disequilibrated the
American domestic economy as well international trading patterns. The end of this particular developmental phase was signalled by the American government's abandonment of the "enlightened" domestic and international policy mix of the 1960s. In a follow-up work, Maddison (1991) argues that the policy initiatives of the Reagan administration had initiated the start of a new growth phase.

However, Maddison's work overlooked the onset of decline during the 1960s, long before the system shocks of the 1970s, in the macro-economic performance of America, relative to its European competitors. However, Andrew Shonfield (1965) did detect these symptoms a decade before the putative end of the Golden Age. To remedy America's competitive decline, Shonfield prescribed direct state intervention in economic management and for overt state orchestration of macro-level industrial relations pacts. Similary, Shonfield's prescriptions for sustained, equitable, and non-inflationary growth were drawn from his observation of American practice and its comparison to the more interventionist continental European countries.

Shonfield's treatise inadvertently recalled the precautionary advice of J. M. Keynes (1924) regarding the inadequacy of state laissez-faire policies in the context of the more highly organized economic conditions of 20th century capitalism. Keynes predicted that the capital concentration which attended mass production would impel the collectivization of national economies either under a centralized "state socialism" or through state delegation of supervisory oversight to medieval-like "semi-autonomous corporations" composed of organized producer groups in each sector of the economy. Being a liberal democrat, he preferred the latter model. Following experimentation with 'state corporatism' from the 1920s up to the denouement of 1945, many continental European states did indeed opt for a more democratic form of corporatism.
The English-speaking world's familiarity with corporatist systems of industrial relations grew following publication of Phillipe Schmitter and Gerhard Lehbruck's *Trends Toward Corporatist Intermediation* in 1979. However, despite their advocacy of macro-level producer group concertation under what Schmitter termed "societal corporatism" (1979, p. 20), the crisis in Fordism had probably proceeded too far for the Anglo-Saxon democracies to be able to initiate and stabilize the centralized tripartite governance structures prescribed for the restoration of post-war dynamism. As Christopher Allen (1989) argues, the disintegration of national economies in the wake of economic liberalization has made adjustment problems more region- and sector-specific. However, Schmitter (1989) notes in the conclusion to his retrospective work on corporatism over the last decade that these regulatory changes might induce a major shift in the focus of corporatist bargaining away from the macro-level toward the meso-level. The recent upsurge in interest among both industrial policy-makers and industrial relations scholars in the dynamic performance of networked small-firm sector-districts networks appears to support Schmitter's prediction.

However, all of this work does not provide either a completely satisfactory explanation for the crisis in Fordism or a well-founded basis from which to predict what type of production organization and supportive institutional structures might replace it. The continuing economic instability in the global economy and political uncertainty as to an appropriate response undermines the likelihood of Maddison's prediction regarding the viability of a new long-term growth wave triggered by American policies during the 1980s. A deeper examination of the nature of Fordism is needed to explain the underlying basis for the historic cyclical patterns of stability and change.

Analysts based in France adhering to what has been labelled Regulation Theory have
applied a mixture of Marxian and Keynesian economic theory and indigenous historical methodology to explain the descent of Fordism into crisis and to develop scenarios for renewal.\footnote{The latter reference is to the French Annales school of historical interpretation. See Braudel (1980) for a review of the work emanating from the school journal, the Annales d'histoire économique et sociale, during the 1920s and the application of its longue durée theory to contemporary developments. See Boyer (1990) for a discussion of both the influence of this school and Marxian and Keynesian theory on Regulation Theory.}

French Regulation Theory came to the attention of the English-speaking world with the 1979 translation of Michel Aglietta's \textit{A Theory of Capitalist Regulation: The US Experience}. In his sweeping analysis, Aglietta described the nature and functioning of the "accumulation regime" underlying the Fordist "mode of capitalist development" in the post-WWII American hegemon. He elaborated upon Fordism's genesis via the institutional linking of mass production with mass consumption, thereby realizing dynamic long-term economic growth. He showed how the development of a complementary "mode of regulation" - comprised of state-supported institutional structures and behavioural norms - ensured the reproduction of the accumulation regime under stable socio-political conditions. Analysis of Fordism's structure and function by Aglietta and his colleagues at the CEPREMAP and INSEE research institutes in Paris was augmented by other 'branches' of the school located elsewhere in France and complementary work in other countries into various aspects of the Fordist phenomenon.\footnote{See Jessop (1990b) for a classification of these schools on the basis of locale and membership, and for a description of the similarities and differences in their ontological approaches to Fordism.}

Despite variations among these various schools in their modelling of Fordism, there has been general agreement among them that there has recently occurred a historic disjunctive in Fordism's dynamism. This "major structural crisis" in Fordism (Robert Boyer, 1990) encompasses its technological foundation, production relations, accumulation regime, and
institutional supports. In consequence of this historical break, attention has shifted to attempting to predict what development model, if any, is to come after Fordism. However, predictive accuracy requires both a retrospective and a prospective understanding of the causal factors behind structural crisis and regulatory change. Unfortunately, there has been little agreement among regulationists as to the cause of the crisis in Fordism let alone what model could plausibly replace it.

Aglietta and his colleague at CEPREMAP, Alain Lipietz, locate the source of the crisis in the institutional inability of capitalism to overcome inherent tendencies to disequilibrium. In his 1979 work, Aglietta pointed to the cumulative impact of an imbalance in the output of producer goods ('Department I') versus consumer goods ('Department II'), an inexorable decline in surplus value in both departments, and the related inability of the working class to absorb the ever-growing output of goods, as causing declining rates of profits and investment, and thus economic growth. Lipietz elaborated further upon the affect of imbalance in the "exoteric" world of prices on the "esoteric" world of production (1985). Despite the French school's focus on such value theory, it did note the role of class struggle in precipitating the underlying crisis in productivity. Thus, attempts by the state to mitigate the disruptive affect of the social conflict accompanying economic slowdown produced mounting fiscal deficits and debt, thereby further exascerbating the underlying structural problem (Aglietta, 1987 [1976]; Lipietz, 1986, 1987).

American regulationists in what has been called the 'Social Structure of Accumulation' school (SSA) have focused more intently on the national and international social conflict underlying the profit squeeze plaguing Fordism, especially that between capital and labour. They have identified escalating tension within domestic institutional post-war "accords" as causing the destabilization of American Fordism, thereby undermining American
competitiveness during the 1960s and the early-1970s (Bowles, Gordon, and Weisskopf, 1983). They have argued that the decision by American ruling elites during the latter half of the 1970s to opt for "domestic repression" over democratic reform further aggravated social tensions, thereby weakening Fordist institutions and increasing its concomitant "waste" of human and natural resources (Bowles et al., 1990).

The classic Marxian structuralism that guides regulationist analysis of the Fordist crisis also shapes its prognostications for the future. However, its practitioners see little prospect for a global proletarian revolution to reverse the teleological imperative of capitalism toward an increasing concentration of wealth and power accompanied by greater socio-economic polarization. Capital will consequently continue under the control of ever more powerful, hierarchically structured trans-national corporations able to dominate not just national but world markets. Under this scenario, the ensuing proletarianization of the world's masses should ensure the extension of low-skill, mass production techniques across the globe. Unfortunately though, it continues, if globalization of the market leads to the wholesale abandonment of Keynesian social accords, we might also see a reversion to a purer, and meaner, form of Taylorism. Only now it would lack the welfare-state social cushion which allowed for what Bob Jessop (1990a) calls the "societalization" of Fordism during the post-war era which allowed for a relatively socially peaceful long-term growth era.

While the pessimism of Regulation theorists seems inspired by Marx, their proposals for the remedial restoration of social equity are decidedly Keynesian (Hirst and Zeitlin, 1991). Thus, many call for renewed and even more extensive intervention by national governments in

Taylorism, and its progenitor and proselytizer Frederick Winslow Taylor, will be discussed in more detail in the next chapter.

However, structural change and social uncertainty have also created an environment which is conducive to experimentation with alternative systems of production organization which seemingly transcend both the neo-Taylorist and the neo-Fordist scenarios. Charles Sabel (1982) noticed such experimentation in the course of his examination of labour's role in the Italian version of the civil rebellions that shook the world during the late 1960s. Like other analysts of the Fordist crisis, he noted the micro-level inter- and intra-class tensions underlying the strike-occupation wave in large northern Italian factories during the Autunno Caldo of 1969. More importantly, in conclusion he noted that in the wake of this rebellion many skilled factory workers as well as their employers had forsaken the mass production regime of the so-called First Italy. Instead, labour and investment appeared to be flowing into small firm complexes in the Third Italy, on the periphery of the northern Italian mass production heartland.

2.2. The Network Model of Industrial Organization

Subsequently, Sabel and his colleague Michael Piore undertook their more substantive analysis of both this emergent Terza Italia and other similarly organized small firm industrial districts located elsewhere in western Europe (Piore and Sabel, 1984). They found that by

⁶See Streeck (1991, 1992a) for a discussion of what he has termed 'Diversified Quality Production' under neo-Fordism.
applying the high skills of the local workforce to general purpose machinery, the specialized firms in these districts could quickly pump out short-runs of high-quality goods, either for direct consumption or as input factors to be used by complementary firms, for international niche markets. Collaboration among these specialized firms gave them the flexibility they needed to compete in the volatile post-Keynesian market. These findings prompted Piore and Sabel to declare that "flexible-specialization" marked a fundamental break from Fordism and, more importantly, that these districts were the progenitor of an entirely new mode of production.

There followed a veritable flood of empirical studies of contemporary examples of what have since come to be referred to as Marshallian Industrial Districts (MIDs), so named in tribute to Lord Alfred Marshall's (1919) pioneering research on the small firm districts of turn of the century England. Modern MID's across both the developed and the less developed world were found to be thriving in the midst of the crisis in the Fordist model (Goodman and Bamford, 1989; Hirst and Zeitlin, 1989; Pyke, Beccatini, and Sengenberger, 1990; Pyke and Sengenberger, 1992; Spath, 1993; Storper and Scott, 1992). MID competitiveness was shown to be based upon the economies of scale and scope garnered though complementary factor exchange among district firms (Sengenberger and Pyke, 1991; Storper and Harrison, 1990). These exchange patterns, in turn, promoted trust among district firms which served both to reduce the opportunity costs normally associated with market-based factor exchange and to insulate individual district firms from the extreme volatility and cut-throat competition of the global marketplace. Relational trust not only enhanced overall district adaptability and dynamism (Sabel, 1992; Storper, 1989), it also created a shared sense of identity in the production community, which promoted even more collaboration (Zeitlin, 1992). Local public and private agencies were often drawn into these networks as providers of services needed by these firm
clusters in the production, promotion, and sale of their goods.

This cumulative evidence helped to undercut earlier claims from critics of the Piore and Sabel thesis that this new model of production organization was merely an isolated, culturally-specific phenomena which could only take root under conditions similar to those found in the more 'organic' communities of the Third Italy. Moreover, the model did seem to represent a uniquely post-Fordist response to contemporary market conditions. This conclusion followed from the recognition that the success of MJDs was due not to their ability to replicate the internalized factor exchange markets of the old-style vertically-integrated Fordist corporation but rather to the dynamism that comes with the flexible 'horizontal' integration of complementary factors produced by independent firms. In contrast to the deliberately rigidified and stratified corporate model, the MID's structure is more adaptable to contemporary market volatility (Piore and Sabel, 1984), more receptive to technological innovation (Freeman and Perez, 1988), and more promotive of producer group collaboration (Brusco, 1989). A new production organization model, the network, was born.

In an early evaluation of the network production system, respected industrial organization analyst Oliver Williamson (1985) initially dismissed it as a sub-optimal, transitional stage which firms might occasionally pass through in their movement along the classic market-hierarchy organizational continuum. He argued that the current economic turmoil had merely lent the model transitory prominence and notoriety. However, Walter Powell (1990) was so encouraged by the model's continuing dynamism, persistence, and dispersion to declare that the network model was not only a viable, competitive form of production, but that it was organized on the basis of principles which were clearly distinguishable from either the market or the hierarchy models. Other observers have supported
Powell's thesis with their mounting evidence of a generalized movement among both many of the large, vertically-integrated progeny of Fordism as well as among smaller firms toward the network form of production organization (Kanter, 1989; Sabel, 1989; Zeitlin, 1992).

This evidence promoted further research into the nature of relations in these networks. Eminent sociologist Mark Granovetter's (1985; 1990) suggested that the trust-based relations in collaborative networks were a result of serialistic exchange among individuals who are deeply "embedded" in network-based peer associations. Others scholars went on to further describe and explain these institutional structures and their concomitant systems of governance (Hollingsworth, Schmitter, and Streeck, 1994; Scharpf, 1993). While it is claimed that this latter analysis covers the "totality of institutional arrangements...that regulate transactions inside and across the boundaries" underlying network governance structures (Hollingsworth et al., 1994, p. 5), most of the attention is devoted to the roles played by firm owner-managers in network governance. This employer orientation is prompted by the belief that the firm is the locus and inspiration for network organization and production collaboration. The focus of study is consequently on the personal, individuated relations between firm owner-managers and employees, other firm owner-managers, and external service agencies.

While it is acknowledged that organized labour should play an active role in the "constitutional ordering" of network relations (Sabel in Scharpf, 1993), little empirical analysis of this role, in general, or its impact on network-district performance, in particular, has been undertaken. This discrepancy is surprising considering the influence which labour had on the institutionalization and regulation of Fordism. Just as labour movement activity during the 1930s and early 1940s helped give birth to the post-war Golden Age of capitalism, so too during this time of uncertainty should labour be actively involved in charting a path for the future.
During the hiatus between the passing away of the old regime and the stabilization of a new one, it is timely to investigate the impact of organized labour on emerging economic structures.

Consequently, while this dissertation will necessarily touch upon the role of all organized actors in the network model, its principal focus will be on the neglected role of organized labour in the emergence, development, and governance of networked industrial districts. I pursue the investigation through a multiple case-study exploration of labour's influence on this institutionalization process in the network model. These studies focus on labour's response to the pressures for adaptation to the emergent regime and examine the organizational structure, functional roles, and relational attitudes of labour in each networked industry. In the process, I hope to provide greater insight into how labour might simultaneously facilitate the development of an efficient and productive regional economy while simultaneously protecting its particular economic, social, and political interests.

My case-study methodology will be in the form of historical institutional analysis (Steinmo, Thelen, and Longstreth, 1992) of organized labour's adaptation to contemporary environmental conditions, specifically the establishment of networked production organizations. An historically grounded study is necessary because the structural regime and behavioural norms that labour carries forward from the past cannot help but have a major impact on its adaptation to the network model. In particular, the post-war industrial relations regime which was adopted across the developed world, with its centralized and bureaucratized institutional structure and ritualized adversarial collective bargaining relations, has become deeply embedded in industrial relations practice. Even though this regime seems at first glance to be antithetical to the decentralized, flexible, informal, collaborative atmosphere which is found in the networked district, comparative studies of the proto-typical MIDs of central Italy, especially the 'red'
districts of Emilia-Romagna, have revealed union membership densities far above the national average, despite the Italian labour movement's post-war acceptance of Fordist norms. Even more significantly, labour appears to dominate the local and regional governments from which these districts receive many of their services (Trigilia, 1989, 1990). This finding indicates not just that organized labour can operate in harmony with small-firm networks but that, more importantly, the ongoing institutionalization of network relations may provide unions with the opportunity to acquire an influence within the network model far beyond that ceded to labour during the Fordist era. My goal is therefore not simply to describe organized labour's current function in the networked sector-districts but to discuss both the source of this role and its influence on the functioning of the network model.

3. The Study Setting

3.1. The Political Economy of Canada

The relatively small, open, and regionalized post-war Canadian economy was not especially conducive to the country's adoption of the more unified and autarkic style of Fordism established in the United States. Heavy dependence upon staple exports, excessive exposure to fluctuations in global market demand and prices, lack of a large, integrated domestic market, and absence of a centralized industrial relations structure all conspired against the adoption of a coherent national economic development strategy. Furthermore, American institutional dominance of both the Canadian economy and its industrial relations system made any precipitous shift to autarkic economic development unlikely. Instead, the Canadian ruling elite opted for junior partnership status with American Fordism. Branch-plant industrialization simultaneously provided Canada with a guaranteed export market and allowed for the
emergence of a miniature version of the American consumer economy. A federalized Keynesian fiscal and monetary policy regime complemented by liberal social welfare programs complemented this industrial regime (Brodie, 1990).

While stimulating industrial expansion, the linking of our economy with the American's during the period of the post-WWII 'Second National Policy' had dubious long-term consequences for the domestic political economy. Already constrained by the political compromises that came with a federal division of power, the efficacy of Canadian Fordism was further reduced by the spill-over from developments in the American political economy. As in the United States, Canada's minimal-entitlement, actuarially-financed, marginally-targeted social-welfare system did not create a very solid popular base of support to allow the regime to weather the onset of crisis in the 1960s. Furthermore, the southward orientation of our industrial infrastructure served to perpetuate the country's staple-dependence, economic-underdevelopment, and regional disintegration, thereby reducing the efficacy of national economic policies and weakening national unity. The failure to create a nationally-integrated, economically-autonomous country left a weak foundation for maintenance of the impressive economic growth rates achieved during the 1950s an early 1960s.

Attempts by the federal government to counteract the negative consequences of this 'bastardized' Fordism with supplemental centralist social and fiscal policies during the 1960s merely exacerbated political tensions between Ottawa and Quebec City. Concomitantly, federal efforts during the 1970s to insulate the national economy somewhat from externally generated energy shocks revived Western resentment against the perceived neo-colonial tendencies historically manifested by central Canadian elites. Consequently, conflict arising out of the crisis in the Canadian version of Fordism during 1960s assumed a decidedly regionalist political
character (Brodie, 1990).

Similarly, wholesale importation of American economic institutions into Canada from the late 19th century onwards also had an insidious affect on the country's industrial relations. The "firm-centred industrial culture" that Canada shared with other Anglo-American countries (Atkinson and Coleman, 1989) was further reinforced by our willing adoption of US Wagner-style plant-based collective bargaining in the 1940s. Furthermore, unlike the American states, the Canadian provinces had been awarded responsibility in the 1920s (with a brief federalist centralization during the WWII emergency) for labour relations in most sectors of the economy. Our branch-plant based production and labour relations structures further decentralized the industrial relations system. In addition, the Canadian labour movement was further fractured by competition between craft and industrial unions, between American, Canadian, and Quebecois union centres, and, after the organization of the public sector, between public and private sector unions. This disintegrated structure proved to be an insurmountable impediment to the federal government's attempt to orchestrate a coordinated response by the state, industry, and labour to the disequilibrium problems besetting the economy in the wake of the system shocks which began in the late 1960s.

The 'permeability' of Canadian Fordism (Jenson, 1989, 1990) increased our vulnerability to the forces destabilizing the global economy and undermining national economic institutions. Yet, Canada lacked the well-grounded centralized corporatist bargaining structures which many other relatively small, open states, especially in Europe, had put in place to manage the necessary macro-economic adjustments. In lieu of these regulatory mechanisms, Canadian governments experimented with authoritative Keynesian wage and price control strategies during the 1970s and 1980s. However, these interventions proved to be ineffective in the
context of an open, internationally integrated industrial economy. Even after wielding this blunt macro-level instrument, Ottawa still could not gain the cooperation of the fractured business and labour community in developing and implementing the more sectorally-oriented, volunteerist strategies that it proposed in the 1980s for re-invigorating the economy.  

The constraining effect on Ottawa of its opportunistic adoption of a continentalist post-war economy policy was reflected in the fate of the 'Third Option' trade strategy proposed by the Trudeau government in the 1980s. It was hoped that this policy would extricate the Canadian economy from the crisis which policy-makers perceived to be exacerbated by Canada's over-dependence on the American economy. However, there was insufficient domestic support for this state managed nationalist program. The proposal was quickly abandoned in favour of closer continental integration via free trade economic policies and a closer meshing of social policies with our American partners.

Yet, the national government could not suddenly abandon the Keynesian-Fordist social accord for fear of the political repercussions from those victimized by market liberalism and state fiscal retrenchment. Ottawa had good reason to expect resistance from labour's industrial and political wings, as well as political criticism from provincial governments to which Ottawa intended to devolve welfare fiscal responsibilities. The resulting political deadlock caused the symptoms of crisis to worsen through the 1980s. Nevertheless, the groundwork was being laid for a "Third National Policy" (Brodie, 1997) for Canada with accompanying innovations in industrial organization.

Continental market integration, international trade liberalization, and the globalization of

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investment capital has put into place insurmountable regulatory and political impediments to any future attempts by Canadian governments to assert economic sovereignty. Fiscal retrenchment has diminished the capacity of the federal government to enforce national social policy standards and to maintain what little remains of national socio-economic coherence. The continuing devolution of policy-making and delivery responsibilities to sub-national levels of governments and to non-governmental actors will further regionalize the economy.

The historic role of government in the economy has changed substantially during this process. In the wake of the abandonment of nationally directed Keynesian-inspired demand-stimulation policies, sector and region specific supply-side policies have come to the fore. It has become increasingly common for sub-national levels of government to be included in, or to take the initiative in, forming partnerships with sector-specific producer groups to design, administer, and finance programs aimed at enhancing the competitive performance of industry. In contrast to the macro-orientation of the post-war Second National Policy, these programs are explicitly designed to accommodate the increasingly divergent economies and market environments of the various regions and economic sectors across Canada (Andrew, Houle, and Theriault, 1993; Rutherford, 1995; Thompson, 1993). In so doing, policy-makers are following the advice of American industrial planning advisor Michael Porter. In his report to the federal government, Porter (1991) emphasized the importance of state targeting of locally-embedded yet internationally-focused interdependent firm "clusters", rather than the central-Canadian based 'national champions' which had been favoured in the past. These aggregative clusters have characteristics which mirror those of the MIDs described above.
3.2. The Political Economy of British Columbia

Since European colonization the economy of British Columbia has remained even more small and open, and dependent upon foreign investment and consumption markets than the Canadian economy as a whole. The economic fate of the province continues to be inordinately dependent upon the extraction and export of minimally processed natural resources by large-scale, capital-intensive and, largely, foreign-dominated corporations. Nevertheless, the province has had some recent success in breaking out of this 'staples trap' and diversifying its economy by striving to creatively exploit a broader range of its natural environmental endowments. Furthermore, local resource depletion and increasing competition from other resource-rich regions have prompted a shift in private and public investment into higher value-added resource processing. Finally, concerted investment by the provincial government since the 1960s in capital and human infrastructure has finally begun to encourage the growth of high-technology, knowledge-based communication, information, and entertainment industries (Howlett and Brownsey, 1996; Resnick, 1987; Shearer, 1993). In contrast to the Fordist-like traditional resource sectors, these emergent industries tend to be composed of smaller, specialized, locally-owned and operated firms. In consequence, they are also more deeply embedded in a community network of suppliers, customers, and public and private support services (Barnes, Edgington, Denike, and McKee, 1992; Hayter and Barnes, 1992). This organizational structure provides a good foundation for the emergence of network relations. The historic character of class relations should also allow for relatively active labour participation in this relational network.

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8 The environment has helped to attract affluent retirees, alternate lifestyle devotees, and immigrant-investors all of whom have promoted economic diversification. As will be shown later, the natural environment was one of the factors that drew Hollywood north.
The birth and the historic evolution of the provincial economy have been shaped by institutions that bear the legacy of a highly class-polarized society. The relative paucity of good agricultural land at the time of colonization forced immigrants to seek wage employment in the trade dependent resource-extraction industries. This relatively large proletarian demographic was disproportionately made up of young, rootless, itinerant labourers. Their predilection for radical class-based politics was fuelled by the kind of cut-and-run employers and compliant governments that typify frontier societies. The relatively modest size of the yeoman agricultural class and the underdeveloped state of the incipient urban middle class left class conflict untempered by more liberal minded political moderation (Robin, 1972, 1973). The international labour mobilization that accompanied industrialization therefore found fertile ground in the province during the first half of the 20th century when the institutional foundation of the contemporary resource-based economy was being laid.

Consequently, the region witnessed recurrent bouts of industrial conflict and civil strife. In consequence of the socio-economic flux which was common to frontier societies, the electoral arena was characterized by an unstable and shifting alignment of bourgeois-populist parties on the government side and socialist-labour parties on the opposition side (Woodcock, 1990). This atmosphere was not conducive to the implantation of the moderate party system typical of the older parts of the country. Furthermore, this polarized social structure and unstable party system probably discouraged business investment in the more labour-intensive secondary manufacturing which was emerging in the longer-settled, more socially stable regions of Canada.

After World War Two, a right-of-centre populist provincial government under Premier W. A. C. Bennett promoted Fordist-style industrialization of the resource-based economy in the
hope of spurring lagging economic development. It undertook a furious program of state-financed and controlled infrastructure investment during the 1950s and 1960s in areas such as transport, communication, and power-generation. However, these efforts initially served to stimulate even more private investment in capital-intensive, export-oriented resource extraction industries. Furthermore, the province's control over access to the resource base allowed it to favour investment by very large and well-financed corporations with well established international marketing networks over the small, family-owned operations which had dominated the economy up until then. Vertically-integrated, mass production facilities employing minimal numbers of high-paid, low-skilled workers were established to process resources into primary commodities for the export market. The provincial state complemented wage and profit subsidization in these industries with a carrot and stick approach to restive social groups in order to ensure both international competitiveness and domestic social stability.

This resource-export based version of Fordism was established in a setting with highly organized producer groups: a legacy of the industrial conflict of the pioneer era. Labour in the major resource sectors had been organized into fairly centralized industrial unions. In response, firm owners joined province-wide sectoral associations. Sector-level collective bargaining between these blocs soon became the norm in many industries. Furthermore, both sides complemented their economic strength by allying with political parties: labour with the provincial branch of the social democratic Cooperative Commonwealth Federation and its successor, the New Democratic Party; and employers in the 'free-enterprise' coalition led by Social Credit.

Union organization of the provincial civil service in the 1960s gave labour the political momentum to help propel its political allies into government briefly in the early 1970s. This
period also witnessed a dramatic, albeit brief, expansion of the provincial social-welfare state. Unfortunately, the left's capture of the legislature also coincided with the first major post-war recession in the provincial economy and the onset of crisis in international Fordism.

This developmental crisis was especially traumatic in British Columbia due to the extreme sensitivity of resource exports to the inherent flux in international demand for primary manufacturing inputs. The ensuing disruption of the provincial Fordist social accord precipitated intensive industrial and political conflict during the late 1970s and 1980s. However, the ensuing stalemate between capital and labour within the province which ended this overt conflict has promoted the formation of more collaborative bipartite and tripartite industrial policy-making forums in many sectors of the economy involving diverse branches and levels of the state, business, and labour. While the most prominent arena of corporatist collaboration has been in the core primary forest products sector, other areas, including all three of the case-studies, have been affected by this new style of meso-corporatist industrial relations.

The liberalization of global markets has also seen an increasing divergence between the performance of large, foreign-owned, capital-intensive corporations and that of smaller, locally-based, more labour-intensive firms. The former sector has reacted to the accompanying profit-squeeze, market instability, and demand diversification by shifting investments offshore and further automating their indigenous operations. The latter group has exploited the latent potential of the indigenous human capital base and to concentrate its efforts on the production of high-quality, specialized goods for emergent niche markets. This smaller-scale, labour-intensive, high-skill sector of the economy has provided a foundation for the formation of the networked industrial sectors under study.
4. The Cases

Each of the three sectors of the British Columbia economy chosen for analysis and comparison - Shipbuilding and Ship Repair (BCSSR), Solid-Wood Remanufacturing (Reman), and the Motion Picture Industry (BCMPl) - manifest characteristic features of network organization. Thus, each is dominated by relatively small, interdependent, spatially concentrated production units. In consequence, they share a common geographic, political, economic, and social locale from which they compete in (or are preparing to enter) the international market. However, each sector was born during different eras of economic development and, consequently, they have different industrial relations institutional origins which, in turn, influenced their subsequent historical evolution and, especially, their adaptation to the network model.

While the province has jurisdiction over labour relations in all three of these sector-districts, each taps into the services on offer to business from various other levels of government in Canada, from national to local. Similarly, while each sector-district has its own distinct internal institutional structure, its component organizations are also affiliated with larger, external representative bodies. In consequence of both features, all three sectors and their labour and management organizations are influenced by a variety of policy-making strategies emanating from local, regional, national, and international levels of the political economy which are nevertheless influenced by similar overriding structural changes in the global market.

Local shipbuilding and ship repair facilities were first established in the mid-19th century to support the sea-borne colonial assault on the coastal resource bounty. BCSSR's subsequent evolution was heavily affected by the resource booms, war emergencies, and state industrial development programs which followed, up until the 1980s when all three opportunity sources
simultaneously evaporated. With the industry facing oblivion, the provincial government initiated an industry "revitalization" program in the early 1990s involving the concerted effort of the crown ferry corporation, the handful of remaining shipyards, and the assorted shipbuilding unions. The goal was to meld these firms and their unions located on either side of the Georgia Strait into an integrated production network possessing the capacity to turn-out competitively priced high-technology passenger ferries for, first, the ferry corporation and, eventually, an emerging international market for such vessels.

For such a strategy to succeed, labour must undergo a major change in its skill composition, production organization, and relational behaviour. The shipbuilding unions have been invited to participate in designing and managing this workforce transformation. However, outcomes could vary depending on labour's response. On one hand, a vigorous response to this renewal process could open up new functional and operational venues for labour in this industry and related sub-sectors. On the other hand, union lassitude might push labour to the margins of district governance. The ensuing labour disenfranchisement might undermine the revitalization strategy, precipitating the demise of this historic industry, and with it, a pioneering section of the provincial labour movement.

The dynamic Reman sub-sector of the provincial forest industry emerged following the provincial government-engineered post-war re-organization of the primary solid-wood processing industry. During this re-organization process, the primary sector was transformed into a highly concentrated, vertically-integrated manufacturer of standardized commodities for the burgeoning North American consumer market. Relations between the state, employers, and labour took on a classic Fordist character. However, independent entrepreneurs took advantage of the opportunity provided by the narrowed focus of the primary sector to establish small
operations to 'remanufacture' waste and surplus lumber discarded by the 'major' processors into specialty wood products for neglected local and international niche markets. This sub-sector has since grown in size and diversified in output. There are now over one hundred remanufacturing facilities in the province, half of them concentrated in the Lower Fraser Valley.

In the early 1980s, the primary forest sector went into a deep recession, causing the mass closure of commodity mills and displacement of their workforce. However, in the midst of this crisis, the dynamic Reman sector flourished, expanded, and diversified. Its dynamic performance brought it to the attention of the principal actors in the forest industry, then embarking upon a debate over the future of the primary industry. As the principal union in the solid-wood sector of the provincial forest industry (pulp and paper being the other major sector), the IWA-Canada has been rocked by the ensuing effort to adapt the forest industry to new conditions and to reform the forest regulatory regime, which has been at least in part stimulated by the dynamism of Reman. Although it represents labour in only a small fraction of Reman plants, the union's powerful position in the forest industry's corporatized policy-making regime gives it significant indirect influence over Reman's future. How well the union accommodates itself to exogenous and endogenous pressures on the industry will consequently have long-term repercussions not only on Reman, but also on the forest industry as a whole and on the entire provincial economy which it fuels.

Motion picture production in British Columbia began its meteoric climb to prominence during the 1970s in the wake of the dismantling of the Fordist-style Hollywood-based studio system. From its modest beginning as an exotic 'foreign' film shooting locale for Hollywood, the BCMPI has since grown into the largest film production centre in Canada, pumping out over half a billion dollars worth of video product annually. While the industry still specializes in sub-
contract work for American TV producers, an increasing volume of locally initiated multi-media film projects is being initiated, financed, and produced by a myriad of small locally-based production companies for a diverse international market.

Local film production unions played the leading role in the birth of the provincial industry and in guiding its subsequent development. They are now deeply involved in the web of relationships within and among local film companies, with various state agencies servicing the district, and between the district and other film production centres. However, labour management of its ubiquitous functions in these complex relational structures and its strategic dominance of the district's evolutionary development has sorely tested its strategic mettle. This case-study, as well as the other two, will examine how labour attained its present status in these networked districts, the nature of its governance roles in them, and the prospects for its future in institutional governance.

5. Approach and Goals of the Dissertation

In order of presentation, the major components of this dissertation are descriptive, analytical, theoretical, and hypothetical. However, in order of importance, the theory building process is primary. The first two components lay the groundwork for the theoretical elaboration which will, in turn, allow for the development of predictions regarding the affect of network organization on the encompassing society. These findings and conclusions should contribute to the international research and debate now underway concerning the future of the network model of industrial organization and governance.

The descriptive stage, embodied in the three case studies, explores the role of organized labour in each of the three sectors examined. In the process, I identify the various unions
involved in the networks, elaborate upon their organizational functions in each sector-district, and discuss the means by which they carry out these functions. I will, of course, explore the role the unions play in traditional union functions such as representation and collective bargaining. Their exercise of these duties will be elaborated upon so as to distinguish current union practices from those under earlier production organizational models. More importantly, though, the case-studies will explore new (or renewed) activities undertaken by the unions on behalf of their members as well as the unions' external relations with other unions, employers and their organizations, various state policy makers and agencies, and other interests. Thus, the case-studies will serve to uncover and clarify the nature of the new industrial relations patterns the unions are establishing in their industries.

While this aspect of my research treats organized labour as the respondent to change in the external environment, I am also interested in the impact of union activity upon the character and performance of the sector-districts. How has union activity shaped such things as individual worker's skills and functions, district production organization, and intra- and inter-firm relations? Furthermore, what has been the affect of union participation in district governance on each sector-district's overall relationship with the state, other sector-districts in the same industry, and the industry's market as a whole? The answers to these analytical questions should provide the means to determine whether union activity in each sector-district detracts from or contributes to their overall viability and performance.

The study also seeks to explain how and why the unions acquired the roles they now have. In addressing the first question, I undertake the systematic construction of an idealized networked industrial district. In describing an optimal role for labour in this hypothetical model, I assume that labour is unencumbered by disadvantageous historical or political impediments to
its development of network adhering organizational structures and of status enhancing functional roles. This ideal-typical construct will then be contrasted with the actual historical development of the three sector-district examined in the case-studies. Their variation from the ideal will be explained through schematic illustrations showing the specific influence of environmental pressures, technological changes, and institutional structures on the evolution of each sector-district into the network model. Exploration of historical institutional legacies will help to explain the variation in union relational outcomes among the contemporary practitioners and between them and the ideal-typical construct. More importantly, it can provide insight into the comparative role of structure and agency on production organization, labour skill and function, institutional stabilization and change, and overall governance in the network model.

Thus equipped, I postulate upon the optimal feasible (proper) institutional role which organized labour can and should aspire to in governing network systems of industrial organization. The accumulated knowledge of Fordism gained so far has clearly demonstrated that unions have played a critical role in the performance of this particular model of development. Collective bargaining has provided a legitimate continuing institutional medium for labour to garner an equitable share of the returns from productivity increases and management to gain long-term predictability, and a foundation upon which the state can provide economically and politically stabilizing social-welfare programs. Unions exercised their functions under Fordism through the negotiation of long-term labour contracts and by participating in the administration of labour relational dispute settlement processes. These functions were important as, above all else, Fordism required predictability of both production and consumption patterns under a system of centralized, concentrated, and hierarchically ordered control. In the wake of the crisis and decline of Fordism, it is incumbent to explore the
possibilities for future industrial relations regimes in general, and labour's role in the
encompassing political economy in particular.

Contemporary firms are driven by imperatives fundamentally different from those during
the Fordist era. In order for them to survive in a more volatile and less integrated marketplace,
they must become both more specialized and more flexible. Empirical studies of these firms has
attributed their success to their owner-managers' cultivation of both a more cooperative work
environment within the firm and collaborative exchange networks with other complementary
firms. These informal producer partnerships are supplemented with favourable policies from
local and regional governments, 'real services' from public and private agencies, community
building by civic associations and, sometimes, collaboration from labour unions. Investigation
of organized labour's actual role in these networks has been limited to the impact of the unions'
imposition of traditional master collective agreements. On the negative side, their imposition of
Fordist-inspired contracts on these firms is seen to reduce production flexibility. On the positive
side, by 'taking wages out of competition', they remove a potential impediment to inter-firm
collaboration, thereby inadvertently helping to forge trust-based inter-firm networks.

However, the emergence of a fundamentally new model of production organization
should also lead to the creation of innovative new labour relational structures with
complementary industrial relational practices and behavioural norms. Consequently, I have
undertaken to examine this industrial relations institution building process in three actual cases.
My study has four goals: to explore the roles garnered by organized labour in each sector-
district; to uncover the causal factors behind the unions' assumption of these roles in each
particular case; to understand the impact of this labour activity on production relations and
performance within each sector and, finally; to create an empirical foundation upon which
postulations can be made concerning the possible impact of this production organization model on the encompassing society.

6. The Research Programme

6.1. Research Methodology

I have chosen the (multiple) case study method for my research as it provides the best means to investigate contemporary phenomena not subject to control by the investigator (Yin, 1990), which is the situation with regard to the emergence of networked industrial districts. This methodology also follows generally adopted by other analysts of this production organization model.

I have also been impressed by the insights of analysts now associated with historical institutional research methodology. My case studies consequently trace each sector's industrial relations institutional development from their inception up to the present. This process better illustrates the relative influence of institutional structure path dependency versus industrial relations actors' free agency in explaining contemporary outcomes. It also gives both observers and practitioners of industrial relations policy a better idea of what institutional reforms ought to and can be undertaken to improve these and other networked districts' industrial relations and market performance.

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See Robert Putnam's *Making Democracy Work* (1993) and work prompted by its publication such as Genschel (1993) and the "Special Section" in *Politics and Society, Volume 24, Number 1* (March, 1996) critiquing Putnam's work. See also Jessop (1996) for a discussion on the
Nevertheless, the long-term outcome of the institutionalization process is uncertain as it is occurring in the context of an unpredictable transition from Fordism to post-Fordism. Relatedly, the three sector-districts under review are still in the initial stages of structural and institutional formation. The elaboration of production organization, relational structures and norms, and institutional governance in these sectors is fluid. Furthermore, as in all intermediate level institutional processes, causal chains are complex. The historical institutional case study method allows investigation of the dynamic and interdependent unfolding of the global order and the concomitant local reaction of these three industrial communities.

The character and function of the organizational actors, including labour, in these three networked structures is similarly indeterminate, subject as they are to both inter-organizational struggle and environmental pressure at this nascent stage of institutional development. The fluidity of the contemporary process of global change and local institutional development makes it difficult to clearly isolate the influence of factors exogenous to the unions from that of deliberate union action. Nevertheless, case study analysis facilitates the identification of organized labour's role in network development and the means labour uses to exercise its prerogative. We can thereby reach some tentative conclusions regarding the influence the unions may exert on the future performance of networked industrial districts.

In contrast to the single study, the multiple case-study format provides both a broader range of data with which to build theory and a better means to identify probable causal chains. Since the three cases in this study share a common locale, it is easier to isolate the contemporary market factors and institutional legacies behind the variation in labour's response to challenges in each case. One can then catalogue both the limiting and enabling factors affecting labour's interaction of structure and agency inspired by Regulation Theory.
adaptation to environmental change. By contrasting and comparing the cases, one can begin to see patterns of network structure and operation, develop some generalizable explanations for its peculiar nature, and provide a firmer foundation for further studies in this area.

Since organized labour has played an influential role in the emergence, institutional elaboration, and competitive performance of various modes of production organization, increased understanding of the network model should prove useful for industrial relations policy-makers in developing policies which balance institutional stability with dynamic industrial performance. In particular, the case studies can provide insight into what labour gains from this experience and the corresponding affect on industrial relations. The nature of and motivation for labour's participation in this institution-building process not only affects the competitive performance of particular industries in particular settings. It also should help determine the long-run durability of the model and, in turn, its impact on the society in which it operates.

6.2. Research Sources

My sources for information on the three sector-districts consist of scholarly literature, industry journals, primary documentation, the print news media, interviews, and direct observation. While I set out to exploit these source categories in this sequence, specific sources often provided supplementary leads to further research in the source categories.

Scholarly books and articles on the network phenomenon provided an introduction to the subject, a focus for my inquiry, and an inspiration for the formulation of research questions. While quite a few empirical studies of networked industrial districts have been undertaken recently, no work has been published on contemporary industrial relations in the sectors chosen
for my study. This research gap provided further impetus for my undertaking.

There is quite a lot of scholarly material available on the British Columbia forest industry due to its historic importance to the provincial economy and society. However, only one academic study, a masters thesis (Rees, 1993), has been undertaken on the Reman sector and this work did not delve into labour relations. The paucity of material on Reman is indicative of its still marginal importance to the principal interests involved in the provincial forest industry.

There is a long history of ship building and repair in British Columbia. However, its sporadic impact on the provincial political-economy has limited scholarly attention to those periods when the sector boomed. The BCSSR's recent decline, and its possible resuscitation, remain unaddressed.

Finally, academics have tended to view the Canadian film industry through the lenses of cultural (bi-) nationalism. Consequently, their work on the industry has focused on the heavily subsidized and protected film production centres concentrated, respectively, in Ontario and Quebec. Despite its phenomenal growth, the internationally-integrated and export-oriented BCMPI has been totally neglected by academic political-economists.

I therefore relied extensively on national and local professional industry journals for information on the three industries, whether originating from industry associations, individual firms, unions, government agencies, or commercial publishers. The film industry journals proved to be especially useful sources of historic and contemporary data on the international, national, and local levels of the industry. Similarly, since British Columbia dominates the Canadian forest sector, national industry journals as well as those produced by BC-based firms and unions provided extensive coverage of events in the province. However, very little journal attention is devoted to Reman despite its dynamic growth; this finding prompted a search for
explanations. The recent dramatic contraction in the size of the national shipbuilding industry has also seen the demise of most of its journals. The only industry-based publication remaining is one produced by a shipbuilding union. Incidental material was extracted from other marine-related publications.

Of course, the nature of the generative source and of the intended audience for these industry journals tended to bias their editorial content. Furthermore, the absence of a formal peer review process exacerbated their lack of objectivity and balance. Extensive research of administrative documents and correspondence, consultant reports, and the minutes of industry-based meetings helped to offset this shortcoming.

Primary documentation provided further data on the three sectors as well as insider information on contemporary industrial policy developments emanating from the state. The recent upsurge in government interest in the performance of the three sector-districts has increased the flow of this material. However, access to some of it could only be obtained through 'freedom of information' channels which often resulted in exculpation by zealous bureaucrats of potentially important documentary text considered by them to be of a sensitive nature.

This limitation was somewhat offset by a careful survey of the news media and personal interviews of key personnel involved in the industry. The news media proved to be quite useful for garnering up-to-the-minute information on industry developments and state policy pronouncements. The print media also generated names of key organizations and officials for possible personal interviews.

I interviewed seventy-three employer and union representatives, concerned government officials, informed academics, and industry consultants and professionals. Each interview, of
roughly forty-five minutes to an hour in length, commenced with questions drawn from a standardized questionnaire which I designed specifically for this project (Appendix I). However, as the interviews unfolded and particular lines of questioning proved more or less fruitful, I tended to shift to a more 'open-ended' interview technique.

Several subjects were interviewed more than once, in which case later questions were more sharply focused. While the content of these interviews was confidential, I was permitted to include the names and positions of my interview subjects in the Research Sources listed at the end of the dissertation.

These interviewees provided me with background on each industry's historic development as well as the contemporary situation. They helped clarify and flesh-out details on such things as the organizational structure and production technology of the particular industry; information that was missing from the primary and secondary documentary sources. Furthermore, the interviewees' aspirations and expectations regarding particular sectors provided valuable insight into the current tenor of inter-organizational relational activity. Finally, they often provided me with further documentation as well as leads to other information sources, including interview subjects.

Unfortunately, some officials that I would have liked to have questioned were either unavailable for interviews, despite several attempts, or outrightly refused my requests, despite written and verbal assurances of confidentiality. The latter response was especially common in the case of government officials. Thus, no ministers or deputy ministers were interviewed. Furthermore, the bureaucrats that I did manage to interview were often obfuscatory and guarded in providing information and extremely hesitant to volunteer opinions.

On the other hand, industry officials were remarkably forthcoming. Furthermore, some
of them invited me to observe production activity at industry work-sites. Consequently, I had the opportunity to tour two remanufacturing sawmills operated by the majors and the two shipyards still operating on Burrard Inlet. Although I visited a film studio complex in North Vancouver, the opportunity to observe a film shoot did not arise.

The subjective bias of interviewees was compensated for by my gathering of opinions from a broad spectrum of industry participants. Similarly, careful research of industry documents helped to offset the inherent limitations associated with interviewees' spontaneous recollections. Consequently, the content of interview transcripts was treated more as qualitative than quantitative material.

Although the multiple-case study method served my purposes in this project, there was an obvious trade-off in not choosing to do only a single-case study instead. Naturally, in keeping to one case, one can gain a deeper understanding of the subject within the equivalent time through taking general surveys of ordinary industry personnel, for example. Thus, in my study, I could only infer workers' attitudes toward their jobs and the industry as a whole from their leaders' responses.

However, my purpose was to gain a general understanding of the network model as it functions in this region so that, among other things, the findings might be generalizable to other sectors in the region or even to other regions of the country, continent, or globe. Beyond this outcome, I hope that my findings will contribute to the empirical and theoretical work on the network industrial model, thereby providing a basis for further research in this area.
7. Plan of the Dissertation

7.1. Chapter Outline

Chapter 2 begins with an historical examination of the role of labour in market-oriented production systems from the feudal guildist era through the putting-out, manufactory, factory, and mass production stages, up to the institutionalization of Fordism. This retrospective survey traces the critical technological and social innovations in the dynamic economies which led in the subsequent international adoption of these particular developmental models. It concludes with the impact of Fordism on the political-economies of Canada, as a whole, and British Columbia, in particular. Of course, the role of labour in production and its organizational activity at each stage of development is central to the survey. I explore the reciprocating impact of labour on the evolution of production for the market, and labour interaction with employers, community, and state. This review is intended to provide both contextual background and historical insight into the emergence of the network model in the three sector-districts chosen for analysis.

Chapters 3, 4, and 5 contain the individual case-studies of the three sector-districts chosen for analysis. Each case-study chapter opens with an introduction to the sector-district and the major current issues facing organized labour in it. The individual chapters then trace the history of the particular industry in the province starting at its inauguration, looking at the environmental conditions at birth and the institutional character of the nascent industry, including production organization and industrial relations, from the perspective of labour. Each case-study then proceeds through the particular sector's development up to the present, especially focusing on the impact on labour and its organizational response to change. An in-depth analysis of the contemporary situation in the sector-district is then undertaken. Each study
closes with a discussion of the outstanding challenges facing the particular sector-district and labour's possible role in their resolution.

Chapter 6 strives to explain the reasons for the variation among the case-studies in labour's organizational response to contemporary conditions and in its adaptation to the institutional imperatives of the network model of production organization. To this end, it proceeds with my construction of an ideal-typical networked sector-district, focusing on the role labour might play in the process, and its organizational function in the resulting model. Next, the institutional evolution of each of the three cases is illustrated using an industrial systems framework that I have adapted from classic industrial relations methodology. Comparing and contrasting each sector-district with the other two, and with the ideal-typical network model, will help to clarify the interactive influence of institutional legacies and contemporary environmental pressures on labour adaptation to change, especially with regard to the introduction of network organization.

By way of conclusion, Chapter 7 summarizes the findings from the historical review of labour's role in the evolution of production for the market, the case studies of the three networked sector-districts, and the comparative analysis of the impact of historical legacies and environmental pressures on the institutionalization of network relations in the three cases. By applying the insights garnered from both the historical and the contemporary analyses of labour's role in production organization and governance, we can better predict the possible impact of network industrial organization on the encompassing economic, political, and social environment. Just as the diffusion and broadening of Henry Ford's innovative production organization stimulated and, in turn, was aided by complementary changes in society, the diffusion of network organizational patterns to other economic sectors and regions should induce
a commensurate re-organization of the economy, re-configuration of state structures and functions, and reconstitution of social institutions, possibly, ushering in another 'Golden Age' only with, hopefully, broader prosperity and deeper equity. This prognostication will complete the study.

7.2. The Bibliography

Echoing the research plan, the "Research Sources" are divided into separate sections for the listing of published documents, unpublished documents, industry journals, and interview subjects. The first section includes academically-oriented books and journal articles as well as government publications. Industry and government documents either unpublished or with limited circulation are grouped in the next section. Since I undertook extensive surveys of industry journals, these sources are listed in another distinct section. Last but definitely not least, my case-study informants are grouped together under one section heading, because some provided me with information on more than one industry. I am especially indebted to these individuals for the data that they volunteered, their insights into industrial relations practice, and their invaluable help in undertaking my research.
CHAPTER TWO: ORGANIZED LABOUR'S HISTORIC ROLE IN MARKET FORMS OF PRODUCTION

1. Introduction

The last few decades have witnessed a widespread abrogation of the post-war Fordist industrial relations system's core principles, especially so in its heartland, the United States, and by implication in its 'junior partner', Canada. The abrogation of national Fordist relational accords has been accompanied by the state's deregulation of domestic markets, abandonment of Keynesian fiscal and monetary policies, and retrenchment of complementary social welfare programs. This neo-liberal onslaught has, in turn, weakened normative societal bonds and mores, and increased public alienation from traditional political structures and processes. The pre-eminent regulatory role of the nation-state has been further eroded by an insidious devolution of its sovereign authority to inter- and sub-national bodies. The generalization of these changes across the globe indicates that we may not be simply abandoning the post-war Fordist development model but also undergoing a fundamental global change in the modern political economic system which emerged out of the feudal era.

The nature of the rise and the subsequent fall of Fordism reveals the inter-dependence of economic, political, and social institutions. Consequently, the emergence of the network model of production in the wake of the demise of Fordism may therefore be both symptomatic and indicative of broader changes in the modern global political economy. Insight into the organizational structure of the network model, its institutional governance system, and the nature of social relations within it may provide some clues as to the nature of the overall political economic system presently taking shape. Consequently, the role which labour is able to forge for itself within this emergent organizational model may, in turn, indicate the future place of
labour in the emergent society which encompasses this production regime.

In order to better understand the impetus behind contemporary political economic changes, as well as their possible ramifications, we need to go back to the origin of the modern market-based economy and explore its development up to the present, focusing especially on the socio-economic nature of production during each stage of this evolution. The social organization of goods production for the market has gone through a number of different forms since it re-emerged in Europe during the late feudal era. The character of the encompassing labour market has been one of the major factors determining the nature of each of these forms. Such features as labour accessibility and cost, its skill range and adaptability, and producer group relations have had a significant influence over production organization and industrial performance. Furthermore, these features have helped shape labour's organizational structure and its role in the institutional structures governing market relations. In turn, these features have affected labour's ability to respond to subsequent changes in the market environment (Fulcher 1991).

Therefore, before embarking on the contemporary case studies, we will review labour's historic influence on and response to changes in the system of production for the market from the feudal guildist era up to the Fordist era of development. In focusing on labour's behaviour, answers to three inter-related questions will be sought: How did labour precipitate change in production organization? What production functions and organizational forms did labour assume during particular stages of this evolution? And, what influence did organized labour have on encompassing social and political institutions? In answering these inter-related questions, this historical survey will provide some sense of organized labour's role in the institutional development of the market-based political economy.
The historical review will begin with the rebirth of the market in medieval Europe, which
saw the rise of commercial cities, the organization of artisanal systems of production, and the
formation of craft guilds. In examining this era, we will look at the organizational character of
craft production, the nature of relations in the work-shop, and the role of craft guilds in the
political economies of urban communal governments. We will then proceed on to subsequent
developments in the organization of production for the market, from the putting-out system
which superseded the urban craft-guild system, through the rise of and evolutionary development
in the various stages of the factory system of industrial production, and the accompanying
emergence of the nation-state political economic system, continuing up to the creation and
institutionalization of the Fordist system for regulating production and consumption in the post-
World War II international market economy.

In gaining an understanding of how labour garnered its distinctive role at each stage of
development, we will look at several causal factors: the principal technology distinguishing each
stage of development, the organizational structures and behavioral norms characterizing the
dominant industrial relations institutions, and the nature of political economic development
model adopted by the encompassing society in which these production regimes operated. The
knowledge garnered from this review will, in turn, provide some indication of the impetus
behind the emergence and development of the contemporary network model of production
organization. Furthermore, the review will also provide a better means to predict the possible
long-range impact of the network model of production organization on the provincial political
economy in general, and labour's role in shaping the development of the provincial institutions
governing industrial relations, in particular.
2. From Guildism to Fordism

2.1. The Re-Emergence of Market Oriented Production in Europe

The economic, social, and political structures and norms underlying feudalism were antithetical to market-based commodity production and exchange. The feudal estate deliberately strove to promote social continuity and economic autarkism in order to better survive the anarchy which prevailed outside its borders during the Dark Ages. Within the estate, economic functions were inter-generationally immutable, social structures were rigidly hierarchical, and political relations were modelled on the authoritarian patriarchal family. Commodity production was primarily for internal consumption with some external bartering of surplus goods. External trade was of marginal importance, with some local exchange of primary goods and longer range trade in luxury items.

Nevertheless, developments within feudal Europe during the late medieval era stimulated the emergence of a new model of socio-economic organization. However, rather than centring on the isolated feudal manor, this regime would be based in the city, where commodities would be produced for exchange, entrepreneurial initiative and social mobility would be prized, and political rule would become more explicitly based upon popular consent. Eventually, this dynamic regime would come to dominate and, eventually, replace the feudal system which provided its incubus.

Changes in the larger political, economic, and social environment of Europe set the stage for the social revolution that was about to unfold. The attenuation of barbarian invasions of continental Europe, on the one hand, and the increasing lure of foreign lands and their wares in the wake of the Christian crusades, on the other hand, served to open feudal Europe to both
internal and external trade. Simultaneous innovations in European farming technology produced growing agricultural surpluses which the inhabitants of the feudal estate could offer in trade for the more exotic goods which began to appear in the local market. Enterprising merchants exploited this opportunity to profit from the buying and selling of goods which they could now more safely convey along the transportation corridors opening across, and extending beyond, Europe.

Permanent market centres soon emerged at the confluence of the inland commercial corridors and at entrepots along the coast. As trade blossomed, these centres precipitated the rebirth of the urban life which had withered across Europe in the wake of the collapse of the Roman Empire. However, unlike their historic predecessors, these towns were not primarily administrative centres, like those of imperial Rome, nor were they primarily reliant on the plunder of foreign lands, as had been the earlier warrior city-states of classical Greece (Weber, 1978, p. 1352). They were first and foremost commercial towns. Furthermore, unlike their predecessors, they were not initially structurally integrated into the dominant, land-based feudal political-economy. They, consequently, developed their own distinctive institutions.

These historically unique urban enclaves, and their commercially-oriented denizens, represented an implicit challenge to the ossified, autarkic, agricultural patriarchies which surrounded them. Nevertheless, the landed aristocracy tolerated them as they provided an outlet for surplus agricultural produce, offered exciting new imports in exchange, and presented opportunities for aristocratic investment in commercial property and trading ventures. Many aristocrats established town residences to better satisfy their appetite for the goods, services, and social activities which the towns had on offer, and to oversee their commercial investments and urban political affairs. Feudal strictures and hereditary wealth gave these oligarchs and their
commercial partners initial political control over town affairs.

However, the compounding profits which the merchants garnered from intra- and inter-urban trade soon gave them the wealth and the incentive to largely displace the feudal rentier class from urban political power. Furthermore, by financially underwriting the incessant wars of the aristocracy and the state-building efforts of the monarchy, they also helped to augment the commercial freedom and the political power of the cities. Behind their sturdy walls, the burghers established autonomous, self-governing city-republics, in the process discarding remnants of the anachronistic social constraints which the landed gentry had attempted to transpose to the city.

The 'free-air' of the urban commercial centres were also a beacon to the serf bonded to their manors. Upon entering the towns, the liberated rustic discovered opportunities for the application of their craft skill to the processing of commodities imported from adjoining agricultural lands or from abroad. In the process, these incipient artisans helped to diversify the city economies from being simply commercial entrepots into being thriving processing centres as well. This activity not only further stimulated trade, it also provided another source of profit for the merchants who had the capital and the experience to import and export commodities for value-added processing.

The complementary relationship of artisan and merchant provided the structural foundation for the emergence of modern capitalism. The artisan's purchasing of unprocessed commodities from the merchant, his transformation of it into consumable goods, and the sale of these goods on the open market represented the money-commodity-money production side of Marx's classic accumulation cycle. The merchant's importation of raw materials, their sale to the artisan for further processing, and the use of the returns from this sale for the renewal of the
cycle represented the commodity-money-commodity financial side of this equation. The open question was over who would bring these cycles together and, by joining them, dominate the evolution of production for the market.

2.2. The Guild System

2.2.1. Artisanal Organization

Like the merchant-trader, the craft-artisan enjoyed considerable market autonomy. His workshop was both production centre and sales outlet. The more ambitious shop owner hired apprentices in order to expand his output. The merchant-traders were eager to assist with the financing of the expansion of work-shop capacity as the expected increase in production output provided an additional source of profit. Furthermore, local commodity processing reduced the risk associated with the long-distance importation of processed and, consequently, more valuable goods across sea-borne and land-locked 'pirate' infested trade routes. The symbiotic relationship between artisan and merchant enriched the towns, increasing their economic and political power relative to the encompassing feudal agricultural economy. Urban development brought further elaboration of communal social structures.

In imitation of the merchants, artisans involved in the same trade soon associated to exercise more control over market activity in their sector and more influence over the town councils regulating the urban economy. Each craft guild assumed responsibility for setting standards for production output level, quality and price, overseeing recruitment, training, and credentialling of work-shop apprentices, and providing input into communal governance of both intra- and inter-communal market activity. In the process, the craft guilds became the principal institutional medium for labour socialization into both commercial and civil activity within the
medieval city-states (Black, 1984).

In order to ensure regulatory control over the their specific trade and to nourish its economic dynamism, craft-artisans developed the classic apprentice/journeyman/master status-function hierarchy. Apprentices were bonded to the work-shop master-owner for the duration of his training period. In return for his deference and loyalty to the shop-master in the performance of his trade, the apprentice was guaranteed remunerative employment and room and board in the master's residence until either his full trade accreditation or his marriage. The accredited journeyman was then free, indeed obliged, to subsequently seek his fortune on the open labour market, in the hope of eventually accumulating enough money to open his own shop. This social-occupational conveyor system promoted not only inter-generational craft continuity but also intra- and inter-communal craft dynamism.

Work-shop ownership lent the artisanal-masters superordinate authority within the shop and within the guild. This position gave the master pre-eminence in representing the shop in his guild and, in turn, the guild to the communal town council. However, this intra-guild economic, social, and political power imbalance was somewhat mitigated by the reciprocal duties and obligations among the functionaries within the work-shop and within their respective craft-guild. The socio-economic interdependency within the work-shop and socio-economic mobility within the craft thereby attenuated the potential for a structural polarization in wealth and power within the trade-occupational hierarchy (Weber, 1978, p. 1984).

While artisans initially organized in order to exercise collective influence over the market, we know from Max Weber's seminal work on the 'plebian city' that the craft guilds soon became involved in political matters (Weber, 1978, pp. 1302-3, 1345). In many towns, they used their market influence to garner corporate representation on the town councils, alongside the
merchant guilds and other urban notables. After helping the merchants to overthrow the landed patriciate, the craft guilds' went on to demand a more popular, representative form of government. Thus, craft guild values of brotherhood, obligation, and equity provided the normative foundation for both the reciprocity-based economy and the republican civic culture which came to characterize many medieval communes.

However, these values went into hiatus during the centuries-long transition from city-state to nation-state republicanism. Society would have to go through a long period of turmoil and conflict before civic republicanism would once again re-emerge. During this period, labour would be on the defensive as it sought to preserve some of the status it had garnered under the guild system. Despite this setback, the institutional legacy of the medieval Kauf-system would provide a source of inspiration for the reciprocal corporatist political economies which would be established during the Fordist era of the nation-state system (Black, 1984; Putnam, 1993).

2.2.2. Labour Relations Under Guildism

Despite the organic harmony within the guild structure, there is extensive evidence that the subordinate guild members, especially the journeymen, took independent action to protect their status. The temptation for the master to exploit his authority within the work-shop, to ignore regulations concerning subordinates' working conditions, and to skirt conventions governing the ratio of lower-paid apprentices to higher-paid journeymen prompted wage labourers to associate informally in defence of their traditional rights. However, the higher mobility and skill of the journeymen gave them a much greater capacity than the apprentice to lever concessions from or check the power of an over-weaning master-shopkeeper. Their independence also gave them a greater impetus for collective action. Proof of this associational
activity comes from the record of strikes mounted by German Gesellenverbande, French compagnonnager, and English journeymen associations against their employers half a millennium before the industrial revolution ushered in the modern labour union (Lis, Lucssen, and Soly, 1994).

Guild masters, of course, resented labour insubordination and vigorously opposed its autonomous organization. As workshops grew in size due to an increase in both the division of labour in certain industries and in the size of markets, trade 'chapels' were established with guaranteed representation for apprentices and journeymen. These corporate bodies arbitrated work-shop labour relations and financed social service programs. Relational harmony was reinforced through chapel provision of social insurance against loss of earning capacity among members and of loans to journeymen seeking to establish their own shops (Materne, 1994). The 'stick' complement to this paternalistic 'carrot' came with the masters' exercise of their representational prerogative on town councils to bring down official opprobrium on the labouring classes whenever they dared to assert their particularistic interests.

However, their "property in skill" (Lis and Soly, 1994, p. 17) together with their employment mobility gave journeyman some freedom from the restrictions emanating from guild masters and their allies on the town-councils. Informal socialization and occupational commiseration among journeymen 'tramping' from town to town in pursuit of their livelihood encouraged collective organization. The pubs and hostels which they frequented became regular meeting places and dispatch centres for labour. Formal organization soon followed, giving these proto-trade unions a collective means to exert some influence over employment placement as well as a vehicle for the negotiation of terms of employment and remuneration with employers.

The inter-communal links forged among journeymen helped to mitigate guild-instigated
regulatory restraints on autonomous labour organization within the cities. Guild masters, however, responded by using their influence with the emerging regional commercial leagues - initially formed by the merchant class to regulate inter-city trade - to re-assert their socio-economic authority over labour. Thereafter, these inter-urban confederations dominated trade across Western Europe up until the Treaty of Westphalia (1648) officially ushered in the nation-state political-economic system. This pre-emptive move by merchants was the forerunner of a continuing see-saw struggle between capital and labour for ascendancy.

The dramatic increase in regional trade promoted by such commercial federations as the Hanse gave the merchant-traders increasing leverage over the goods-producing classes. Many artisanal shops were reduced to a sub-contractual relationship with the merchants due to the latter's monopoly over inter-city trade. The ensuing competition between sub-contracting workshops eroded craft solidarity and increased shop-masters' predilection to exploit labour. As the larger work-shops displaced the smaller, the socio-economic gap between employers and labour grew.

Extra-communal market power and the capital accumulation which this allowed soon translated into greater political power for the commercial class. The merchant-trader guilds reasserted their earlier dominance over town councils. Merchant-bankers forged strategic alliances with the new national monarchies whose aspirations they shared and financed. The subsequent supersession of the city-state system by the nation-state system ushered in the next stage in the evolution of the market economy. Guildism would be displaced by the putting-out system of production organization; the social reciprocity of guildism would be displaced by social polarization; and, civic republicanism would be replaced by national absolutism.

In organizing itself in the nascent market economies of the emergent medieval towns,
artisanal labour had acquired an important institutional role in the social, economic, and political life of the city-republics established thereafter. In these roles, labour thus helped to establish the normative foundations of modern western society: individual freedom, market-based production, and responsible government. However, major changes in the environment would bring about a gradual long-term erosion of the collective rights and status acquired by labour during the guildist period.

2.3. The Putting-Out System

As had been the case with the guild system, the interdependent impact of a series of political, economic, social, and technological changes in certain parts of Europe stimulated the emergence of the putting-out system of production. The political rise in the power of national monarchies relative to that of local feudal-era authorities helped remove some of the barriers impeding urban commercial intercourse with proximate rural regions. The ensuing reintegration of town and country economies encouraged the commercialization and mechanization of agriculture. This change, in turn, increased and diversified the flow of local factors involved in both production and consumption of fabricated goods. These regulatory and commercial changes encouraged entrepreneurial investors to attempt to bypass craft guild restrictions on production and trade. While some attempted to negotiate some relaxation in guild restrictions on commodity production and sales, others simply skirted these restrictions by sub-contracting various material processing functions to rural labourers with family-based workshops in their homes.

The commercialization of the countryside was a vital step in the consolidation of territorial markets. This process, in turn, was critical to the emergence of modern national
economies (Kriedte, Medich, and Schlumbohm, 1981). Similarly, the imperial ambitions of the new national monarchs also brought distant regions of the globe under the influence of aspiring nation-states. The convergence of interest between the state and merchant capital was concretized under the mercantilist doctrine; its use at this nascent stage of national industrial development helps to explain its continuing application by developing states up to today.

The sub-contracting of various stages of the production of some more complex goods - cloth for example - to specialized work-groups had not been unknown during the guildist eras. However, the importance of the putting-out (Verlags-) system grew immensely under the favourable conditions which existed for its exploitation in the commercially oriented economies which had emerged on either side of the English Channel, around the 16th century. The dominant authority of national monarchies (Spanish, French, and English) over these lands encouraged the emergence of integrated economies sooner than was the case in regions dominated by local urban and rural authorities. The imperialist ventures of these sovereigns further enhanced their economic development.

The Low Countries were particularly adept at exploiting the opportunity provided by their strategic position where the Rhine River met the Channel. They fed off the commerce between various regions of continental and northern Europe, and the Atlantic basin and beyond, which flowed by their ports on the river delta. The booming market for the fine fabrics made in these lands provided the financial base for budding capitalists to invest in other manufacturing and commercial ventures. The liberation of the Northern Counties from Hapsburg rule and the subsequent establishment of the Dutch Republic, during the 17th century, made the Netherlands the first market based national economy in the world. The Netherlands used this lead to rise to a dominant position in the emerging world economy during the next century (Wallerstein, 1980).
Dutch commercial hegemony, in turn, encouraged the diffusion of many of their economic practices to follower nations across Northwest Europe. Thus, cloth manufacture and export, the former using the Verlags-system, the latter chartered trading companies, was to become the primary means by which rivals in other emergent nation-states attempted to achieve economic success.

The Verlags-system also stimulated the emergence of industrial capital. By contracting-out the processing of their imported raw materials to rural labour, the merchant-contractor retained a degree of control over the accumulation cycle not possible under the feudal guildist system. The financial returns from raw material importation, from the processing stage, and from final sale to the consumer could now be concentrated in the hands of the merchant. This activity also helped to develop the merchant's entrepreneurial and managerial skills, which would further spur on the development of industrial capitalism. The 'farming-out' of fabrication stages among sub-contractors also allowed the merchant-contractor to elaborate upon the functional division of labour in the production process. This organizational method would continue to be used to good effect as it allowed for the hiring of less skilled labour in the production process while increasing returns from scale economies. Finally, by further undermining the power of the craft guilds and increasing the contractors' economic leverage over labour, the putting-out system brought social-production organization a significant step closer to contemporary employer-employee relations under capitalism. In conclusion, this new model initiated an inexorable widening of the economic and social divide between capital and labour in carrying out production for the market (Durkheim, 1984 [1893]).

While it seriously weakened the craft guild, there was some confluence of interest between the merchant-capitalist and the cottage-labourer under the putting-out system.
'Domestic industry' provided rural workers with a lucrative outlet for that portion of their labour rendered surplus by the concurrent commercialization and mechanization of agriculture. By entering the cash-labour nexus, rural labourers could simultaneously supplement their agricultural income and reduce their subordination to and dependence upon the land-lord. This activity further weakened the lingering feudal institutional bonds of hierarchy and paternalism which continued to impede economic and social modernization. This 'proto-industrial' stage of economic development thus played an important role in the transition from feudalism to modernism (Ogilvie and Cernan, 1996).

Nevertheless, associational patterns forged during the preceding guildist era were not entirely abandoned. For example, the merchant trading companies were simply larger-scale versions of the feudal era merchant guilds. The monopolistic rights granted to them by national authorities were little different from those granted by feudal town councils to local merchant-traders. Similarly, domestic workers responded to the merchant-contractor's market power in much the same way that urban craftsmen had during the initial emergence of the market system during the feudal era. Like their urban artisanal predecessors, they formed rural labour associations to "secure the 'livelihood', regulate training, enforce quality standards, and implement their interests vis a vis the entrepreneurs and putters out (Mager, as quoted in Ogilvie, 1996, p. 32)." Domestic workers' continuing ownership of both their tools and place of work also gave them some economic autonomy from the merchant-contractors. Where merchants did not enjoy inordinate political influence over regional regulatory authorities, some domestic workers were able to form rural producer co-operatives. Like the feudal guild workshops before them, these co-ops could bypass the merchants and gain direct access to both up- and down-stream commodity markets (Mager, p. 33).
Of course, rural workers' individual control over their production activity and their collective organization negated some of the initial labour cost and control advantage to the merchant-contractor of the *Verlags*-system. However, during the intervening years of its operation, competition from this system had substantially eroded the influence of the urban based craft guild system while the market regulatory power of the national state had been further consolidated. These changes in the overall labour market allowed investors to seriously consider a re-concentration of production in the towns; only now production would be under the complete and unquestioned control of the employer.

2.4. The Factory System

2.4.1. Introduction

Merchant-financiers' sub-contracting of raw material processing functions to rural domestic labourers under the *Verlags*-system allowed them to bypass the urban craft guilds, giving them greater control over the goods production process and the returns there from. However, the attendant replacement of the organic guildist era social bonds between employer and labour with a purely monetary relationship between contractor and sub-contractor also had negative consequences for incipient industrialists. There were attendant costs to this opportunistic production-contracting system. Contractors lost the guild shop-master's immediate and continuous control over the fabrication process. For example, deficiencies in output quality would only come to light after the delivery of completed goods. Rectification of these problems through the negotiation of new contracts with sub-contractors entailed additional 'knowledge costs' and did nothing to mitigate risk.

The budding industrial capitalist's desire for direct control over both the production
work-force and the fabrication process gave impetus to the adoption of the factory system of production for the market. It can be distinguished from other production technologies by its concretization of two inter-connected principles: the spatial concentration of production activity, and the detailed division of labour functions. The consolidation of the returns from each stage of production in the hands of the factory owner that was realized under the factory system provided the basis for further capital accumulation and expansion. These features were also attractive to national leaders embarking on a race for competitive advantage over other states. These factors help to explain the factory system's pre-eminence among the developmental strategies chosen by later industrializers.

The trajectory of this new production technology saw it evolve through several stages, beginning with simple manufactories, proceeding through mechanized factories, and culminating in the automated assembly line. The following sections will explore this evolution focusing in particular on labour's reaction to this capitalist-driven developmental imperative. We will see how, despite its victimization, labour did have some influence over the evolution of factory technology, and over the organization of functional relations within the factory, social relations within the encompassing community, and the political economic policy of the state.

2.4.2. The Early Manufactories

Increasing competition and rivalry among the new European nation-states stimulated development of certain heavy industries, such as mining, metallurgy, shipbuilding, and armaments, which were critical material bulwarks to imperial assertion. Large fixed investments requirements, the complexity of the production process, and the high premium placed on output quality in these strategic industries predisposed them to capital centralization,
production concentration, and hierarchical management. Other activities closely associated with internal nation-state consolidation, such as printing and publishing, mass education and scientific research, and government operations in general, also fell under the influence of this organizational logic.

This new production model provided an inspirational alternative to merchant-contractors still chafing under the profit-eroding problems associated with the dispersion of processing functions across the countryside under the putting-out system. Re-concentration of consumer goods production under one roof would reduce processing time, transportation costs, and subcontractor pilferage. Employer ownership of both input materials and tools would give him greater direct control over production performance and output quality. Perhaps most critically, the transformation of the workforce from part-time rural sub-contractors into full-time urbanized factory employees would facilitate an increase in the rate of labour exploitation through the employer's ability to insist upon longer workdays and workweeks and more consistent labour output and effort (Schlumbohm, in Kriedte, Medich, and Schlumbohm, 1981, p. 108).

The establishment of these 'manufactories' was abetted by new industrial policies emanating from national governments attracted by the political and economic returns which this accumulation regime promised to generate. England led the way in removing lingering impediments to the development of this production system. One critical step was Parliament's passage of the Statute of Artificers in 1563 which effectively ended local statutory control, and craft guild exercise of this control, over the labour market by shifting regulatory power to the national government. Those workers displaced by either the decline of the guild workshop or by the commercialization of agricultural were subsequently obliged by the Poor Law of 1601 to seek alternative work or face imprisonment. The subsequent displacement of small farmers
from their land by landlord-Parliamentary connivance during the 'enclosure movement' following the fall of the Stuarts freed-up additional hands for the processing of the wool and grain now grown on the former commons as well as the staples flooding into Britain from its overseas plantations.

The iron rule of the factory manager over his charges was unrestrained by either feudal social obligations or craft guild regulations (Simon, 1994, p. 124). Yet, while the employer was unburdened of reciprocal obligations to his employees, the law continued to vest in him the rights and privileges of shop-masters. Collective resistance by factory labour was rendered moot by the enactment of laws restricting their association by a Parliament effectively dominated by an alliance between the urban bourgeoisie and the rural gentry.

Nevertheless, wage labour continued to retain some leverage over employers in the factories. Manual production techniques allowed the worker to exercise some discretion over the performance of his or her task. Through informal collaboration, factory hands could still make or break an employer through minor, hard to detect variations in output intensity and quality.

Furthermore, the old guild system continued to have some influence over the external labour market which the factory employer had to troll in search of fresh hands to replace those quickly broken in the 'satanic mills'. The craft guilds' continuing responsibility for skill inculcation and occupational credentialling gave them some residual influence over the price which craft workers could command on the open market as well as some indirect influence over the organization of production functions in the workplace. Even when managers divided and simplified production tasks in order to reduce the need for skilled labour, they continued to need qualified technicians to perform more complex processing functions, supervise the less skilled,
and repair and service machinery. Consequently, some semblance of the old inter-craft
demarcational system and the intra-craft skill hierarchy continued to be imposed on the
manufactory (Simon, 1994, p. 117).

Moreover, the establishment of manufactories in competition with traditional craft work-
shops was not entirely unwelcome by skilled labour. The manufactories' domination of the
growing market for standardized goods and the absence of restrictions on the employment of
low-paid, unskilled workers allowed employers to pay a premium for skilled workers. Craft
journeymen were attracted by both the relatively high pay and the job security on offer in the
factory. They consequently pushed for a relaxation in whatever guild restrictions remained on
both their occupational freedom and their organizational activity, in order to better exploit the
competition between guild-masters and industrial-capitalists for their services (Lis and Soly,
1994). Nevertheless, with the concomitant decline in guild power, autonomous journeymen's
associations were established to try to retain some collective labour influence over job
placement, remuneration, and production organization. The widespread outbreak of general
strikes by journeymen across Europe during the 18th century attests to their willingness to flex
their newfound collective muscles against employers (Lis and Soly, 1994; Simon, 1994).

Despite legal prohibitions and employer opposition, labour organized within the work-
place as well. Journeymen organized to retain formal and functional demarcations between the
trades, and between them and the unskilled. Their organizations also broke new ground with
their demand for collective bargaining rights in the negotiation of contracts governing hiring,
production organization, working conditions, and wages (Simon, 1994).

Nevertheless, developments in the organization of production and in the regulation of the
market were conspiring to further erode both skilled and unskilled labour's power at both the
point of production and in the larger labour market. Concentration of production in increasingly larger factories encouraged elaboration of a even more finely detailed division of labour. The ensuing deskill of factory hands inexorably increased the ratio of untrained and unorganized labourers to skilled and organized craft-workers. More ominously, the simplification of individual production functions opened the door to their full mechanization. The complex social continuum inherited from the guild era was giving way to a more starkly polarized social stratification between capital and labour in both the workplace and society at large (Durkheim, 1984 [1893]).

2.4.3. Factory Mechanization

Industrial capitalists gained control over the production process by concentrating it under one roof. As their share of the emerging consumer market for standardized goods increased, factory owners were encouraged to further break down and simplify individual production functions in order to better exploit economies of scale and to decrease dependence on skilled labour. They garnered increasing absolute profits from both the ensuing productivity gains and the employment of less skilled and, consequently, relatively cheaper workers. The advantage accruing to factory size increased as owners invested their profits in the new steam-powered machinery which an obliging scientific community invented to perform the increasingly simple fabrication processes.

Mechanization of production initiated a productivity leap far beyond anything imaginable under craft production. Britain's seizure of the lead in technological innovation allowed its factories to flood consumer markets at home and abroad at a faster rate and at less cost-per-unit than its more technologically backward competitors. This advantage, in turn, prompted the
British state's strategic shift away from imperial protectionism to its promotion of international market liberalism early in the 19th century.

While Britain's pioneering role in the mechanization of production gave it an economic leg-up on competitors, the attendant political and military benefits of mechanization were first demonstrated on an extensive scale in the United States of America during its climactic Civil War. The ability of northern factory managers' to fully exploit semi-skilled 'free' labour in the production of massive quantities of standardized military ordinance with interchangeable parts helped turn the tide against the slave-driven agricultural-based Southern economy. The decisive victory of the North and the subsequent dramatic expansion of the integrated American economy provided tremendous momentum for the spread of what would come to be known as the 'American system of manufacture' (Tolliday and Zeitlin 1991). The increasing volume of inexpensive, modern convenience goods coming out of these giant factories stimulated the popular appetite for their products over the more expensive and less consistent output coming out of the artisan's shop.

The replacement of both labour's power and its skill by the machine meant, among other things, that the production tasks still delegated to humans could be accomplished by even more narrowly skilled, less robust, and cheaper labour.¹ The competitive incentive for all employers to replace the skilled, organized craftsmen with the less skilled, unorganized labourer picked up speed. Displaced labourers from foreign lands, southern plantations, and northern farms flooded into American factories, fuelling the nation's industrial dynamism.

¹Except in the southern United States and in less developed countries, the repercussions from labour displacement in the factory and on the farm through mechanization were largely dissipated by the absolute expansion of the American market for manufactured goods.
income were stymied by a concerted anti-labour campaign by employers and the state during the late 19th and early 20th centuries. While autonomous craft organization continued to be tolerated, employees were effectively prohibited from organizing within the workplace, bargaining collectively with employers, or mounting job actions to back up their demands. While it showed little hesitation in aiding employers in violently suppressing labour attempts to gain collective influence over the labour market, the state largely deflected public pressure to slow the concurrent dramatic centralization and consolidation of production undertaken by capital in its attempt to control its markets (Laurie, 1989).

The bourgeoisie's political destruction (or co-optation, as in Britain) of the remnants of feudalism combined with its economic subjugation of labour to ensure that state legislators and the courts favoured the rights of capital over the rights of labour. American courts were especially zealous in restraining labour combinations while doing little to impede capital concentration during the Gilded Era, an ironically eponymous reminder of a more equitable era. Later-developers seeking to emulate the American industrialization process would pursue similar political economic strategies with varying success (Gerschenkron, 1962).

Labour adopted a two-pronged political and economic response to the disempowering affect on it of rapid industrialization, hoping to stem its seemingly inexorable slide into proletarian servitude. Political parties were established to articulate labour's class interests in the legislative arena. This partisan activity helped to gradually attenuate the state's bias against labour in its regulation of the economy and to bring about the gradual recognition of labour's rights to collective organization and bargaining during the late 19th and early 20th centuries. Simultaneously, the informal and, often, clandestine journeymen's associations carried over from the guildist era were transformed into genuine labour unions. As industrialization spread and
mechanization deepened, labour continued to doggedly organize itself despite continuing resistance from employers and the state. The increasingly marginalized craft union model was augmented by larger and more encompassing sectoral industrial, and multi-sectoral 'material' and general union organizational types. Local, regional and national labour associations were established to complement their political arms' contestation of elections at comparable levels of the state. In consequence, 'new model unionism' and working class political mobilization slowly, but inexorably, was able to limit capital's more socially destructive tendencies.

The dissemination among the industrial proletariat of revolutionary explanations for, and predictions concerning the implications of, the polarization of power and wealth accompanying capitalist industrialization and, especially, exhortations directed at labour concerning its potential vanguard role in rectifying the accompanying social injustices spurred on its organization. However, labour's effectiveness in both the political and the economic realms continued to be hindered by lingering ideological and interest-based divisions carried over from an earlier era of membership exclusivity and hierarchical internal structures among the craft guilds. Furthermore, both arms of the labour movement, political parties and trade unions, continued to be dominated by the skilled trades with their quaint notions of the enduring dignity and honour of labour, despite the relentless erosion of their numbers and influence and the related increase in the ranks of the unskilled under mechanization.

The ensuing competition between the skilled and the unskilled was exacerbated by the disruptive effects of rapid urbanization, mass immigration, and absolute expansion of the working class which accompanied industrialization. Nevertheless, the homogenizing affect on

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2This term is used to refer to such unions as the iron/steel/metal or wood/pulp/paper-workers, etc.
labour of industrialization would eventually bring about its organization under more encompassing economic and political structures. Labour exercise of this power would, in turn, lead to the formal incorporation of its interests into the political economy of industrial states (Gordon, Edwards and Reich, 1982). However, it would take several more decades of struggle, an unprecedented economic depression, and a catastrophic war between contending socio-economic blocs to bring this social compromise to fruition.

2.4.4. Mass Production

Adam Smith's *The Wealth of Nations* (1986 [1776]) contained the first systematic elaboration of the principles underlying the mass production model. He argued that labour productivity could be increased by breaking down labour tasks into their simplest components, concentrating the production process under one roof, and mechanizing as much of the process as feasible (Smith, 1986 [1776], pp. 112-115). However, manufacturing employers applied these principles principally as a means to increase their control over and to capture the returns from the production process. Returns to scale were a derivative benefit. Regardless, the pursuit of this logic took industrial development through the putting-out system, the primitive manufactories, factory mechanization, and on up to full production automation. This progression, in turn, provided the technological groundwork for the eventual emergence to dominance of the mass production corporation.

It is also significant that the publication of Smith's work on the technological and institutional foundations of capitalist industrialization coincided with the founding of the American Republic; for it would be in the US that his ideas concerning the productivity potential of a detailed division of labour in the capitalist's factory would be most fully realized. The
United States led in this process due in large part to the foundational hegemony in that country of such important values as liberal individualism and the rule of law, the timely political and geographic integration of the country under a strong central government after its Civil War, and the relatively large size and dynamism of the post-war domestic economy. The increasing homogenization of its domestic markets under industrialization created an ideal environment for the growth of the mass production-consumption developmental model.

In the wake of the institutionalization of this model, small scale producers would be relegated to serving marginal niche consumer markets or to fabricating technologically sophisticated, dedicated capital goods for the mass production factories. However, specialization and flexibility did allow the small workshop sector and its skilled workforce to survive in the shadow of the mass production system through the latter's heyday during the 20th century. Nevertheless, the interactive effect of changes in economic, social, and political organization during the era when mass production techniques were being introduced and refined led to the privileging of its production organizational and social relational conventions during most of the century (Piore and Sabel, 1984; Fulcher, 1991).

The complementary corporatization of business organization in American industry began with the "consolidation movement" of the 1890s among American firms (Brody, 1993). The desire for input and output predictability among firms with large investments in fixed capital encouraged them to pursue backward and forward integration of sectoral markets. The potentially disruptive effect of competition on production among sector rivals prompted inter-firm collusion in the division, organization, and exploitation of consumer markets. The drive for vertical and horizontal integration of production activity through corporate mergers was little impeded by American courts. They shared industrial capital's concern over the potential for
organized labour to interfere with the functioning of the 'free market', while largely ignoring corporate capital's concerted attempt at vitiating competition among themselves.

The immense capital requirements accompanying production consolidation and mechanization of production prompted many private concerns to float company shares on the stock market in order to raise funds. Efficient management of these more complex public firms encouraged the hiving off of the management function from that of ownership. Impersonal bureaucratic hierarchies came to replace the old proprietorial firm governance structure. The extinction of the old paternalistic employer-employee relational culture only widened the chasm between capital and labour under capitalism.

Even though the market power of the mass production corporation allowed it to provide relatively greater employment stability and higher wages to production functionaries than could the small firm, evidence mounted of increasing alienation of both individual and collective labour from the degrading conditions in these plants (Montgomery, 1987). This alienation is evident in the extraordinarily high employee turnover rates among the low-skilled which plagued the big firms, reaching a peak just prior to WWI. There were also repeated attempts at autonomous organization among production workers, but these were crushed by the coordinated repression of industrialists and the state (Laurie, 1989).

The organized crafts also attempted to stem the corrosive affect of industrial 'modernization' on their skills, status, and power. The craft unions hoped that by organizing the new factory functionaries into the traditional trades, they could slow the mechanization process and, thereby, preserve the influence of skilled labour, maintain control over the production process, and stem the organizational challenge from the more inclusive wall-to-wall industrial unions that repeatedly sprang up during this era. However, they failed to stem mechanization
and, more ominously, the lesser-skilled remained unorganized. Following a series of labour movement defeats, culminating in the Haymarket Square massacre of 1886 and the subsequent state offensive against labour, the crafts retreated into the exclusivist business unionism of the newly formed American Federation of Labour. American labour organizational density would thereafter fail to breach the 10% density mark until the 1930s.

With the organizational and technological adaptation of the American corporation to the vicissitudes of mass production, employers could turn their attention to the task of 'incorporating' their workforces into this regime. Corporate management was well aware of the capacity of both the individual worker on the shop-floor and the unions clamoring at the factory-gate to sabotage or disrupt the smooth operation of the highly integrated mechanized production system. Employers therefore embarked on a concerted strategy to overcome both collective and individual labour resistance to mass production.

During the early 1900s, employers in Chicago started the 'Open Shop' movement in response to the organizing drive of the International Association of Machinists. The employers' campaign was soon expanded to other industrial cities by the National Association of Manufacturers. They established and funded popular front groups purporting to represent small business, concerned citizens and, even, labour. The campaign succeeded in creating a hostile climate among the public against the organizing drive of the craft unions. The Machinists, and other crafts similarly inclined, were stopped in their tracks.

The craft unions' continuing membership exclusivity, jurisdictional divisions and rivalries, and alienation from and distrust of the lesser skilled rendered their rearguard efforts largely futile in preserving the organizational structures and production practices of old. Similarly, the political efficacy of the labour movement during this era was minimal, especially
in North America, due to the partisan neutrality, ideological agnosticism, and political isolation of the craft unions. Modifications in the production functions of labour and in the management of the workforce under the corporate model would further erode the power of the craft worker.

With organized labour stymied in its attempt to enter the factory, individual employers turned their attention to labour power at the point of production. The discretionary influence of production functionaries over the production process increased management's receptivity to Frederick Winslow Taylor's 'scientific' techniques for transforming labour into cyborgs. Taylor's time-and-motion methods provided corporate production engineers with a technique for breaking down production processing into its most basic components, to then reorganize production on a more systematic and mechanistic basis and, then, to re-integrate labour into the production process on the basis of this logic. In the process, oversight would be delegated to management appointed line supervisors.

Taylor and his followers zealously promoted their ideas to managers during the tumultuous second decade of the 20th century.\(^3\) Despite the movement's progressive, rationalistic pretensions, the implicit goal of Taylorism was the complete usurpation by employers of whatever discretionary control labour exercised over production organization and commodity output within the factory. Managers were, of course, especially attracted by this promise (Bendix, 1974).

The systematic transformation of production workers into adjuncts of the machine further alienated them from both the job and the company. Labour alienation was exacerbated by the additional layers of employer-aligned supervisory and administrative buffers between the

\(^3\) Proselytization was done through such bodies as "The Society to Promote the Science of Management", established in 1911, and renamed "The Taylor Society" in 1915, following Taylor's death.
production-floor and the head-office which were added during the process of corporate rationalization. This alienation was a major contributing factor to the so-called 'turnover crisis' of 1911-13 mentioned earlier (Montgomery, 1987, p. 240).

The corporations responded to the increasing alienation of employees from the production process by establishing so-called 'Sociological Departments' within their plants. They were charged with explaining the subjective basis for labour's lingering discontent, identifying and recruiting employees who might be more amenable to these new working conditions, and developing social programs to bind these employees to their employer. To the latter end, they instituted employee welfare programs and established shop-floor representational bodies which would nurture and sustain employee loyalty. 'Corporate welfarism' was quite effective during the booming 1920s at winning labour over to the promise of paternalistic capitalism and keeping the dreaded unions at bay.

American capital's tri-level campaign successfully negated labour resistance to the construction and elaboration of the industrial infrastructure for a mass production economy. Mechanization of production and deskilling of labour had simultaneously whittled away labour control over the fabrication process in the factory and its bargaining power on the labour market. However, welfare capitalism attenuated individual resistance to labour dehumanization, while concerted opposition by industrialists and the state blocked autonomous labour organization.

Nevertheless, 'American Plan' labour relational policies only served to mask the mounting threat during the 1920s from the demand-side of the economy to the continued expansion and prosperity of the supply-side of the economy. While American productivity increases surged ahead at an average five percent per annum during the decade, labour income grew at only half this rate: a dubious achievement unmatched during the 20th century (Vittoz,
1987), at least until recently. The Stock Market Crash of 1929 starkly revealed the unsustainability of this widening gap between production and consumption capacity. Despite the best efforts of some of the larger practitioners of welfare capitalism in the United States, their oligopolistic influence over the economy could not insulate the mass production corporations from the consequences of macro-economic collapse. Concomitantly, without autonomous trans-firm organization, labour was unable to resist the mass layoffs and pay cuts which followed as the slide continued to its trough in 1934.

The recovery programs mounted during the late 1930s, in the United States and other countries, coupled with various labour relations reform programmes stemmed the economic and social slide. However, the massive demand for goods and labour brought on by the subsequent world war was the principle main behind the revival of national and international economies. The post-war institutionalization of capital-labour productivity accords among organized labour, business, and the state in the market economies sustained growth, at least in the developed world, for several decades to follow. Before proceeding to the institutional features of this accord, we will first explore its technological foundations.

2.5. Fordism

2.5.1. Micro-Level Foundation

Henry Ford's technological innovations and his economic insights inspired the naming of the dominant post-WWII economic development model. His perfection of earlier American mass production techniques, production organization, and labour relations, of course, helped

4If the income patterns which we have seen during the 1990s continue to hold through the rest of decade, this unusual divergence may be repeated again, portending equally disastrous consequences.
make him an icon among industrialists striving to emulate his success at creating a mass market for his products. However, it was his public acknowledgement of the dynamic complementary relationship between mass production and mass consumption which was his most important legacy. He helped to inspire state authorities to institutionalize macro-level regulatory structures which would eventually serve to substantially mitigate the inherent crisis-inducing disequilibrium tendencies of mass production capitalism. Yet, he also gained notoriety from his stubborn refusal to accept the Wagnerian labour relational reforms which were integral to the proper functioning of macro-level Fordism, until long after his peers had succumbed to formal collective bargaining. Interestingly, decades later, American regulatory authorities would also be reluctant to accept organized labour as a full partner in managing the next big crisis in mass production, despite the general practice among other advanced nations of incorporating labour into their macro-level regulatory regimes.

Ford's initial business success came with the launch of the rugged, utilitarian, and inexpensive Model T, in 1908. His nurturance and exploitation of a mass consumer market for this vehicle gave him a critical competitive advantage over would-be rivals. The ensuing financial returns from scale production provided the means to further reduce product prices and, thereby, increase sales and, subsequently, invest in even more advanced production technologies than his tardy competitors.

The opening of Ford's new automobile assembly plant at Highland Park, Michigan in 1910 introduced the world to his most famous technological innovation. In designing the plant's production layout, Ford followed the practice of other 'progressive' manufacturers in using Taylorist techniques to disaggregate and simplify the steps involved in vehicle assembly. However, the critical innovation came when he re-integrated labour into the production process
by means of a chain-driven conveyor belt which carried the vehicle-platform to the particular
functionary at each successive stage of assembly. The accompanying delegation of full control
over the layout and speed of the automated assembly-line to management-aligned supervisory
personnel completed the historical process of removing discretionary power from labour first
instituted with the initial introduction of the factory model in the early modern period.

The simplification and automation of production functions allowed Ford to hire unskilled
novice workers for work in his plants. Their lack of manufacturing experience and skills meant
that they were unlikely to bring to their new jobs the traditional working class social identity and
independent-minded behavioral proclivities that would be normally inculcated into craft workers
during the skill acquisition and apprenticing process. Building his new plant in what was then
an agricultural-based region of the country helped ensure the 'greenness' of these new hands. By
coupling relatively high wages for production functionaries with American Plan labour relations,
Ford managed to keep his company union-free longer than his competitors. This autocratic
paternalism was the basis for the notoriety mentioned earlier.

Just as its mechanized predecessor had during the American Civil War, the automated
assembly line demonstrated its mettle during the next military crisis when it proved as capable
of mass producing miliary vehicles as of Model T's. The production technique's satiation of
World War One demand prompted the feverish post-war capital investment in the American
consumer goods industry which epitomized its Roaring '20s. Rather than resting on his laurels
though, Ford used the profits earned from his operations to finance construction of what was the
most ambitious automobile production complex seen to date.

The completion of the vast River Rouge complex on the outskirts of Detroit in 1926
allowed Ford to consolidate in one location the entire automobile production process from raw
resource input through to final vehicle assembly (Zieger, 1987). This integrated complex could process raw materials; smelt, roll, and mill structural components; machine-tools the myriad parts; and assemble all of these components into a finished product, ready to be driven out of Ford show-rooms. As with the pioneering corporate giants who preceded him in their integration of production in other primary sectors of the American economy, Ford now had much greater control over both the organization of the production process and the returns from each stage of this process.

The seamless incorporation of labour into this integrated structure entailed concomitant innovations in human resource management. As noted earlier, the automated assembly line gave management exclusive control over the configuration and speed of the conveyor system, as well as the assignment and organization of assembly line tasks. Ford's well publicized introduction of his mythic five-dollars-a-day wages in 1913 (rising to seven dollars by the end of the 1920s) for his more experienced, family-supporting fabricators, and of the eight-hour working day and employee profit-sharing in 1914, helped to further stabilize and pacify his work-force. The company's 'Sociological Department' augmented this control over the workforce by monitoring employees' lives both on and off the job, ensuring that their expenditure of time and money redounded to Ford's benefit.

Nevertheless, circumstances beyond even the capacity of Ford to control forced him to lay-off staff and reduce wages following the 1929 Crash. Despite his prescient insight into the need for an institutionalized linking of production and demand, Ford resisted the combined efforts of the New Deal's National Labour Relations Board and the CIO's United Automobile Workers to introduce formal collective bargaining structures into his domain. He managed to forestall the attenuation of his exclusive managerial prerogative until 1941, when he reluctantly granted his
Despite this evidence that he may not fully deserve the praise heaped upon his vision, Ford did leave a number of enduring legacies. His Model T helped to transform what had been up until then a marginal luxury good into a basic consumer necessity. The motor vehicle industry would go on to become the core of the post-World War Two economy of both America and its imitators. His company and its philosophy provided the micro-level model for the macro-level solution to the conundrum of mass production. Thus, Ford not only created a mass market for his motor vehicles, he also paved the way for the transformation of American and other societies into consumer cultures, only with the state rather than individual corporations assuming the key coordinative role of managing the accumulation cycle. We will now explore the institutionalization of Fordism in the United States.

2.5.2. Macro-Level Fordism

The logic of mass production entailed a steadily expanding mass market to keep pace with the growing output of standardized consumer goods. With industrialization, factory labour was becoming a significant component of this consumer market. Its ever-expanding purchasing power was critical to the dynamism of the mass production accumulation cycle. However, as assembly line production became the standard across the American economy, competition inclined corporations to be less generous to their workers as the innovative Ford had been able to be with his. Yet, labour was too weak to extract its fair share of productivity gains from mass production. The joint campaign by capital and the state against labour during the late 19th/early 20th century era of capital consolidation, combined with continuing craft-dominated union structural and political weakness to leave labour incapable of reversing the growing portentous
gap between production and consumption capacity.

With individual employers unwilling and labour unable to keep wages, and purchasing power, at par with productivity gains and rising output levels, the gap between investment and consumption grew during the 1920s. Without autonomous trans-firm organization, labour was unable to resist management assaults on their jobs and wage packets after the market crashed in 1929. Wages, employment, consumption, and investment levels fell simultaneously. Furthermore, the anticipated rebound predicted by neo-classical economic theory failed to materialize because, as Keynes argued, oligopolization of industry had eroded the self-equilibrating capacity of the market. Structurally incapable of reducing fixed costs, lowering prices, or shifting production to alternate goods, the rigidified corporations cut production and wages, and laid off staff.

The seemingly relentless downward spiral of the American economy after 1929 convinced reformers in the Roosevelt administration that American Plan labour relations, with its firm-level welfare-capitalism and captive employee associations, did not provide a sound basis for national economic revival and sustained dynamism. Government would have to intervene authoritatively to restore labour's wage bargaining power and, thereby, its purchasing power. While Section 7(a) of the short-lived National Industrial Recovery Act of 1933 did facilitate the organization of the unskilled, it also permitted their continued fragmentation under the 'federal union' structure of the AFL craft unions. The lessons learned from this court-vetoed experiment were subsequently incorporated into the more durable National Labour Relations (Wagner) Act of 1935 (Brody, 1993; Zieger, 1987). NLRA provisions encouraged the consolidation of semi-skilled industrial workers into the sector encompassing unions established by the AFL's new Congress of Industrial Organization. The National Labour Relations Board
then ensured that employers engaged in meaningful plant-level bargaining with which ever autonomous industrial union enjoyed majority employee support at the work site.

While the foundations for a new state-regulated collective bargaining regime were initiated during the latter half of the 1930s, it would be another decade before their relational norms would be firmly entrenched. Before this happened, WWII intervened to end the Depression. More significantly, the war emergency provided a critical demonstration of how state planning could both revive the economy and sop up idle human resources. The latent power of the new industrial unions to influence economic performance prompted government planners to include labour leaders, along with employers, in the administration of war-time industrial strategies. As a responsible partner with employers and the state in focusing resources on the military struggle, labour could legitimately claim a fair share of the returns from the dynamic mass production model which emerged out of the ruins of war.

However, the role of organized labour in post-war American Fordism was severely restricted. Its designated function was to bring peace and stability to the workplace by negotiating and policing collective labour agreements. The Wagner Act left control over capital investment and production output, and job design and work organization, under the exclusive purview of management. Consequently, unions could do little to stem the spread of Taylorist organizational and relational norms to other sectors of the economy and society. The passage of Taft-Hartley in 1947 further limited any possibility of an expansion in the economic and political power and scope of the American labour movement. Even its historic role as a legitimate critic of American-style liberal capitalism was substantially abridged with the purging of the left from the unions during the McCarthy era. The American labour movement's progressive development and the concomitant improvement in the working conditions of
American workers virtually ceased during the 1950s. However, the diffusion of Fordism beyond the borders of the United States would show that it was possible for organized labour both to capture a more substantive institutional role in regulating the economy and to increase its share of the benefits accruing from mass production than had been accomplished under American-style Fordism.

2.5.3. The Internationalization of Fordism

The leading economic role of the United States served to rapidly spread the fall-out from the 1929 Crash to other countries. Subsequent misguided national pro-cyclical monetary and fiscal policies exacerbated by reactive national economic protectionism merely deepened and lengthened the ensuing depression. As its repercussions spread to the political arena, national governments were forced by domestic pressure to intervene to save capitalism and the state from mounting rebellion. While there were variations in the national character of the ensuing attempts at economic revival, all governments recognized the need for the state to assume the principal role in restoring and maintaining the kind of macro-level growth dynamic which the mass production corporation had striven for at the micro-level.

Similarly, these new economic regulatory regimes would also strive for the same kind of socio-political harmony at the national level as the American-style mass-production corporation had striven for within their plants. The political models used to re-establish order varied from liberal to social democratic, and from fascist to communist dictatorial. However, the decisive defeat of fascism allowed the democratic model to triumph in the West. More particularly, its impressive industrial performance during WWII, its emergence relatively unscathed at war's end, and its subsequent leadership of the West-bloc during Cold War, helped America and its Fordist
ideology assume hegemony over the capitalist democracies during the post-war era.

American financial assistance to and political supervision of post-war reconstruction ensured that American inspired mass production technology and organizational norms were introduced into its allies' war-battered economies. Complementary industrial relational institutions focused on productivity based collective bargaining were superimposed on these states' traditional institutional structures. Central state administrations assumed primary responsibility for guaranteeing these industrial relations 'accords' through supportive fiscal, monetary, and international trade policies aimed at keeping the industrial engine ticking over on a sustainable basis. Despite variations in their socio-economic make-up and in their particular political institutional structures and practices, each national regime professed a commitment to rapid GDP growth, low unemployment and inflation, and an expanding social wage. Elite consensus around these policy programmes and widespread support of the institutional structures overseeing their implementation helped to sustain international regime legitimacy in what nevertheless remained a class-stratified economic model.

America's role as banker, mentor, and guardian to its allies promoted the development of these economies in ways which complemented that of America. Similarly, American inspired and enforced international economic agreements helped to increase trade and investment flows among the developed economies. Nevertheless, continuing sovereign control of national market regulatory structures insulated each country somewhat from other nations' political-economic policies (Aglietta, 1979, p. 117). Furthermore, each nation could vary the character of its institutions from that of its mentor in accordance with local conditions. Thus, while the United States, and its closest ally and economic partner Canada, maintained their highly decentralized and 'private' industrial relations systems, other countries established more centralized and 'public'
relational regimes. Under the latter model, the unions were better able to force employers and
the state to agree to policies which insulated labour more from the exigencies of the market, than
their counterparts had done in the liberal welfare states (Esping-Anderson, 1985, 1990). In
some cases, particularly in continental Europe, organized labour was included along with other
powerful producer groups in quasi-statist corporatist structures charged with regulating
collective and connective bargaining around the distribution of the returns from social
production.

These variations from the American Fordist standard were consequential to particular
nations' adaptation of their historic industrial relations structures and relational norms to the new
development model. Later on, this institutional variation would have a significant influence on
how particular countries dealt with the domestic repercussions from the global crises in Fordism.
We will conclude this review with a brief examination of Canada's brand of Fordism, focusing
on the ramifications in Canada of the recent international crisis in the model and, in particular,
the affect on organized labour.

2.5.4. Organized Labour During the Rise and Fall of Fordism in Canada

The integration of the Canadian economy with that of the American during the process of
industrialization helped promote the parallel development of the organizational structure and the
collective behaviour of Canadian labour with that of the American labour movement. This
institutional tracking had been ensured by the American movement's organizational dominance
of private-sector unions in Canada, almost since their original inception (Craig, 1990; Forsey,
1982). Consequently, the fortunes of the Canadian labour movement have tended to ebb and
flow with that of their American counterparts, so long as this institutional subordination has
Canadian's labour organizational integration into American union structures had mixed consequences. On the one hand, affiliation with American-based international unions provided tangible benefits to Canadian workers. Prior to the imposition by the two countries of limits on cross-border labour mobility, Canadian craft unionists had access to affiliates' hiring halls in both countries. Even the mass labour movements which rose up in Canada during the late 19th and early 20th centuries to briefly challenge the dominance of the craft unions were American inspired. Subsequently, during the industrial unionization drive of the 1930s and '40s, Canadian workers drew upon the resources and experience of their pioneering brothers and sisters in the American-CIO unions. This fraternal aid was essential since the passage across Canada of enabling Wagner-inspired labour relations legislation lagged a decade behind its passage in the US (Jenson and Mahon, 1993).

On the other hand, the Americanization of Canadian labour served to impede the latter's adaptation to the peculiar features of the Canadian political economy. The imposition of a fractured and decentralized American union structure on a work-force one-tenth the size of its American counterpart severely limited Canadian labour's collective bargaining power. The historic persistence of indigenous rivals to American branch-plant unionism only exacerbated labour organizational fragmentation and collective inefficacy. Furthermore, the ideological pre-eminence of American-style 'business unionism' in the Canadian movement, in conjunction with organizational decentralization, delayed the emergence in Canada of an effective political arm of labour and, subsequently, fettered the party's success at corralling the labour vote (Brodie and Jenson, 1988). In consequence of its economic and political weakness and its inculcation of Anglo-American ideological values, Canadian labour had considerably less success than other
national labour movements at either being incorporated into central quasi-statist regulatory structures or at ensuring the deep entrenchment of the welfare state in Canada (Esping-Anderson, 1985, 1990).

While organizational inter-dependence did help Canadian labour garner a stable share of the material benefits of the post-war Fordist boom, the onset of crisis in North American Fordism threatened Canadian labour with the same sorry fate which befell American workers. The American trade union movement's failure to expand much beyond its core constituency among white-male, blue-collar, private-sector workers following the political retrenchment of the late 1940s led to a seemingly inexorable decline in its size and influence in tandem with a relative shrinkage of its economic importance from the late 1950s on (Rogers, 1993). Thus, only one-tenth of the non-agricultural American work-force is organized; American labour's voice during the present period of structural transition has been equally marginal.

The Canadian labour movement largely avoided this marginalization in consequence at least in part of the massive expansion of the Canadian state during the 1960s on the eve of the international crisis in Fordism. Labour benefitted from the market insulating effects of the more generous welfare regime which accompanied this expansion. More importantly though, public-sector workers took to unionization with unprecedented zeal upon the granting to them of full collective bargaining rights. The consequent growth and Canadianization of labour unions helped them to develop strategies better suited to domestic conditions which, in turn, helped them to better resist the joint assault by government and employers against them during the crisis which followed the ebullient 1960s (Jenson and Mahon, 1993). Canadian-based unions have also responded to the crisis in Fordism by diversifying their membership base, building political alliances with other popular sectors, and developing a distinctive position on broad public policy
issues. As a result, in contrast to the situation in the US, the proportion of Canadian workers represented by unions has stayed relatively constant through this era of mass unemployment (McBride, 1992), state retrenchment on labour's collective bargaining rights (Panitch and Swartz, 1988), and employer reneging on its post-war accord with Canadian labour (Jenson and Mahon, 1993).

The tenacity of the Canadian labour movement has allowed workers in many cases to bring their unions along with them as the economy moves away from Fordism and new sectors emerge under post-Fordism. Retention of its collective identity has thereby given labour some collective influence over the development of the institutional structures and relational norms in these emergent sectors. Furthermore, labour has continued to wield considerable political influence on the various levels of government in Canada, especially at the provincial level, in their management of accompanying changes in the market, society, and politics. The case studies which follow this chapter explore organized labour's adaptation to these changes within three selected industries in one region of the country. The information gleaned from these studies should find application to the broader spectrum of labour activity within the province, country, and world, as we move beyond Fordism.

3. Beyond Fordism: Summary and Conclusion

Henry Ford's technological innovations realized two capitalist dreams: the inexpensive mass production of what were once luxury goods, and the complete elimination of labour discretionary control over the production process. The contradictory impact of these two accomplishments became tragically apparent after 1929. Following fifteen years of social and military strife, a workable solution to this dilemma was found through the institutionalization of
Fordism at the macro-level of national economies. The ever increasing output of standardized goods produced by oligopolistic corporations was successfully synchronized with the growing consumption of a mass domestic market. Keynesian-inspired state fiscal policies as well as complementary socio-economic institutions helped to regulate and stabilize this dynamic accumulation regime; and social resistance was muted by incorporating organized labour into the regulation of this dubious regime. Western economies went on to enjoy a two-decade long period of economic growth unprecedented in the history of international capitalism. However, incremental changes in national and international economies, and in attendant societal structures and institutions would soon undermine the functional performance of Fordism.

The social rebellions of the 1960s, the economic shocks of the 1970s, and the political realignments of the 1980s which swept the globe were the outward signs of a profound crisis in what had been a fairly robust mode of economic development. The turmoil which accompanied these crises undermined the institutional foundations of the post-war 'historic compromise' between the state, employers, and labour which had helped to launch and, afterward, to sustain this Golden Age of capitalist development. The inability of Fordist institutional structures to adapt to these challenges led to the wholesale abandonment of the rules, norms, and values governing this industrial relations 'accord' right across the globe.

The collapse of Fordism has been especially painful for labour: the implicit guarantee to the working class of a share in productivity gains has been withdrawn; the social welfare provisions which partially insulated labour from the vicissitudes of the market have been eroded; the job and income security guarantees which employees garnered under Fordism have been withdrawn; and, finally, the bargaining power of the industrial unions at the core of Fordism has been dramatically reduced in the wake of deregulation, privatization, and market liberalization.
Having been systematically deskillled and disempowered over the course of the evolution of the factory model of production organization, labour now finds itself with very limited means to exercise even marginal control over the market.

While Fordism has collapsed, it is unclear whether we have made the transition to a new dynamic economic development model; continuing anemic and unstable economic growth, persistently high levels of unemployment, and a growing gap between profits and wages indicate that we have probably not. Since we are still in the midst of a fundamental, globe-spanning transition to an unknown future, it is also uncertain as to how these changes will affect industrial relations. Nevertheless, as we have seen in our review, an era of transition provides economic actors with a window of opportunity to experiment with alternative technological systems and for socio-political actors to build new institutions to complement these assorted production regimes.

Our investigation into the historic role of labour in the evolution of production organization revealed how labour individually and collectively both precipitated the emergence of and adapted to new production systems. Through collective organization, labour was able to play a role in institutionalizing successive relational regimes and, then, in using these structures to maximize its economic, social, and political gains during the process. The review of preceding systems of production organization for the market, and of labour's role in these structures, will help focus the examination of labour's adaptation to the development of the three industries under study. More particularly, we can use this historical institutional perspective to better reveal the challenges and possibilities for labour during the development of the next industrial relations regime.
CHAPTER THREE: BRITISH COLUMBIA SHIPBUILDING AND SHIP REPAIR: ADAPTING 19TH CENTURY STRUCTURES TO 21ST CENTURY CONDITIONS

1. Introduction.

The social and economic development of British Columbia, on the one hand, and of local shipbuilding and ship repair (BCSSR), on the other hand, have been interlinked since European colonization.¹ The transportation requirements of coastal resource industries, and of the scattered resource-dependent communities that they spawned, have historically been serviced by locally manufactured marine vessels. Correspondingly, distance from and lack of competitiveness in major external markets has rendered local shipyards almost wholly dependent on indigenous demand. Therefore, while it has only accounted for a small share of provincial economic activity during most of its existence,² the industry and its industrial relations have been deeply integrated with the overall development of the provincial political economy. Thus, changes in the industry, especially the most recent transformative one, are usually indicative of and have a bearing upon larger changes in the region in which it is embedded.

This most recent change came about after a dramatic decline in demand from the local resource sector, a complete withdrawal of national state protection, and the opening of the local market to international competition combined during the late 1980s and early 1990s to threaten the industry's continuing existence. The ensuing crisis brought the closure of the last two large shipyards in the province, leaving only a handful of small yards struggling for survival.

¹While they are distinct processes, shipbuilding and ship repair are undertaken within the same yards and labour is drawn from the same unions. Therefore, they are treated by the industry, the state, and me as one industry.

²The exceptions were during wartime, which will be discussed in the course of the case-study.
However, in 1995, the provincial government embarked on a plan to "revitalize" the industry and, thereby, hopefully prevent its demise. As part of ten-year plan for upgrading the crown ferry corporation fleet, a new provincial corporation was established to forge a collaborative partnership with the remaining yards and their unions in building three technologically advanced "fast-ferries". Upon completion of this contract, the partners were expected to enter the international market for such vessels. In the process of fulfilling this mandate, production organization and techniques as well as industrial relations practices and attitudes in the local industry will have to be substantially modified in order for this new network-style industrial arrangement to succeed.

Since the BCSSR workforce is entirely unionized, the response of organized labour to the revitalization strategy will be an important determinant of the program's success or failure. In turn, the outcome in this regard will likely have important implications for the provincial labour movement as a whole due to the historic institutional linkages between it and shipbuilding labour. Before proceeding to a discussion of these current issues, I will review the industry's historic development, especially the evolution of its industrial relations, in order to gain some perspective on the impact of this institutional history on its current circumstances. The reader can thereby acquire a better understanding of the problems shipbuilding labour faces in adapting to contemporary challenges.

2. From Paddle Wheel to Catamarans

2.1. The Birth of the Industry in BC and the Organization of its Workforce

The origin of shipbuilding and ship repair on the west coast of British North America coincided with European settlement of the region in the mid-19th century. Marine vessels were
the only means of contact with the outside world as well as the only link among communities along the rugged coast where early colonists concentrated. At first, British manufactured 'bottoms' were adequate for servicing these colonial outposts and binding them with the metropole. However, the discovery of gold in the colony in 1858 precipitated a dramatic increase in indigenous demand for marine vessels.

The hordes of prospectors drawn by the Fraser River Gold Rush required boats that were able to convey them and their supplies from Vancouver Island across the Georgia Strait to the mainland,\(^3\) carry them up the fast flowing Fraser River, and then land them along the river shore at locations that were reasonably close to its gold bearing tributaries. Flat bottomed paddle wheelers, rendered surplus by the exhaustion of the earlier California gold rush, were brought north to meet this demand. Subsequent gold discoveries further inland, in 1860, and a general increase in metal prospecting activity across the mainland colony\(^4\) brought a demand for even more specialized vessels capable of manoeuvring narrow coastal inlets, rivers, and lakes, and of landing at will on sandy or gravelly shores to dispatch their freight.

Enterprising craftsmen, enticed to the colony by this mineral stampede, discovered a more reliable source of wealth in contracting with boat owners to convert the side-wheelers into more suitable stern-wheelers with reinforced bows and bottoms. However, the end of gold fever saw the abandonment of most of their make-shift conversion facilities in the colony. Nevertheless, local shipbuilding had been initiated along with its dependence upon the highly cyclical resource economy. Subsequent booms would set this pattern for the industry's entire

\(^3\)Colonial authorities required sojourning prospectors to register with and obtain their supplies in Victoria, the colonial capital on Vancouver Island, before departure for the mainland.

\(^4\)The separate mainland colony of New Caledonia was created, alongside Vancouver Island, in 1858.
Although short-lived, the gold rush stimulated economic development on Vancouver Island, bringing with it a demand for more functionally specific vessels, better suited to local conditions. Following Governor Douglas' award of a shipbuilding monopoly for boats serving the coastal trade to Victoria-based investors in 1864, the first permanent shipyard facilities were built on Victoria Harbour. These commercial yards, and the British naval base established in the same year in the Victoria suburb of Esquimalt, stimulated related ship repair and marine supply activity in the region. The discovery of coal (which the British Navy relied upon for fuel) up the Island's east coast in Nanaimo soon after, brought sea-going traffic and related service and supply facilities to that town's harbour. This activity saw the gradual expansion over the next few decades of a local iron molding and ship repair facility, opened there in 1861 during the gold rush, into one of the largest such complexes in Canada. It serviced not only locally based vessels but also foreign ocean going traffic plying the coast, until its displacement during the next century by facilities on the mainland.

In the interim, the development of the industry remained concentrated on Vancouver Island. As part of its terms of union with Canada in 1871, British Columbia had been promised a transcontinental railway linking it to the rest of the country and a dry-dock capable of servicing the largest vessels then afloat. The belated inauguration of work on the rail link stimulated marine repair and refit work on Vancouver Island. The promise of inter-continental trade upon completion of the line in 1886 spurred federal construction of the promised dry-dock at its terminus on the Island. With its opening the following year, the Esquimalt Graving Dock became the largest shipbuilding and repair facility on the Pacific Rim. By 1894, there were six

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5The two coastal colonies were united as the United Colony of British Columbia in 1866.
shipyards operating around Victoria's harbour, with numerous other smaller facilities in other Island communities (Macintosh, 1976). In conjunction with auxiliary supply and service firms, the regional industry was now able to both build and service the wooden hulled, steel ribbed, steam powered vessels then plying the oceans. However, the termination of the mainland portion of the transcontinental rail link at Burrard Inlet on the mainland shifted the greater portion of future growth in marine trade, industrial activity, and shipbuilding to the soon to be dominant Lower Mainland region of the new province.

Nevertheless, the industry continued to be subject to the cyclical demands characteristic of a provincial economy overwhelmingly dependent upon resource exploitation. The character of the workforce which was hired to build and repair local vessels was also fundamentally shaped by this flux. While the industry's craftsmen enjoyed a rather high status among their labour peers, employment and income in the local industry was extremely precarious. Consequently, shipyard workers had to be able to move easily among local yards, between coastal shipbuilding districts, and even to other sectors of the economy in order to make a decent living while still holding on to their specialized skills. This combination of high skill, job mobility, and employment instability encouraged local shipbuilding labour's organization into craft unions.

This organization followed almost immediately upon the birth of the industry during the first gold rush. The craftsmen drawn to the colony from more established shipbuilding regions in Britain and the United States brought their organizational predilections along with their skill. In 1861, the British-based Journeymen Shipwrights Association of Victoria and Vancouver Island was established: one of the first two labour unions formed on the west coast of British North America. Their craft status and organizational prescience gave shipyard workers a far
greater degree of influence within the early provincial labour movement than their modest
numbers might otherwise have warranted. Subsequent economic booms brought further
elaboration of shipbuilding labour organization.

The spurt in provincial economic activity following the initiation of commercial sealing
in the Bering Strait during the early 1880s saw the founding of Knights of Labour chapters in
Victoria, in 1884, and in the Lower Mainland towns of Vancouver and New Westminster, in
1886. These sector and trade inclusive 'mixed' union organizations reflected the continent-wide
upsurge in class-based labour militancy and organization occurring at this time. Not
surprisingly, these American-based advocates of craft pride included many shipbuilding workers
among their ranks. However, alongside the inclusive Knights' locals, more traditional,
exclusivist craft unions were also formed: locals of the (American) Iron Moulders were
chartered in Victoria, in 1885, and in Vancouver, in 1890. Their organizational base was in the
local shipbuilding industry which by this time was using more iron in hull fabrication.

The influence of the international Knights movement began to fade with the continent-
wide subsidence in labour militancy during the late 1880s. However, similarly inclusive and
more class conscious labour bodies continued to spring up periodically in BC, and in its
shipyards, in response to both external political developments and changes within the province.
During these times of crisis, they have temporarily overshadowed the more durable craft union
organizational model, right down to the present.

Despite the reversion to the traditional craft organizational model, BC shipbuilding-
based craft unions were not immune to change. Technological innovation and unanticipated
booms in local shipbuilding stimulated organizational change. In fact, rivalry among local,
national, and international union bodies during these episodes brought a pluralization of labour
representational formations in shipbuilding. The fracturing of shipbuilding workers among competing ideological, political, and functional labour organizations would henceforth be a permanent feature of the BC industry.

One of the most enduring inter-craft union rivalries within shipbuilding arose with the stimulus provided to the local economy by the next resource boom on the north-west coast. The Klondike Gold Rush of 1898-99 prompted a flurry of labour union organization among BC shipbuilders. Locals of both the International Shipwrights and the Ships Carpenter Unions (American Federation of Labour [AFL]) were chartered in Vancouver in response to the growth of the Lower Mainland portion of the regional industry during the previous decade. The subsequent formation of International Boilermakers locals in both Vancouver and Victoria, and of a Blacksmiths local in Vancouver, increased the rivalry between wood- and metal-workers' bodies for organizational dominance among provincial shipbuilders.

This rivalry was exacerbated by technological changes in the international shipbuilding industry. Steam-boilers and propellers had decisively displaced wind and sail, and iron was beginning to replace wood. However, BC shipyards would continue to turn out wooden-hulled, steel-ribbed ships, both sail and steam, well into the next century due to local access to local high quality, inexpensive timber and the absence of a local steel-making facility. Neither the carpenters nor the metal workers' union had any compunction in venturing beyond their traditional 'material' base to raid each other's turf in an effort to increase their respective local membership rolls and thereby dominate collective bargaining in the industry.

Further complicating labour politics, the boom accompanying the Klondike Gold Rush again brought young labour militants to the province from across the Pacific Northwest, this time associated with the anarcho-syndicalist International Workers of the World: the Wobblies.
In contrast to the craft-oriented Knights, the Wobblies targeted the transient, semi-skilled workers in the labour camps that were springing up around new mines and mills, who had been long ignored by the more stable, complacent, and elitist urban-based craft unions. Their occupational flexibility and mobility coupled with ideological commitment spurred Wobbly organization of workers not only in the mines and mills, but also in the forests and on the water, and in the towns as well as in the hinterland. Furthermore, rather than follow the traditional locally- and functionally-based craft union model, Wobbly units were organized on the basis of region and, sometimes, industrial sector. While their influence waned with the end of this latest boom, their arrival nevertheless signalled the onset of broader, more enduring changes in industrial processing and, concomitantly, in labour organization that would sweep across industrial relations during the 20th century.

As the 19th century came to a close, the 'manufactory' mode of industrial production, characterized by the small-scale production of highly skilled craftsmen, was being displaced in many industries across the province by larger scale mechanized production, entailing a finer division of labour using less skilled workers. The eclipse of the paternalistic workshop by large enterprises also attenuated the traditional vertical socio-economic mobility of craft workers and, in its place, introduced more rigid and enduring social divisions into industry. This change was reflected in the brief but brilliant arrival of the Wobblies on the local labour. Their militancy prompted even the craft-dominated Vancouver Trades and Labour Council-VTLC to pass a resolution endorsing the 'industrial union' principle, in 1903. In turn, the size and influence of

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6The VTLC had been established in 1889 and Victoria followed with formation of its own in 1890. These bodies gave local labour unions a forum for discussion as well as a collective conduit to other labour centres and political authorities (see Phillips, 1967b for a detailed history of these bodies).
the VTLC helped to legitimate a general shift of the provincial labour movement toward this new organizational model.

In response to these technological and organizational innovations, one might have expected shipyard owners to adopt a more integrated manufacturing model, and shipyard labour to assume the concomitant industrial union organizational model. However, the slump following the end of the Gold Rush brought a dramatic decline in yard activity. Technological innovation was aborted. Younger workers, who might be less committed to the old model and more open to the new, were laid off first. The fall in shipyard-generated employment also renewed worker appreciation for the mobility and the greater occupational security which came with membership in craft unions whose jurisdiction transcended the firm, the local shipbuilding district, and the industry itself. The regional hiring halls of the shipbuilding-based trades could despatch members to any firm or sector needing their skills. Furthermore, as these unions were 'international', members could move across the then more open Canadian-American border in search of work in other shipbuilding districts down the coast.

By the turn of the century, the BC Shipbuilding and Ship Repair industry had taken on its defining characteristics, which were reflective of its distinctive market environment. The unpredictable demand accompanying cyclical resource swings affected business organizational structure and behaviour. These family-based firms dared not risk bringing under company control the production of the myriad components that went into a marine vessel. Thus, the more flexible 'manufactory' mode of production that had been initially adopted by the nascent industry in the mid-19th century was retained well into the 20th century, long after the global shipbuilding industry had generally shifted over to mechanized production (McClelland and Reid, 1985). Similarly, privately-owned, single-yard firms continued to predominate in BC
shipbuilding long after other shipbuilding districts around the world, as well as other industries in the province, had converted to the publicly-traded, vertically-integrated corporate model. Concomitantly, these small, conservative, family-owned firms were not eager to venture beyond the insulated market of coastal BC; and, reciprocally, the small size of the local market discouraged foreign firms from investing here either.

Short-lived surges in demand also discouraged investment in more advanced boat-building facilities since yards were often mothballed and production factors shifted elsewhere during the long intervals between booms. Insulation of the inwardly focused market from foreign competition also slowed the local introduction of innovations in production technology. Thus, wooden hulled freighters continued to be built locally up until World War II, and the rivetting of plates for steel hulls continued well into the 1950s, decades after the more efficient and durable technique of welding steel plates had become the standard in the international shipbuilding industry (Taylor, 1986).

The district's retention of traditional production organization and technology impelled complementary labour market organization. The mobility provided by the organization of the shipbuilding labour pool into skill-based, industry-transcending craft unions suited both employer and labour interests. However, the disintegrated nature of the manufactory organizational model helped to exacerbate a division of interest and identity between the hull fabricators, employed on a semi-permanent basis by individual yard-owners, and the specialized craftsmen, hired on a contractual basis to outfit the ship hulls. The ensuing combination of a disintegrated business structure and craft chauvinism encouraged multiple-unionism in shipbuilding. The assorted unions would then engage in furious competition over new recruits brought into the industry by surges in production activity or, relatedly, the introduction of new
production technologies. This organizational pluralism would become more pronounced by the effects of the series of international crises which occurred in fairly rapid succession during the first half of the 20th century.

2.2. War-Depression-War: Labour's Reaction to Crisis and Change in BCSSR

2.2.1. Inter-Imperialist War on the High-Seas, Class Turmoil at Home

The outbreak of World War One precipitated an unprecedented increase in economic activity in BC. Both traditional resource extraction and processing industries as well as secondary manufacturing and transportation sectors expanded. The concentration of massive numbers of new labour recruits in war-swollen production locales brought about a sudden growth in union membership and changed the character of the local labour movement. As the war dragged on, labour began to chafe under both wartime austerity and martial restrictions on union activity. The revolutions that broke out in Europe toward the end of the war emboldened Canadian labour; union demands took on a more explicitly social and political tone. The forces that propelled the ensuing labour rebellions across western Canada also challenged the organizational structures and strategies that the movement had carried over from the preceding century. The heretofore dominant business-oriented, politically-quiescent craft unions were overwhelmed by growing class consciousness and its organizational expression. Although subsequent state repression and post-war economic recession effectively squelched this upsurge in labour activity, the new ideas and innovative organizational models continued to influence labour during the inter-war period. BC shipbuilders were caught up in these changes.

The enlistment of the BCSSR in the cause of keeping the Empire's war effort afloat had a dramatic affect on the industry. At successive stages of the conflict, three different levels of the
state took the lead in expanding and transforming the BC shipbuilding. First, the provincial
government intervened in response to the upsurge in offshore demand for war-related local
resources. The BC Shipping Act of 1916 provided for low-interest loans to local shipyard
owners for facility expansion, and loans and subsidies to locally based exporters for the purchase
of the ships produced in these expanded facilities. Provincial subsidization was impelled by the
need to replace the British registered cargo ships that had formerly been used to carry BC goods
to market but were now requisitioned by the British Admiralty for the imperial war effort. Local
yards responded to this incentive with increased production of the auxiliary powered wooden
sailing schooners in which they specialized.

As the war in the Atlantic depleted Britain's ocean-going freighter-fleet, the Imperial
Munitions Board in London began to scour the Empire for shipyards capable of augmenting the
output of over-extended British yards. While Eastern and Central Canada had larger and more
modern yards, west coast yards were less vulnerable to enemy attack and BC's temperate climate
allowed year-round fabrication and launching of vessels. Consequently, in 1917, local yards
were contracted by London to build the steel-ribbed, wooden hulled cargo ships with which they
were more familiar. As both demand and local expertise expanded, local shipbuilders shifted to
the fabrication of more technologically sophisticated, labour and capital intensive, all-steel hulls.
Looking beyond the war, local manufacturers were encouraged to believe that the local industry
might find commercial markets for their product beyond their traditional coastal base.

This belief was reinforced when, with the end of war in sight, the federal government set
its sights on creating a domestically controlled ocean-going fleet. In 1918 it established the
Canadian Government Merchant Marine (CGMM) to build, own, and operate a domestic
merchant fleet. Initial freighters orders directed to BC by the new crown corporation would later
be supplemented by orders from other countries which took advantage of the new facilities to restore their shipping capacity lost to war. The post-war promise was reinforced with the integration of the CGMM with the new Canadian National Railways as a marine subsidiary of the transportation crown corporation, in 1919.

By the time the war ended, seventeen new yards had been opened in the province and 135 ocean-going ships (a third of the total built in all of Canada during the war) valued at over $100 million had slipped their ways in BC waters. At its peak, the local shipbuilding and repair workforce approached 15,000 with innumerable others working in related service and component supply firms. Successive state-initiated marine programs had been critical in developing the local capacity to fabricate up-to-date hulls in district yards, in expanding the technical skill among local secondary manufacturers to build power componentry and navigational equipment, and in increasing the ability of tertiary service suppliers to respond to the industry's demands.

Despite its potential, shipyard activity in BC was checked by the evaporation of new orders a few years after the war ended. During the 1920s, the CGMM shifted new build-contracts to Eastern Canadian and British yards. In the 1930s, the whole fleet was sold-off to the private-sector, whereupon British built and registered ships re-entered the Canadian export trade. Other nations soon reverted to protectionism of domestic shipbuilding capacity, thereby drying up potential export markets for BC yards. The absence of a local steel-making facility and relatively high labour costs also rendered local yards uncompetitive in the buyers' market that

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7 This number, and subsequent figures, includes staff at government-owned repair facilities operated by the navy, coast guard and fisheries, unless otherwise specified. Employment in the public sector component, which has been far less volatile, has historically ranged between 1000 and 3000.
prevailed during the inter-war period. Finally, the reversion of the provincial resource sector to peacetime output levels compounded the drought in local vessel demand. In consequence, no ocean-going ships were manufactured in BC yards again until the late 1930s.

Meanwhile, shipbuilding labour went through equally tumultuous changes.\(^8\) Huge, new yards employing unskilled, non-traditional workers had been built to mass produce vessels for the war effort. The conservative craft unions that had dominated the modest pre-war industry were incapable of absorbing these changes. Their related failure to establish an industry-wide organizational and bargaining structure before the outbreak of war aggravated the war-related drift in wages and working conditions among crafts, yards, and districts. The ponderous labour relations regulatory regime of the period further impeded union organizing efforts. War-time prohibitions on industrial job action further exacerbated labour market anarchy.

Similar growth-related problems down the entire west coast of North America prompted the AFL's shipbuilding based metal trades to federate into regional councils. Thus, their affiliates in Vancouver and in Victoria formed their own local Metal Trades Councils (MTC's), in 1917.\(^9\) Reflecting the high degree of inter-district mobility among shipbuilding labour, delegates to the first MTC international convention in Portland, Oregon, in the Fall of 1917, pledged to work toward establishing parity within and among shipbuilding districts along the west coast. BC-based MTC's on either side of the Georgia Strait took their first step toward this

\(^{8}\)Much of what follows on BC labour relations during and shortly after WWI is drawn from Lees (1987).

\(^{9}\)While the unions in the Councils are trans-sectoral, they were and continue to be shipyard-based entities. Furthermore, the Councils were not restricted to metal workers but were open to all shipbuilding related craft locals, including carpenters, ship painters, electricians, plumbers, etc. However, historic rivalry between the metal- and wood-related trades generally kept the latter from joining the Councils.
goal by demanding that shipyard employers sign sector-wide "Blanket Agreements" during 1918 contract negotiations. Despite war-time restrictions on labour action, labour occasionally carried out accompanying threats to disrupt war production to realize this collective bargaining breakthrough.  

Shipbuilding unions were also confronted with the corrosive affect on inter-union jurisdictional boundaries of the blurring of functional demarcations brought on by the new, mass production techniques introduced by hard-pressed yard employers during the war. The traditional response of unions, particularly craft unions, to such implicit technologically induced threats to labour job control was resistance and, when overwhelmed by the force of change, to vie with union rivals for jurisdictional hegemony over the ensuing new work categories and the potential members which they might bring. However, delegates to the 1918 Pacific Coast Metal Trades Councils Convention chose a more progressive, solidaristic response to technological change. They called on the AFL to amalgamate the metal trades into one organization. Despite its veto of this request, the union centre was unable to suppress the growing debate within the labour movement around craft versus industrial labour organization and business versus class unionism.

In BC, the struggle over the organizational structure and social identity of the labour movement was undertaken both on the streets and on the convention floor. On August 2, 1918, following passage by the VTLC of a enabling motion from the Vancouver-MTC, labour mounted a 24-hour city-wide general strike to protest the police murder of the Wobbly-aligned labour

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10 Then Labour Minister Mackenzie King's Industrial Disputes Investigation Act, which served to forestall job action by channelling the parties into conciliation, had been extended to shipyards in 1916. Furthermore, job actions were entirely prohibited by Privy Council Order 1743, of July 1918.
organizer Ginger Goodwin. With Canada's first general strike under their belts, VTLC militants led BC Federation of Labour (BCFL) delegates to the Fall 1918 Trades and Labour Congress (TLC) National Convention in Quebec City, hoping to transform Canada's labour movement into a force for political-economic change.

Despite support from the majority of Western Canadian delegates and sympathy from the Convention chair (J. C. Watters, former Victoria Boilermakers Lodge President and first President of the BCFL), the BC militants saw both their action program and their nominees for executive office rebuffed on the convention floor. The westerners were consistently outvoted by the more conservative Eastern and Central Canadian majority bloc. Coinciding with this setback, a federal order-in-council that Fall effectively outlawed western-based labour parties as well as the reinvigorated IWW. In defiance of both their conservative eastern colleagues and the federal state, the BC caucus initiated a process leading to the formation of the Wobbly-inspired One Big Union (OBU) at a meeting of Western Canadian trade unionists in Calgary in June of 1919. To accommodate this change, the BCFL dissolved itself at its next convention, in 1920. The shipyard-based Vancouver Metal Trades Council was reconstituted as Unit 1 of the OBU immediately thereafter.

The concerted attack of the state, employers, and the international craft unions on the OBU combined with the onset of a post-war economic slump lent the movement a short life. The arrest and, in the case of non-citizens, deportation of labour militants weakened and demoralised the syndicalist leadership. Employer black-listing of OBU members and their refusal to recognize OBU shop committees eroded rank and file support. The AFL-TLC rallied by reconstituting craft-union locals to gather in demoralized workers drifting away from OBU branches, and it instructed affiliate unions to prohibit returning members from holding dual
membership in the OBU. The receding from the labour movement's horizon of labour-led revolution, in consequence of post-war repression and recession, brought to the fore suppressed contradictions within the OBU.

The attempt to incorporate two labour movement functions within one organization proved to be the OBU's ultimate undoing. Because labour has to wage battle with capital on two fronts, the primary-class front and the secondary-labour market front, it usually divides these functions between the labour party and the trade union branches of the movement (Offe, 1985). The 'division of labour' among these strategic allies helps to prevent disputes over structure, ideology, and focus from destroying the movement. However, revolutionary syndicalism abjured legislative-oriented labour political activity, opting instead to wage the political struggle though economic action. This strategy explains the organization of OBU units on the basis of territory. When members of the BC-based Lumber Workers Industrial Unit insisted on retaining their industrial-sectoral structure, the OBU executive suspended them, in late 1920. The loss of its largest unit sent the OBU into rapid decline.

By this time orders in the shipyards were drying up and the workforce had begun to shrink back to pre-war levels. After Metal Trades Unit 1 was dissolved, the craft internationals forbade reconstitution of both the two BC Metal Trades Councils and the Vancouver Trades and Labour Council, at least until labour radicalism was decisively snuffed out. While industrial unionism persisted among workers in other more vibrant sectors of the provincial economy, such as in the forest industry but also among marine workers such as ships' crews and stevedores, shipyard workers reverted to their earlier craft union organizational structure. Nevertheless, international headquarters kept their BC locals under trusteeship for several more years.
2.2.2. Peacetime Industrial Retrenchment, Canadian Union Restructuring

A combination of factors conspired against construction of ocean-going vessels in BC yards from 1922, when the last war-generated orders were completed, until the eve of World War II. Duty-free access to Canadian waters by ships built by signatories to the British Commonwealth Shipping Agreement effectively shut BC-built and registered ships out of the international trade. The dismemberment of the CGMM in 1936 foreclosed any foreseeable respite emanating from the federal government. The return to local waters of vessels requisitioned during the war and the subsequent collapse of world trade after the 1929 stock market crash depressed inter-war demand for locally built commercial vessels. By 1938, total employment in BC yards had shrunk to 3000, with the majority of these jobs in the publicly-owned repair yards.

Despite the slump, core shipbuilding capacity, and the diversified auxiliary service and supply sector, was preserved. Sustained demand from the resource sector for small coastal vessels (fishing boats, tugs, barges) and increasing demand associated with population growth along the coast (small coastal steamers, patrol vessels, pleasure craft) kept at least some local designers, fabricators, and outfitters busy. Also, the erection by local firms of large dry docks during the 1920s, in Burrard Inlet on the Lower Mainland and in Esquimalt on Vancouver Island, attracted some repair and refitting work from transiting ocean-going ships.

Adjustment of labour to the return of the pre-war norm of short-term, intermittent work was eased by the re-establishment of the craft-union structure. Not only did it continue to allow movement among the struggling yards, it also facilitated member movement into other more vibrant economic sectors where their specialized skills could find application. Nevertheless, memories of the innovative war-time organizational structures had not been completely
eliminated by the post-war slump. The lessons learned by those involved in the associated intra-labour struggles found expression in the formation of new union bodies during the inter-war period. This activity was reflective of two lingering impulses: the desire for local labour organizational autonomy and the need for more inclusive organizational structures.

Furthermore, as borders became less porous for labour through the 20th century and as the nation-state became the focus of class politics, national union structures became increasingly important in local labour consciousness.

The first major indication of these changes came in 1927 with the establishment of the Boilermakers and Iron Shipbuilders Union of Canada (BISU), by BC workers. Its first bargaining unit, Local 1, was chartered in Vancouver the same year, followed in 1930 by Local 2, in Victoria. The BISU was affiliated with the All-Canadian Congress of Labour (ACCL), which had also been established in 1927. While the inter-war slump inhibited BISU growth (Local 1 had only two hundred members when World War II started), a foundation had been laid for subsequent growth of an autonomous sectoral union, based in the region.

The name of the new union reflected an underlying organizational innovation on the part of the BISU. The first part of its name alluded to its craft origin and reflected an experiential recognition of the need for trans-sectoral labour mobility in consequence of historic shipyard employment volatility; the second part of its name was inspired by a desire to include within its scope all yard hull fabricators: the core of the industry. However, as long as ship production organization in the region remained disintegrated and output remained one-off, the specialized outfitting crafts would remain outside the purview of the new union. Despite the paucity of new recruits during the inter-war years, the new hybrid craft-industrial union was nevertheless well positioned to absorb the impact of the next war emergency and the subsequent effects of peace.
The onset of the Great Depression precipitated changes in labour's political-ideological consciousness which would eventually have a major impact on labour organizations in BC shipyards. Invigorated by the economic crisis, the Workers Unity League (WUL) of the Communist Party of Canada (CPC) established labour recruitment branches in what it deemed to be strategic sectors of the national economy. Thus, shipyard recruits were placed in its Marine Workers Industrial Union, set up in 1932. However, following a dramatic turnaround in national party policy, prompted by strategic shifts within the Comintern in 1935, bewildered members were ordered by the Party to seek membership in AFL-TLC craft unions. From here they assisted the AFL's new Committee on Industrial Organization (CIO) organizing campaign among semi-skilled workers in the emerging mass production industries.

While communist-aligned unionists were going through their organizational gyrations, members of the nationalistic ACCL were undergoing equally wrenching turmoil. In 1936, building and metal trades affiliates, including the BISU, seceded from the ACCL and then regrouped as the Canadian Federation of Labour (CFL). In 1940, the Canadian branches of the CIO unions, which had been expelled along with their American counterparts from the AFL-TLC, merged with the ACCL to form the Canadian Congress of Labour (CCL). The new national federation, which now included both Canadian and American based industrial unions, established provincial union centres to rival those of the TLC. In 1943, the BISU affiliated with the CCL. The duplication of regional union federations was sorted out in the 1950s when, following the lead of their American counterparts, the competing industrial and craft union centres merged into the Canadian Labour Congress (CLC). In the meantime, BC shipbuilding

\[\text{\textsuperscript{11}}\text{In a dispute over delegate allocations at Canadian Labour Congress conventions, the same craft bodies seceded and revived the CFL in the early 1980s. As before, the crafts are now negotiating terms of re-entry.}\]
workers would undergo a major long-term change in labour relations organization and practice with the resumption of international conflict.

2.2.3. Renewed War, Shipyard Expansion, and Labour's Organizational Response

As had been the case during the World War One, there was a time lag before the stimulus to industrial output brought on by the outbreak of World War Two impacted BCSSR. Similarly, once industrial mobilization was underway, war-related demand brought significant changes in shipbuilding capacity and technology, and in labour union structure and relational behaviour. However, the magnitude of war-related shipbuilding on the coast was much greater this time around with concomitant impacts on industry structure, labour demographics and skill composition, and union organization and relations. Furthermore, developments in the Canadian political-economy between the wars brought about changes in the composition of organizational actors involved in the industry during this war. For one thing, responsibility for organizing the domestic war effort fell principally on the national level of government. Similarly, national labour movement politics had a determining affect on BC shipbuilding union organizational activity. The differences in the impact of the two wars on the industry presaged both more long-lasting changes in BCSSR itself this time around and a more important long-term role for national institutions in the local post-war industry.

War-time mobilization of the national shipbuilding industry commenced with Ottawa's incorporation of two marine crown corporations: Canadian Wartime Merchant Shipping Limited, which placed build-contracts for freighters, and Park Steamships Company Limited, which then operated them. As was the case during the previous war, BC's temperate climate and relative security from attack served local shipbuilding well; BC was responsible for 244 of the
total 400 merchant ships built under the federal industrial program. In addition, local yards built seventeen frigates for the Canadian Navy; one third of the total in this class. While fewer than 1000 workers were engaged in shipbuilding when war broke out, 31,000 workers were so engaged by 1943, when war-time demand reached its peak, making BC briefly the largest shipbuilding region in Canada. The industry's wartime output and employment even surpassed that of the forest sector, the historic backbone of the provincial economy.

The sudden, massive influx of new labour recruits into local yards encouraged the simplification of production techniques and the serialistic manufacture of a limited variety of vessel types. The resulting lesser skilled shipbuilding workforce was more suited to the industrial union organizational model than to craft unionism. BISU Local 1 was the major beneficiary of this change. By 1943, it represented around half of the total workforce in BC yards; a dozen other unions accounted for the rest. Since it now dominated yard-based labour on the west coast, Local 1 was targeted as the most coveted prize among contenders for political dominance of the national labour movement. Shortly after a communist backed slate won the Local 1 executive elections, in the Fall of 1942, the social-democratic aligned national leadership of the CCL placed the union under trusteeship. However, the CCL appointed trustees' subsequent attempt to break down Local 1 into shipyard based units was frustrated when 6000 members re-elected the original slate during a massive outdoor labour rally the following Spring.

While it was forced to recognize Local 1 autonomy, the CCL would still not countenance the spread of communist influence to the rest of the shipbuilding industry across the country. To this end, the CCL national office established a local federative union body, in January of 1944, to act as an organizational buffer between the communist-aligned west-coast local and workers in shipbuilding districts elsewhere in Canada (Logan, 1948: 134). Local 1 and eleven other BC-
based shipyard affiliates of the CCL were then instructed by the CCL to join the new Shipyard and General Workers Federation of BC. While this political stratagem slowed the spread of the communist virus among labour, it did little to resolve the structural issue of what union model, craft or industrial, would best represent BC shipbuilding workers during the post-war era.

Local I's choice in this regard was to continue to work toward uniting shipbuilding labour in BC under one union. In 1945, it and three other affiliates of the Federation merged into the Marine Workers and Boilermakers Industrial Union-Local 1. However, by this time a precipitous decline in employment in BC shipbuilding and a concomitant shift away from mass production techniques was already well underway, which precluded further labour organizational consolidation in BC shipbuilding by the consolidated union. Furthermore, personnel among the auxiliary marine service firms and component manufacturers continued to remain outside the purview of both the new industrial union as well as the traditional craft union group.

By war's end Canada was ranked fourth in output among shipbuilding nations. However, this strength would soon dissipate with post-war shifts in marine policy emanating from Ottawa. Canadian war production, in general, and shipyard activity, in particular, had already started to wind down following the 1943 Quebec Conference of the Allied Powers. By 1944, employment in BC yards had decreased by a fifth; by the time the war ended, it was down to 6000. Perhaps influenced by the industrial relations conflict in the national merchant marine during the immediate post-war era, the federal government began liquidating the Park Steamship fleet in 1947.\(^{12}\) There then followed a series of legislative acts from Ottawa related to the domestic

\(^{12}\)See Stanton (1978) for more on this industrial relations conflict. As in the yards, the struggle between communists and social-democrats for control of the merchant seamen's union was at the core of the dispute.
marine sector which served to reopen the ocean-export trade to British registered ships.\textsuperscript{13}

It appeared that, once again, the west coast industry might revert to the peacetime norm of one-off production of specialized vessels for the small west coast market, supplemented by intermittent repair work, and punctuated by frantic resource-fired booms. The end of the serialistic production of freighters and frigates and the departure of less-skilled workers from the industry decimated the ranks of Local 1. By 1950, provincial shipyard employment had declined to 4000. The industry's reversion to historic norms, and the concomitant revival in the importance of shipyard labour mobility, reinvigorated the craft model. Nevertheless, unlike the situation following WWI, post-WWII political considerations prevented the shipbuilding industry from fully reverting to pre-war form. Local 1 as well as all of the other assorted unions won a reprieve from the anticipated organizational shake-out

\subsection*{2.2.4. A National Marine Industrial Strategy}

Total post-war collapse of the domestic shipbuilding industry was pre-empted, although not altogether avoided, when domestic and foreign political pressures combined to elicit a relatively more enduring federal government intervention in the industry. A series of subsidy and procurement programs sustained the industry for several decades. However, this passive industrial policy did little to either modernize or to rationalize the national industry so that it could stand on its own in either the domestic or the international market. Political equivocation at the centre over competing visions for the national economy, aggravated by partisan-inspired

\textsuperscript{13}Under a federal marine legislative package, which included the Replacement Plan of 1948, the Transfer Plan of 1949, and the Canadian Vessel Construction Act of 1949, the domestic merchant fleet was liquidated and British registered vessels invited back to serve domestic exporters.
shifts in federal industrial policies, would typify national industrial policy in the shipbuilding sector for the next few decades. This policy served to delay and, perhaps, exacerbate the impact of the crisis of survival which hit the international shipbuilding industry during the 1970s.

The federal government's unanticipated intervention in the domestic shipbuilding sector was initially prompted by mounting Cold War tension, in general, and the outbreak of the Korean War, in particular. It commenced with the Defence Department's St. Laurent class anti-submarine destroyer procurement program of the mid-1950s. Electoral considerations, regional development imperatives, and pressure from the big shipyards' lobbying arm, the Canadian Shipbuilding and Ship Repair Association (CSSRA), founded in 1944, combined to imbue subsequent federal shipbuilding policies with archetypically Canadian political sensibilities (de Silva, 1988; Wilson, 1994). Thus, work on the anti-submarine program was dispersed among each of the country's four major shipbuilding regions: the Atlantic, Quebec, Ontario, and BC. Each of the large regional yards represented by the CSSRA was awarded primary contracts, and each of these core yards, in turn, subcontracted work to smaller satellite yards in its district. However, without a diversification of the industry into commercial markets, the shipbuilding sector faced the prospect of inevitable decline once the naval program was completed (de Silva, 1988, p. 62).

Fortuitously, by the time the destroyers were finished around 1960, other political considerations had developed which served to continue federal support of domestic shipbuilding. Recurring minority governments, mounting political pressures from the regions, and nationalistic-inspired concerns over foreign (read US) dominance of domestic manufacturing combined to persuade federal authorities to follow-up the naval program with a series of subsidy programs, punctuated by periodic procurement orders from government agencies. The subsidy
programs commenced in 1961, with the Ship Construction Assistance Regulations (SCAR), which provided reimbursements to shipbuilders of 35-50% of production costs. Subsidy levels under subsequent programs (with similar acronyms) were incrementally ratcheted downward until they reached 9% by 1985, at which time they came to an end. During this quarter century-long period, over $1.029 billion was channelled to domestic shipyards in the form of a variable combination of export assistance, tax incentives, shipping allowances, procurement programs, and tariff protection, in the hope of making the industry self-sustaining (de Silva, 1988, p. 130). However, passive protection and subsidization did little to encourage the restructuring that was needed to save the industry from the repercussions from the subsequent federal retrenchment in industrial support programs and the opening of domestic vessel markets to foreign competition.

Canada was not alone in facing an imminent crisis in its domestic shipbuilding industry. The collapse of the oil tanker construction market following the oil crises of the 1970s and a concomitant decline in international ocean-going trade, together with rising competition from the shipyards in the newly industrializing countries (NICs) and mounting aversion to subsidies among Western electorates, combined to trigger the systematic dismantling of much of the 'standardised' shipbuilding capacity of the more developed countries (Strath, 1987; Todd, 1991). Domestically built and controlled commercial fleets were no longer viewed in the West as the best means to assert national strength; one only had to look at the marginality of the countries currently used as flags of convenience. In the wake of the winding down of their traditional shipbuilding activity, some countries have turned their sights to the production of specialized, internationally competitive, technology-intensive vessels, both commercial and military (Todd, p. 244). While it was relatively tardy, Canada could not forever avoid grappling with similar challenges to what was being increasingly viewed as a sunset industry.
With the end of the subsidy programs, and acting on the advice of the Joint Federal Government/Shipbuilding Industry Working Group, Ottawa embarked on a program whose intent was to reduce shipbuilding capacity to one core yard, with their sub-contracting satellites, in each of the maritime regions. A Special Capital Recovery program was established to funnel federal procurement orders to anointed shipbuilders, while those yards deemed surplus were offered rationalization grants to encourage departure from the industry. While the policy intent was simply to reduce capacity, the result was considerably more dramatic. Shipbuilding activity ceased entirely in the Great Lakes region with the closure of Collingwood Shipyards in 1986. The intervention of provincial governments in other regions prevented similar outcomes elsewhere. Thus, Nova Scotia and Newfoundland established subsidy programs for surviving medium- and small-sized yards. Quebec, through its Societe general de financement, consolidated its three remaining large yards into Marine Industries Limited; nevertheless, two of its yards have since closed and the third is foundering.\textsuperscript{14}

The BC regional industry had also been the recipient of federal largesse under the series of post-war federal assistance programs discussed above, albeit with a relatively lower lever of procurement and subsidy money than the other more politically powerful regions.\textsuperscript{15} However, provincial government involvement in this strategic industrial policy realm made up for the deficit from Ottawa. The federal SCAR subsidy of 35\% of domestically built vessels' selling

\textsuperscript{14}Davie Shipyard was sustained into the 1990s with work on a Canadian naval program, which it shared with St. John Shipbuilding in New Brunswick. With the program now complete, both yards are in serious difficulty.

\textsuperscript{15}Due to post-war resource sector vibrancy, BC yards had a fairly healthy local commercial market. Thus, from 1961 until the programs ended in 1985, the bulk of subsidy money went to Quebec and Ontario yards. Only when Burrard-Yarrows closed around 1990 did substantial funding come to BC in the form of redundancy payments (see de Silva, 1988, and Wilson, 1994, for details on this financial disbursement).
price encouraged the new British Columbia Ferry Corporation (BCFC) to tender a major portion of its fleet building contracts during the early 1960s to BC yards. Similarly, SCSR program subsidies of 25% on exported vessels helped provincial yards win contracts to build twelve offshore oil-rig supply vessels for foreign buyers during the late 1960s. The STAP program stimulated a significant local yard expansion in the size of the BC coastal resource fleet during the 1970s. Under the final SIAP program, BC shipbuilders embarked upon the construction of technologically sophisticated Arctic-class exploration, extraction, and supply vessels. In consequence of the cumulative boost from federal subsidy programs, the BC government's 'province-building' initiatives, and the cyclical robustness of the regional resource economy, BC shipyard employment reached a post-war peak of 5000 by 1982.

Unfortunately, the end of the federal subsidy programs coincided with a deep recession in the BC resource sector and the provincial government expenditure 'Restraint' program, during the early 1980s. By 1986, yard employment had declined to 2000, a post-war low. This decline hurt the two core yards located on either side of Georgia Strait particularly badly due to their relatively high dependence upon federal support, as compared to the less politically powerful medium- and small-sized yards. The ensuing closure of these two yards would devastate the local industry and, with it, shipbuilding labour. We will now explore the consequences of this crisis on the industry, and look more closely at the situation with labour at this time.

16There is more discussion of the politics of the Restraint program in the next chapter.
2.3. The Final Slide into Oblivion?

2.3.1. Dismantling the Core-Satellite Complex in BC

The combination of the withdrawal of federal support and a depressed local market plunged the post-war industry from its peak in activity, during the early 1980s, to its nadir, by the late 1980s. However, contemporary observers thought that the expected closure of the two principal yards on the west coast might be averted when, on the eve of a federal election, the Tory government awarded a massive ice-breaker contract to the owner of the two yards, Versatile Pacific Corporation (VPC), in 1987. Although the work-force in both yards had been reduced to skeleton crews by this time, the promise of future work on the $400 million Polar 8 following completion of design work provided at least a psychological boost to industry spirits. Furthermore, there was talk that this project would open the door to similar contracts from other Arctic nations, such as the USSR. Alas, this dream evaporated when the re-elected Tories cancelled the contract in the post-election budget of 1989. The potential Soviet market similarly disappeared in the wake of Glasnost. The final closure of Versatile's Burrard yard in Vancouver and its Yarrow facility in Victoria seemed inevitable. The fate of the rest of the regional industry rested with them also.

From early in the century, the Burrard and Yarrows yards had dominated the west coast shipbuilding industry. Their amalgamation, in 1947, under the control of the locally-based Wallace family, consolidated this primacy. With the retirement of the dynasty's founder in the early 1970s, the complex fell into the hands of investors bent on using the yards as a base from which to build a continent-spanning multi-sectoral conglomerate. Buoyed by vessel orders derivative of the Trudeau government's National Energy Program (NEP) of the early 1980s, the politically sensitive Versatile Corporation purchased two large yards in Quebec, no doubt
anticipating capture of a larger share of regionally targeted federal shipbuilding subsidy money.

Unfortunately, the defeat of the Trudeau Liberals by Mulroney's Conservatives in the 1984 federal election led to the dismantling of the NEP and the discontinuation of national shipbuilding subsidy programs, thereby precipitating the collapse of Versatile's core shipbuilding business. The by-now diversified Versatile quickly sold its Quebec yards to the province's Marine Industries Limited holding company. Perhaps anticipating the cancellation of the Polar 8 contract, the west coast yards were spun off to a merchant banking group in 1988 which put its BC shipyard holdings (since renamed VPSI) into receivership following the 1989 federal budget.

With a provincial election in the offing, the BC Ferry Corporation awarded a major ferry vessel contract to VPSI in 1991. While work on the two 'Super Ferries' kept the Yarrows yard busy, the Burrard facility was closed that Fall. Shortly after completion of the ferry project, the Yarrows complex followed its sister yard and was demolished and the site ploughed under by 1994. Without further state assistance, it seemed that the traditional shipbuilding industry in BC was about to suffer the same fate that had befallen its counterparts in other Canadian maritime regions and in most other western countries. With the closure of the Burrard and Yarrows yards, there remained no single facility in the province capable of building large ocean-going vessels. Consequently; the closure of many small- and medium-sized yards which depended on subcontract work soon followed.

The negative impact on the BC industry of the withdrawal of federal succour was exacerbated by the slowdown in coastal resource activity in the 1980s. The 1970s subsidy program had resulted in the overbuilding of the resource fleet; now much of it lay idle. Furthermore, advances in marine technology made the hulls and machinery of these boats more
durable, leaving little work for even the repair portion of the industry. Despite the recent signing of the Canada-United States Free Trade Agreement, there was little opportunity in the neighbouring American market either. The Jones Act, which prohibited foreign-made vessels from engaging in commercial shipping between American ports, remained in force in the US, and American Defence Department regulations ensured continuing subsidization and protection of its domestic shipbuilding industry. Facing a bleak future, the few remaining owners of shipyards located on Vancouver and Victoria's harbour were tempted to follow the example of the merchant bankers who owned Burrard-Yarrows and sell their prime waterfront property to land developers.

Subsequent attrition in the BC industry resulted in the reduction in shipbuilding capacity to four yards by the mid-1990s: two each on either side of Georgia Strait. The largest, a facility on Burrard Inlet, survived on work from its parent, a major towboat firm on the west coast. The others subsisted on infrequent repair contracts and the occasional modest new-build proffered by various government agencies. An attempt to attract repair and refit work on foreign registered deep-sea vessels to the two large drydocks in the region - one on Burrard Inlet jointly owned by the two yards remaining there; the other in Esquimalt rented out to private repair firms by its owner, Public Works Canada - met with little success.

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17 The introduction of rust-resistant aluminum and stainless steel hulls and improvements in diesel-engine design had lengthened the service life of vessels.

18 The Act requires that all sea-borne commerce between US ports be undertaken in US built bottoms.

19 The preservation of domestic ship manufacturing capacity is considered to be a national security issue, and the military must favour domestic manufacturers in procuring equipment.
2.3.2. The Union Response to the Crisis of Survival

One might have expected the closing of the two principal yards on the west coast to galvanize the organized shipbuilding workforce into action. However, apart from Local 1's public demand that VPSI, prior to its final closure, be made public property, the other shipbuilding unions appeared to be resigned to the industry's retrenchment to employment levels not experienced since before WWI. Even before the closure of VPSI's Burrard facility, the shipbuilding unions had focussed on negotiating orderly reductions in workforce levels in response to the crisis. They joined employers and federal and provincial government representatives on the Shipbuilding Workforce Industrial Adjustment Committee (SWIAC), which had been formed in February, 1990, to design and administer labour redundancy payments, early retirement, and retraining programs. While passively acquiescing to employer and state downsizing, the fractious unions engaged in an internecine scramble for dominance over whatever remained after the closure of the core yards.

Decades of complacency had left BC shipbuilding labour too organizationally divided and unfocused to mount a concerted counter-campaign to save the industry when crisis threatened its very survival. Things might have been different if the labour reorganization and consolidation underway at the close of WWII had not ceased with war's end. Furthermore, post-war federal subsidization and patronage had served to diminish the need for the industry to rationalize and modernize its structure and methods and, consequently, the unions felt little pressure to reorganize themselves. The myriad assortment of unions that emerged from the war had not only survived the anticipated post-war shake-out but had proliferated under benign state

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20 A tripartite industry study advised restructuring policies which would hold employment in the BC industry at 1800 person years (British Columbia, Shipbuilding Action Group, 1990).
patronage and supervision. Thus, there were twenty three autonomous labour bargaining units at the VPSI yards just prior to their closure. This organizational structure is an especially egregious illustration of BC shipbuilding labour's fractiousness.

The traditional unions still involved in the contemporary industry after the closure of the two core facilities can be grouped under two functional categories. The first group, the shipyard unions, which includes the Marine Workers and Boilermakers Industrial Union-Local 1, the International Boilermakers and Iron Shipbuilders-Lodge 191, and the Marine Shipbuilders-Lodge 506, are responsible for hull fabrication. The other group includes the various construction and metal trades affiliated to the BC Metal Trades Council which are responsible for the final outfitting of marine vessels.

As was previously explained with regard to Local 1, the shipyard unions' organizational structure is a hybridization of the industrial and craft union models. While it was once dominant in its category, the closure of VPSI's Burrard facility deprived Local 1 of much of its membership base. Subsequent closures of other yards in the Vancouver region have reduced the union to a single stronghold at the smaller of the two yards remaining on Burrard Inlet. Local 1's historic counterpart on the Island, Local 2, left the parent Shipyard Workers Federation in 1945 and, after joining the national TLC in 1950, re-emerged under the long dormant Lodge 191 moniker. It has since won exclusive bargaining rights with two ship repair firms in Esquimalt. Lodge 506 is a shipwright local of the International Carpenters and Joiners Union and it holds bargaining sway at the larger of the two yards remaining on Burrard Inlet. From here, it competes for whatever repair work comes to the region with, among others, workers at the Esquimalt branch of this same firm, who are represented by Local 191. With their retrenchment to their single-yard fortresses, the yard unions are consequently more easily induced to sacrifice
historic contractual standards in hope of out competing other yards for this dwindling trickle of work. Any impulse to eliminate this type of insidious inter-union competition through shipyard union merger is impeded by historic competition and lingering mistrust among the locals, their parent unions, and their federal umbrella organizations.\textsuperscript{21}

As mentioned earlier, the relatively paltry amount of outfitting work on one-off contracts generated for the metal trades is compensated by their easy mobility across both shipbuilding firms and industrial sectors. This trans-sector mobility results in their contracts for yard work being led by the wages and benefits negotiated in the construction industry where the largest portion of their employment originates, in contrast to the shipyard unions. This situation led some industry observers to blame the collapse in shipbuilding during the 1980s on the wage-push generated by the 1970s BC building boom (interviews with industry officials). As one might expect, the local business agents managing the trades' dispatch halls place a low priority on the work emanating from the near moribund shipbuilding industry. Nevertheless, jurisdictional suzerainty is jealously guarded, with the durable Metal Trades Councils policing and preserving the fractured bargaining regime still in place on either side of Georgia Strait.

In the wake of the survival crisis in the industry and the resulting restructuring of the industry, other shipyard employee formations have made their debut in the yards, joining the traditional unions in further fracturing shipbuilding labour organization. A public sector union, the BC Government Employees Union, took over employee representation duties at a Victoria-region yard after the staff bought out the failing firm.\textsuperscript{22} An Island firm which does repair work

\textsuperscript{21}This impression was garnered by the writer from interviews with the various unions officials in the industry.

\textsuperscript{22}The union has since changed its name to the BC Government and Service Employees Union since provincial government down-sizing forced it to expand into the private sector.
out of the Esquimalt Drydock has its own company union: the Nanaimo Shipyards Employees Union. Having spurned Local I's attempt at organizing them, employees at a small yard in the Vancouver region opted to exercise influence on firm management through their Musqueam Indian band council which owns the yard. The emergence of these alternative formations seems to be driven by fears among both management and labour in these firms that collective bargaining under the traditional shipbuilding union regime might jeopardize their chances of survival. Whether or not this strategy staves off individual firm failure, it does serve to further dissipate the collective strength and voice of labour at this critical juncture in the industry's history.

Organizational impediments to shipbuilding labour unity are further aggravated by the disunity that has long been characteristic of the Canadian labour movement. These divisions have arisen from the historic struggle between craft versus industrial unionism and between international versus national versus regional labour affiliation (the latter refers primarily to Quebec union federations). This lack of consensus over organizational models has been further aggravated during the 1980s by the transformation of many single-sector industrial unions into multi-sector general unions, and by the departure of the international building and metal trades from the Canadian Labour Congress. The BCGEU's certification of shipyard workers is reflective of the former development; the internecine competition among BC based shipbuilding unions is consequential to the latter. Although the ensuing confusion over union jurisdiction weakens labour unity, international, national, and provincial union centres lack the authority to

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As mentioned earlier, the international craft unions broke away from the CLC in the early 1980s and formed the Canadian Federation of Labour. They are currently negotiating over terms of re-affiliation with the CLC; the delicacy of these negotiations would tend to inhibit union centres from promoting union merger or restructuring.
effect a rational reorganization.

3. State Directed Industrial Restructuring: The BCSSR's Last Chance

3.1. The Provincial Strategy for Industrial 'Revitalization'

By the mid-1990s, employment in private-sector yards had fallen to fewer than 1000 workers, the lowest level since the Great Depression. Without a core contractor, prospects for the survival of the remaining small- and medium-sized yards were dim. Auxiliary parts and service supply firms in the region had also lost a primary market for their wares. If decline continued, future industrial spin-offs derivative of servicing sea-borne commerce and transportation activity would likely be lost to other shipbuilding and repair districts. Perhaps more significantly, the loss of large ship fabrication capacity would serve to limit the possibility that the local region could quickly revive the industry in response to either an emergency or a coastal resource booms, as it had repeatedly in the past.

There would be broad-ranging, long-term repercussions for labour as well should local shipbuilding die out. The ensuing loss of a major source of relatively highly-skilled, well-paid, unionized jobs would be sorely missed by a local labour movement that has suffered from the structural and political fall-out from the 1980s recession and the coincidental assault by the provincial state and employers on labour. In particular, the collapse of the sector would leave a gap in the traditional range of jobs available to the metal trades unions, whose certifications in the labour intensive construction sector have been severely eroded by a more hostile union climate and the concomitant proliferation of union-shunning building contractors. Furthermore,

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24 Two thousand personnel continue to be employed in other parts of the marine industry, including the publicly-owned service and repair yards, and among component manufacturers, design and engineering firms, and consultants.
the enrollment of workers and the subsequent certification of bargaining units among the more
dynamic, emergent marine vessel sectors would become more difficult in the wake of the
closure of the traditional industry. The enemies of organized labour would not hesitate to blame
the industry's demise on the short-sighted greed and narrow self-interest of the shipbuilding
unions, thereby further encouraging union avoidance by marine industry employers and others.
More broadly, the ensuing weakening of the provincial labour movement would further bend
state industrial planning toward a 'low-road' strategy of economic development based on low-
cost/-skill labour exploitation. The burden of adapting to post-Fordism in the region would
thereby be shifted disproportionately and unfairly to workers and their communities.

Nevertheless, the sudden and complete loss of a relatively technologically sophisticated
industry would be a serious setback to post-recession attempts by provincial governments,
whether aligned with employers or labour, to diversify an economy considered to be over-
dependent on primary resource extraction and processing. With little sign of any initiative
forthcoming from either the industry itself or from Ottawa, provincial governments of whatever
partisan stripe could still draw upon the honoured tradition of state-initiated 'province building'
to justify intervention. The current NDP administration under Premier Glen Clark was further
moved to action by concern over the negative impact on the provincial labour movement of the
demise of this historic bastion of trade unionism. Thus, on the eve of a provincial election, the
province stepped into the breach in 1994.

Under the aegis of a comprehensive provincial ferry service expansion-upgrade program,
the government announced an $800 million, 10 Year Capital Plan (BC Ferry Corporation, no
year). As had been the practice during previous such programs, the new vessel construction
portion of the program was to be channelled to local yards. However, the most intriguing part of
the plan was the bold initiative to locally procure vessels unlike anything previously built in BC or anywhere else in the world for that matter. The hope was that after building three technologically advanced, 1000 vehicle capacity, aluminum clad, catamaran hulled, 'High Speed Ships' (HSS) initially built, other markets would be found offshore for similar vessels.

In order to ensure the completion of this high risk venture, the provincial Ferry Corporation (BCFC) would partner with local private sector firms in building the vessels. To effect this collaborative undertaking, BCFC incorporated a wholly owned subsidiary, Catamaran Ferries International (CFI) in early 1996, to oversee ship fabrication. CFI immediately signed contracts with associated firms to build vessel components and constructed a huge shed for final assembly. CFI was also directed to work closely with the principal private-sector contractors in managing continuous improvements in production techniques. These incremental changes were necessary in order to effect the productivity improvements during the sequential 3-vessel construction which were needed to complete the whole project on the target budget. Upon their completion, CFI would turn the vessels over to the parent ferry corporation. However, this learning process was also intended to help fulfil the government's long-term goal of eventual consortia exploitation of, what was predicted to be, a burgeoning global commercial market for HSS. In imitation of the strategy of other revivified western shipbuilding industries noted earlier, the infrastructure and expertise created under the provincial fleet expansion program was to provide a base for future exports into a specialized niche market.

Success in this endeavour entailed transformation of the remnant shipbuilding industry into a horizontally integrated complex of specialized firms collaborating on vessel design and

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25 Smaller versions of these vessels were being built in Australia, and a couple larger versions were underway in Finland.
engineering, workforce training, construction, and marketing of technologically sophisticated passenger-vehicle ferries. In July, 1994, the province established the British Columbia Council of Marine Industries (CMI) to oversee this industrial reorganization and workforce rejuvenation. It included both provincial government representatives and union and management delegates from the industry. For its first endeavour, CMI took representatives from local ship architectural firms and the shipyards and their unions to tour foreign yards where other aluminum hulled ships had been built. Since then, the Council has worked with local community colleges to establish new ship building vocational training programs for the HSS program.

Formation of both private-public production partnerships, such as that overseen by CFI, and of tripartite industry councils, such as the CMI, had been recommended by industry consultants since the original onset of the shipbuilding industry crisis (Province of British Columbia, Ministry of Regional and Economic Development, 1990, July; Province of British Columbia, Ministry of Advanced Education, Training and Technology, 1994, June; Sandwell, 1993). Thus, with its workforce reduction program largely completed, many of the interests involved in the SWIAC adjustment program, with the exception of the federal government component, simply transferred their resources over to CMI. However, while it is touted as "representing British Columbia private sector shipyards, shipyard workers and related marine suppliers", initially only management and labour representatives from yards directly contracted by CFI for the fast ferry fabrication and superstructure installation have been involved in the Council (Enright [interoffice memorandum], 1995, December 13).

Before work on the aluminum ferry hulls could commence, the CMI had to both revive the traditional shipbuilder apprenticeship programs which had withered during the 1980s and inaugurate new vocational training programs to accommodate the new technology. The Council
was also charged with creating new trade certificates for the graduates from the latter program and, then, overseeing the integration of these new "ship fabricators" into the old production system and the extant labour jurisdictional regime. Successful integration is expected to necessitate changes in traditional work practices, reconfiguration of the extant functional demarcations, adjustments in jurisdictional boundaries among the various unions, and negotiation of enabling addenda to outstanding collective agreements. Furthermore, the Council will play a major role in nurturing the collaborative working environment among the various contracting firms and their assorted unions which was mandated under the CFI charter. Collaborative production will also impel freer movement of labour between participating firms, which is presently impeded by union organizational pluralism. Obviously, labour's inclusion on the Council entails a major, difficult change in its traditional role from one of passive respondent to industry initiatives to active initiator of institutional change.

As can be seen from the Enright Memo cited above, the role envisioned for CMI went beyond overseeing the industrial adjustments commensurate with completion of the ferry project and the revitalization of the traditional shipbuilding sector. It was also to include promotion of other sub-sectors of the provincial marine vessel industry. While the conventional shipbuilding sector was entering its critical crisis in the 1980s, other more vibrant and competitive sub-marine and motor-yacht industries had begun to emerge in the region. These new sub-sectors have little connection to the conventional shipbuilding industry. In the wake of a more liberalized international trading environment, they have enjoyed dynamic growth by designing, manufacturing, and selling specialized, unique, technologically sophisticated marine transportation products which are in high demand across the globe, but especially in the United States.
While the performance of these firms has been impressive, their continued dynamism is hampered by the inherent limitations of modest firm size upon product and market research and development as well as by the under-development of local support services and infrastructure. In response, provincial agencies have offered assistance in such areas as managerial and labour skill development, product promotion and marketing, and export financing. More significantly, the province is encouraging collaboration among complementary firms in each of these sub-sectors in identifying common needs. Once the province has them up and running, the administration of these jointly financed programs will revert to the industry.

The industry-based, collaborative network approach being applied to the broad provincial marine industry has had some success beyond the traditional shipbuilding sector. Firms in the motor yacht sector have informally associated to develop training-apprenticeship programs for their industry, similar to that already seen among shipbuilding interests involved in the HSS project. Also, at the urging of trade officials, several marine engineering and design firms, left in the lurch with the cancellation of the Polar 8 project and closure of the core shipyards in the province, have formed an export focussed consortium. In collaboration with BC Trade, the consortium has successfully sold the expertise developed servicing the traditional indigenous shipbuilding industry to several foreign countries (B.C. Exporter, 1993/94 [Winter], p. 1). It seems probable that industry interests involved in these and other similar state-industry partnerships will either join the present Marine Council or gravitate to more sector-specific industry councils. In either case, the question remains open as to what role organized labour might play in the governing councils. In consequence, shipbuilding labour unity and union organizational consolidation has become much more urgent in the wake of both the provincial government's revitalization of the traditional industry and the emergence of the new sub-sectors.
3.2. Contemporary Institutional Restructuring and Organized Labour

The current establishment in BC of marine industry associations reflects the increasing influence of network-style production organization and industrial relations. Vertical disintegration of corporate ownership, formation of inter-firm production partnerships, and collective provisioning of sector-wide services in collaboration with locally-based state agencies has spurred the formalization of these new industry relations to facilitate long-term adaptation to a more open and competitive international market. The conjuncture of structural change and industrial adaptation provides organized labour with a window of opportunity to undertake fundamental changes to allow it to both benefit from the industry's changes, in general, and gain entry into the institutional structures managing the evolution of industry during this transitional phase, in particular.

So far, the shipbuilding unions do seem to be cognizant of the need for their adaptation to the fundamental changes impelled by the quest to save the BC shipbuilding industry. The shipbuilding unions' active participation in SWIAC has continued on into CMI, at least during the training, certification, and jurisdictional adjustment stage of Council activity. The appointment of Local 1's President as interim chair of the Council is a positive sign that both the state and employers understand the importance of labour participation in managing the necessary changes in production organization. The unions also understand that their future in shipbuilding rests primarily on the success of the HSS program.

As vessel construction gets underway, the role of the CFI will become critical in coordinating and integrating the production activity among the sub-contracting firms. The provincial government's recognition of this role is reflected in its creation of a bipartite board composed of top executives from the Ferry Corporation and local notables with connections to
the regional business community. However, while the business, legal, and academic fields are represented on the Board, labour is not. This "oversight" is significant as the province envisions transference of ownership and control over CFI to the private sector once the crown ferry order is filled and attention is shifted to the global commercial market.

Perhaps, the state and business vision of the role organized labour is to play in future shipbuilding industrial governance does not include involvement in strategic corporate planning. The historic lack of interest among North American unions in business, reinforced by the 'management rights' norm sanctified in post-war industrial relations regulations, no doubt explains this 'oversight'. As for the other, emergent marine sectors: their workforces are not represented by shipyard unions, or by any other recognized unions for that matter. Consequently, the assembly crews, technicians, professionals, and others working in the design, engineering and service sub-sectors, in the submarine vessel sector, and in the luxury motor yacht sector do not have a distinct collective voice either at their workplaces or on the new industry associations.

Even within the traditional shipbuilding oriented CMI, the potential influence of the shipbuilding unions is dissipated by labour fractiousness. Without a sector umbrella labour organization, the shipyard-based unions are more inclined to promote the particularistic interest of their yard - likely as interpreted by firm executives - over that of the industry in general. Furthermore, the active participation of each of the relatively small shipyard unions in the CMI is limited by the modest financial and staff resources of each unit. While the training-apprenticeship programs and the production organizational changes associated with the fast-

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26 It was viewed as such during private interviews with officials from the government, BCFC and CFI.
ferry project should help build a common labour identity among shipbuilder, it will not necessarily lead to union re-organizational to eliminate the jurisdictional duplication and overlap which precludes the building of trust and cooperation among the shipyard unions.

Unlike the yard unions, the craft unions (responsible for vessel outfitting) have no presence whatsoever on the CMI; and little interest has been expressed by them in becoming involved anytime in the near future. While their abstention may be explained by the relatively small amount of employment generated recently by the sector for their members, their absence does nothing to contribute to the industry's revival as a job generator. Furthermore, their lack of participation on the Council indicates that they will also be unlikely to acquiesce to recommendations emanating from the Council if they are seen as impinging upon traditional craft union jurisdictional rights.

If the shipbuilding unions fail to remedy these organizational problems, labour will continue to defer to the state and employers in both developing policies for the industry and in governing network relations. To prevent this marginalization, they should undertake a number of initiatives. They should all strive to participate in the CMI either individually or through joint labour representatives. To effect the latter, they should establish a shipbuilding union council. Beyond its activity on CMI, this labour council could also coordinate collective relations with employers, the state, and others. The shipbuilding unions' previous experience with the 'poli-party' negotiating committees at the Burrard and the Yarrows yards could serve as an initial impetus for inter-union collaboration. Finally, if CFI has a life after the completion of the ferry contract, the council unions ought to rationalize their organizational structure and consolidate under some kind of federative structure. While unifying shipbuilding labour, this organizational structure would continue to recognize and respect each trade's distinctive character and interests.
While the unions seem at present to lack the capacity to engineer these changes, their organizational inertia could be overridden by the state. The current NDP administration has both the jurisdictional authority and the partisan incentive to orchestrate shipbuilding union organizational restructuring in the interest of strengthening labour influence in the industry. Shipbuilding employers would be unlikely to oppose such a unilateral action if the government held out the prospect of more simplified and orderly collective bargaining. Furthermore, an inclusive sector-wide union structure would provide an additional forum for the promotion of district-level collaboration in both production and other policy areas. The government's current attempt at revitalizing this highly unionized industry and the reservation of an important role for the unions on CMI indicates that the present administration may be willing to entertain just such an initiative in the long-term interest of labour and the industry.

4. Summary and Conclusion

There has been continuous shipbuilding and ship repair activity in the south-west corner of British Columbia since European colonization. The industry's role in supplying vital marine vessels at significant stages of the region's development as well as during periods of national emergency encouraged state authorities to shelter the industry's indigenous market since its inception and, during the post-WWII era, to channel subsidies and procurement contracts to domestic yards. However, benign state protection and over-dependence on highly cyclical local demand discouraged capital investment, technological innovation, and institutional modernization in the BC industry. When the federal government withdrew its support and the local commercial vessel market went into a recession-induced slump, during the 1980s, local shipbuilders were unfit for survival in the now more open and highly competitive international
market. However, the provincial government's 'revitalization' strategy has given the industry an opportunity to adapt to and thereby survive under these new conditions.

This history has also affected shipbuilding labour's contemporary organizational structure and relational behaviour. Vulnerability to highly cyclical demand and the related durability of craft-style production organization encouraged labour alignment under sector-transcending craft unions. Yet, periodic booms in demand, often accompanied by episodes of international labour militancy, prompted shipbuilding labour experimentation with other more inclusive, sector-based organizational models. However, rather than shift over to the new models, the remnants from these innovative periods were simply appended to labour's in situ organizational structures. While this mixture of tradition and innovation helped labour and the industry adapt to environmental changes, it has also left shipbuilding labour with fractious and complacent organizations. Consequently, labour cannot optimally participate in the current revitalization process. It also risks marginalization from the associational bodies currently being established in both the traditional and newer marine vessel sectors in BC.

Nevertheless, some of the historical legacies of shipbuilding labour may positively contribute to both the revitalization effort and labour's collective involvement in its realization. For example, shipbuilding labour's traditions of high skill, functional flexibility, and occupational mobility is especially suited to the flexibly-specialized small-firm network production model currently under development in conjunction with the fast-ferry project. These characteristics helped to induce the state and employers to invite labour participation in planning and administering the changes in production practices and organization deemed necessary for the success of the revitalization program. Furthermore, the relatively prominent historical role which shipbuilding unions have played both in the shipbuilding industry and in the provincial
labour movement helped to elicit the invitation for them to join the sectoral governing council. Yet, shipbuilding labour must rationalize its organizational structure and become more institutionally assertive if it hopes to not simply maintain its historic status but increase its role in governing the future marine vessel building industry, commensurable with labour's abiding interest in economic development.
CHAPTER FOUR: SOLID-WOOD REMANUFACTURING:

INDUSTRIAL INNOVATION VERSUS CORPORATIST INDUSTRIAL RELATIONS

1. Introduction

Due to its relatively disintegrated and decentralized organizational structure, the affects of the recent eclipse of the Fordist mode of development on the Canadian economy have tended to be specific to particular sector-districts. In order for them to survive and prosper under the emergent market regime, each sector-district must undertake unique production organizational and relation institutional changes. Structures and behaviours that once provided a foundation for the efficient management of the production cycle and for regulating the encompassing industrial relations regime must be reorganized, dismantled, or bypassed to prevent their becoming an implacable obstacle to the establishment of production structures and relational systems more appropriate to the new environment.

Despite this survival imperative, some of the more powerful institutional actors within a particular sector-district may resist change due to either organizational inertia or fear over the possible loss of institutional power. This actor's intransigence may, in turn, precipitate intra- and inter-organization conflict, thereby delaying the impelled adaptation, leaving a production organizational structure so weak and an industrial relations regime so scarred that the sector-district becomes marginalized from the new political-economic order.

Such a problem within industrial sectors of particular importance to the regional political-economy will often precipitate state intervention to limit the impact of sectoral conflict on the encompassing socio-political environment. However, a state-imposed resolution usually leaves soured relations among the parties within the failed institution, thereby hindering further adjustment and reducing inter-organizational collaboration. Perhaps more critically, the
diversion of political resources to the troubled sector may have negative long-term consequences for the region as a whole if it detracts attention from the larger project of reforming society-wide institutional structures to better accommodate environmental change. Consequently, rather than being a possible beneficiary of global change, the region may instead become a victim, with the ensuing intra-societal bitterness plaguing its society for the duration of the new era. This troubling prospect faces the British Columbia forest industry, and the province as a whole, as it desperately attempts to adapt to recent changes in the international market, in the regional socio-political environment, and in the structure of the industry itself, associated with the crisis and decline in the Fordist developmental model.

Since its emergence to prominence during the late 19th century, the historic core of the BC forest industry has always been the solid-wood processing sector.\(^1\) Hundreds of small specialized firms were established to undertake various stages of the cutting, processing, and export of this seemingly inexhaustible resource. During the immediate post-World War Two era, the provincial government used its regulatory leverage to initiate the reorganization of this primary sector to enable it to better exploit the potential arising from the burgeoning North American consumer market for wood-fibre based products. Following the Fordist logic that came to prevail during this era, the BC Forest Service introduced policies to concentrate long-term 'tenure' rights over commercially viable crown timber land under a handful of firms, thereby creating especially favourable conditions for their ensuing growth into large, vertically integrated corporations able to dominate not only the regional industry but also the provincial economy as a whole. Employers and labour encouraged this transformation through their

\(^1\)While integrated under the majors during the post-war era, the pulp and paper sector has become increasingly disassociated from the primary sector as forest firms narrow their market focus.
simultaneous organization into sector-wide collective bargaining bodies.\textsuperscript{2} The principal union in solid-wood, BC-based Region I of the International Woodworkers of America (IWA),\textsuperscript{3} and its members, thrived under this regime as it became institutionally solidified. In the process, the IWA garnered immense influence within the provincial labour movement, both among other unions and with organized labour's political allies, the Cooperative Commonwealth Federation and its successor the New Democratic Party (NDP).

The subsequent onset of a general crisis in Fordism manifested itself in the BC solid-wood processing sector through unfavourable changes in its consumer demographics, restrictions on its access to its traditional offshore markets, mounting challenges to its regulatory pre-eminence over the forests, and competition from emerging foreign timber processing regions. Failure to anticipate and adapt to these challenges threw the industry into a severe depression during the 1980s, from which it has yet to fully recover. In the wake of this downturn, the industrial relational structure in solid-wood was thrown into turmoil. Since the industry has dominated the provincial economy for most of this century,\textsuperscript{4} the ramifications of these events have had an enormous impact on the provincial political economy.

In response to the lingering crisis in the mass production-based solid-wood sector, the provincial government began to make changes in its post-war regulatory regime in hope of

\textsuperscript{2}During the post-war era, the pulp and paper sector has had a distinctive labour relations regime, with distinctive collective agreements. With inter-sectoral disintegration, this distinctiveness has increased.

\textsuperscript{3}While Region I covered all of Canada, the bulk of its members and its headquarters has always been in BC (American members were grouped under Regions II and III). Following its secession from the international union in the early 1990s, Region I became the Industrial Wood and Allied Workers of Canada or, simply, IWA-Canada.

\textsuperscript{4}Robin's (1972, 1973) two volume analysis of the political-economic history of the province provides detailed evidence of the forest industry's role in this history.
restructuring and reviving the industry's fortunes. A major focus of the ensuing policy initiatives was on a formerly obscure sub-sector of the forest industry: the solid-wood remanufacturing sector or Reman, as it is more commonly known. While the primary sector had been staggered by recent challenges, the tiny Reman sector was thriving and expanding. However, operation on the margins of the primary sector had also forced Reman to assume organizational, processing, output, and market characteristics which were fundamentally different from that of the Fordist primary sector. Instead, its features are strongly reflective of network-style production organization and relational behaviour. Consequently, any shift in the provincial forest economy to Reman-like structures and practices would necessarily entail a major institutional change in the dominant forest industrial relations regime.

Organized labour is deeply implicated in any current or future changes in the forest industry. As the hegemonic union in solid wood, the IWA will necessarily play a pivotal role in determining the industry's direction, and in shaping labour's role in it. This struggle will involve relations within the IWA itself as well as its relations with industry employers, other forest unions, state regulatory authorities, and other organized actors in the province, whether directly or indirectly involved in the forest industry. I will explore these relations in the context of the recent changes in the industry, in general, and the emergence of the Reman sector, in particular, so as to provide some insight into organized labour's possible future role in the institutional governance of the BC forest industry.

This case-study will begin with a historical review of the development of the solid-wood processing industry and its industrial relations regime. Next, I will embark on a more intensive analysis of the recent crisis in the primary sector and its repercussions on industrial relations within the industry and on the political-economy of the province. The focus will then shift to an
examination of the Reman sub-sector: the conditions of its emergence, the nature of its production output and organization, and the role of labour in it. I will explore both the complementary and the contradictory relations between the Reman industry and the primary solid-wood sector in general, and the problems the IWA has had adapting to the changes associated with the emergence of the Reman sector in BC in particular. This background research will serve to better explain the IWA's contemporary difficulties managing the transition from Fordism to an unknown future. If, as seems likely, the forest industry continues to be a major component of the provincial economy, the outcome of this industrial relations transition will have important repercussions across the province.

2. From Cut-and-Run Forestry to Institutionalised Fordism

2.1. The Formative Years

At its inception in the late 19th century, the organizational character of the BC forest industry followed patterns set by the far older forest industries of the more eastern regions of Canada. Thus, the BC industry was dominated by small, labour-intensive, privately-owned sawmills which applied the farm-related skills of its itinerant workers to produce relatively simple lumber products for local and external markets. Similarly, employment in the provincial industry was seasonal, due to climatic factors, cyclical, due to highly fluctuating consumer demand, and transient, due to the relatively mobile nature of forestry. The notorious cut-and-run reputation of mill owners negatively affected working conditions: lodging and food in the logging camps was abysmal, the work was extremely hazardous, and labour training was minimal. However, in contrast to labour in the east, the relative scarcity of good agricultural land in BC left local forest workers with less of the economic cushion and the social
stabilization normally provided by the security of a family farm.\(^5\) Under these conditions, labour in BC forests was ripe for unionization.

Labour organization in forestry began early and was doggedly pursued by young idealists often associated with the radical labour unions and revolutionary parties that arose out of the industrial turmoil characteristic of the Pacific Northwest around the turn of the 20th century. Despite formidable opposition from an alliance of employers, politicians, and law enforcement agencies, the highly transient forest workers never ceased trying to organize the isolated logging camps and saw mills of the province.\(^6\) From 1900 onwards, a series of industrial unions were established in the woods by, in turn, labour radicals sent out by the urban craft unions during the latter decades of the 19th century, anarcho-syndicalists associated with the Wobblies and the OBU which swept across the west early in the 20th century, and communist militants during the 1930s and 1940s. However, the same boom-and-bust conditions that inspired organization also conspired against the longevity of these nascent forest worker unions.

The intensity of the organizing effort was also due to rapid growth of the BC forest industry following the opening of the Panama Canal in 1903. BC wood products now had better access to the markets of the Eastern Seaboard and Western Europe, which encouraged sustained investment in the industry. However, its subsequent rise to dominance of the regional economy also increased the province's exposure to the cyclical flux of this resource industry, and to the social conflict generated by repeated attempts at labour organization. Rapid growth early in the century, together with rapacious employers, a young, mobile workforce, and minimal state protection, provided the conditions conducive to intensive union organizing.

\(^5\)While the mountainous, coastal rain forest was optimal for forestry, it was inhospitable to farming.

\(^6\)See Robin (1972), for more on this era, and Swift (1983), for its long-term impact on the industry.
regulation of the forest economy, combined to aggravate labour relations conflict in the industry during the following decades. However, this labour relations turmoil also laid the foundation and shaped the institutional character of the more formalized industrial relations regime which was eventually established in the province.

Thus, the inclusive, sector-wide producer group organization characteristic of post-WWII labour relations in forestry and in the rest of the province had its origin in the forest battles that occurred toward the end of WWI. The successful organization of forest workers by the Wobbly-inspired Lumber Workers Industrial Union in 1918 was met by employer organization into the Lumber Manufacturers Association. The union had 23,000 members just prior to its disbandment under the pressure of the state repression and economic recession which followed WWI. During the ensuing organizational hiatus, assorted craft unions signed up the more highly skilled minority of forest workers. However, more inclusive organizing eventually resumed with the establishment of the Lumber Workers Industrial Union (LWIU) in 1931 by the Canadian Communist Party's labour organizing vehicle, the Workers Unity League. Following the dictates of the Comintern, the LWIU was instructed to merge with the US-based International Brotherhood of Carpenters in 1935. Another Comintern shift in 1937 induced a transfer in affiliation to the American Federation of Labour's new Committee on Industrial Organization (CIO) under a new and more durable name: the International Woodworkers of America (IWA). This timely move placed the dynamic IWA in the vanguard of the implantation of the industrial union model in both the Pacific Northwest forest industry, in particular (Lembcke and Tattam, 1984; Widenor, 1995), and in the Canadian mass production economy which was then emerging, in general (Lipton, 1967).

Reflecting its organizational roots, BC communists led both the international union and
its BC-based Canadian branch, District I, from their inception up until the 1940s. The concerted dedication of these, and earlier labour militants, against intransigent employers and their statist allies laid the foundation for an institutionally legitimized, state regulated industrial relations regime in wood. However, the barring of BC based International IWA President Harold Prichett from the US in 1940, and the subsequent purge of communists from the entire union during the McCarthy era, exposed some of the political costs to labour of institutional legitimization.

2.2. Institutionalizing Fordism in BC Forests

With state and employer recognition of its status as the principal representative of BC forest workers, District I applied itself to securing what would become the normative foundation for post-WWII labour relations accords in both the BC forest industry and in mass production industries across Canada. The construction of this regime commenced with the signing in 1943 of the first "Master Agreement" in BC forests, between IWA District I and R.V. Research Limited, the bargaining agent for the 143 firms in the BC Lumber and Shingle Employers Association. While the contact covered only the Coastal Forestry Region, it set the pattern for similar agreements in the other two provincial bargaining regions (Interior and South). Subsequently, R.V. Research's successor, Forest Industry Relations (FIR), would be accredited by the provincial labour board to negotiate on behalf of employer groups in all three regions.

This breakthrough agreement prompted the recently formed national union federation, the Canadian Congress of Labour, to anoint District I to spearhead the national campaign to win the 40-hour work-week and the automatic dues check-off, and to end the war-time wage-freeze.

7District I was the predecessor to IWA Region I, mentioned earlier.
The ensuing strike in 1946 was ended with the parties acceptance of the recommendations of conciliator BC Chief Justice Gordon Sloan. The settlement included the sought after work-week standard and a voluntary dues check-off, the predecessor to the Rand Formula, and brought woodworkers a fifteen-cent-an-hour wage increase to boot.

District I benefitted from its vanguard role in establishing the industrial union model in BC; by 1948, it dominated forest labour relations, with 27,000 members and 10,000 non-members covered by its contracts. Standardized and centralized collective bargaining was reinforced by the concentration of the industry following changes in the provincial regulations governing access to crown timber. In accordance with the recommendations contained in the 1944 report of a Royal Commission investigation into the BC forest industry, chaired by aforementioned Justice Sloan, the Forest Service had begun to sign longer term and larger volume tree cutting agreements (tenure licenses) with fewer forest firms. The ensuing stabilization and concentration of access to forest fibre under the control of these companies increased their credit leverage and buoyed their public stock offerings. Vertical and horizontal integration of forest firms, and centralization of lumber production in capital-intensive, mass production mills soon followed. Subsequent recommendations in the Commission's second report, in 1955, took the industry further in this direction by encouraging further increases in tenure duration and size and allowing for automatic renewal of the timber cutting rights of incumbent tenure-holders.

By the late 1950s, the BC forest industry was well on its way to domination by a handful of large, integrated, and internationally powerful corporations who soon became known as the

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'majors'. They internalized control over the stages of timber processing, from initial logging to sawmilling, using the wood-waste to both power their mills and to branch-off into pulp and paper-making. They established international marketing arms and, in some cases, retail outlets to sell directly to the final consumer. And, they assumed responsibility for re-planting and long-term silvicultural stewardship of the forest fibre base.

To further reinforce and stabilize this vertically integrated production structure, the 'stumpage' fees collected by the provincial Forest Service for trees cut on crown land (90% of the commercial forest base) were set, and periodically adjusted, to cushion the industry from cyclical variations in factor costs, including the cost of labour, and market returns to the industry. With wages effectively removed from inter-firm competition, employers were more amenable to productivity based collective bargaining.

Production workers welcomed the attendant employment security, income stabilization and productivity based wage increases, and the standardization of working conditions across the sector. District I leaders appreciated the ease of negotiating industry-wide collective agreements and policing the concentrated work-sites. The institutionalization of Fordist-style collective relations dramatically attenuated the labour conflict that Sloan had been charged with resolving during his 1946 investigation. In the process, the union was transformed from a radical, outlaw labour movement into a trusted branch of the state-employer-labour triad governing the provincial forest industry.

Stable labour relations coupled with low fibre costs and a seemingly inexhaustible supply of high quality timber increased the competitiveness of the BC forest industry in post-war North American housing (and paper) markets. BC mills were encouraged to concentrate on producing North American-standard dimensional lumber by the provision of tariff-free access to the US
market for these commodities. Returns from the forest sector, as well as from other resource
industries, helped underwrite the province-building initiatives undertaken by the provincial
Social Credit administration under Premier WAC Bennett during the 1950s and 1960s.

The harmonious forest industrial relations regime became a model for not only other
resource-based sectors of the provincial economy, but also for smaller secondary manufacturing
sectors and for the various components of the burgeoning provincial public-sector, when it won
collective bargaining rights during the 1970s. Growing provincial labour union density, in
general, and its strength in the core resource sector, in particular, reinforced the growing
electoral power of the political arm of organized labour. However, consistent economic growth,
a growing welfare state, and relatively high social mobility, all characteristic of a frontier
economy, helped to hold off the electoral threat from the labour-left, at least until the early
1970s, when the NDP finally won control of the provincial legislature, after decades as the
Official Opposition.9

The ascension of the NDP to power in 1972 brought a further expansion of the state
sector and of public services, and a more favourable regulatory environment for labour
organization. However, escalating social conflict and the onset of recession soon brought Social
Credit, now under WAC's son Bill Bennett, back to power. More importantly, the mid-1970s
also inaugurated the beginning of the end for the BC version of post-war Fordism. The deep
recession of the late 1970s, which endured in BC into the early 1980s, provided the neo-liberal
inspired Social Credit administration with the justification to initiate the dismantling of much of
the provincial social and the industrial relations accords underpinning post-war economic
prosperity and labour relations peace.

9 See Drushka (1985) for more on this period.
2.3. The IWA's Response to Crisis

In the post-war international division of labour, BC's principal economic role was to supply primary resources to the North American consumer economy. Consequently, the economy was devastated when this market collapsed in the wake of the recurrent international economic crises of the 1970s. The solid-wood sector was especially hard hit due to extreme housing and, derivatively, lumber market sensitivity to the high interest rates which accompanied the 'stag-flation' of this period. The market crisis continued into the 1980s, contributing to the deepest and longest recession of the provincial post-war economy. At the trough of the sector's fortunes, half of the workforce represented by District I (renamed Region I by this time) was on lay-off.

Forest corporation profits, however, were cushioned from the worst affects of the slump by BC Forest Service's 'sympathetic administration' policy. By lowering stumpage fees, turning a blind eye to the selective 'high-grading' of timber, and relaxing other regulations, the majors were able to use the down-time to reduce debt loads, restructure ownership and market focus, rationalize facilities and product lines, automate production, and contract-out profit sapping peripheral operations (Mahood and Drushka, 1990, pp. 211-5). The leaner, more concentrated, rationalized industry that emerged was able to ride the subsequent market recovery to unprecedented production volumes and profit levels.

The union did not emerge quite as unscathed as employers. Less than half of those laid off during the downturn found work in the sector during the subsequent upturn. Those lumber workers lucky enough to be employed then had their collective agreements targeted by the majors for concessions during the 1984 bargaining round. Ironically, the employers' aggressive stance may have been encouraged by Region I's activity during the political crisis which erupted
The Social Credit government under Bill Bennett had interpreted the three year economic depression of the early 1980s as indicative of the need for an across-the-board retrenchment in social welfare expenditure and in labour collective bargaining rights. The ensuing 'Restraint' legislative package at the core of the 1983 provincial budget called for massive rollbacks in these areas. On top of cuts in services and a one-time 25% reduction in public sector employment, the proposed labour code amendments would have gutted public sector workers' rights and weakened private sector unions.

Organized labour and the popular sector reacted to this attack by hastily cobbling together a broad opposition movement, Operation Solidarity, which went on to mount increasingly larger protest rallies and marches against the Restraint program. As the government seemed immune to these extra-parliamentary activities, the trade union component of the front, the Solidarity Coalition, commenced a series of escalating strikes, beginning in the public sector and expected to culminate in a province-wide general strike in the Fall, unless the government conceded to their demands.

Region I played a key role in aborting what was the first popular attempt at halting the introduction into Canada of 'New Right' policies inspired by those of Thatcher in Britain and Reagan in the United States. The leadership of Region I and the other private sector unions which dominated the provincial labour movement were reluctant to mount an extra-parliamentary challenge to the state's dismantling of the provincial labour relations and social accord. Undoubtedly, they and many of their members were influenced by propaganda emanating from the media and from a new economic think-tank, the Fraser Institute, implying that public sector expenditure restraint would leave more money for the private sector and its
workers. In any event, IWA President Jack Munro was dispatched to the Premier's home in Kelowna to negotiate a truce on behalf of the unions. The ensuing 'Kelowna Accord' effectively aborted the escalating strike wave before it reached the private sector unions. With civil peace restored, and parliamentary opposition muted with the expulsion of the NDP leader from the legislature, the Government applied closure to pass the bulk of the Restraint package relatively intact. Significantly, the most odious part of the package to the private sector unions - amendments to the Industrial Relations Code - were tabled for a year.¹⁰

Munro's high profile role in this episode seemed to set the tone for subsequent collective bargaining in the forest industry the following January. Region I ended up breaking ranks with the other two forest industry unions¹¹ when it recommended that its members ratify an employer proposal containing significant rollbacks in the master agreement. Inter-union relations were further inflamed when Munro expressed sympathy for his members' subsequent attempts to cross secondary picket lines mounted by the other unions at IWA mills. In breaking the inter-union bargaining front and, in the process, decisively abandoning its militant traditions, Region I was making a desperate attempt to restore its labour relations partnership with employers.

2.4. A Corporatist Accord in Solid Wood

Region I undoubtedly hoped that its accommodation of employers' demands would lead to the restoration of labour relations harmony and its traditional share of returns from


¹¹The Canadian Paperworkers Union and the Pulp, Paper and Woodworkers of Canada are both concentrated in the pulp and paper sector. During the 1980s, the business cycle of this sector began to diverge increasingly from that of solid-wood. Restructuring of corporate ownership has exacerbated this sectoral split.
production. Instead, forest corporations interpreted it as sign of weakness, and attempted to
wrest further concessions from the union during the next round of collective bargaining, in 1986.
While it was weakened by the affects of the recession and isolated from former labour and
popular allies by its own treachery, Region I was also becoming aware that concession
bargaining by Regions I and II in the US Pacific Northwest had led to the collapse of multi-
employer bargaining, further concession bargaining, and the outright decertification of the union
in many plants (Widenor, 1995). Furthermore, historic profit ratios had been restored in the BC
forest industry by this time, in contrast to the situation across the border. Consequently, Region
I balked at swallowing proposed wage rollbacks and at granting employers a free-hand to
reorganize production and to contract-out work to non-union firms.

The IWA's successful endurance of an unprecedented four and a half month strike-
lockout surprised employers and worried the provincial government. Government threats of an
imposed contract spurred the labour relations partners to sign a stand-still agreement, in the Fall
of 1986. The union and companies then established plant-level committees to both address
outstanding issues and avoid government intervention. Mutual satisfaction with the performance
of these committees encouraged the bargaining partners to broaden the scope and mandate of the
joint bodies by setting up similar structures right up to the highest levels of the industry.

The establishment of standing labour-management forums was a major change in the
relationship of these traditional relational adversaries. The ensuing experience with managing
the impact on the industry of technological and structural change led to collaboration in
developing joint responses to political challenges to the industry. The first activity on this front
came in response to an American threat in 1986-87 to impose a 15% import duty on cheap
Canadian lumber flooding the American market. On the advice of the Canadian Forest Industry
Council, federal officials proposed referring the matter to an international trade tribunal for arbitration. However, as it was the source of 60% of Canadian lumber exports to the US, the BC industry was unwilling to pay the duty while awaiting a decision, the outcome of which was far from certain to go its way in any case. Instead, BC employers represented by the Council of Forest Industries (COFI), and the unions represented by Region I jointly proposed, with the BC government's blessing, an export tax on Canadian lumber instead. Canadian officials deferred to, and US officials proved amenable to, the BC offer on condition that provincial stumpage fees be increased in the near future to placate American interests. Since then, the industry partners have coordinated campaigns against subsequent countervail threats from the US as well as environmentalists' inspired demands for a European ban on imports of BC old-growth forest products.12

This 'cross-class' alliance in the BC forest industry created tensions among traditional class allies. The regionalist perspective of BC-based employers during this and subsequent trade disputes angered industry officials in other forest industry regions of Canada (Foster, 1987; interviews with industry officials). Similarly, the increasing divergence in interests and strategies between the Canadian and American branches of the IWA contributed to the secession of Region I from the international union in January of 1987, and its subsequent re-organization into the independent Industrial, Wood and Allied Workers Union of Canada (IWA-Canada). The union then went on a recruitment drive not only in its traditional bailiwick but also among forest and non-forest workers right across Canada in order to offset recent membership losses and to broaden its future base.

12Problems in the European market are the product of a complex mix of environmental concerns, aboriginal land disputes, pest management and pressure from the European forest industry.
The strategy pursued by the BC forest union during the 1980s served two ends. First, it made it clear to employers that it would not countenance the rollbacks and decertifications underway among both its former co-unionists across the border and other economic sectors in BC. Second, the union was willing to cooperate with employers in fighting mutual enemies. Thus, the purpose of the organizational shift away from the international sectoral industrial union model to the regional trans-sectoral general union model is in ironic contrast to the last time woodworkers were asked to make a similar change during their involvement with the One Big Union at the close of WWI. Back then, the sector-transcending (geographic) model recommended by the OBU was intended to give labour an independent political vehicle with which to fight employers and their allies in the state; now, the model was to be used to forge a political alliance with corporate and state forest policy-making elites.

These developments culminated with the formalization of the IWA's strategic partnership with employers at the peak-sectoral level of the industry. In April, 1988, the bipartite Western Wood Products Forum (WWPF) was established with IWA-Canada President Jack Munro and MacMillan Bloedel (the largest major) President and CEO Ray Smith as co-chairs. Also on the Board of Directors were the CEOs of five other majors and five IWA Local Presidents. Initial administrative funding came from the federal government, which had previous experience in similarly constituted sectoral forums in central Canada. The non-involvement of the provincial state in the WWPF may help to explain the mixture of conflict and cooperation which characterized relations between the province and the industry during the subsequent period of reform in forest industry regulation.

The IWA's strategic alliance with the forest corporations became more transparent with the appointment of Jack Munro, upon his retirement as head of the IWA-Canada in 1991, to the
chair of a new industry public relations front, the Forest Alliance, which had been established on
the eve of the anticipated triumph of the NDP in the upcoming provincial election. The Alliance
provided the industry with a means to compete for the hearts and minds of the public with both
the new reform minded NDP government and forest industry critics. The IWA-Canada
Executive Council sealed its endorsement of the Alliance's policies, and Munro's role in it, with a
pledge of financial support. This support came despite concurrent embarrassing media
revelations of links between the Alliance and the notorious public relations firm, Burston-
Marstellar,\(^{13}\) condemnation of the Alliance by other forest industry unions and the IWA rank and
file, and the presence of the soon-to-be-head of the Official Opposition to the new NDP
Government on the Alliance's Board of Directors.\(^{14}\)

2.5. Political Consequences of the IWA Alliance with the Majors

The IWA leadership's strategic partnership with employers tactic\(^ {15} \) not only further
estranged the union from its traditional labour allies. Its strategy also put it in conflict with
newer political actors who had emerged in the wake of recent changes in the regional and

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\(^{13}\) Burston-Marstellar gained its notoriety by previously representing such clients as Union
Carbide, after a disastrous explosion at its Bhopal, India plant in 1984, and the military junta in
Argentina, in the wake of its 'dirty war' against its own citizens during the 1970s.

\(^{14}\) Shortly after the surprising electoral comeback of the resurrected BC Liberal Party under
the leadership of political neophyte Gordon Wilson during the 1991 provincial election,
Vancouver Mayor Gordon Campbell captured the leadership of the Party. Financial support
from big business, including corporate members of the Forest Alliance, contributed to
Campbell's win.

\(^{15}\) At about the same time that Munro assumed the Chairmanship of the BC Forest Alliance, he
took up the position of Co-Chair with Repap Enterprises CEO George Petty of the national
Forest Sector Advisory Council. FSAC had been set up by the Mulroney government as an
advisory body, with representatives from business, labour and academia, to the Cabinet.
international political economy. Previously unheard from interests were voicing increasing opposition to what they viewed as the unsustainable 'mining' of the forest fibre base by the majors, and their exclusion from inner circles of the forest policy making structure. As the founders of the Forest Alliance anticipated, the newly elected NDP government responded to the concerns of these new groups with the passage of more onerous restrictions on timber harvesting, under the Forest Practices Code (FPC), and the inclusion of the concerns of the marginalised interests into the forest policy making process, through the regional community forums of the Commission on Resources and Environment (CORE).

The groups which came forward to challenge the old forest industry regime represented a fairly wide spectrum of interests with a wide-ranging list of complaints. Forestry dependent communities which were suffering the negative affects on their economy of industry rationalization and production automation demanded a devolution of administrative control of the forest to the local community. Other industrial sectors such as wilderness tourism and the salmon fishery demanded equal consideration in forest land-use decision-making. Aboriginal groups, whose usufructuary rights had been usurped in part by the commercial forestry industry, demanded inclusion of forest resources in their land claim negotiations. Finally, the ubiquitous environmental movement drew public attention to the devastating impact of BC forest industry practices on the regional ecosystem, and demanded that large areas of working forest be set aside in perpetuity. The skill of some of these interests, especially the latter two, at rallying support for their cause on the international stage was especially vexing for the forest industry.

Mounting evidence that the forest base is suffering irreparable damage from post-war forest management practices lends urgency to the critique from these challengers. The Sloan Commission's caution to the provincial forest service that it adhere to 'sustained yield' practices
when setting cutting rates under the new post-war mass production regime was ignored. In consequence, the prime old growth forest fibre for which BC is renowned is rapidly disappearing. Recently intensified reforestation and habitat rehabilitation will not prevent a 'fall-down' in output while the industry awaits second growth maturation. Without a shift away from the high-volume/low-value added/capital-intensive model of production, forest industry jobs, and the communities and tax base they sustain, will continue to erode.\(^\text{16}\)

From this perspective, there would seem to be some confluence of interest between forest workers and heretofore marginalized groups in the maintenance of the long-term health and productivity of the forest. Furthermore, both sides are relatively more vulnerable to the affects of timber depletion than the mobile capital behind the forest corporations. Nevertheless, the IWA allowed itself to be enlisted by the majors in the campaign to preserve the old forest management regime. A few incidents will serve to illustrate the union's position in the conflict between the old and the new:

* Frustrated by the stonewalling of union and corporate representatives, aboriginal delegates abandoned a public panel discussing means to increase native involvement in the forest industry. Natives delegates accused the IWA of siding with employers in resisting reductions in corporate tenure rights. Furthermore, the union opened itself to charges of discrimination when it cited the potential job losses for its members from these proposals. A native delegate noted that there was "nothing to prevent the IWA-Canada from organizing native Indian [forest industry] workers

\(^{16}\) Despite signs of an imminent fall-sown, cut rates steadily increased through the late 1980s and into the 1990s due to a number of factors, including: capture of a larger share of the US market as the output from Pacific Northwest forests has fallen, volume throughput increases to offset higher stumpage fees and US import penalties, mechanization of logging and automation of processing, and pressure on the provincial government to attenuate attendant job losses in the industry.
* IWA members were used as bait by a forest company seeking a court injunction against natives and environmentalists blocking loggers' access to an old growth watershed on Vancouver Island. Eight hundred people were arrested in what became the largest act of civil disobedience in Canadian history. Those arrestees refusing to promise to abide by the terms of the injunction were subsequently meted out hefty jail sentences by the courts.¹⁷

* Months of negotiation among a broadly-based regional CORE forum came to an inconclusive end when the forest unions walked away from the table. An IWA-Canada vice-president bragged about the role his union played in this sabotage (Gordon Hamilton, "Unions," The Vancouver Sun, 1993, November 25, pp. D1, 2). Another IWA vice-president likened local environmentalists to Adolph Hitler and Idi Amin, at a private industry meeting during another regional CORE exercise. He further admitted to working closely with forest industry employers in developing a strategy to destroy the entire CORE process (Mark Hume, "Logging Supporters," The Vancouver Sun, 1994, April 7, p. B4).

IWA-employer collaboration in opposing the NDP's CORE initiative culminated in an anti-NDP government rally of between 10,000 and 20,000 forest workers and their supporters on the grounds of the legislature, in March of 1994. Relentless pressure from this key labour constituency of the NDP, combined with forest corporation threats of a capital strike and relentless attacks from the commercial media, prompted the government to quietly abandon the...
CORE process during the summer. The success of the industry campaign was evident when the province instead handed responsibility for forest policy-making oversight to the more exclusive and private Forest Sector Strategy Advisory Committee (FSSAC) which it had established during the CORE proceedings. The industry dominated body was given a mandate to develop "an industrial strategy for the working forest [emphasis added]" for the Provincial Cabinet (Office of the Premier, "Forest Sector," Forest Planning Canada, 1993, Vol. 9, No. 3, p. 17). The preeminent position of the majors on the committee increased their control over the flow of policy advice to government.

As was the case in its relationship with employers, the IWA has also been assiduous in insinuating itself deeply into the upper echelons of the state-based forest policy-making and administration regime. In 1994, a former IWA executive officer moved from his position as Special Advisor to the Forest Minister into the chairmanship of the new Forest Renewal British Columbia (FRBC) crown corporation, which had been established upon the recommendation of the FSSAC. The agency's primary purpose was to use funds from a stumpage surcharge to rehabilitate the degraded forest base. However, the employer and union dominated board has recently begun to use FRBC funds to top up severance payments and retrain workers displaced by, among other things, the mechanization and automation of forest production.

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18The Committee was established in January, 1992 after meetings between the Cabinet and, first, a forest sector "Coalition", comprised of industry, labour, and Union of BC Municipalities delegates (Gordon Campbell had recently chaired the latter body), and, later, CEO's from the 'Big Five' among the majors. The five representatives from the majors were joined on the Committee by 6-7 delegates from the non-tenured and value-added sectors as well as single delegates from each of the three forest unions, and one or two delegates each from forest-dependent communities, academia, Natives, and the federal government.

19Higher fees were imposed to counter the most recent countervail threat from the US government in response to the flood of Canadian timber into the US accompanying the fall in the Canadian exchange rate.
Despite the NDP government's apparent reinforcement of industry control over forest policy-making, employers and their labour allies have not toned down their public criticism of its forest policy. With the collapse of CORE, industry enmity simply shifted over to the Forest Practices Code, as its regulations would bring about an increase in production costs and a cut in the commercially available forest base. On the eve of an anticipated provincial election call, the Forest Alliance released a study predicting the loss of tens of thousands of jobs in the BC forest industry if this policy were implemented (Patricia Lush, "Forest Industry," The Globe and Mail, 1995, September 29, pp. B1, 10). Of course, the industry study did not mention the inevitable fall-down in timber availability from historic industry overcutting of the forests nor the negative impact on forest sector jobs of the ongoing automation of processing and the concomitant lack of industry investment in more labour intensive secondary wood processing. The study concluded with the dubious claim that the industry rather than the government was best able to responsibly regulate forest practices.²⁰

Much to the industry's relief, the election writ was not immediately dropped. Instead, an NDP convention replaced the Premier, who was identified with the environmental wing of the NDP, with one more closely aligned with the labour wing. With the IWA-Canada President ensconced as Vice-President of the NDP, there was a well-founded belief within the industry that government policy would be even more securely aligned with forest industry corporate interests.

While the primary sector partners seemed to have secured their position within the inner circles of the state forest policy-making regime, the structural foundation of the industry was

²⁰The industry was suggesting, here, that they would establish a voluntary "code of ethics" instead of the proposed government administered "Forest Practices Code".
nevertheless continuing to erode. The continuing evaporation of employment in the primary sector showed no sign of abating despite unprecedented cut levels. The majors' public promise to invest more in secondary processing rang hollow as the business media reported a relentless shift of capital to out-of-province forest regions. More ominously, alongside the old regime there was emerging a more labour intensive, higher-value added forest sector to challenge the prerogatives of the primary processing sector.

3. Solid-Wood Remanufacturing and its Challenge to the IWA

3.1. The Emergence and Development of Reman

The independent remanufacturing sub-sector of the provincial solid-wood sector initially emerged to exploit the opportunities which appeared after the majors rationalized their commodity lines in the wake of the Sloan proposals. Ambitious defectors from the primary sector sought to make a modest living by reprocessing surplus and waste wood acquired from the majors' mills and selling the resulting upgraded wood to niche markets ignored by the majors. They initially applied their flexible, non-union workforce and their simple, general-purpose machinery (both input factors often cast off by automating mills) to turn out short-runs of standard and non-standard grade lumber and specialty products. As their processing techniques became more sophisticated, many 'remanners' diversified their output lines and market-base. Some found a market among local manufacturers of specialized housing componentry or the more refined products in which wood was a major component. Others began to specialize in performing specific processing services for other wood product manufacturers.

The emergence to industry consciousness came with the primary sector slump of the early 1980s. Stagnation gave remanners greater access to higher-grade wood, which they could
then process for export to the burgeoning international market for fine grain, old growth BC
timber. While the mass commodity producers floundered through the crisis, the Reman sector
throve through its ability to respond quickly and flexibly to a diversifying, dynamic market,
riding the boom in the home renovation and specialized wood product markets. As the number
of reman firms increased, many narrowed their function within the production chain. Some
contracted their specialized services to other complementary firms, including to some mills
owned by the integrated firms who were now scrambling for alternatives to their stagnant
traditional commodity markets. While the majors still dominated upstream wood supply and
downstream marketing networks, they often preferred to contract processing to the specialized
independents, rather than assume the additional cost of becoming proficient in these unfamiliar
processes.

From a handful of firms in 1984, the Reman sector grew to over 150 firms by 1990,
responsible for processing approximately 10% of the provincial Annual Allowable Cut (AAC).
There was a concomitant increase in sector sales over the same period, from $70 million to $710
million, and in employment, from 1800 to 3000 (Forintek, 1993). Employment is predicted to
be between 5000 and 8250 by the year 2010 (Simons, 1992). If the widely anticipated
reductions in AAC come to pass, stumpage rates remain high, commodity access to the US
remains restricted, and the government adheres to its goal of increasing the value-added content
and job-per-cubic-metre ratio of provincial wood processed, then the high-end prediction seems
more likely.

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21 The reman sector account for one third of total employment in secondary processing.
Another third is generated by the so-called value-added sector, i.e. manufacturers of final, non-
lumber wood products, which, as mentioned above, get much of their input material from the
remanners. The majors' research and capital intensive 'engineered wood product' plants are
responsible for the final third.
Over half of the province's Reman plants are concentrated in the Lower Fraser Valley (LFV), in the south-west corner of mainland BC. Many of these operations were initially drawn to this locale by the plentiful supply of raw wood available from the numerous sawmills operated by the majors in this region as well as by proximity to the large consumer market, labour pool, and air, sea and land transportation facilities concentrated in the Vancouver metropolitan region at the mouth of the Valley. Subsequently, firm specialization and growing inter-firm interdependence have become important factors in the clustering imperative. Production complementarity and the elaboration of vertical exchange networks among reman firms followed in the wake of spatial concentration. They have also developed a symbiotic relationship with the value-added manufacturers, research and development facilities, and tertiary forest-industry service providers which have also gravitated to the region, further sensitizing reman firms to their market environment. The district-wide economies of scope garnered from concentration, specialization, and inter-firm collaboration help to offset the modest scale economies of individual small firms, thereby allowing the sector to collectively compete more effectively in the global marketplace.

3.2. Functional Organization of the Reman Sector

For purposes of analysis, Reman plants can be conveniently divided into three broad categories: specialty remanufacturer, custom processor, and specialty sawmill. A particular plant's location in this schemata reflects both its function in the district's production system and the degree of autonomy it has from the majors. As we will see later, autonomy from the primary

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22I am indebted to Kevin Rees for providing the inspiration for this schemata as well for gathering in one document (Rees, 1993) much of the data on the sector.
firms is also a likely indicator of whether or not a particular plant's workforce is represented by a labour union.

Independently owned specialty reman operations compose the bulk of the sector, with an estimated one hundred plants province-wide (half in the LFV). Relative to the other reman groups, these plants are of medium size, averaging 16-25 employees (Forintek, 1993). They acquire low grade lumber on the open market or from contracted log-processors, resize and upgrade it into finished or semi-finished wood products, and then market it to a variety of local and offshore retail wood products outlets or to other value-added processors. Most produce a broad range of goods, including both standard and non-standard lumber for construction as well as for decking, siding, panelling, fencing and other residual markets, using general purpose machinery such as resaws, chop saws, rip saws, trimmers, and planers for this work. As the sector has grown and diversified, many firms have branched off into the production of components for such items as doors and windows, trim boards and railings, and wall and floor systems. This work requires more specialized machinery such as finger-jointers, edge-gluers, and laminators.

Members of this group survive market volatility and the possible debt-entrapment that goes with it, thereby retaining their independence, by cultivating dense exchange networks among themselves and with fibre suppliers and end customers. The provincial government's reservation of 5% of the AAC for non-tenured firms such as remanners under the Small Business Forest Enterprise Program (SBFEP) of 1980, helped to preserve their independent status.23 The

23 This innovative program gave non-tenured forest firms direct access to Crown timber for the first time since the consolidation of tenure holdings after the Sloan reports. However, they still had to contract-out both logging and primary 'break-down' (limbing, chopping, debarking), which allowed the majors to use the independents as proxies to gain access to SBFEP fibre, thereby defeating the intent of the program. Due to their ready access to timber,
expansion of this program since then has further promoted the sector's growth and diversification.

The second group, independent custom processors, do not purchase the lumber they work; instead, they do fee-for-service, such as steam conditioning and kiln drying, on contract lumber from the specialty remanners or from the majors. In order to gain the operational security needed to cover their relatively larger investments in their more expensive, specialized machinery, these plants often cultivate more exclusive service relationships with the majors. However, their functional autonomy and sometimes even their independence is thereby compromised. Regardless, their narrower specialization has resulted in the consolidation of this category into fewer and larger firms: the sixteen plants in the LFV employ up to sixty-five staff.

Plants in either of these first two categories often perform both specialty and custom processing, compensating the first group for their unguaranteed access to fibre and increasing the second group's functional autonomy. Continuing independence is coveted by Reman owner-operators, as many are veterans of the rigid and bureaucratic integrated firms. Similarly, production personnel recruited from the primary sector retain memories of the seasonal and, more recently, the cyclical layoffs to which this sector is increasingly prone. The long-term employment stability and career opportunities of which the integrated firms could formerly boast has evaporated because of production mechanization and automation, organizational delayering and sub-contracting, and the general stagnation of the primary sector's market since the 1980s.

As mentioned earlier, remanners build elaborate exchange networks in order to gain market flexibility and, thereby, preserve their independence. However, they also cultivate regular, trust-enhancing relations with complementary firms in order to avoid the costs LFV reman firms continue to rely primarily on the open market for fibre input.
associated with pure market exchange relationships. Regular exchange and functional interdependence among independent reman firms has encouraged them to formally associate. The Independent Lumber Remanufacturers Association (ILRA) was initially established in 1979 to lobby for changes in the Forest Service's administration of tenure which, in turn, led to the creation of the small business program mentioned above. However, the ILRA's effectiveness, when compared to that of the majors, is limited by its lack of paid staff and reliance upon voluntary, rotating leadership. Nevertheless, ongoing social interaction among members undoubtedly promotes the development of the mutual sense of community, trust, and shared interest which is vital to small firm district vibrancy (Sabel, 1992; Storper and Scott, 1988; Todtlind, 1994; Trigilia, 1992).

Since the recent growth in the remanufacturing sector, particularly outside of the LRV region due to the impetus from the small business program, three other reman associations have been formed to represent firms, respectively, on Vancouver Island, in the Southern Interior, and in the Central-Northern Interior regions of the province. The recent intense debate around reforming tenure and promoting secondary wood processing has increased the public activity of these new groups.

The third reman category is composed of the handful of specialty sawmills, owned by the integrated forest corporations, which survived their parent firms' original shift into standardized commodity processing. Their fortunes were revived in the wake of the crisis in the primary sector. Their strategic value to their parents has grown with the province's increasing preoccupation with value-added wood processing. Whether or not they are physically attached to their parent's primary mill, they remain functionally integrated into the parent firm's overall wood processing system. Their relative functional capacity and product range is quite narrow,
and their workforces are relatively large, with up to one hundred staff in some, owing to integration into their parent's globe-spanning commodity distribution chain.

Their parent firms have taken advantage of specialty mills' intermediate status between the old vertically integrated, mass processing model and the emergent flexibly-specialized model to experiment with more innovative forms of production organization and labour relations. Senior management can thereby become more familiar with the work norms that are believed to underpin the success and dynamism of the independent Reman sector. As the specialty sawmills, like their parents, are fully organized by the IWA, introduction of these innovative work relations is also subject to collective bargaining. The appending of these agreements to the primary-sector master agreement allows the majors and the union to 'test-drive' innovative work arrangements before chancing their generalization across the primary sector master agreements. Through their involvement in the specialty market, both parties also gain insight into the network "partnership strategy" (Lorenz, 1993) practiced among the independents. Hence, some of the majors with specialty mills have sought and gained associate membership status in the ILRA.

3.3. Production, Skills, and Training

The production characteristics that distinguish reman plants from the traditional primary sector also affects the skill complexion of their workforce. The functional specialization of small firms serving a diverse, competitive market impels the employment of a highly skilled and functionally polyvalent workforce. Not only is competency on more than one machine demanded, but production functionaries have to be able to make optimal use of a variety of raw materials, frequently reset and maintain their equipment, and sort and grade production output in
order to realize the maximum return on the fibre. Responsibilities among the typical firm's small coterie of management, administration, and marketing staff also naturally tend to overlap. Furthermore, survival in a dynamic market entails continuous skill upgrading.

However, vulnerability to poaching makes the independents reluctant to invest scarce resources in staff training. Yet, while their need for skilled staff is growing as their market base diversifies, the supply of pre-trained staff is shrinking as the primary sector automates. Public sector provision of forest industry related training withered when the post-war primary sector internalized what little training was required under Taylorized mass production. Furthermore, the industrial union also abandoned the training responsibility that was once the prerogative of their craft union forbearers.

Fortunately, there has been a revival of interest in training, among state officials, forest industry employers, and organized labour, in consequence of recent changes in the overall structure of the global market for forest products. Nationally, the Federal Department of Science and Technology and the Forest Sector Advisory Council have collaborated in developing a professional training program to fill the need for managers and technicians within the burgeoning secondary processing sector. In recognition of BC's primacy in the national industry, responsibility for delivery of this degree-level "Advanced Wood Manufacturing Technology" program has been awarded to the University of BC.

At the provincial level, education ministry and industry officials have collaborated in establishing introductory forestry programs in BC secondary schools, with the intent to change deeply embedded public preconceptions concerning employment in the forest industry.

\footnote{Operator skills were cited as "very or quite significant" issues with over 50% of reman firm respondents to an industry survey (Price Waterhouse, 1992, p. 7).}
Historically, employment in forestry was viewed as a readily accessible, albeit not particularly high status, alternative to school completion or post-secondary training for young people. However, with simultaneously falling employment levels in the primary sector and more discriminating labour recruitment in the industry as a whole, these attitudes must be changed if the industry is to remain competitive.

Complementing this pre-recruitment program, state and industry officials have begun to redress the post-war trend that has seen industry apprenticeship programs dwindle to just one. A sign that this trend may be about to be reversed came with the establishment of a new Planerman Technician apprenticeship program, at the instigation of local IWA officials and mill employers in the BC Interior. Interest in upgrading production staff qualifications has trickled down to plant-level relations as well. Thus, managers at one of the specialty sawmills collaborated with the Fraser Valley IWA Local in establishing an on-site remedial educational upgrading program, the Skills Enhancement Training Program (SET). This represents a significant change for an industry that has long been indifferent to production workers' literacy, numeracy, and verbal skills. More significantly for this study, this shift was probably at least partially inspired by increasing awareness among both managers and labour in the primary industry of the role of highly skilled labour in the success of the Reman sector.

In recognition of, among other things, the inherent training problems among independent remanners, senior levels of government established the BC Wood Specialties Group (BC Wood), in 1989. It initially filled member-firms' more urgent needs by contracting for specific courses with external training institutes spread across the continent. However, with growth in expertise

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25 This proposal originated from the industry-based Joint Industrial Adjustment Plan Committee (JIAPC), which had been established in 1990. As is normally the case, industry and state officials will to administer and monitor the ensuing apprenticeship program.
and membership: from twenty two founding member-firms to seventy-eight by 1996, including some of the majors, BC Wood has started to provide customized in-house training to subscribing firms in areas ranging from administration to production.

Besides the shortage of skilled labour, reman employers have also identified inadequate research and development, and insufficient marketing and promotion as major problem areas. Cooperative ventures have been suggested as a means to address these deficiencies (Hill, 1992, pp. 58-63; Forest Sector Advisory Council, 1992, p. 56; Price Waterhouse, 1992, p. 7). Consequently, BC Wood's mandate includes the provision of services to members in areas such as business plan evaluation and market assessment, industry standard setting, group marketing and promotion, and industrial policy development.

The locating of the BC Wood facility in Surrey, at the heart of the LFV reman cluster, will help the local industry to innovate and move up the value-added ladder in response to global competition. Beyond facilitating the sector's growth and diversification, service oriented association will also help to promote the elaboration of production exchange networks and deepen the sense of community in the sector. While initial start-up funding and administrative direction for BC Wood was provided by government, these responsibilities are being incrementally shifted over to member-firms. Thus, the industry will eventually assume collective responsibility for its own future development.

3.4. Political Repercussions from the Growth in Reman

While progress has been made in addressing deficiencies in human capital and organizational infrastructure among remanners, there remains the primary impediment of inequitable access to the provincial fibre base: the legacy of the post-war concentrated tenure
regime established in response to the Sloan Commission recommendations. Some incremental changes were initiated by Social Credit government administrations during the 1970s and 1980s. However, more substantive reform attempts by NDP governments during the 1990s have been stymied. Until this regulatory based inequity is rectified, prospects for overall structural regeneration in the provincial forest industry will remain limited.

Before the 1980s crisis in the industry exposed weaknesses in the post-war forest regulatory regime, and before environmentalists, aboriginal groups, and other concerned interests began to publicly criticize this regime, the provincial government took tentative steps to attenuate monopolistic control over access to wood fibre. Following the 1976 Report of the Pearse Royal Commission on Forest Resources, the provincial legislature passed a new Forest Act, in 1978, which, among other things established the Small Business Enterprise Programme, under which the Forest Service was instructed to reserve small amounts of timber for non-tenured loggers and processors. As markets in the late 1970s were still relatively buoyant, little opposition was voiced by the majors to this incremental incursion into their sacrosanct tenure 'rights'.

The forest industry depression of the early 1980s prompted the Social Credit administration of Bill Vander Zalm to refine and expand the program under the Forest Act of 1988. Henceforth, the renamed Small Business Forest Enterprise Program (SBFEP) would set aside 5% of the AAC for non-tenured forest firms. Furthermore, Section 16.1 of the Forest Act reserved half of this timber for aspiring remanners. Winning bids were to be decided on the basis of the "best combination" of innovative value-added proposal and amount bid. Since remanning was already well established on the coast, the program focused on the Interior forests, thereby giving birth to a new secondary processing industry in this region. With all of the other
pressures on the primary sector, this latest legislative attenuation of the majors' monopoly over forest fibre no doubt contributed to a fracturing of the governing Social Credit right-wing coalition, leading to its fall from power, and its replacement by the NDP in the early 1990s.

The 1991 electoral victory of the NDP came in large part from the support of many of those groups heretofore excluded from the forest management regime. Thus, one of the first undertakings of the new Harcourt administration was to send the Legislature's Select Standing Committee on Forests, Energy, Mines and Petroleum Resources on the road to solicit public input on forest regulatory reform. A renewed downturn in the industry, accompanying the recession of the early 1990s, concentrated the focus of the Committee hearings on divining means to stimulate secondary processing in general, and independent remanning in particular.26

The majors had good reason to worry about the outcome of these hearings, especially since they were chaired by a former independent horse-logger turned legislator, Corky Evans. In their submissions, the majors condemned the notion of an expanded small business program; instead, they suggested that bids on the present marginal amount set aside for independents be opened up to the major tenure holders. In accord with its corporatist partners, the submission from the National Office of the IWA-Canada criticized the small business program for allegedly shifting jobs from the (unionized) primary sector to the (non-union) independent sector. Rather than reform or expand the program, the national union recommended establishment of a "joint industry committee to mediate supply and pricing disputes between the two sub-sectors (IWA-Canada, 1993, January, p. 5)." Furthermore, the union proposed that no action be taken that might affect the AAC before a "comprehensive forest strategy" was drafted by the "government,

26Since half of the fibre consumed by independent remanners province-wide is provided by the SBFEP, further growth is limited, especially in the Interior where most remanned fibre comes from the program (Perrin, 1995, February, pp. 7, 12-14).
labour, companies and communities (p. 2)."

Contrary to the wishes of the primary sector partners, the Committee recommended changes to the Forest Act that would effect a doubling, to 10%, the proportion of the AAC available to non-tenured forest firms (Legislative Assembly, 1993, June, p. 25). However, this broadly based report was to suffer the same fate as the inclusive CORE process. Before the government took any actions on its recommendations, Forests Minister Dan Miller handed the report over to the aforementioned closed industry based, policy-making body, FSSAC. It came as little surprise when Miller's successor, Andrew Petter, announced, in October of 1994, that the Evans Committee's proposal to double the small business program had been rejected by government. Instead, a "credit system" would be set up to encourage tenure holders to provide lumber to independent remanners.

FSSAC delegated responsibility for drawing up regulations for the proposed credit system to a sub-committee, the Industry Structure Working Group (ISWG), which, in turn, hired a forest industry consultant, Dan Perrin, to solicit industry input. Through a series of "Discussion Papers", those aspects of the initial proposal that were most odious to the majors were watered down. Perrin's final paper recommended that internal 'remanufacturing' (broadly defined to include products traditionally turned out by the majors' primary mills) by tenure holders be counted as a credit against fibre designated by the Forest Service for transfer by the majors to non-tenured remanners. Furthermore, Perrin advised against imposing statutory obligations on the majors to comply with lumber supply directives until sometime in the unspecified future (Perrin, 1995, February 14, pp. 29-30). The emphasis had also shifted away

27 Miller was replaced by Petter due to charges of a conflict of interest as Miller had worked in one the major's pulp mills prior to his elevation to public office. However, this ministerial change did little to weaken the majors' control of the forest policy making process.
from promoting the independent Reman sector to promoting "value-added processing in general": that is, any processing beyond primary break-down among both the independents and the majors (p. 9).

With the challenge from the upstarts contained, the primary sector partners sent a memo to the Forest Minister expressing their appreciation for his faith in the sincerity of their efforts to increase internal secondary wood processing (Western Wood Products Forum, 1995, June). Pushing their advantage, the Forum memo reiterated the demand made during the Evans hearings that the small business bids be opened to "existing licensees...with their current employees." Needless to say, the adulterated credit proposals from Perrin were condemned by all four independent Reman associations. Even Perrin's innocuous recommendations were not followed through; instead, the Forest Ministry established a six month "Value-Added Pilot Program" to audit the supply of fibre from tenure holders to non-tenure firms (Province of British Columbia, Ministry of Forests, 1995).

3.5. Organized Labour Within Reman

Part of the explanation for the IWA's collaboration with the majors in blocking reforms intended to benefit the independent sector and for the union's absence from the Reman organizations mentioned above lies in the minimal representational presence of the union in Reman plants. As of 1991, only 30% of Reman facilities were organized, with the bulk of these among the majors' specialty mills and their associated custom processors. (Union density, especially among the independent specialty processors, has likely increased since the

28 Also, see the submission to Perrin from the Cariboo Lumber Manufacturers' Association, the voice of the majors in the Central Interior.
commencement of an organizing drive triggered by the reform of the provincial labour code in 1992.\(^{29}\)

The representational discrepancy between the primary sector and the Reman sector is reflected in the difference in compensation levels between the two sectors. Within organized Reman shops, wages in 1991 were held to approximately 70% of those in the primary sector; undoubtedly, competition from the unorganized remanners, where wages and benefits are even lower, has been a major factor contributing to this discrepancy. However, it is significant that the labour cost differential between the primary sector and the Reman sector is nearly equal to the premium non-tenured forest firms pay for fibre (Simons, 1993, p. 3). Therefore, by helping to block tenure reform, the IWA national office is partially culpable in perpetuating relatively low remuneration levels among the union's members in reman plants.

A notable exception to this wage gap is found among highly skilled workers: regardless of whether they are represented by a union of not, those in Reman earn comparable wages to those covered by the Master Agreements in the primary sector. The labour market power of workers with trade 'tickets' is related to their endemic scarcity, a legacy of the erosion of forestry apprenticeship programs following the introduction of Taylorism, and employer interest in union avoidance, both of the IWA and the trans-sectoral craft unions. Nevertheless, as the Reman

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\(^{29}\)Under the old Industrial Relations Act, introduced by the Social Credit government of Bill Bennett, after a majority of workers in a work unit were signed up by a union, a certification vote was required. The NDP government's new Labour Relations Act of 1992 allows automatic certification after 55% of workers at the job site sign union cards. The pre-emption of employer 'campaigning' during the period leading up to the vote and a less employer biased labour relations board has encouraged the IWA, and other unions, to venture outside their traditional bailiwick in search of recruits to replace those lost since the onset of economic crisis. The opposition parties in the legislature, including the Liberal Party headed by Gordon Campbell (former director of the Forest Alliance), have vowed to restore the old provision if elected to government, in the name of 'free speech' and 'democracy'. 
sector as a whole moves up the value-added hierarchy, the increasing demand for more highly skilled workers will create conditions more conducive to organizing; whether or not it is the IWA which organizes these workers is open to question.

IWA success in becoming the voice of either the skilled Reman tradesmen or the semi-skilled bulk is conditional on clear signs of a significant change in attitude within the union. Not only must it abandon its prejudice against the Reman organizational model, it must change its traditional collective bargaining practice to better accommodate Reman production practices. There is evidence from recent IWA collective agreements with independent remanners that the union will accept both relatively lower pay and more flexible working conditions than are allowed under standard agreements in the primary sector. The union seems to accept that the norms found in the primary mills are antithetical to production organization in and market conditions facing independent remanners. The competitiveness of unionized Reman shops in labour costs and productivity levels with not only non-union plants in BC but also Reman plants in Washington State, where unions are totally excluded, should help mitigate independent firm opposition to union organization (Simons, 1993, p. 3.). Nevertheless, the union still has a lot of work to do: in both public documents and in personal interviews with this author, independent Reman sector employers have expressed trepidation over the possible negative affect on labour costs and labour flexibility of IWA presence in their plants.

In areas with a high concentration of Reman plants, the local IWA leadership has recognized, in collective bargaining, the specificity of conditions faced by the sector. Thus, in 1990, two locals in the LFV negotiated an exclusive Memorandum of Agreement with a group of

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30In 1993, then IWA President Gerry Stoney stated publicly that the union had not, in the past, nor did it intend, in the future, to impose primary-like collective agreements on the reman sector (Copy Editor, "Plan Needed," Lumber Worker, 1993, March, pp. 1-2).
custom processing plant owners. Unfortunately, union members in a majority of these plants rejected the proposed agreement. Single plant negotiations followed, resulting in strikes. The custom processors were forced back into the more constraining and costly Coast Master Agreement, and some subsequently went out of business.

In 1991, a new Reman consortium, the Wood Remanufacturing Industrial Relations Association (WIRA), approached the same two locals with an offer to engage in sectoral negotiations. A tentative agreement was signed in 1992; however, union members again rejected the proposal. While employees went on to win more lucrative individual contracts with each of the six WIRA firms, several of them subsequently shut down operations permanently.

Since the dissolution of WIRA, there have been no more attempts at negotiating sectoral agreements in Reman. However, if the union organizing drive meets with success, sectoral level bargaining will likely be revived, not only because of the obvious savings accruing to small firms from multi-firm bargaining but also because of the mutual benefit to employers and labour of industry-wide labour standards. In the meantime, the IWA continues to have a minimal role in moulding production and relational norms during Reman's present formative stage of institutional development by employers and state agencies. In order to reverse this marginalization, the union must first achieve a significant presence on the shop floor. Yet, independent remanners remain resistant to an organization still viewed as a lackey of the majors; and, state policy makers are under no pressure to include labour in their efforts at institutional

31Hoping to avoid the fate of the previous attempt, WIRA offered to include the majors' specialty sawmills in negotiations. However, their membership was vetoed by their associates in FIR who were leery of the possible labour cost advantage that might accrue to the specialty sawmills: not so much from wage differentials but stemming from the specialty mills getting out from under the onerous pension costs in the primary sector associated with an aging and shrinking workforce.
elaboration in reman.

3.6. Prospects for Organized Labour in Reman

The dynamism of the remanufacturing sector, in contrast to the diminishing fortunes of the primary sector, has garnered increasing attention from the governing triad in the BC forest industry. Provincial authorities were intrigued by Reman's potential to extract more value and produce more jobs per meter of wood processed than the primary sector (Travers, in Drushka, Dixon, and Travers, 1993). The interest in reducing reliance on primary processing is lent greater urgency by the American's determination to continue to limit lumber imports from Canada and by the threat to traditional commodity markets represented by the emergence of new, low cost lumber producing regions such as Siberia and Southeast Asia. Furthermore, relentless domestic criticism of the 'fibre mining' techniques used in the primary sector has forced the province to reduce the AAC and to bring in new regulations which increase the cost of lumber production, rendering low value-added commodity wood production less viable.

Market changes and public pressure have forced the integrated forest corporations to reassess their investment in the BC primary sector. While many foreign investors have simply pulled out entirely, some of the longer established domestically controlled firms have taken tentative forays into non-traditional markets, where they have discovered a more fickle, volatile and competitive global market to what they are normally accustomed. Experimentation with alternative product lines and production techniques has drawn their attention to the versatile little Reman firms clustered around their mill gates. In imitation of the independents and spurred on by the rising trend among North American corporations to adopt features of the network model, many of the integrated firms have striven to decentralize their internal
organizational structures and cultivate regular exchange relationships with complementary specialty firms.

Despite the diversification of its membership base, the IWA is still primarily a primary forest sector union. In consequence, the union leadership must continue to assuage the fears of its aging, and less adaptable mobile membership in the commodity mills before enthusiastically embracing any restructuring initiatives from the state, primary sector employers, or the Reman sector. The national union is under increasing pressure from some of its more progressive locals to support regulatory reform; yet political isolation makes it wary of alienating the corporate partners who have helped the union secure a place in the forest policy-making inner circle. However, in the process of gaining important posts on key industry and state policy-making bodies, the union has become increasingly deferential to the leadership of the big forest companies. The IWA national office repeats the corporate line that the small firm sector is not viable, while ignoring other industry studies lauding the independent sector's dynamic potential.

Hitching the union's future to that of the majors is short-sighted considering the majors' tardiness at diversifying production and markets, thereby exacerbating the negative affects of the 1980s crisis and contributing to employment decline in the 1990s. Nevertheless, while

32 Compare IWA-Canada, Western Wood Products Forum, Northern Interior Lumber Sector, Cariboo Lumber Manufacturers' Association submissions to the Evans Committee.

33 These studies include Forintek (1993), Price Waterhouse (1992), Legislative Assembly (1993, June), Simons (1992), Woodbridge, Reed, and Associates (1988). The union's journal quoted, without editorial comment, the claim in a forest consultant's report to a joint union-employer conference presented by the Western Wood Products Forum that: "the future of the industry will depend on well financed operations on a large scale which can compete in global markets and not on the 'mom and pop' value added initiatives created by the Small Business Enterprise Program ("Issues," Lumber Worker, 1991, March, p. 1)."
defending the continuing regulatory favouritism shown toward the majors ("Evans," Lumber Worker, 1993, November, p. 3), the IWA rebuffed the Evans Committee proposals for boosting the more labour intensive independent Reman sector. Union criticism of corporate disinvestment remains muted ("Stoney Speech," Lumber Worker, 1993, June, p. 4), while the union publicly pleads with the majors and government "to come up with measures to deal with the job loss problems (Wing Chow, "Interfor," The Vancouver Sun, 1995, July 29, p. B7)."

The majors have responded to this plea with even more investment in capital intensive primary production facilities offshore (Patricia Lush, "Working," The Globe and Mail, 1991, March 21, p. B3; Simons, 1992; Gordon Hamilton, "Forest," The Vancouver Sun, 1996, March 30, pp. B1, 7). What investments they do make in secondary processing is often in capital intensive but low job generating areas such as 'engineered' wood product manufacturing. In pursuing this strategy, the majors are following the advice of some industry consultants to avoid direct investments in more labour intensive areas such as reman. Thus, after pointing to the dynamism of the small- and medium-sized value-added wood products sector in Germany and the diverse exchange networks established among Swedish forest firms, one consultant advised the majors to forge exchange partnerships with more established independent reman firms in BC and offshore (Simons, 1992, pp. 12-13). They would, thereby, bypass costly union master agreements while reaping the profits from exploiting the more flexible and productive little independents.

While the national union resists change, the local level is desperately scrambling to

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34 The majors discovered a hungry market for old growth logs among East Asian reman firms. When the province imposed restrictions on log exports in 1989, the tenure holders evaded this stricture by exporting squared logs (cants) or over-size lumber (flitches) overseas. Meanwhile, domestic remanners were starved for raw fibre.
adapt. The head of the IWA-Fraser Valley Local - comprised of two merged locals which had lost half their membership in the wake of the 1980s crisis - claimed that the independent reman sector offers greater employment opportunity and long-term security, and more fulfilling and skill intensive jobs, than the mass production mills (Dave Tones, "Reman Sector," The Lumber Worker, 1993, March, p. 4). This local then embarked on an intensive organizing drive among independent wood processors. Other locals have come out in support of rectifying the inequitable treatment of non-tenured firms. In the same issue of the union journal in which Reman firms were referred to as 'mom-and-pop shops', a Vancouver Island local officer praised the job creating potential of independent remanners and called for diversification of the tenure system (Sy Pedersen, "Guest Column," The Lumber Worker, 1993, June, p. 4). In a submission to the Evans Committee, another Island local (1-80) suggested that the forest service force tenure holders to supply wood to independent remanners, a considerably stronger alternative to the national office suggestion of mediation of supply disputes between dependent remanners and tenured majors.

Despite its attempt to preserve the status quo, the IWA has had to adapt its core bargaining regime to externally generated pressures. Recently, Work Place Re-Organization (WPRO) clauses have been appended to IWA-FIR Master Agreements, enabling plant-level, jointly-managed introduction of 'teamwork' into sawmill specialty plants. National union acquiescence to innovations derivative of the independent sector is a positive sign that the union is accommodating itself, albeit slowly, to post-Fordist contingencies.

4. Conclusion

As the principal industry of the province during the 20th century, the BC solid-wood
processing sector has had a significant influence on the regional political-economy. Both its performance in the cyclically sensitive commodity export market and the structure and practice of its labour relations regime have dominated provincial politics and social relations up to the present. Thus, following its state-initiated restructuring after WWII, the industry provided the economic foundation and the organizational model for the province's integration into the post-war North American Fordist dynamic. However, when the industry was plunged into depression with the unravelling of this dynamic in the 1970s, the provincial economy and its politics were sent into a similar unprecedented crisis through much of the 1980s. The provincial state, forest industry producer groups, and assorted interests in the broader forest policy community continue to struggle over the structure and regulatory character of the forest industry which will replace the old discredited regime.

Forest workers have used their organizational strength in solid-wood, among fellow trade unionists, and in provincial politics to exercise decisive influence in shaping the relational structure of the industry and public policy toward the forest industry. Thus, the BC branch of the IWA was both an accomplice and a beneficiary in the transformation of the early cut-and-run forest industry into a stable state regulated regime, with its concentrated mass production structure and its formalized and centralized labour relations system. However, in the process, the union was transformed from a radical, outlaw movement into a implicit institutional partner with forest employers and the state in managing and stabilizing the Fordist accord. Thus, the union leadership's defensive reaction to the simultaneous attack on this harmonious regime from employers, the state, and marginalized interests is understandable, even if short-sighted.

The IWA's desperate fight during the 1980s to preserve its cherished place in both the workplace and in BC's political-economic hierarchy resulted in the corporatization of forest
industrial relations. The union became a collaborator with the majors in managing the adaptation of the workforce to structural changes in the primary sector which, in turn, led to its inclusion in peak-level industry and state forest policy-making circles. However, in the process of securing its place in this corporatist regime, the union leadership may have subordinated the long-term interests of its members too much to the majors' efforts to preserve their hegemony over BC forests. This strategy created discordance within the union, conflict with other forest interests, including other unions, and alienation from popular movements in the province opposed to the corporate-state agenda.

While the primary sector partners were struggling to adapt to changes in their market and regulatory environment, a dynamic independent remanufacturing sector emerged to challenge the primary sector's production and relational logic. In contrast to the struggling oligopolistic, commodity producing primary sector, competitive Reman firms were thriving through adaptive exploitation of niche markets. Strategic clustering of the bulk of these firms in the LFV and their mutual cultivation of networked exchange relationships encouraged functional specialization and the diversification of output.

Reman's dynamism drew a mixed response from the ruling triad in the primary sector. The majors sought to preserve their privileges while experimenting with reman techniques. However, state initiatives to stimulate reman through tenure reform, in the context of attempts to open up the entire forest regulatory regime to long-excluded interests, alarmed both the majors and the IWA leadership. The union's interests were divided between, on the one hand, peak-level loyalty to its corporatist partners and preservation of the privileged status derivative of this partnership and, on the other hand, concern over the relentless erosion of jobs in the primary sector and the need to encourage more labour intensive secondary processing of timber.
The capacity of reman to revitalize the solid-wood industry and to generate jobs to replace those evaporating in the primary sector should have elicited kudos and political support from the union leadership. Instead, intra-union contradictions saw the national leadership join with the majors in blocking regulatory changes to stimulate this labour intensive industry, while the local union attempted to adapt its labour relations practices to the independent sector and initiated a recruitment drive among Reman workers. While the national union defended regulations which discriminated against the independent sector and ridiculed its potential, union locals proposed regulatory changes to promote a less concentrated, more diversified secondary processing industry, and welcomed the career offerings of Reman. However, the ensuing local recruitment drive, initiated in response to recent labour code changes, is being hindered both by lack of support from the national office and resistance from independent Reman employers. Tardiness at this critical juncture in the sector's institutional development increases the odds of long-term labour marginalization from the Reman governance regime.

If, despite the obstacles, the IWA succeeds in embedding itself in the independent Reman sector, it would not only empower the Reman workforce, it would also bring additional resources to bear in developing the labour market base upon which continuing Reman sector expansion and innovation largely depends. Furthermore, the enduring presence of a sector-wide labour organization would help to elaborate and strengthen the network bonds so critical to the functional coherence and the competitiveness of this industrial model. Finally, a strong labour voice emanating from within Reman would help counterbalance lingering resistance to the reform of forest policy, thereby speeding up urgently needed industrial transformation.

The emergence of the dynamic Reman sector in an industry now dominated by the declining primary sector offers the IWA an unprecedented opportunity for renewal. At stake is
not only its future in the forest industry, but also the chance to reverse the contemporary decline in the union's historic status and influence in the encompassing BC political-economy. IWA renewal might, in turn, spur the overall renascence of the labour movement in the province. If there is anything we have learned from the preceding Fordist era, it is that the inclusion of labour's voice in the polity is vital to insuring a healthy and robust society. As yet, however, it is too early to predict whether the IWA will seize this opportunity for renewal.
CHAPTER FIVE: THE BRITISH COLUMBIA MOTION PICTURE INDUSTRY:

ENTREPRENEURIAL LABOUR

1. Introduction

An examination of the role of labour in the British Columbia Motion Picture Industry (BCMPI) is important to this overall study for several reasons. First, film production organization in this sector-district manifests post-Fordist network characteristics - even more so than the two cases already studied. Second, even though the provincial film production industry only took-off after the mid-1970s, it is now big enough to vie for second place in production expenditure, after Los Angeles, among motion picture production centres in North America. Third, as a key component of the dynamic international knowledge-communication-entertainment industry, the sector-district's continued growth and development will have a major impact on the regional economy. Finally, the combination of all of these factors should give the BCMPI significant influence on the evolution of industrial relations practice in the province as it adapts to the post-Fordist environment.

While the industry, and its production activity, is physically concentrated in the Vancouver metropolitan region (with some sub-centres opening recently in other regions of the province), its production structure is highly decentralized, composed as it is of hundreds of small, specialty firms and thousands of film technicians and creative artists. Consequently, film production in the district entails the rapid and efficient assembly of project-specific crews, as well as the collaborative services of dozens of specialized support firms and agencies, followed

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There was considerable film production in the province prior to the mid-70s. However, it was primarily 16 mm film for television, produced by the local CBC station for the local and national markets. Nevertheless, those technicians engaged in this work did provide a nucleus for the subsequent explosion of the internationally oriented industry.
equally rapidly after the completion of filming with the efficient disbursement of the crew members and their reabsorption into the local film community until the next time.

The responsibility for management of this dispersed labour pool rests with the local film unions and guilds. Furthermore, the original impetus for the inauguration of BC as an international film production centre during the 1970s as well as the continuing strategic leadership of its subsequent development has come from labour. Under organized labour's institutional guidance, the district has developed from servicing foreign productions to being an internationally important motion picture centre in its own right. The district's film making capacity has diversified both backwards and forwards from its original function narrow functional capacity. Furthermore, while most of its work continues to originate with American-based television and film production companies, an increasing proportion of its output is of Canadian origin, with a significant part of these productions initiated and controlled by local production companies (Cheryl Binning, "Indie prod soars," Playback, 1998, April 20, p. 1).

Consequently, organized labour's role in initiating the industry, in providing institutional continuity, and in guiding its dynamic development goes beyond that either traditionally allocated to labour in market economies or currently assumed by labour in the other two cases.

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2 The local film technicians unions could once be differentiated from the craft guilds by the former's use of seniority in despatching crew members versus the latter's reservation of creative talent selection to producers. The designation has less meaning now as both are similarly organized, perform similar services for members, and use a mixture of seniority and preference when despatching labour.

3 There are five sequential stages in the film-making cycle from project initiation to final sale: 'development' (concept and script development, finance packaging, and management team and lead cast assembly), 'pre-production' (crew assembly, location scouting, and logistical preparation), 'production' (the actual film shoot), 'post-production' (audio-video tape mixing and editing) and 'distribution' (marketing, promotion, and sales). The BCMPI started with production and has since moved off in both directions.
studied.

While the district has expanded rapidly and continuously in size and expertise under the leadership of organized labour since its inception, labour's institutional dominance and, by implication, the dynamism of the district has been challenged at various stages of its development. The most recent challenge to labour's institutional efficacy and to the district's performance precipitated a crisis in confidence which both threatened the district's continuing remarkable development and labour's role in guiding this process. My exploration of the origin and evolution of this recent crisis, of its impact on district relations and performance, and of its worrisome intractability will reveal much about the character of relations in the district. More importantly though, we will see how, despite labour's institutional primacy, there continue to be deficiencies in industrial relational policy, structures, and practices in this particular networked sector-district which hold labour back from realizing its full institutional potential in this industry. This case study will thus show how the current industrial relations institutional regulatory regime has shaped the district's adaptation to emergent market conditions, in general, and organized labour's institutional role in the district, in particular.

The study begins by exploring the process whereby foreign film service was initially lured to the region. The reader will see how the interaction between changes in the regulatory and market environment governing motion picture production in North America, on the one hand, and local organizational and marketing initiatives to attract film investment, on the other hand, brought about the inauguration of commercial film production in BC for the international market. I will then review the local organizational response to the series of challenges the district faced in developing the requisite functional competence and organizational capacity to exploit unfolding opportunities in international motion picture production. The focus will be on
the local film unions' role in orchestrating the district's collective response to changing environmental conditions emanating from the international, national, and regional levels of the economy. However, this review will necessarily include information on the interactions among labour organizations as well as local film union relations with local and international film makers, service agencies and policy makers at various levels of the state, and other film district organizational actors during this strategic process.

The study will then provide a more in-depth examination of contemporary production organization and relational governance in the sector-district. This focus will serve to reveal the source of labour's institutional influence in the district and, hence, its centrality to the district's response to various challenges to its growth and development. Beyond its role in resolving such challenges, I will discuss possible organizational initiatives which labour could undertake to allow it to better exploit opportunities to expand its influence in the industry. Labour's organizational prominence in the development of the BCMPI and its potential institutional centrality in this dynamic industry in the future should bring cheer to those observers of the current industrial relations who are worried about labour's ability to successfully adapt to post-Fordism.4

2. The Development of an International Film Making District

2.1. The Role of Labour in the Emergence of the BC Motion Picture Industry

British Columbia's initial use as an exotic locale for shooting Hollywood movies and its

4I am indebted to the present and former officers and staff of the film unions and guilds, production companies, government officials, academics and consultants, as well as veteran film makers associated with the district, for volunteering their invaluable time and insights to my study of their community.
subsequent evolution into a full-service motion picture production centre followed the
disintegration of the American motion picture industry and the subsequent decentralization of
production away from its Hollywood base. The process started when the US Supreme Court, in
the "Paramount" decision of 1948, ordered the separation of corporate control over film
production and distribution from control over exhibition space (Christopherson and Storper,
1986). This shock was compounded by the challenge to Hollywood's market dominance of the
advent of television and the post-war recovery of the European film industry. The ensuing
decline in both output volumes and profit levels among the major Hollywood studios prompted
studio executives to look for innovative ways to both revive audience interest in big screen
American film and to reduce production costs in hope of restoring profit margins.

However, the competition-driven imperative to innovate had withered away in the
American film industry following the oligopolization by the Hollywood 'majors' of its domestic
market after World War One, and its subsequent domination of the international motion picture
market in the immediate post-World War Two era. While the industry's success in this
accomplishment was in large part due to the studios' adoption of mass production techniques,
Taylorist production organization and Fordist collective agreements were now an impediment to
innovation in the face of new competition. However, the majors' attempts to flexibilize their
rigid studio-based production systems were resisted by both in-house management staff and the
well-entrenched Hollywood film unions. In order to get around the institutionalized constraints
of the Hollywood 'studio system', executives began to move the film making process out of the
studio back-lots.\footnote{See Aksoy and Robins, 1989, 1992; Christopherson and Storper, 1986, 1989; Storper and
Christopherson, 1987, for detailed analysis of the historic causes and consequences of the
disintegration of the studio system in Hollywood.}
While maintaining control over financing and distribution, the majors started subcontracting film-making to independent producers who were neither fettered by studio labour contracts nor bound to the high-cost LA region as a film production locale. The saving to the studios in 'below-the-line' technical costs from these independent shoots and a revival of consumer interest in the fresh product of the independents helped to offset the rising 'above-the-line' costs of hiring the star creative personnel no longer locked into long-term studio contracts. The rising volume of these 'runaway productions' spawned the emergence of green-field film production centres outside the Los Angeles region which drew on a fresh labour pool unattached to and unfamiliar with the old studio system production norms. These star-struck regions aspired to both the financial returns and the more esoteric rewards derivative of servicing Hollywood's new appetite for innovative product.

The fracturing of the Hollywood studio system sent a trickle of new wave independent producers to British Columbia to shoot their films during the late 1960s and early 1970s, including Robert Altman with McCabe and Mrs Miller and That Cold Day in the Park, Mike Nichols with Carnal Knowledge, and Bob Rafelson with Five Easy Pieces. Among the financial incentives BC could offer these visiting producers were a depreciating Canadian dollar, convenient air links with LA (two and a half hours flying time), and the logistical advantages of a common time zone. Supplemental non-monetary incentives included no language barriers and nominal cultural differences in what was nevertheless still perceived by Hollywood as a fresh, unexploited, and exotic film shooting locale.

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"Below-the-line' and 'above-the-line' are Hollywood budgetary terms referring to production expenditure on film technicians and extras, support staff, equipment and supplies which are determined by collective agreements, in the former case, versus expenditures on screen-writers, producers, directors and leading performers which are usually negotiated on an individual basis, in the latter case."
The metropolitan Vancouver region garnered most of the work directed to BC, as it could offer a relatively broad range of skilled labour and support services, a variety of handy and scenic locales, a friendly and polite citizenry, and accommodative and uncorrupted public service agencies. As the largest metropole in the Canadian West, Vancouver had long been an important regional production centre for local TV programming, commercials, and public and private training and information fare. Some contract work from national publicly and privately owned film broadcasting corporations and a long, albeit intermittent, service relationship with American film-makers and broadcasters augmented this indigenously generated work. As a result, a small core of experienced free-lance film makers and technicians possessing the flexibility attendant to marginality were in place on the Canadian west coast when Hollywood came calling.

Ambitious BC based film-makers capitalized on this fortuitous opportunity to service Hollywood's film production needs. While other regions across the continent might be able to proffer inducements to foot-loose producers comparable to those listed above, the Vancouver region offered something unique: a local union capacity to quickly assemble eager film technicians into project-specific production crews. This flexible, skilled, and organized workforce gave BC a competitive edge over would be rivals in both initially luring independent producers to the region and inducing them to return again.

Local film technicians had been forced to take the initiative to organize themselves in

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7 Most of my information on this period was garnered from personal interviews with film pioneers in the region. A brief historical survey can be found in the inaugural edition of Reel West Magazine.

8 The "River of No Return", with Robert Mitchum and Marilyn Monroe starring, was shot in BC in 1954, and the Washington State border station, KVOS, provided occasional work during the 1950s, prior to the opening of local affiliates of the national broadcasting networks.
order to offset the structural disadvantages consequent to their location at the periphery of North American motion picture industry policy-makers and investors. Despite a relatively long, if modest, film-making history, a self-sufficient film production industry had failed to materialize in BC. The region lacked both the requisite large, captive consumer market to encourage investment in film production infrastructure, and a local pool of either public or private capital interested in investing in indigenous film production.

The initial impetus for the development of the region's film-making capacity came with the chartering in 1962 of Local 891 of the International Alliance of Theatre and Stage Employees (IATSE): the first free-lance motion picture technicians local in Canada. With a BC branch of the Alliance of Canadian Cinema, Television and Radio Artists (ACTRA) on hand since 1958 to supply 'extras' (performers), the labour infrastructure was in place to service the film production needs of sojourning Hollywood producers with ample funds but without a local operational base or connections. The production side of the nascent industry was complemented on the policy-making side with the formation of the British Columbia Film Industry Association (now the British Columbia Motion Picture Association [BCMPA]), in 1964: the first and, still, the largest and most broadly-based film industry association in Canada.⁹

Nevertheless, BC was still only one among an increasing number of regions across the continent seeking a slice of these lucrative runaway productions. Consequently, after the initial spurt of Hollywood locational shooting, the foot-loose independents failed to return to BC and, consequently, foreign-originating production activity evaporated.¹⁰ Since organized labour had

⁹Its broad base was also one of its weaknesses, as the reader will see later on in the chapter.

¹⁰While production statistics from 1978-on were obtained from the British Columbia Film Commission, earlier information was gleaned from interview respondents and local union
taken the original initiative to entice Hollywood production north, it fell to it to bring this work back. While the ensuing promotional effort was a collaborative one among local service firms, state and quasi-state agencies, and organized labour, it was the latter who provided the strategic leadership in transforming what was a tentative international service relationship into a stable, long-term inter-district production partnership. Local film unions and guilds subsequently guided the district through strategic growth and capacity diversification to achieve a self-sustaining development dynamic.\footnote{See Table 5.1 as a reference point for annual overall district production output levels, and Table 5.2 for the content of this output.}

2.2. From Exotic Locale to Regular Service Centre

2.2.1. The External Front: Collective Marketing and Promotion

In the wake of Hollywood's departure from BC, many film-makers in the local community saw other possibilities arising from the elaboration of the Canadian federal government's new film industry policies during the late 1960s\footnote{See Magder (1993) and Pendakur (1990) for detailed histories of federal government film policy.} While not wholly abandoning the Hollywood option, the BCMPA and Local 891 began to focus on means to attract the public and private sector spin-offs derivative of this aspect of federal cultural nationalism. They succeeded in convincing the BC provincial government to align its tax regulations on film investment more closely with federal film tax policies, thereby bringing provincial incentives more in line with those of other provinces also seeking this investment. The two BC film bodies then shifted their lobbying efforts into persuading the national film agencies and central-Canada records.

\footnote{See Table 5.1 as a reference point for annual overall district production output levels, and Table 5.2 for the content of this output.}
based broadcasters to direct a more regionally balanced proportion of film-making work to BC.

Despite a protracted expenditure of temporal, monetary, and political resources on this effort, only a trickle of film production activity found its way West. Local cynicism regarding the extent of national public and private sector concern regarding the state of BC's struggling film industry was fed by the blatantly centralist bias of the Canadian Film Development Corporation (CFDC) which had been established by Ottawa in 1967. Its politically-mandated nurturing of the Toronto and Montreal film-making communities as the designated incubi of a future bi-national film industry precluded CFDC encouragement of a third film centre in BC.

In frustration, BC film-makers re-focused south, in hope of garnering some of the mounting volume of film production work derivative of Hollywood's increasing use of 'the world as its back-lot' (Christopherson and Storper, 1986). However, they would first have to find some way not only to regain the attention of budget conscious Hollywood producers but also to regularize the flow of one-off production work which Hollywood independents had on offer. To this end, Local 891 sent its business agent to LA in 1974 to extol BC's virtue as not merely an exotic film locale but also a reliable long-term fount of trained technicians, organized crews, and diverse film production support services. In addition, Hollywood producers were promised lower labour rates and more flexible work rules than their sister LA technicians were offering.

Annual production subsequently jumped from two in 1974, to six in 1975. However, with only forty members, Local 891 was financially unable to sustain annual promotional jaunts to LA; consequently, production soon fell off again. The Local needed partners with deeper pockets if it was to sustain the vital exchange links with Hollywood.

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13 By drawing upon technicians from local TV stations and free-lancers, the local could initially offer two complete production crews; there are now between approximately thirty crews.
Following their work on another Robert Altman film project in Alberta in 1976 (*Buffalo Bill and the Indians*), BC-based crew members returned to BC praising the role of Alberta's new film promotion office in luring this shoot to the province. Local 891 and the BCMPA then suggested to then BC Tourist Minister Grace McCarthy that BC establish a similar promotional agency. The prospect of an derivative increase in American tourism, lured by visions of 'supernatural' BC up on the big screen, convinced the Minister to do so in 1978. The reversal of the production drought the following year prompted an increase in government funding to the agency, its shift from the provincial capital (Victoria) to the locus of provincial film production (Vancouver), and the replacement of career Ministry bureaucrats in the agency by people more experienced in the industry.

Since 1979, the re-named British Columbia Film Commission (BCFC) has partnered with Local 891 and, subsequently, other local film unions and service firms, in mounting annual promotion-marketing pilgrimages to LA. More recently, district delegates have ventured to Asian motion picture centres and to film festivals and conferences in Europe, in an effort to diversify investment sources and gain access for indigenous fare to markets outside of North America. Besides these foreign sorties, the Commission now offers visiting producers a range of support services, including information on local film-making facilities and personnel together with relative international film production cost comparisons, free locational sorties around the region and office space and resource personnel to facilitate 'pre-bargaining' discussions with local film unions. By linking the local film community with externally based production companies, the public agency has assumed the critical role of *impennatore* for the disintegrated district (Becattini, in Pyke, Beccatini, and Sengenberger, 1990).

Inspired by the successful work of the Vancouver-based Commission, other communities
across the province have since established their own film promotion offices. Vancouver-based film unions welcomed the accompanying possibility for a dispersal of some film production activity outside of the Lower Mainland region, thereby relieving the congesting arising from the growing volume of film production in Vancouver and limiting local film location burn-out. Consequently, the unions have collaborated with hinterland political authorities and business interests in fashioning wage and service incentive packages to attract film production work. When the eventual quantity of work warrants, the Vancouver unions intend to establish branch locals in these budding production centres.

In the face of the "radical uncertainty" (Piore, 1995, p. 120) which is characteristic of the post-Fordist international motion picture industry, local organized labour's entreprenurialism had succeeded in preventing the more mobile American film production industry from indefinitely abandoning BC after its initial foray north. The subsequent growth in local motion picture output volume and the diversification in film-making expertise is largely attributable to labour's receptivity and adaptability to successive challenges and opportunities. Labour's prescient response to market signals facilitated the district's advance beyond merely servicing sojourning producers to it becoming a full-fledged film production centre.

2.2.2. The Internal Front: Production Organization

To a significant degree, the competitive advantage BC enjoyed over other aspiring film regions across the continent was based on the availability of competent, organized film crews. Hollywood needed this kind of labour service following the disintegration of its in-house production system. However, in freeing themselves of the labour relation constraints of the old studio system, Hollywood producers were lost the logistical advantages of having ready-to-shoot
in-house film crews locked into stable, long-term contracts. In contrast, a good portion of the members of the film crew, especially in the newer film districts across the US, are signed to individual contracts, even if they happen to be film union members (Paul and Kleingartner, 1994). As a result, responsibility for crew assembly has increasingly devolved to the line producer. Furthermore, with individualized contracts come agents and their fees, 'knowledge' acquisition costs, and ancillary supervisory duties.

To a large degree, BC film unions have assumed most of these crew assembly and production supervisory responsibilities. The technical unions induct, apprentice, and credential personnel, negotiate crew encompassing collective agreements, despatch the required mix of department lead-hands ('keys') and their assistants, and then reabsorb the crew members upon project completion. While crew despatching was initially done on a seniority basis, the technicians' unions have relaxed this system to allow for producer preference ('producer-pick' or 'name-call'), thereby blurring the traditional distinction between the technical unions and the creative guilds and, by implication, the sharp distinction between above- and below-the-line personnel. Similarly, the local performers union-guild lifted another burden from budget- and time-constrained producers by cataloguing its talent pool on the basis of specialty, experience, and film character. In addition, it holds auditions where it 'showcases' lesser known and inexperienced members to prospective producer-employers, much like talent agents do in other regions.

While assuming responsibility for providing the services which were once internalized by the Hollywood studios, BC film unions nevertheless provided foreign producers with a degree of flexibility unavailable elsewhere. Rather than insisting upon long-term, multi-project, blanket agreements, the unions were willing to sign one-off contracts tailored to a particular project's
peculiar requirements and budgets. The basic contract could be renewed, amended or re-negotiated for subsequent projects mounted by the same producer. The preferred option could be adduced, during pre-bargaining meetings between the film unions and prospective producers, where the possibilities and limitations of the 'license fee' of the contracting studio or network were discussed. Thus, producers could skirt the inter-project labour obligations associated with the old in-house studio system and the associated rigidity of assembly-line formulaic production.

Increasing production levels in BC served to hone local film making expertise and to broaden the local service pool. Producers soon began to consider the possibility of garnering additional production savings by locally sourcing personnel to fill other positions besides those of technicians and extras. In response, other film craftpersons sought local charters from national and international film production unions in order to fill these needs. Local members of the Directors Guild of Canada (DGC) led the way with their formation of a BC District Council in 1978. Logistical support workers received a film charter, Local 155, from the International Teamsters in 1988. And, British Columbia-based members of IATSE's Canadian camera guild established Local 669 in 1990. They have since been joined by film writers, musicians, and

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14Under Article 35 of the BC Labour Relations Code ("Successor Rights") the unions could force employers to adhere to these collective agreement for at least a year. However, the unions help the producers get around this by not contesting the ownership of the numbered companies established for each project.

15While the term is derived from the advertising revenues behind prospective TV fare, it is also applied to all feature film production done in BC for the American market. The latter's budgets are as tight as that for TV due to the escalating fees paid for above-the-line stars, as well as soaring promotion and advertising budgets.

16Besides directors of production and their assistants, the DGC also includes production and location managers and their assistants.
producers guilds.

As local expertise increased and diversified from feature film production, American television producers began to contract with local line production firms for multiple TV movie (Movie of the Week or, simply, MOW) packages and episodic series. The ensuing possibility for more stable, long-term work enticed many foreign-born film craftspeople to settle in BC and LA-based independent producers to open local offices and studios. Local film artists previously forced to seek work in larger film centres such as LA and Toronto could return home bringing with them both experience and an interest in building the local industry. Indigenous production companies also began to assume the executive production function previously reserved exclusively to LA firms. Local support services such as equipment leasing, payroll, legal, and accounting, writing and music, and publicity and visual and sound editing sprang up to fill in the remaining gaps. With the establishment of local offices of the national and provincial film funding agencies in Vancouver, and the opening of film distribution offices in the region, the infrastructure was now in place for production of locally initiated and owned motion pictures.

An extensive, well organized labour infrastructure combined with the collective entrepreneurialism were critical factors in the BCMPT's initial emergence and subsequent competitive success. However, local adaptability to a dynamic market environmental also required a high degree of local organizational autonomy. The international unions recognized this need by granting full operational autonomy to their local branches from the time of their inception. However, national film industry organizations were less amenable to this need. Thus, it took several years of intra- and inter-union conflict before the DGC's BC members were
granted collective bargaining autonomy.\(^{17}\) Worse still, the attempt by ACTRA-BC members to negotiate a distinctive provincial collective agreement caused a split in the union which is still not completely healed. Despite a recent agreement to re-unite, problems remain between the national and the local offices. Similarly, while the American producers association allow their affiliates to negotiate separate agreements with BC unions, their Canadian counterparts has withheld this privilege from their BC members.

Recognition among national film industry leaders of the importance of nurturing the indigenous industry and of preserving its economic independence seems not to extend to non-Central Canadian regions seeking more limited goals for themselves. The roots of this contradiction are found in the emergence of a locally embedded but globally integrated film centre in BC at the same time as national political and industry interests were pouring their resources into the protected, bi-national industry based in Toronto and Montreal. Consequently, the debate accompanying the emergence and development of the BC film industry, and its precipitation of labour relations turmoil in BC more recently, resonates with the rhetoric of regionalism versus nationalism versus internationalism that has become common in Canada as its people struggle to cope with global economic and political change.

\(^{17}\)The so-called "Guild Wars" climaxed during jurisdictional disputes around the shooting of the "The Grey Fox" in 1979-80. In the subsequent settlement, the national DGC granted its BC branch the right to negotiate BC specific jurisdictional agreements with IATSE 891 and other unions.
2.3. 'Canadian Dreams, Local Control'\textsuperscript{18}

In response to English and Canadian nationalist pressures in the 1960s, the federal government embarked on a series of initiatives to stimulate the domestic film industry.\textsuperscript{19} Public funding from the CFDC combined with generous tax write-offs on 'certified' domestic projects produced a flood of feature films that few Canadians let alone foreign viewers were ever really meant to see. Most of the returns from these tax shelter productions accrued to the lawyers, accountants, and brokers who managed them, rather than the film creative community, the ostensible targets of this federal largesse. Upon the replacement of the CFDC by Telefilm Canada in 1984, its initial film subsidy pool was substantially increased and its original mandate expanded to include film for broadcast. The federal government also granted exclusive rights to domestic companies over the distribution of domestic and independent foreign feature films within Canada. Finally, the Canadian Radio and Television Commission's (CRTC) content regulations, licensing policies, and cable programme fund expenditure guidelines ensured that an increasing proportion of domestic broadcast time was reserved for Canadian content.

These subsidization and protection measures encouraged domestic film industry capital accumulation, the incorporation of more Canadian film production and broadcast companies, and the subsequent vertical integration and horizontal concentration of many of these film companies. However, in accord with federal policy intentions, they were all based in either of the two designated 'national production centres' of Montreal and Toronto (for French- and

\textsuperscript{18} The section title is a play on Manjunath Pendakur's Canadian Dreams and American Control (1990), which advocates a nationalist response to American domination of the Canadian motion picture market.

\textsuperscript{19} See Madger 1993, and Pendakur 1990, for detailed sympathetic treatment of this policy endeavour.
English-Canada, respectively). These publicly traded motion picture corporations would come to dominate the domestic financing and production of Canadian film, and the distribution and display of both domestic and foreign film. The privileging of these 'mini-majors' was also intended to reduce those film companies not based in either of the two chosen cities to a dependent service role. This intention was implicit in the regionally lopsided funding dispersals of the CFDC and Telefilm, as well as the centralized organizational structure of other film-related agencies and crown corporations. For example, despite an output that surpassed Montreal and rivalled Toronto in the 1980s, BC consistently received less than 2% of CFDC and Telefilm funding during the 1980s. The centralist strategy was made explicit in the statement by Telefilm announcing the creation of its Feature Film Fund in June, 1986 (see Audley, 1993, p. 6; Krasnick, 1994; Reel West Magazine, 1986 [September], p. 32).

Thus, while ostensibly offering an alternative source of investment, the national film industry's centralist bias made the BC film industry vulnerable to colonization by central Canadian 'core' corporations.

The emergence of a vibrant, internationally competitive film industry on the west coast of Canada was an embarrassment to national film industry policy-makers. Ottawa was pouring increasing amounts of money into an industry that had progressed from producing films that no one watched to putting out commercial product that was indistinguishable from that coming out of Hollywood. Meanwhile, having surpassed Montreal in output during the early 1980s, the overwhelmingly privately financed film production expenditures in BC were rapidly closing in on the subsidized and protected Toronto industry by the late 1980s. More significantly, the Vancouver region was starting to produce indigenous product that was both artistically and commercially successful. Consequently, the justification for the continuing federal

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20 Film production expenditures in Ontario were $209. million during 1989, compared to $200. million in BC. The battle has see-sawed since then, with BC surpassing Ontario duing 1997 with over $600. million in local work. See annual January issues of Playback for other yearly provincial figures.
favouratism shown toward the two central Canada-based industries became less credible. Complaints from both BC and other struggling regional film centres exposed the flimsyness of the ostensible cultural rationale underlying Ottawa's film policy.

However, the political influence of the centralist industry over national film policy-makers was strengthened with the merger of the two Toronto-based English Canadian film producers organizations, the Canadian Film and Television Association and the Association of Canadian Film and Television Producers in 1991, to form the Canadian Film and Television Producers Association (CFTPA). Appropriating the voice of the entire domestic film-making industry, the Association donned the mantle of patriotic bulwark against the perceived American film industry onslaught against the domestic market. This was unsubtle attack upon the BC industry which still depended upon American investment for the bulk of its sustenance.

The centralized and integrated structure of the protected central-Canadian film industry had an insidious affect on the national film unions: they became the strategic tool of the mini-majors. Having originally started as in-house unions of the national television networks, the national film unions had then easily moved into the Toronto mini-majors who were under the benign patronage of their bosses in the public sector network. Consequently, they had little sense of responsibility for either the birth or the strategic development of the national film industry, in sharp contrast to their west coast counterparts. Instead, they assumed the passive and dependent role towards employers typical of North American Fordist-era industrial unions. With neither an industry-based inter-union organization nor association with an industry policy-

22Films made by BC producers have dominated English language Canadian film awards during the 1990s (the industrial journal, Playback, provides extensive information on the annual Canadian Genie and Gemini awards for TV and motion picture production, respectively).

23The Quebec-based French Canadian film industry has its own distinct unions.
making bodies, the national film unions simply deferred to the policy initiatives emanating from the consultative councils of federal film mandarins and their corporate clients. They further endorsed CFTPA policy-making leadership by offering reduced 'contract administration' charges to firms affiliated to the employers body (Action, 1989, September, p. 7).

The centralist bias of the national film industry had a knock-on affect on relations between film industry organizations centred in Toronto and those based in BC. The CFTPA pressured its unions to insist that their regional branches apply the terms and conditions of its national master collective agreement even to non-affiliated employers, right across the country. However, the bargaining norms and strategic priorities of the west coast-based film unions were not the same as the Toronto-based unions. The conditions facing the BC sector-district, especially its abiding exposure to cut-throat international competition for mobile American film production investment, were much different from those facing the oligopolistic industry in central Canada which was propped up by federal largesse and insulated from international competition. Surrendering bargaining control to the centre would not only have undermined the autonomy of west coast film unions; the imposition on BC of the relatively more expensive and less flexible national master agreement would seriously erode BC's competitive advantage.

Before further exploring the consequences of this inter-regional conflict, I want to elaborate upon BC film unions' exercise of their relational autonomy and the impact on BCMPI development.

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24 BC film unions charge administration fees to employers to cover the cost of benefits once assumed by employers under the studio system.
2.4. BC Labour's Role in Managing District Growth and Diversification

Following their success in luring American producers back to BC, local film unions assumed the leading role in shaping the district's response to subsequent challenges to further growth and development. Prescient adaptation to environmental changes became the normative behaviour pattern of the unions. This adaptability allowed the district to exploit market opportunities more quickly than rivals. Thus, after the opening of the BC Film Commission and commencement of annual promotion excursions to LA by the local industry representatives, there as an annual average increase in production expenditure of 40%. Consequently, by 1988 the district had become the largest centre for production of Hollywood films outside of LA: ahead of such other important North American production centres as New York, Chicago, and Toronto.

In meeting each challenge, the efficacy and influence of the film unions grew in tandem with the development of the BCMPI. One ongoing problem facing the district was the fluctuating exchange rate of the Canadian dollar against its American counterpart. For example, annual output dipped in 1983 with the rise in the exchange rate, only to leap forward again, in 1984, when the Canadian dollar value dipped. Assuming this most recent cost advantage to be short-term, the film unions took initiatives to lessen the importance of this as well as other factors destabilizing the industry.

The first initiative in this regard was in the provision of world-class film production infrastructure. With the imminent closure of the only large indoor film studio in the region, local film unions and the BCMPA proposed that the province form a joint venture with private

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25After its opening in 1961 in West Vancouver, Panorama Studios was used for indoor shooting of TV fare, industrial films, and the occasional feature until its closure in 1985.
investors to transform a large hangar-like facility in the Vancouver suburb of Burnaby, previously used for washing public transit buses, into a film studio. However, having been recently converted to neo-liberal beliefs in minimalist government involvement in business, the Social Credit government was more in favour of turning the facility over to private land developers. In order the pre-empt the government, the unions formed a local film industry consortium which then offered to either lease the facility on a long-term basis from the province or buy it outright. This offer prompted the province to establish a "Film Industry Task Force" composed of representatives of the film unions, the local industry association, and the federal government and mandated to come up with recommendations concerning this facility as well as other matters related to the industry. The combination of the Task Force recommendations and concerted union-led pressure from the industry persuaded the province to provide $5 million, initially as a loan, to cover the cost of renovating the facility. Upon its completion, and the subsequent cancellation of the debt, administrative control over the new Bridge Studios was placed in the hands of a government appointed advisory board headed by a Local 891 official. Immediately following the release of a subsequent study sponsored by the five main film unions on the impact of the film industry on the local economy (Associated Economic Consultants, 1989, May 31), the government transferred control of the studio to a crown corporation, BC Buildings Corporation, which proceeded to lease the facility at cost to film production companies. During this period, the province also provided a low-interest loan to a private-sector partnership between a transplanted Hollywood TV production company and a Toronto production company to build another production facility in North Vancouver, North Shore Studios.

Complementing its investment in film production physical infrastructure, the province
stabilized the funding of the Film Commission and placed it under the wing of a crown
corporation, BC Trade, also. This move signalled that the province no longer saw the sector
merely as a tourism promotion device, but rather as an important and viable industry in its own
rights. The struggling indigenous film development community was also given a boost when the
province, acting on the advice of the state-industry Task Force, established the private, non-
profit British Columbia Film Development Society (BC Film) in 1987. Using seed money from
BC Film, local film-makers were then able to leverage additional funding from Telefilm,
negotiate co-production agreements with other provinces and foreign film agencies,\(^{26}\) and attract
investment from private interests. Up until this time, the indigenous industry's reliance upon tied
Telefilm funding criteria entailed the surrendering of creative control and the bulk of returns on
investment to the central-Canada based mini-majors. The existence of BC Film helped to ensure
that a larger portion of creative control over indigenous work, and the returns of sales therefrom,
remained in local hands.

Like the Bridge Studios and the BC Film Commission, BC Film is administered by
government appointees. Nevertheless, the directorial boards of all three agencies are drawn
from the industry and they operate at arms-length from government. The operational autonomy
of these agencies, and of the industry as a whole, also seems to have been enhanced by the
absence of a state central-coordinative body overseeing provincial film industrial policy. While
an inter-ministerial committee was established for this purpose in 1989 by the government in
Victoria, it failed to develop an encompassing, long-term strategy for film before becoming
moribund. The dispersal of administrative responsibility for the industry among several

\(^{26}\)Most countries, with the notable exception of the United States, have established film
funding agencies which, at least in part, strive to prevent their domestic industry from being
completely overwhelmed by American commercial film.
government ministries and agencies militates against state initiated film industrial policy making coherence. However, it also reduces the possibility of the emergence of preferential clientelism and it limits the industry's exposure to abrupt policy changes emanating from government agencies: an unfortunate side affect of changes in government under majoritarian inclined first-past-the-post electoral systems such as Canada's.

Thus, the industry, in general, and the unions, in particular, have been forced to assume the policy making initiative. This activity continued with the establishment of the British Columbia Motion Picture Industry Training Council in late 1989, following the release of another jointly financed province-industry report (Associated Economic Consultants, 1989, June). Its membership is drawn from local film unions and the film departments of local institutes, colleges and universities and its mandate is to gather information from and make recommendations to this membership concerning the training needs of the growing industry. In order to better coordinate the film unions' relations with these and other organizations including state agencies, local employers and other film districts, the five core film unions formed a joint labour council in 1990. The provincial state's recognition of labour's policy-making pre-eminence came with the creation of the British Columbia Institute of Film Professionals in 1998.

Labour initiatives on the external front were equally prescient. To take advantage of the falling exchange rate, Local 891 mounted a major marketing effort during the annual Locations Expo and Los Angeles Film Market, in the spring of 1985. Attendees of the "Producers' Breakfast", which coincided with these events, were informed by the union of the diverse film locales and facilities available in BC. They were also familiarised with the continuing competitive advantages of BC film industry labour rates and work practices as compared to other film districts, in particular Toronto, which was then attracting a larger share than BC of
American production. As a result, local film production expenditure doubled for that year. To ensure that this volume was maintained during the 1986 Vancouver World's Fair, when market tightness was expected to drive up costs, Local 891 promised to hold its rates at 1985 levels.

Holding on to foreign investment was imperative as the BC film industry entertained little hope of reversing the centralist impulse of the national film industry. With the national TV networks, federal film agencies, and the mini-majors firmly esconced in Ontario (and Montreal), together with the additional incentive since 1985 of generous film subsidies to its provincial industry from the Ontario Film Development Corporation (OFDC), BC had little chance of outcompeting Toronto for domestic work. Thus, while BC depended on Hollywood for 80% of its work during the 1980s, only a quarter of Toronto's work originated in LA. Where the financial playing field was more level, BC dominated in attracting American investment. Nevertheless, sensing that this investment was not necessarily secure, BC film unions and other local industry interests used Hollywood location service work as a platform upon which to develop technical competence, to diversify exchange relations with other film districts, to expand indigenous filmmaking capacity and to, thereby, incrementally create a commercially viable, globally networked yet locally embedded, self-sustaining film industry.

BC film unions' strategic entrepreneurialism was in sharp contrast to the behaviour of central Canadian-based national unions. While BC labour assiduously cultivated the goodwill of Hollywood producers, Toronto-based film unions threatened to strike, in 1988, to back up their demand for wage parity with film unions in LA and New York. Skittish Hollywood producers avoided Toronto the following year, but returned to BC in even greater numbers. When the Canadian dollar subsequently surged above $0.80 during the early 1990s, BC unions responded by pegging their rates to an eighty cent dollar. Consequently, while overall film production
expenditures dipped across North America during the early 1990s recession, BC film-makers managed to stay busy. More importantly, they maintained peaceful relations with Hollywood while their brothers and sisters in LA were forced out on lengthy strikes over flexibility which ended with their signing of concessionary collective agreements.

BC film production activity and expenditure levels continued their annual climb, reaching rough parity with Ontario by 1990. However, Ontario output soon surged back in front, buoyed by the intensive rescue efforts of Ottawa and Queen's Park. Domestic English-language feature film production had already centralized in Ontario under the incentive of Telfilm's $33 million Feature Film Fund in 1986 which required aid recipients to have a distribution agreement with a Telefilm certified firm, all of which happened to be controlled by the Toronto and Montreal mini-majors. Similarly, the channelling of Telefilm's new $35 million broadcast fund to the national networks concentrated production of film for broadcast in central Canada as well. With the additional incentive of OFDC rebates to Ontario-made films, the Toronto based industry's dominance over the financing, production, distribution, and exhibition of English-language domestic film was re-secured by the mid-1990s. With this boost, and additional regulatory protections, the mini-majors went public, and diversified into other media. Thus, in furthering its goal of creating 'national champions' in the film industry, Ottawa has allowed the mini-majors to take substantial shares in domestic broadcast and cable firms, awarded them domestic distribution rights over foreign films (excepting Hollywood studio product), and favored them in negotiating international film co-production agreements.

Nevertheless, BC did retain its title to leading centre, outside of Hollywood, for production of US financed films. As the BC film district grew from a marginal film-making locale to a service centre into full production region, it also began to outgrow the original
2.5. Mounting Inter-Regional Competition and Inter-Union Discord

The movement toward the creation of a more mature collective bargaining regime came during the late 1980s as the district's primary activity in producing feature films was supplemented by production of more TV fare, such as made-for-broadcast movies (MOW's), series pilots, and episodic programming. While individual project budgets on broadcast film were more modest than those for feature film, work on the former was attractive since it often came in multi-project packages or lasted a full television season. The film unions were eager to attract work that not only increased the volume of local activity but also involved longer-term collective agreements. Consequently, the international technicians unions introduced special contracts in consideration of the tighter budget and time constraints associated with film production for broadcast.

While budgets for studio feature film have been increasing as domestic and foreign audiences grow, commercial license fees for American TV material have been declining due to the proliferation of new networks, independent stations and cable.
Broadcast production companies from both LA and central Canada were encouraged by this labour initiative to open local studios to create and produce material for TV. In conjunction with this work, they also sought longer-term, multi-project, made-in-BC collective agreements which would cover the entire production crew. Local unions welcomed the prospect of fewer one-off contracts as these were expensive and time consuming to negotiate and police. Furthermore, these agreements were becoming increasingly standardized anyway as the industry matured. While the international unions were able and willing, the studio transplants had to dangle the promise of more work for local talent before the local branches of the Canadian performers and directors guilds as an incentive to join in this BC-exclusive bargaining regime.

In 1988, the two IATSE technicians unions, the DGC-BC, and ACTRA-BC negotiated their first master agreement with one of these Hollywood transplant TV production companies. While the American parent unions had no trouble accommodating their BC locals' activity, the central-Canadian head offices of the national unions balked. The DGC national office acquiesced only after its BC branch voted to suspend remittances of local fees to headquarters. Full bargaining autonomy was granted the following year. However, the performers were unable to come on board, and the negotiation of a crew-encompassing master agreement would fail to materialize then, and right up to this day.

Unfortunately for ACTRA-BC, its negotiation of a BC agreement was badly timed. It coincided with a financial crisis in the national union, brought on by the downturn in the Ontario industry (precipitated by the Toronto film unions' 1988 strike threat), and demands for autonomy from other regional branches across the country. Furthermore, the national union had just signed a new master agreement (Independent Production Agreement [IPA]) with the CFTA, which the
latter threatened to abrogate if ACTRA-BC broke ranks (Action, 1989, September, p. 9). The rancour following the national union's veto of their BC branch's tentative agreement resulted in the formation of a breakaway union, the Union of British Columbia Performers (UBCP). The new union and the old then commenced an acrimonious fight for membership allegiance among local actors and a cut-throat fight for dominance over work on domestic productions.

The split in the performers union was the first step in what would eventually result in the emergence of a dual union structure in the BCMPI. Following the performers split, two Toronto-based technicians unions, the Association of Canadian Film Craftspeople (ACFC) and the National Association of Broadcast Employees and Technicians (NABET) opened local offices, in 1988 and 1989 respectively, to compete with the established international locals. The interlopers brought with them a small core of members thrown out of work by the slump in production activity in Toronto. They set about assiduously recruiting recent film school graduates and less experienced technicians, who were unable to obtain membership cards from the internationals. The established unions were naturally wary of the negative consequences of a diminution in both technical competence and work availability of a too rapid expansion in membership ranks. The expansion of these central Canadian-based unions to BC was encouraged by their employers in the national producers association, the CFTA (Action, 1989,

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Since British Columbia requires distinct provincial agreements negotiated by BC registered unions, ACTRA could not attack the agreement in principle, only the content. Instead, it demanded that all BC based producers sign "letters of recognition" with the national office promising to adhere to the principles of the IPA. It needs noting that Quebec was the only other province with similar provisions requiring autonomous labour relations.

Both ACFC and NABET have since merged with the national Communication, Energy, and Paperworkers Union (CEP).

The attenuation of seniority based hiring among the technicians unions (Locals 891, 669 and 155) further increased membership resistance to opening up membership to film novices.
The union *arrivistes* at first justified their intrusion into BC on the pretext of defending Canadian labour independence from the branch-plant American unionism and Canadian culture from American cultural imperialism. However, BC film industry workers would have been ill-served if the intrusion resulted in either a disruption in labour peace or a deterioration in production quality, as it would likely have prompted Hollywood to pack up and leave. The new unions' cultural credentials were also suspect due to their association with Toronto-based employers who profited, to an increasing degree, from their lucrative exclusive control over the distribution of American film in Canada, whose productions were increasingly targeted at the American market, and whose share offers were floated on American exchanges. Madger (1993) and Pendakur (1990) were correct in arguing that the cultural rationalization for nationalist film policies, and the patriotic credentials of the corporations that they spawned, were highly suspect from their inception. Of more importance to this study, the replacement of Hollywood patronage with that of Toronto would diminish the BC industry, leaving it dependent upon and subordinate to the centre.

The continuous support by the BC-based internationals of the struggling indigenous industry belies charges of their indifference to Canadian culture. While holding foreign producers to labour packages comparable to other unionized film districts, they have always been willing to grant major concessions in wages and benefits to producers of indigenous films, in recognition of funding constraints derivative of low commercial appeal and poor access to Canadian screens (despite the control of half of these screens by Canadian based Ciniplex-Odeon). The IATSE and Teamsters locals also defer a portion of wages on indigenous productions in return for an equity share in the finished product, even though there was little
chance that these films would ever return a profit. In the case of locally originating art and student films and non-commercial documentaries, the unions signed 'certified non-union' agreements which allowed members to work on these projects at minimum employment standards.\textsuperscript{31} They also bend their rules on mileage payment for crew travel outside the local production zone by allowing 'bubbles' in the zone to facilitate special location shooting of Canadian films.\textsuperscript{32} BC-based film union sacrifices in this regard moved the President of the BCMPA to commend these pioneers for "helping western Canadian producers reduce costs (Reel West, 1988, June, p. 12)."

Beyond garnering some local work on domestic productions originating from Toronto, the intruder unions had some success in enticing low budget commercial productions away from the established unions by proffering below district-standard labour contracts. They justified this undercutting in the name of healthy competition (Playback, 1990, February 19, p. S22; Reel West, 1991, March, p. 9). However, their tactics were fracturing local labour organizational solidarity, weakening labour bargaining power, and souring the production environment, which provided the original foundation for the regional film industry's success in the competitive international market. Any weakening of these community characteristics would simply consolidate the dominance of the mini-majors over the regional branches of the Canadian motion picture industry, thereby eliminating a major source of the competition that the

\textsuperscript{31}The technicians' unions have also chosen not to impose formal collective agreements on producers of TV commercials (although the performers do), but for completely different reasons. Instead, the technicians who regularly work on commercials have informally established higher hourly pay rates, with shorter workdays, than is standard in the contract bound entertainment sector. Moreover, higher seniority technicians, and their apprentice trainees, actively seek out this relatively low stress, yet skill sharpening, work.

\textsuperscript{32}While the original zone encompassed an area extended thirty miles from downtown Vancouver, it has since been enlarged and transformed into a differential grid pattern.
interlopers were claiming to support.

2.6. Industrial District Institutional Elaboration

Despite the initial failure of IATSE 891 and 669, Teamsters 155, ACTRA-BC, and DGC-BC\textsuperscript{33} to sign a crew encompassing collective agreement, the five core unions (except with UBCP in place of ACTRA) agreed nevertheless, in 1990, to coordinate subsequent collective bargaining activity. They went on to collaborate in establishing budget-based multi-tier contracts for feature film and TV work. They also established complementary concessionary contract policies for indigenous producers. Later in 1990, the five unions associated in the Joint Council of Film Unions. While precluded from collective bargaining, the Council was mandated to coordinate other multi-union relational activity with employers and the state, to arbitrate inter-union jurisdictional disputes, and to mount joint marketing and promotion trips offshore. The council simply formalized earlier collaborative inter-union activity noted earlier, such as the pre-bargaining sessions with employers at the Film Commission offices, the jointly sponsored industry studies and lobbying campaigns, the negotiations to end the "Guild Wars" over jurisdiction between IATSE and the DGC, and the marketing and promotion trips during the annual Locations Expo and LA Film Market.

However, formalization of the inter-union relationship was a timely response to other indicators of district maturation and growth. As the provincial government and private investors increased their level of fixed capital investment in the district, labour had to increase their organizational capacity if they hoped to retain their institutional dominance in the district.

\textsuperscript{33}The BC performers union had not yet split; however, shortly after this agreement, the local leadership were removed by the national office and a new rival performers union established. As noted above, DGC-BC had won formal autonomy just prior to the agreement.
However, while labour managed to coordinate its activity, the various levels and branches of the state involved in the industry as well as various employer groups lagged behind in establishing complementary district-wide coordinative mechanisms among themselves. In consequence, joint union lobbying efforts would continue to be frustrated by state jurisdictional fragmentation and overlap, in general, and by the lack of a coherent film industry policy from the main state player, the provincial government, in particular. Similarly, while the unions either singularly or as a group were willing and able to negotiate district-wide collective agreements, local line producers, externally based production companies, and the major studios and networks lacked the local organizational capacity to respond. The lack of assocational reciprocity on the part of the other two strands of the industrial relations system explains, in part, the decline in the activity of the Joint Council following the embarrassing theft of producer bonds (held in trust during shoots by the Council) by the Council's head, in 1991.

The institutional immaturity of the sector-district also helps to explain the failure to head-off the escalation of the competition between the BC-based unions and the Eastern interlopers into protracted labour relations turmoil. By persisting in underbidding district standards, ACFC, NABET, and the rump-ACTRA won just enough film work to unsettle the established unions. The upstarts were further encouraged by promises by central-Canada based film companies to establish production outlets in BC. In the meantime, ACFC's local business agent dispatched her technician-members to work for first-time, foreign-based producers of low budget films or to Telefilm financed student and art films; the local NABET office serviced the occasional locational shoot of the Toronto-based TV networks; and, the national office of ACTRA kept its money-losing local office open while contending with the UBCP for ultimate control over BC performers.
However, dual unionism also brought union picketing of rival union work sites, boycotts of each other's employers, and intimations of violence. For the first time since the inauguration of international film production in the region, production companies were dragged before the provincial labour board as reluctant proxies in the war between the rival union groups. The ensuing disruption to production schedules began to outweigh the time and budget savings which had originally attracted American producers to BC. American studios and networks were torn between a desire to maintain the links with local film makers which they had built up over the years and their budget driven instinct to seek greener production locales. Just as they had done in the case of the inflexible LA studio unions in the 1970s and the over-confident Toronto film unions in the late 1980s, the Hollywood studios and networks were tempted to flee this unwanted aggravation in BC in the early 1990s.

While the pioneer BC film unions were adept at finessing external market challenges, they lacked the resources to resolve this local inter-union squabble. Neither the Joint Council nor any other labour body had either the stature or the authority to impose a truce on the recalcitrant disputants. Nor were employers able to effect a resolution. The American industry had a minimal local administrative presence and their local production associates lacked a collective voice. An attempt during the early 1990s to establish a local branch of the American Alliance of Motion Picture Television Producers (AMPTP) had, unfortunately, failed. Indigenous producers association with the national CFTA undermined possibility of them adjudicating between the unions.

Since both labour and employers lacked the organizational capacity and the authority to adjudicate between the contending factions, responsibility for sorting out the escalating labour relations turmoil devolved to the provincial labour relations board. Labour board hearings
mounted in number as the competing unions used this forum to harass their opponents. However, the board's piece-meal, case-by-case procedural process could not bring about an all-encompassing solution to the structural problem.

An opportunity to redress the structural deficiencies underlying the escalating film industry labour relations crisis arose when, shortly after the provincial election upset of 1992, the new NDP government opened discussions on reforming the provincial labour code. A consultant to the commission, which had been established to come up with reform proposals, recommended new provisions which would encourage the formation of bi-partite (union-employer) sector-wide governing councils. Among other things, representatives on these councils would have the authority to resolve labour jurisdictional disputes such as those then plaguing the local film industry. However, neither employer representatives nor provincial unions were particularly eager to surrender individual firm or union autonomy to a sectoral authority, so the proposal was shelved. Instead, this proposal was traded off for restrictions on replacement workers during labour-management disputes even though it was not an important issue at the time.

The ball was thus thrown back into the local film industry's court. In 1991, a sectoral forum, the Motion Picture Roundtable, was established which brought together representatives from the three levels of government, all of the unions, domestic and foreign producers, and the myriad service firms in the region. Although it met several times to discuss general industry concerns regarding state policy toward the sector, its size and inclusiveness made it functionally unwieldy, and it dissolved in 1992 without having addressed the pressing labour issue. The lack

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34These disputes were primarily between the unions over certification rights. However, employers were included as either parties to the dispute or as third party employers. There were dozens of these hearings between 1990 and 1994.
of a inclusive voice among any of the main stakeholder groups: state, employers, or labour, would likely have inhibited the ability of the Roundtable to effect a resolution to the festering problem even if it had continued to meet.

However, a solution did come about following a series of industry conferences organized by local producers in late 1994-early 1995 to discuss, among other things, the seemingly intractable inter-union labour turmoil. The momentum generated around these meetings, in turn, spurred association activity among both employers and labour: local producers chartered a BC branch of the national CFTPA, and the moribund Joint Council was resurrected as the BC and Yukon Council of Film Unions. Ensuing inter-organizational discussions led to an informal agreement to divide union jurisdiction over film production between the two contending labour groups according to budget size. This agreement was given legal standing, in December of 1995, when the BC Labour Relations Board, acting on the recommendations of a special mediator, awarded the Council exclusive bargaining rights over all $4. million-plus features films, and one hour episodic dramas for broadcast by the American networks ("B.C. Film Council," Vancouver Sun, 11 December, 1995, D3). This award, in turn, paved the way for the signing of an historic master agreement between the three unions in the Council,35 the CFTPA-BC, representing the Canadian mini-majors and local line-producers, and the AMPTP, representing the American studios and networks. Shortly thereafter, in March 1996, ACTRA-BC merged with the UBCP, with the understanding that the latter would become the regional representative of ACTRA's national Performers Guild.

35 The two IATSE locals and Teamsters 155 were the only unions involved, as the unresolved performers dispute precluded LRB recognition of a performers representative and the LRB had yet to sort out the labour relations status of the DGC-BC. Discussions over their inclusion continue.
The confidence generated by the flurry of organization, restructuring, and pact-making resulted in a number of developments, including: promises from American production companies of significant new capital investments in the region; a provincial commitment to spend $5 million to further expand the Bridge Studios facility; and a record 101 local productions during 1996, worth $537 million, to the local economy.

3. The Contemporary Situation

3.1. The Institutional Structure

Local organization among both indigenous and foreign film producers has been welcomed by labour as the ensuing centralization and stabilization of collective bargaining has helped to restore the district's developmental trajectory. Furthermore, this institutional elaboration has allowed the film unions to refocus on the long-range goal of broadening local film-making expertise and diversifying markets. District-wide strategic planning capacity may also be furthered if the crisis-generated intervention by the state, and the accompanying organization of local film producers, provides the impetus to establish an inter-organizational sectoral council endowed with the authority to, among other things, address future labour disputes before they reach the crisis stage. However, the intervention of the state and the organization of employers, and an associated increase in public and private capital investment in the district, may be interpreted as an insidious threat to continued labour organizational supremacy and policy leadership in the district. In order to address this vital governance question, this section will undertake a comparative examination of the institutional role, and the derivative power accruing therefrom, of the state, employers, and labour in the contemporary BCMPI.
While the public sector has made significant investments in the regional film production industry, the various state agencies involved in the district lack either the mandate or the capacity to develop long-term encompassing industry policy in film or to play a leading role in district governance. Their individual functions in the sector-district are limited to the provision of very particular services. Furthermore, the plethora of state agencies servicing the industry answer to a variety of departments and ministries at various levels of government. There is no formal means for inter-agency communication nor is there cooperation in coordinating let alone in formulating public policy toward the industry. Furthermore, the division of responsibility among an assortment of government branches and levels with often competing goals inhibits collaborative policy-making.

Nevertheless, in the absence of authoritative district-level industrial relations institutions to sort out the combatants, responsibility for resolving the recent labour relations did devolve to a state body: the provincial labour relations board. However, in accord with the Anglo-American tradition of respect for the private nature of labour-management relations, the board was initially reluctant to venture beyond adjudicating particular instances of contract violation which might intrude upon statutory issues. It preferred to let the organized interests in the sector-district resolve their own problems privately. Furthermore, the development of labour relations organizational pluralism, such as that which has recently emerged in the BCMPI, has not been considered to be a necessarily bad thing in Canadian industrial relations. Inter-union conflict, which occasionally escalated into violence, not the competition which generated it, was the problem that needed addressing.

As for employers, while the organization of a local branch of the CFTPA did enhance the institutional structure of the sector-district, the association's efficacy is undermined by
continuing contradictions between those producers tied to the central Canadian production companies and those dependent upon sub-contracting to the American industry. Even though the powerful American studios and networks are now jointly negotiating collective labour agreements, there is no indication that they intend to collaborate in other policy-making areas in BC. Their exit option leaves them content to play a passive contracting role in the district, leaving both day-to-day production and local industrial policy-making to locals.

The long-term impact of the CFTPA-BC is difficult to predict. Its affiliation to a national body dominated by the mini-majors may deter indigenous independent producers as well as subcontractors to Hollywood from joining the nascent organization. The CFTPA's prohibition on the membership of American firms will not help its credibility either. If it hopes to attract significant membership from among the local producer community, it will have to recognize the region's dependency on and vulnerability to the American industry. Indigenous producers must realize that the competition for survival is less with each other, and with the unions, than with other film production districts.

Perhaps the well established British Columbia Motion Picture Association could act as an inclusive forum for community interaction and as a overall policy-making body? However, even though it has been a fairly vocal lobbyist in the past, the BCMPA's efficacy has been limited by a lack of organizational continuity and policy coherence. Membership in the voluntary organization has always been on a personal basis and, consequently, its finances have been precarious throughout its existence. Moreover, organizational control of the association has historically shifted between various sub-sectors of the district, ranging from local subcontractors and support service providers, to independent producers and creative artists, to the tertiary professions such as lawyers, accountants, and consultants. Its credibility as a
broadly-based representative of the district suffered as each faction used the association to press their particular agenda. This weakness has had broader repercussions on the industry. The BCMPA’s near collapse in 1992 was a major factor in the suspension of the Roundtable’s operations, as the association was to have acted as the forum’s secretariat.

Like the industry itself, the fortunes of the industry association were revived in the wake of the labour relations crisis in the district. In the mid-1990s, it was offered financial and logistical assistance by the joint federal-provincial Western Diversification Program in identifying and developing fee-for-service programs targeted at the local film district. Since then, the film unions have become more active in the association with the election of several of their leaders to executive positions. The BCMPA may yet become both a significant district-embedded service centre and a credible voice for the industry as a whole.

3.2. Labour’s Future Role in District Governance

In the meantime, despite larger structural and environmental limits on labour power relative to employers and the state, district leadership continues to devolve to the film unions. Their critical role in the inauguration of international film production in BC has evolved into a de facto dominance over institutional governance. However, while labour dominates the district’s institutional structure at present, might not its primacy eventually be undermined by unanticipated developments in the organization of film production in the district? Might not the increased local capitalization accompanying output growth and market diversification lead to a reversion to a more traditional production regime, similar to the vertically integrated and concentrated Toronto film industry or the studio dominated industry in Los Angeles? In which case, would a reversion to a more conventional employer-employee relationship and adversarial
industrial relations, with a subordination of labour to management and a concomitant diminution of labour's leadership role in the district?

Remember that labour's institutional centrality in the BCMPI grew out of the film unions' pioneering role in inaugurating international film production in the region and in facilitating its subsequent expansion and diversification. Furthermore, the competitiveness and flexibility of the industry continues to be based on labour's central role in organizing and structuring motion picture production. A precipitous attempt to make substantive changes in these areas would risk disrupting the current growth projectory and future district competitiveness. Furthermore, the values and relational norms which propelled the local industry forward are largely derivative of the unions' institutional dominance in the district. Short of a major structural crisis in the district or in the industry as a whole, a dramatic departure from this pattern is unlikely.

The contemporary organization of film production in BC is also reflective of contemporary conditions in the international film industry. The vertically integrated, mass production studio system has been abandoned in favour of the vertically disintegrated, horizontally collaborative production model. The latter has proven to be an especially viable model for industrial development in BC and has consequently been institutionalized here. Furthermore, the detailed division of labour found in the old mass production model has been superseded by a skill-based functional division of labour. Optimal performance in this global industry, as exemplified by the BCMPI, impels a continuation of the general features of the unions' historic role in several crucial areas.

Project-based production organization, and the related artisanal nature of company organization, relies upon the film unions' assumption of primary responsibility for the provision of skilled labour. As the district has expanded and diversified, the unions' role in both initial
formal training and work-based learning has increased. This role is reflected in their
prominence in the district’s training forum, the BC Motion Picture Training Council, in the inter-
educational institution consultative council, the Articulation Committee, and on the assorted ad
hoc advisory committees at the various institutions which provide industry related program
instruction. The unions have also been involved in the establishment of new apprenticeship and
trade licensing programs. Not only do they thereby retain a critical influence in personnel
training, industry induction, and career advancement, their role in these bodies gives them access
to information vital to training policy development.

The film unions’ influence over the labour market extends beyond regulation of
personnel entrance into the industry. Responsibility for credentialing and appointment of
craftspeople to film departments gives labour control over the movement of film personnel
within particular crafts as well as across craft demarcations.36 Union influence over crew
organization also entails responsibility for the inculcation among production personnel of the
norms and rules governing production protocol: such things as set etiquette and team-work.

Since the founders of local film production and service firms generally are alumni of the unions,
the union influence over district norms and values extends beyond the unions.

Film industry personnel who establish production service companies generally retain
their union membership cards as insurance against the vicissitudes of the market. This cushion
encourages the ambitious to venture out on their own. They are further assisted by the
operational flexibility of highly mobile union labour. This role is recognized in the

36All union recruits start out as trainees within their designated department and are placed in
'Assistant' positions on the job, regardless of credentials or experience. They then work their
way up to 'key' or master-craftsperson status, filling the 'First' and 'Second' positions in each crew
category.
administration fee which producers pay the unions to cover the unions' provision to their members of benefits traditionally assumed by employers under the old Fordist regime. Thus, in the BC film industry, the unions are largely responsible for the institutionalization of the 'flexible rigidities' (Trigilia, in Pyke and Sengenberger, 1992, p. 38) underlying the dynamism of networked industrial districts.

Union influence in the district is also consequent to the relatively high stake labour has in the quality of production output. Due to the one-off nature of film production, and consumption, each motion picture product is unique (Shapiro, Abercrombie, Lash et al., 1992). Project uniqueness, and the malleability of the film creation process, increases the overlap in 'conception' and 'execution' during the production process. Thus, in recognition of their creative role in the production process, each crew member's name and function is listed on the film trailing credits. Film craftspeople rely upon these credits, rather than on employer references, as proof of their qualification and experience when seeking subsequent employment. The quality of the crew's work also reflects back on the unions from which they came, as the production unions' names and logos are affixed to the end of the credits.

Beyond this role in linking labour with the product, the film unions also are responsible for insuring that the return to labour extends beyond the production process to a share in the profits from display. BC film unions negotiate 'buy-outs' with producers, based upon anticipated returns from display of the product, and then distribute the payments to individual crew members in proportion to their labour input. If the union-subsidized low budget domestic

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37 Under the old Hollywood studio system, crew members received 'residuals' each time the product was displayed. However, with the proliferation of viewing mediums, this system has become less cost effective, so film unions have opted for blanket buy-outs of future residual rights.
films, referred to above, make an unanticipated profit, the unions distribute the previously deferred wages and benefits accruing to crew members. The film unions also police the royalties owed to the 'creative personnel' for display of their work.

Beyond providing a dynamic, well organized labour pool, the film unions also provide a meta-corporate organizational structure for this decentralized and vertically disintegrated district. Due to its overwhelming dependence on external financing and the volatility of the market, the organizational structure of BC-based production companies is highly mutable. Despite their huge collective output, most production firms in the district have only a handfull of core personnel. The largest producer of episodic films, an American firm, has approximately fifty regular employees; the largest full length movie producer, an indigenous firm, has only ten. Even these numbers overstate the situation since most of the administrative and executive personnel in these firms and other production companies are not considered to be permanent employees, but instead are contracted for specific projects. Moreover, the functions and roles of the firm principals are necessarily fluid and overlapping.

In consequence of the artisanal quality of district firms and the occupational mobility of their personnel, the local producers' association can be viewed as being as much an occupational guild as it is an employers body. The individual producer's long-term status in the community is derivative of his/her creative skill rather than his functional position on the set. As such, the producers association is merely one part of the fluid film-craft continuum which runs though the technicians' unions, the creative personnels' guilds, and the assorted public and private service firms and agencies.

The function and status of the individual in the BC film industry is in large part derivative of his/her assocations inculcate social values on
the job and determine the relational norms among the various functional groups. We have seen that the film unions play the dominant role in shaping the function and status, values and norms of BC film industry personnel. Since the fortunes of individual personnel are inseparable from the collective fortunes of the district, continued film union dominance of both the internal organizational structure of the district and of strategic policy making is imperative for its future success in the international marketplace.

Despite the film unions notable accomplishments, there remain challenges which labour should address if it hopes to maintain or, better yet, expand upon its current institutional stature. For one thing, labour unity continues to illude the unions. The Council still does not include either the performers or the directors guilds. Furthermore, while the two performers unions have formally merged, there is still friction between the national office and the local branch. Finally, the pioneering technicians unions continue to be harassed by the intruder Canadian unions. A request to the provincial labour relations board from the NABET-CEP to end the Council's exclusive bargaining rights over higher priced feature films is pending (Joanne Morgan, "B.C. Film Industry," Vancouver Sun, 6 April 1998, D1,15). A ruling in favour of the challengers will destroy the Council. This eventuality would be a tremendous setback for labour.

The rising volume of indigenous production produced in BC will increase the amount of investment capital under local control. However, this control will rest with employers - unless labour can establish its own investment vehicles. Such an attempt came during the early 1990s when the IATSE camera local attempted to establish a venture capital fund. This labour controlled investment fund would have further democratized economic control over the local sector-district while embedding the industry even deeper into the regional community. This endeavour may also have spurred other industry actors to establish other kinds of district-based,
community-controlled financial institutions such as industrial credit unions. However, neither venture has yet materialized.

Finally, the dynamic performance of the BCMPI seems to have spurred the emergence of computer based film production, especially animation, in the region (Trevor Boddy, "Multimedia mavericks," Georgia Straight, 5 March 1998, p. 15; Crawford Kilian, "Drawing on Skills," The Georgia Straight, 7 May, 1998, p. 23. There is a long history of IATSE organization among animators in Hollywood. However, an attempt by local IATSE representatives to organize animators in the Vancouver region was rebuffed. These young computer wizards are still amazed that someone is willing to pay them anything to do what had been up until recently only a hobby (interviews with union officials). Union leaders expect local animators attitudes towards their work will have shifted considerably over the next decade as the novelty wears off. Nevertheless, in the interim, employers will have established institutional control over the industry and its working conditions. As it has up until now, organized labour will have to continue to respond in a timely fashion to such challenges and opportunities if it hopes to remain at the centre of the multi-media film industry.

4. Summary and Conclusion

Since the BCMPI emerged after its Los Angeles based mentor had abandoned the integrated, mass production studio system, the district's organizational structure and its relational norms were minimally influenced by earlier Fordist practices. Furthermore, the absence of a well developed capital infrastructure, dependence upon external patronage, and exposure to international competition impelled collaborative production relations among the pioneer filmmakers in the district. Lack of initial interest from either private or public sector investors in the
local film production forced free-lance film-technicians to assume the role of collective entrepreneur, production coordinator, and strategic planner. Labour’s success in filling these roles led to the eventual establishment in BC of a regular service relationship with, primarily, American motion picture producers. Organized labour then oversaw the subsequent evolution of the nascent industry into a diversified, internationally-networked, full-service motion picture production centre, now able to vie for second place, after Los Angeles, in total motion picture output in North America.

Thus, the key to labour’s institutional dominance of the local industry lay in its pioneering entrepreneurial role in bringing international motion picture production to the region. The myriad small firms that have since become involved in film production, and the thousands of craftspeople they employ in the film production process, continue to look to the local film unions and guilds for organizational continuity and strategic leadership. They provide individuals with vocational fulfillment and occupational security, and the district as a whole with the structural continuity and relational stability necessary for successful management of dynamic growth in and adaptation to a highly competitive, globalizing film production industry. Thus, despite a subsequent dramatically increased level of public and private investment in the region, organized labour continues to dominate the district’s institutional structure and to guide the district’s commercial development.

Labour’s role is manifested through joint union bodies, and through local union leaders’ assumption of key positions in industry, state and quasi-state associations and service agencies. This networked meta-corporate institutional structure is vital to production organization and policy development in what would otherwise be a disparate, incoherent collection of would-be film makers. Organized labour’s initiatives resulted in the embedding of the industry in a
complex, multi-layered collaborative state-firm-labour industrial network. As they continue to be the principal interlocutor between the district film-making community and state policy-makers and other film districts, local film unions retain strategic influence over the adaptation of the district to environmentally impelled change.

As we have seen, the foundation of local film union influence comes from its role in the production process. Film union responsibility for film personnel training, recruitment, socialization, and development, and in promoting and regulating labour mobility within the district and between here and other film districts, places organized labour at the centre of the process of individual career development.

However, the onset of the most recent labour relations crisis, and its intractability, served to highlight lingering institutional and regulatory obstacles to the continuing evolution of the reciprocal developmental dynamic established between local film unions and the BC motion picture industry. That the crisis was externally generated, in large part, by film industry policies emanating from Ottawa is emblematic of the continuing influence of the old national Fordist political-economic paradigm. Furthermore, the province's tardiness to take measures to resolve the crisis indicates continuing reluctance to assume a more active role in regulating the regional economy and in developing an industrial relations regime more suited to contemporary conditions. Although the provincial labour relations board did effect an inter-union truce, fundamental changes in industrial relations governance are still required, if a similar crisis is to be averted in the future.

It was understandable that the sheltered, integrated film corporations based in central Canada would view the BCMPI as a serious challenger to their drive for dominance of the national industry. However, there was little justification for equivocation among local producers
as to where their long-term interests and loyalties truly lay. They need to recognize that the
primary structural cleavage in the contemporary market is inter- not intra-district, and that local
collaboration was and continues to be key to the continued dynamism in the district.

The manifestation of the crisis within labour was reflective of the centrality of labour to
the BCMPI's institutional structure. While provincial state inaction and local employer
equivocation exacerbated the crisis, it was the organizational and behavioural legacies of North
American Fordist-style trade unionism which both precipitated the local labour relational crisis
and impeded a decisive resolution to it. On the one hand, the national film unions did not
recognize the necessity for the local union level to have some functional autonomy in order to
gain institutional influence in the more decentralized post-Fordist economy. On the other hand,
the local unions allowed jurisdictional rivalry and operational disunity to threaten their
continuing institutional dominance of the district. These structural and behavioural legacies
must be overcome if labour is to retain its centrality in this networked industry into the next
century.
Table 5.1. BCMPI Output, 1963-1996.\(^{38}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Projects</th>
<th>Total Film Budgets in C$</th>
<th>Total Expend. in BC in C$</th>
<th>Expend. in BC as % of Total</th>
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<tbody>
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<td>1963-68</td>
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<td></td>
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<td>3</td>
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<td>1980</td>
<td>7</td>
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<td>14.</td>
<td>56</td>
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<tr>
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<td>7.</td>
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<td>36.</td>
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<td>23</td>
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<td>46</td>
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<td>130.</td>
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<td>1989</td>
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<td>322.</td>
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\(^{38}\)Expenditure amounts unavailable between 1963-1980.
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<tr>
<th>Year</th>
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<td>569.90</td>
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*Source: BC Film Commission; IATSE Local 891.*
Table 5.2: BCMPI Project Breakdown by Number and Expenditure in BC, 1985-1996\(^3^9\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Features</th>
<th>Number of MOW's</th>
<th>Number of Series</th>
<th>Expend. in BC in C$: Features</th>
<th>Expend. in BC in C$: MOW</th>
<th>Expend. in BC in C$: Series</th>
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Source: BC Film Commission

\(^{39}\)Expenditure amounts unavailable for certain years.
CHAPTER SIX: LABOUR'S VARIABLE ROLE IN NETWORKED SECTORS:

INSTITUTIONAL THEORY AND PRACTICE

1. Introduction

As the preceding chapters have shown, the increasing liberalization of trade among the
developed capitalist democracies, the deregulation of their domestic economies, and the
consequent delinking of production and consumption markets has undermined the foundations
of the vertically integrated, oligopolistic mass production corporation that epitomized Fordist
industrial organization. In response to these structural changes, production structures have
vertically disintegrated and business decision making has become more decentralized in an
attempt to production flexibility and market responsiveness. The resulting more specialized
production units have formed complex factor exchange networks with complementary firms,
service suppliers and labour agencies (unions, guilds, professional associations). These sector
networks allow for further increases in flexible-specialization among firms and create scope
economies among the collective. Regular factor exchange within small firm networks
encourages spatial agglomeration, which promotes more trust-based relations, which further
reduces factor transaction costs, thereby increasing the networked district's competitiveness. As
community consciousness increases within the sector-district, district associational structures
develop. These perform a number of functions, including: intra- and inter-district
communication, recruitment and orientation of new members, development and regulation of
relational norms, district industrial policy making, and collective interest representation to the
surrounding community.

Furthermore, we have seen from the case studies that the instinct to associate in
networked sector-districts is as strong among the firm principals, who oversee factor exchange,
as it is among the production staff, who create these factors in the first place. Of course, the bargaining strength that accompanies labour association has always encouraged autonomous workforce association. However, the high skill, functional autonomy, and vertical and horizontal mobility characteristic of labour in flexibly-specialized industrial districts increases its predilection to associate, whether merely for informal socialization, or to promote professional development, or to engage in formal collective bargaining with employers. As the case studies demonstrate, labour association in not only in the interest of workers, but also benefits employers, as it serves to enhance labour skill, market knowledge, technological innovation, factor exchange, trust-based relations, and community consciousness.

While labour is organized in each of the three sector-districts studied, there is a high degree of variation among them in union density and organizational structure, functional activity, and institutional influence as well as in the character of relations among workers, with employers and their associations, with government officials and service agencies, and with other organized actors in the sector and overall political-economy. These variable features were, in turn, shown to have a profound influence on the willingness and the ability of labour in the various sector-districts to adapt to the exigencies of network production organization as well as on the overall role of labour in the relational governance structure in each district.

In the first case-study, we saw how the shipbuilding unions survived the recent dramatic downsizing in local shipbuilding capacity with their strategic influence over both labour supply and production organization still intact. The combination of their endurance and political sympathy from the current government has garnered them a formal invitation to participate in the industrial council established by the province to oversee the traditional sector's 'revitalization' after its recent dramatic retrenchment. One might have expected all of the unions involved in
shipbuilding to seize upon this unprecedented opportunity to influence the future evolution of this historic industry. However, for a variety of reasons, only one has become actively involved in the process. There has also been no move from the fractured unions to reform shipbuilding labour's organizational structure to bring it more into align with current conditions in the industry. Furthermore, organized labour has not broadened its ranks to include workers in either other support services to the tradition shipbuilding and repair sector or to the new marine vessel sub-sectors which have recently emerged in the region. Continuing complacency risks long-term labour marginalization from both the traditional shipbuilding sector revitalization process and from the new relational governance structures being established.

In the case of Reman, the IWA's strength in the primary solid-wood sector should have provided a base for its movement into this dynamic new industry. However, contradictory visions and strategies within the union regarding the future of the overall industry have resulted in a marginal union presence in the sector, especially among the independents firms which have led the sector's development. In consequence, labour has had little collective influence over the institutional elaboration currently underway in the sector. Furthermore, the IWA leadership's complicity in blocking regulatory reform in the forest industry has simultaneously impeded growth in the labour intensive and higher skilled Reman sector while doing little to stem the decline of the job shedding primary sector. While the union leadership's tactics have gained it a privileged place in peak-level forest policy-making circles, forest workers and their communities have seen a continuing erosion of their future prospects in the forest industry.

Of the three cases studied, BC film unions seem to have mounted the most successful response to the possibilities ensuing from the transformation of the market and of production organization in the wake of the eclipse of post-war Fordist certainties. The unions' timely
entrepreneurialism, their continuing strategic prescience, and their institutional centrality has given film craftspeople significant influence over the film production process, the sector-district's relational governance regime, and the future development of the regional industry. Nevertheless, the onset of inter-union conflict and its intractability revealed deficiencies in both organized labour's and other industrial relations' actors institutional adaptation to contemporary conditions and emerging challenges. Furthermore, the organizational response from employers to the crisis and the eventual intervention of the state in the dispute, combined with increased capitalization and diversification in the sector-district, portends a possible challenge to labour's institutional leadership.

While I have explored the historic background leading up to organized labour's assumption of specific roles in each of these three sectors, I have yet to present a formal theoretical explanation for the inter-sectoral variation in institutional structure and behaviour, especially as regards labour's role in each sector-district. Furthermore, in order to evaluate labour's accomplishments in each case, I must first describe an ideal network institutional model which can be compared to and contrast with labour's actual situation in each of the case-studies. This exercise will provide some clues as to the appropriate organizational structure, institutional functions, and relational behaviour of network labour, and the influence these features on both the district's performance in the market and its relations with the encompassing political-economy. Furthermore, since the market economy is a dynamic system, production regimes and their institutional structures come and go. Consequently, I will explore the factors influencing industrial relational institutional emergence, stabilization, and change, in general, and the interactive affect of organized labour's adaptation to this process, in particular.

Therefore, this chapter begins with the construction of an ideal-typical Marshallian
Industrial District focusing on labour's role in this process. In building this theoretical model, I draw upon the accumulated academic material on these post-Fordist phenomena as well as from my own empirical research findings in the three case-studies. In proceeding with model construction, I assume an open, competitive market in which the unspecified sector-district competes, a politically neutral and autonomous yet nevertheless concerned and responsive state, and an original institutional *tabula rasa* in which network organizational development can unfold. In accordance with the research theme, the primary focus will be on labour: the sources of the impetus for labour association, the structural form this association might take, the functions which district labour organizations could assume, and the nature of the relations which labour develops with itself, with district employers and the state, as well as with other political and economic interests in the environment.

The finished idealypical networked sector-district will then be compared and contrasted with the three historically and spatially grounded case-studies, focusing in particular on the rich organizational and institutional conditions shaping labour's relational behaviour over time and up to the present. I have drawn upon the tradition of modelling in industrial relations theory to construct an industrial relations analytical framework so as to better illustrate and explain the interactive influence of historical legacies and contemporary environmental factors conditioning organized labour's current situation in the three sectors under study. By examining the interaction of institutional legacies, environmental pressure, and labour agency in each industry from local inception to the present, one can better understand labour's contemporary organizational response to the emergence of networked districts, identify the factors which will influence labour's future role in these districts, and offer prescriptions for improving labour's prospects in the future.
2. The Ideal Role of Labour in the Networked Industrial District

2.1. Labour Skill as a Precondition for Dynamism

Dynamic responsiveness to market change determines the relative success of MID's. Both individual firms and the district as a whole must be flexible enough to keep abreast of and profit from uncontrollable and unpredictable shifts in consumer tastes. Firm adaptability and district mutability necessarily entails the local availability of a skilled and flexible labour force. The presence of the latter assumes the existence of what I will call a High-skill Training Regimen (HTR)\(^1\) in the region to feed the district's labour needs and the institutional infrastructure to sustain it over the long-term.

The development of a highly-skilled workforce has an important influence on the status of the individual employee in the MID. While employment stability was the leitmotif under Fordism, vulnerability to the vicissitudes of the open, competitive market precludes single firms in a MID from generating regular, continuous employment. Furthermore, labour is even more vulnerable to the income and employment insecurity if their skill is job specific as it severely limits their functional adaptability and employment mobility. In contrast, the highly skilled worker has a more in-depth knowledge of the production process in their chosen industrial sector, making them more adaptable to the shorter and more diverse production runs characteristic of flexible-specialization. Their generalist skills and functional autonomy also gives them greater mobility within and between firms. This job-transcendent quality imparts a quasi-professional status to network workers (Goodman, 1989; Piore, 1990; Sabel, 1982), in

\(^1\)The term high-skill is used to distinguish it from the low-skill regime which typified Fordist mass production, wherein the employee needed to possess only those enterprise and job specific skills ('semi-skilled') provided by the employer. The job-site transcending skills of contemporary tradesmen, such as those in the construction industry, would be the closest approximation to the skills of the ideal worker in the MID. See below for further elaboration upon this concept.
sharp contrast to the lowly status attendant to the job-specific training associated with the application of Taylorist logic to production organization under Fordism. Flexibility, mobility, and competency enhances labour's market power. However, any consequent decline in employer leverage over this more autonomous workforce is more than offset by related increases in labour's productivity, flexibility, and adaptability.

The deeper understanding of the overall production process, imparted to workers by the HTR, restores the conceptual linkage between conception and execution that was inexorably eroded by the influence of Adam Smith's production organizational nostrums and then formally broken with the introduction of Taylorist 'scientific management'. The restoration of "integrity" (Goodman, 1989) to labour's function in the production process militates against the emergence of rigid hierarchical divisions within individual work-sites. This more organic production regime promotes a sense of partnership between employer and employee in the enterprise. The resulting increased complementarity of labour standards and entrepreneurial standards should ideally help to attenuate socio-economic conflict employer and employee (Trigilia, 1990).

High market volatility combined with the relatively low enterprise start-up costs in small firm districts increases the opportunities for skilled workers to move up vertically, to assume other positions in the firm, or horizontally, to open their own shops. This status based social-division-of-labour in the MID, in contrast to the functionally based detailed-division-of-labour of Fordism-Taylorism, helps to inculcate a general "spirit of enterprise" among producer groups in the district (Piore, 1992). Any residual diffusion of the network model's relational norms to the encompassing society could, over time, effect a conjunctural reversal of the historic 'proletarianization' of labour initiated with the introduction of the factory model of production organization, as well as the associated polarization of class interests which has characterized
economic and political relations during the modern era (Couriault and Romani, in Storper and Scott, 1992).

The HTR also helps shape the socio-spatio organization of production in small firm districts. The presence of a highly skilled workforce encourages individual firms to narrow and deepen their production expertise. However, in order for this specialization strategy to succeed, individual enterprises must cultivate elaborate exchange relationships with complementary firms in order to complete the production process and bring the output to market. However, in contrast to the response to similar integrative pressures during the Fordist era, contemporary environmental conditions militate against the vertical integration of these units under a hierarchical corporate structure, as the resulting organizational rigidity and the stultification of innovation would render the resulting omni-competent monolith uncompetitive in today's more volatile marketplace. Autonomy allows the specialty firm to diversify exchange patterns among a broader range of complementary firms, thereby imparting more flexibility. Despite its role as a "stage firm" (Sabel, 1982) in the production process, the small specialty firm can maintain its operational autonomy and preserve its organizational independence by shunning singular exchange dependence on a potential more powerful and predatory partner by cultivating a complex exchange relations with similarly minded complementary firms.

The benefits accruing from a ready supply of highly-skilled, functionally autonomous, occupationally mobile workers are cumulative, reverberating across the district. Labour amenability to the flexible-specialization strategy allows for a diversification of district output and a broadening of markets. The ensuing 'scope economies' provide the district with a marketplace advantage commensurable with the 'scale economies' generated by the mass production model. Yet, in contrast to the rigid Fordist organizational model, the adaptability of
the network production structure increases the ability of the district to survive and even prosper in the face of the volatility characteristic of the contemporary liberalized market-place.

2.2. Labour Training and the Associational Imperative

Despite its promise of long-term, cumulative benefits to workers, employers, and the district as a whole, the implementation of a high-skill training regimen in a vertically disintegrated MID is quite problematic. The individual small firm owner is hesitant to assume primary responsibility for investing scarce resources in employee training due to vulnerability to market flux and employee poaching by rival firms. Guided by this market inspired short-term perspective, the rational employer would be wise to limit employee training to the inculcation of the minimum amount knowledge and skill needed to complete a specific job.

Collective employer assumption of responsibility for sector-district labour training is also problematic. Firm centredness and instinctual competitiveness limits the willingness of employers to pool resources to upgrade the skill levels of the local labour pool. Independent firms would find it difficult to agree upon and police agreements on the collective funding of the design, delivery and, regular upgrading of a training program. The fear of free-riding by rivals would tend to result in a training regime which was functionally narrow and job specific. Furthermore, an employer-dominated training regime would be riven by contradictions between employer desire for the productivity benefits derivative of a highly-skilled workforce and wariness toward creating a more assertive and independent workforce.

There are a number of other features of a well functioning HTR which also point to the need for a broadening of the institutional base for its provision. The HTR must be able to generate the requisite degree of legitimacy to lure trainees into its program. Thereafter, it has to
retain the confidence of its trainees, and their family-supporters, in an eventual pay-off for the sacrifices and risks they undertook upon enrolling in a paid employment deferring training process. The HTR administration must have the requisite resources to establish and finance the program, and then to integrate the instructional phase of training with the work-place based apprenticeship-practicum phase. Furthermore, the trainees' credentials must elicit wide acceptance in the industry in order to bolster the marketability of both the trainee-graduate and the output which he/she will help produce for the district. Finally, in the MID the training imperative does not end upon initial trainee entrance into the workforce. Labour and, by implication, the district's dynamic adaptability to the market entails continuous skill upgrading over the life-cycle of the sector-district.

Beyond the inherent problems in expecting private, employer provision of training, there are 'externalities' arising from labour force development which urge its treatment as a 'public good'. Since the socio-economic benefits of the HTR accrue not only to the specifically targeted sector-district but also to the overall community in which it is embedded, responsibility for training ought to be shared with the regional community. Active community support of the MID, in turn, helps to embed the firms and their employees more deeply in the region which, in turn, helps to generate a more stable and dynamic regional political-economy (Granovetter, 1985, 1990; Harrison, 1992; Polanyi, in Granovetter and Swedberg, 1985; Todtling, 1994).

Only the state has the optimal combination of an instrumental interest, the requisite financial resources, and the regulatory authority to institute the desired training regimen. Where there is a multi-tier division of state authority, it should be that level of government in possession of these features which is the closest to the MID. This regional state would initiate the process leading to the establishment of a well constituted HTR. However, it would also need
to draw on the experience and gain the active support of producer groups within the target industry in order to create an efficient and credible program. While retaining a "superintendent" role over its investment (Piore, 1990; Sabel, 1993), operational control over program design and delivery would likely devolve from the state to some quasi-state body which includes relevant government agencies, training institutions and, of course, industry representatives. The latter are best positioned to insure an optimal balance between program efficacy and financial efficiency. However, some sort of labour representation would be welcomed at least by the state in order to provide more balanced industry representation and to elicit popular support for the program. In sum, the state's catalytic role in this vital institution building process will help to inculcate the sense of "commensualistic interdependence" (Campbell and Lindberg, 1991, p. 343) among employers, labour, the state, and the community needed to ensure the optimal performance of the MID in the future.

An autonomous association of workers identified with the sector but not in thrall to the employers, if it is not already extant, needs creation in order to complete the organizational triad of interests - state, employer and labour - behind the ideal HTR. A sector-specific, district-based occupational association would share with employers an abiding interest in developing a labour training program which enhances district productivity and market competitiveness. However, in contrast to employers, labour would be especially motivated to develop a training program which produced graduates with the skills and functional autonomy not only to enhance firm productivity but also to provide labour with individual firm transcending skills: a feature which, as mentioned earlier, is vital if district competitive dynamism is to be sustained. Perhaps more importantly, the insertion of an autonomous organizational voice for labour in training program planning and administration would provide a basis for enhancing labour's prospects of gaining
equitable treatment in the district leading, perhaps, to a broader role for it in district governance.

2.3. The Elaboration of Labour's Organizational Functions

The initial functions of the nascent occupational association should include a role in designing the institutional structure administering the labour training program. Organized labour would thereby have input into course content and instruction, trade apprenticeship and professional practicum programs, and the final credentialling process. However, the locus of district labour associational activity would soon extend beyond the ostensible reason for its initial creation, to cover other areas of interest to labour.

The impetus for broader organizational activity would arise as a matter of course out of the new training regimen. The camaraderie and vocational pride developed among trainee-apprentices would likely carry over into their careers in the district. Peer group affinity among skilled workers would encourage association as a collective means to protect their social-occupational status and assert labour's interests.

Like their organizational forbearers, labour associations in the MID would eventually bring their collective weight to bear upon such fundamental issues as occupational remuneration and job working conditions. State acquiescence to this organizational activity would be more forthcoming in consequence of the positive role the incipient labour association played in establishing and administering the training program. Furthermore, the post-Keynesian liberal state has an abiding interest in letting producer groups take responsibility for negotiating the apportionment of costs and benefits associated with production for the market. The relatively high status of district labour, its firm transcendent character and, last but not least, its collective power would help to neutralize any residual employer resistance to the formal assertion of this
collective bargaining function. If recognition were not forthcoming, the competitive market would soon extract a high price on those districts where the stifling of labour's collective voice served to undermine relational harmony, collaborative production and, perforce, district performance.²

Keeping in mind the role organized labour played in the wage-price spiral that undermined post-war Fordism, one might predict a similarly insidious erosion of district competitiveness by such latently powerful labour organizations. However, incipient MID unions would undoubtedly become as aware as employers, in the course of collective bargaining, of the economic consequences of imposing on employers labour standards which undermined overall district competitiveness. With relatively low extra-district mobility, as compared to that of capital, MID labour would be compelled by self-interest to cooperate with employers and state officials in developing relational norms which enhanced rather than detracted from district competitiveness. With wages in the bargaining district taken-out-of-competition, inter-firm competition in the district would be based more on product quality, market responsiveness, and technological innovation than on labour costs.

Labour organization would also serve to enhance trans-firm community consciousness by giving workers an identification which transcends the individual firm and job. In his/her movement from job to job across the district, the individual worker acquires and helps to diffuse information on products, technology and markets which serves to lower barriers to inter-firm

²Similar market conditions and occupational impulses impelled pre-modern journeymen to associate independently of their master-employers during the long period between the decline of guildism and the rise of mass industry. While they were uniformly outlawed at the behest of powerful employers at the dawn of liberalism, workers concentrated in the factories soon re-organized into industrial unions, either on the basis of firm or craft. See Lis, Lucssen, Soly (1994), for more.
collaboration. The sharing of information across firms also encourages more specialization within individual enterprises. The overall increase in production collaboration and in firm complementarity further enhances overall district flexible-specialization and economies of scope.

Increasing interdependence within the sector-district would bring serve to highlight other impediments to district performance derivative of its vertically disintegrated production structure. Continuing survival in a liberalized market environment where production technology and consumer tastes change rapidly entails heavy investments in research and development into promising technologies and markets. As in labour training, this function is unlikely to be addressed in an optimal fashion if left to the individual firm or even to the employers' association.

Again, the regional state has the requisite interest, resources, and authority to lead in initially organizing, financing and, perhaps, delivery these kinds of services. For the same reasons as those applying to training, it is obviously in the interests of small firms with few internal resources to cooperate with other firms, district organizations, and state agencies in the subsequent elaboration of whatever other district-level meta-corporate service infrastructure is needed to enhance district market performance. These quasi-public service agencies would also further promote inter-firm exchange and collaboration.

The devolution over the course of time of responsibility for administration and delivery of these "real services" (Brusco, in Pyke and Sengenberger, 1992) to the users provides organized labour with additional opportunities to deepen its role in the district's emerging
institutions. The intimate knowledge of the district which accrues from collective bargaining and related union activities makes organized labour a valuable community resource-base from which these new service agencies can draw for personnel, knowledge, and political and financial support. Reciprocally, labour's abiding concern for the district's survival would encourage its support for these vital district agencies.

The elaboration of district competency has two inter-related affects. On the one hand, it enhances the operational autonomy of the district relative to other districts operating in this industry. On the other hand, the ongoing liberalization of markets and the concomitant globalization of trade increases the interaction among districts producing complementary products. There would be a mutual interest among these sector-nodes, similar to that among complementary firms within districts, in the regularization of relations between districts leading, in turn, to an increase in the flow of products, investment, and personnel between districts, thereby leading to the forging of inter-district partnerships and alliances. These increasingly interdependent sector-nodes would develop a greater mutual interest in developing and perhaps institutionalizing market stabilizing regulations covering production and exchange, research and development, investment, and sales.

Labour needs to involve itself in cultivating, institutionalizing, and governing these inter-district relations. Its active organizational presence in the process would help to ensure that international competition and collaboration is not done at its expense. Direct involvement in developing the formal and informal rules governing the international market is vital if labour is

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The term 'real services' refers to state subsidized services or products available to all firms, usually on a fee-for-service basis, as opposed to financial subsidies provided by the state to firms either on an individual or a collective basis. Besides being less of a burden on debt-ridden governments, the use of the former option allows the state to avoid retaliation by trade partners as well as criticism from competitors both international and domestic.
to counter the erosion of labour standards which has accompanied the liberalization of investment and trade, and the concomitant 'social dumping' by countries and regions in response to threats of imminent capital flight.

In addressing this global front, organized labour, especially its politically weaker branches in North America, will have to supplement its traditional industry-focused relational activity with the deliberate cultivation of strategic alliances with other vulnerable interests, from the local community level up through the regional, national and international levels. Only in this way can labour both avoid marginalization from the emerging international economic governance regime and attenuate the ideological hegemony of neo-liberalism. This complex, multi-faceted "networking of trade union capacities" (Kern and Sabel, in Regini, 1992) will entail a reconstitution of labour's traditional organizational structure to allow it to develop and realize its post-Fordist political-economic agenda.

2.4. The Structure of Network Labour Organization

Optimal representational influence demands that labour's organizational structure reflect both the logic of the production process and the structure of the encompassing regulatory regime. Thus, during the Fordist era, North American labour unions organized themselves so as to concentrate the majority of their resources on collective bargaining at the firm level, in accord with the firm-centred business culture North American Fordism. Some residual organizational resources were reserved for national-level political activities, where macro-economic regulatory authority resided, and to sub-national levels to a lesser extent, where labour attempted to bring its influence to bear on the regional level of government's policy administration and service delivery. The American industrial unions' division of organizational activity between local,
usually firm-level collective bargaining activity, and national and sub-national political activity helps to explain the Canadian labour movement's peculiar blend of Gomperist business unionism and social democratic politics.  

However, the political and economic changes which have occurred in the wake of the crisis in Fordism should provide some impetus for labour to re-calibrate its organizational structure and relational behaviour with an eye to developing greater coherence between its economic and its political activity. Thus, the decline in the membership base of some industrial unions as well as an overall erosion of the efficacy of the post-war industrial union model has engendered the emergence of multi-sector 'general unions' in Canada. There has also been a revival in the fortunes of the craft union model, as we have seen in the case-studies of the BCMPI and the BCSSR. However, neither the struggling industrial model in its present form nor either of these other two models are especially suitable for application to the emerging network model of production organization. Unlike the collective bargaining regime of the old industrial union under Fordism, primary collective bargaining authority under network production organization should not reside at either the national sectoral level or at the enterprise level but at the sector-district level. Yet unlike either the sector-transcending general union or the occupational craft union, labour in the network model needs an organization whose focus encompasses yet is limited to a specific sector. Furthermore, it also needs a structure that gives it an effective means to bring influence to bear at the local, regional, national, continental, and global levels of current political discourse.

The political and economic locus of this multi-tiered networked labour organization must

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4 Of course, other factors - political, social and economic - must be factored in to the equation as well. Esping-Andersen's (1990) description of our post-war society, along with the other Anglo-American countries, as liberal welfare states reflects the contradiction.
be at the sector-district level because it is here where the most intensive and most immediately
vital relations take place in consequence of the locally embedded nature of network
organization. Furthermore, democratic control of labour organizations by their membership is
most easily exercised at the lowest level of governance. From here, district labour bodies can
then develop relations with the local community, other labour unions, regional and national
governments, and other sector-districts across the globe, to complement its local activities.

In order to both maximize labour's organizational effectiveness and facilitate labour
mobility, it is important that union membership in the sector-district be both broad and deep.
Representational breadth facilitates movement across the district, thereby cushioning individual
workers somewhat from the vagaries of individual firm fortunes (Ricoveri, Cilona, and Focker,
1991). Similarly, representational depth facilitates labour's vertical movement within the
functional spectrum of both the individual firm and the entire sector-district. Inclusiveness also
reinforces the individual worker's fealty to the district union through the course of his/her career
in the district as well as district-wide labour solidarity among such mobile and autonomous
workers. Furthermore, representational density also increases labour's ability to extract a more
equitable share of returns from production and to exercise greater control over the division of
these returns among the various functional and occupational gradations within and between
plants in the district (Capecchi, 1994).

Consequently, collective bargaining relations between employee and employer
associations should begin with the negotiation of district-wide general framework agreements or,
perhaps, even more detailed master contracts. Both of these inclusive agreements would
establish basic labour standards for the district, with requisite policing and enforcement
mechanisms. The pre-eminence of district-level contracts would also help to manage the
destabilizing consequences attendant to periods of either particularistic high labour-demand or high labour-supply, so that inter-firm competition continues to be based primarily on technological innovation, production quality differentials, and market versatility. However, the barebones character of framework/master agreements allows for more detailed agreements at the firm or trade level to respond to more subtle variations in factor input and output markets.

While representing the collective interests of labour across the district, network unions should nevertheless be cognizant of the diverse interests and identities among the various skills found in contemporary industrial districts. Occupational pride can be accommodated through the formation of self-regulating departments within the encompassing labour body, or through craft union autonomy within a confederal labour umbrella structure. Either alternative serves to preserve craft integrity and to respect occupational identity, while still ensuring intra-district labour solidarity and functional and occupational mobility.

Such a district-inclusive trade-aligned organizational structure facilitates union assumption of some responsibility for labour force development, including both initial training and craft credentialling, and continuing through to the regulation of personnel movement through the sector's particular occupational spectrum, much like their pre-modern guild forbearers did. However, in contrast to the practice of the feudal guilds, contemporary norms of union governance combined with pressures from other industrial actors would militate against the emergence of autocratic internal governance as well as any concomitant rigidification of craft hierarchies and the arbitrary closure of membership ranks to newcomers. The combination of internal union democracy, confederal labour organization, employer insistence on labour market flexibility, state regulatory authority over district institutions and, finally, unrelenting pressure from the consumer market, would help to prevent the resurrection of those parochial
labour market practices from a bygone era which decreased labour's responsiveness to environmental change.

The district-based union also needs subsidiary representational structures at the worksite level. Although they should remain subordinate to the meso-level authority of the district labour collective, workplace units can fulfil a vital function in the realm of day-to-day employer-employee relations. Besides administering and policing framework/master/trade agreements, base-level labour structures are an irreplaceable means for the union to obtain information on the impact of collective agreements and detailed data of relevance to future negotiations, to deliver labour services and evaluate their performance, and to generally reinforce the union's presence and influence in the district. The base organizational unit is also the main conduit for initiating new personnel into the district, and for administering and policing intra- and inter-firm personnel movement.

However, beyond being an adjunct of the centre, the base unit plays an important role as the autonomous voice of labour at the point of production. Depending on the nature of employment, this level can be given responsibility for elaborating upon or supplementing provisions in larger collective agreements in response to specific needs and conditions of work sites. Furthermore, the base unit can serve to further enhance labour's functional autonomy by providing a collective means to pressure individual employers to grant employees greater control over such things as job-design and work-layout (Harrison, 1992). The gains achieved among more progressive employers could then serve as a model for possible incorporation into the next round of contract negotiations (Capecchi, 1994).

The nature of the contemporary market also provides a strong incentive for sector-district unions to establish formal links across industrial sectors. The internationalization of markets and
the concomitant increase in inter-district exchanges should spur labour to create complementary labour structures, if only to pre-empt attempts by district transcending employers to compete on the back of labour. Moreover this type of activity is in the historic tradition of the labour movement striving, with ebb and flows reflective of current political-economic conditions, to forge national and international links in order to counter similar manoeuvres by capital.

However, the transformation of these inter-district organizational structures into collective bargaining cartels is problematic as labour relations, with the notable exception of the European Union, remain subject to national and, in Canada, sub-national regulatory authority. Nevertheless, inter-district labour collaboration, even if it is limited only to information exchange, can provide a basis for the promotion of trans-regional and inter-national labour standards. Beyond this abiding labour concern, the forging of inter-district union networks allows labour to act as emissaries between other local economic actors: employers, district service agencies and local governments, and their counterparts in other districts.

2.5. Institutional Governance in the Ideal-Typical Networked Industrial District

In this ideal theoretical construct, the technological logic the network production organization provides the foundation and the incentive for labour organization. The dynamic, competitive performance of the Marshallian Industrial District requires the presence of a highly skilled and flexible workforce. The institutionalization of a training regime to produce this workforce promotes labour association. Continuing professional identification prompts the incipient labour organization to extend its activities into other areas of relevance to its members in the district. The organizational and the functional confluence of interest between labour and employers in these activities helps promote the development of relational norms which
complement and, thereby, reinforce district performance in the market. This collaborative
conjuncture, in turn, helps to open to the further elaboration of labour's institutional functions in
such a way that the goals of efficiency and equity are balanced in the pursuit of district
development.

The nature of the contemporary market encourages labour to supplement its district-level
organizational activity with the cultivation of external multi-tier relations with a broad spectrum
of economic actors in a variety of issues which might affect the sector, in general, and labour, in
particular. By cultivating inter-district relations among unions and with employer, service, and
community organizations, labour can better ensure that the larger market balances efficiency
with equity. More importantly, inter-district collaboration in lobbying of international
regulatory authorities may spur the development of international conventions to counterbalance
the negative affects of market globalization.

However, as we have seen in the three case-studies, the reality of network production
organization in our three sector-districts varies substantially from the ideal and, more
importantly, labour's skill profile, organizational composition and structure, its collective
bargaining relations and extra-bargaining activity, were all shown to vary significantly across the
cases studied. Looking to contemporary environmental features for an explanation does not help
much: all three share a common locale in the south-west corner of the province; they are all
subject to the same regulatory regime; their personnel base is drawn from a common socio-
political environment; small flexibly-specialized firms dominate production organization; and
all three sector-districts are exposed to international competition and, therefore, subject to the
market volatility associated with post-Fordism. In responding to these environmental pressures
and structural contingencies, one might expect labour in each sector-district to possess similar
characteristics, to adopt similar organization structures and relational norms, and to assume similar institutional functions within each district. In order to better explain labour's situation in each sector-district, we need to look at the institutional context in which labour responded to external pressures. Furthermore, we need to go back to the emergence of each of these three industries in this province and trace their institutional development from inception up to the contemporary era.

3. Case Study Variation from the Ideal

3.1. Historical Development and Institutional Legacies

The current organizational structures and behavioral patterns of labour in the three cases studied did not spring out of a vacuum as in the ideal construct. To varying degrees, each of the three sector-districts has been influenced by, and carried forward, institutional features from their past. These legacies are reflected in labour's contemporary skill profile, organizational structure, and relational behaviour in each case. This institutional outcome has, in turn, helped to shape labour's differential response to their contemporary environments in each of the three sector-districts studied and between them and the ideal model.

This institutional 'pre-conditioning' has limited labour's capacity to make the requisite adjustments to the market impelled requirements of network production organization. In turn, labour's organizational variation from the normative relational ideal has had an impact on the performance of each district in the international marketplace. More critically, it has, to varying degrees, hindered labour from assuming optimal influence in the governing structures within each sector-district, thereby limiting the potential benefits that should accrue to it from the operation of these industries.
Nevertheless, the historical review which preceded the case-study chapters showed that labour has eventually adapted to changing environment conditions in an attempt to preserve some social and functional autonomy and even prosper under the new conditions at each successive stage of development. By looking to the past to identify the factors shaping production organization and relational behaviour, labour's organizational role in the governance of industrial relations, and the distinguishing institutional features of each developmental model, we can acquire some insight into the impetus behind contemporary institutional change and development, in general, and the interactive influence of structure and agency in shaping labour’s response to change, in particular. More importantly, we may in consequence be better able to prescribe what reforms labour needs to make in order to simultaneously benefit from and further enhance network district performance, and the possible role of the various actors, state, employers and labour, in effecting these reforms.

Therefore, I will illustrate and analyze the institutional history of each of the industries which gave birth to the three networked cases under study. I will isolate significant episodes from each industry's historical development and identify important changes introduced during these periods. Furthermore, I will point out the institutional continuities from each of these regimes which survived down to the contemporary period in each of the three cases studied.

My analytical framework draws upon the systems frameworks research methodology as originally developed within the discipline of industrial relations by Dunlop (1958), and since then adapted by his academic successors, so as to illustrate, in diagrammatic form, the interactive forces influencing industrial relations outcomes in each of the three cases during specific eras of their evolution. While Dunlop's pioneering modelling work showed the major factors influencing industrial relations outcomes, it was subsequently faulted for being causally
unidirectional, theoretically limited, and institutionally static. In order to rectify these problems, Craig (1967) and Kochan, Katz, and McKersie (1986) adjusted Dunlop's model to include feedback loops in their analytical frameworks, thereby incorporating into industrial systems analysis the reciprocating affect of labour relations practice and environmental pressure on outcomes. These amended frameworks can better track the forces behind dynamic system change.

Canadian modellers took this analytical framework and further adapted it to reflect the peculiarities of the Canadian regulatory environment, and the industrial relations norms derivative of this environment. Craig (1990) and Anderson, Gunderson, and Ponak (1989) at once broadened the scope of the environmental inputs impacting organizational actors and simplified the overall analytical framework. Also, their identification of organized labour, employers, and the state as the key organizational intermediaries between the exogenous inputs and endogenous outputs is consistent with my analytical assumptions regarding the principal industrial relations actors. Furthermore, in contrast to the notions of some American analysts, there is no equivocation on their part as to the central institutional role of organized labour; they do not depict it as an external influence upon industry, akin to that of the state. Nor are workers treated as a passive third party over which the unions and employers compete for loyalty. Finally, the Canadian analytical models allow for a more variable labour relational outcome, and they give prominence of place to 'attitudes' in effecting institutional outcomes.

Although I draw upon this scholarly work, my operative framework has been adapted to better fit the focus of this study (Figure 6.1.). Thus, the sector technological profile is placed between the external environment and the industrial relations institutions so as to clearly identify production organization as an intervening variable. Since the study focus is on labour, pride of place is given to labour's associational structures, its relations within the sector-districts, and
external relations with other economic actors. 'Snapshots' from specific episodes in the historical development of each industry are placed in sequential order in order to draw attention to both breaks and continuities in industrial relations practice over time (Figures 6.2., 6.3., 6.4.).

Table 6.1. Sector-District Industrial Relations Institutional Framework

<table>
<thead>
<tr>
<th>I. Environment &gt;&gt;&gt;</th>
<th>II. District Technology &gt;&gt;&gt;</th>
<th>III. Labour's Relations</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Economic; Social; Ideological</td>
<td>A. Production Organization</td>
<td>A. Labour Organization: model; structure; behaviour</td>
</tr>
<tr>
<td>B. State Industrial Policy and Regulatory Regime</td>
<td>B. Production Technique</td>
<td>B. Intra-District Relations: locus; scope; tone</td>
</tr>
<tr>
<td>C. Sector Markets: investment; labour; consumer</td>
<td>C. Output Characteristics</td>
<td>C. Extra-District Relations: local, regional, national, international</td>
</tr>
</tbody>
</table>

3.2. Case-Study Variation

3.2.1. BCSSR: The Contradictory Consequences of Historic Resiliency

The nature of production organization that one sees today in BC shipyards is firmly rooted in the late 19th century. And, like the industry itself, labour association and industrial relations practice in BC shipbuilding also has its origin in this era of non-mechanized, labour-intensive, high-skill production. Federal de-criminalization of trade unionism, through the Trade Unions and the Criminal Law Amendment Acts of 1872, allowed for the legal organization of workers involved in shipbuilding by the international (British and American-based) craft unions then dominating the Canadian labour movement. Nevertheless, lack of overt state intervention

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Note to Table 6.1.: While the primary influence is from left to right (global to specific), the system is dynamic, so that over time successful sectors may have a 'demonstration effect' on the structure and behaviour of bargaining regimes in other parts of the economy. Furthermore, sectoral employers and labour, in alliance with others, can also use their political 'power resources' to effect change in the regulatory environment.
<table>
<thead>
<tr>
<th>I. Environment 1860-1916</th>
<th>II. District Technology</th>
<th>III. Labour's Relations</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. extensive accumulation; frontier entrepreneurialism; high social mobility</td>
<td>A. functional disintegration, yards as final assembly sites</td>
<td>A. craft union organization; territorial charters; 'pure and simple' unionism with syndicalist upsurges</td>
</tr>
<tr>
<td>B. imperial preference; laisser-faire regulation</td>
<td>B. craft-based manual manufacture</td>
<td>B. firm-based contracts; wage and benefits focus; 'economistic'</td>
</tr>
<tr>
<td>C. private financing, family firms; skilled artisans, craftsmen; cyclical coastal resource market</td>
<td>C. wood &amp; sail, specialized production for local market</td>
<td>C. local autonomy, multi-tier confederal affiliation, political pragmatism</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1916-1922</th>
<th>1916-1922</th>
<th>1916-1922</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. war economy; inter-/intra-class conflict; imperial jingoism versus working-class self-interest</td>
<td>A. concentration in large yards</td>
<td>A. mass-craft &gt; metal-trades; council &gt; syndicalism; labour movement turmoil and discord</td>
</tr>
<tr>
<td>B. military imperialism, strategic state intervention</td>
<td>B. serialistic production, simplification of techniques</td>
<td>B. intra-district &gt; inter-district pattern bargaining; contested scope; conflictual</td>
</tr>
<tr>
<td>C. state patronage and syndicate investment; dynamic labour demand; provincial/national/imperial procurement</td>
<td>C. transitional: wood-sail to iron-steamers</td>
<td>C. working class radicalism/internationalism</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1922-1942</th>
<th>1922-1942</th>
<th>1922-1942</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. recurrent economic crises; social-class polarization, political uncertainty; rise of radicalism</td>
<td>A. some large firm consolidation and vertical integration</td>
<td>A. introduction of hybrid industrial-craft union model; organizational pluralism; radicalization on margin</td>
</tr>
<tr>
<td>B. reversion to laissez-faire, shift of labour-relations jurisdiction to provinces</td>
<td>B. reversion to artisanal and service</td>
<td>B. firm-centred bargaining; traditional; economism</td>
</tr>
<tr>
<td>C. privatization of merchant fleet, imperial preference; labour and consumer market doldrums</td>
<td>C. primarily repair, minimal new build</td>
<td>C. beginning of national working class mobilization</td>
</tr>
</tbody>
</table>
and continuing employer resistance, compounded by extreme flux in the sector's fortunes, left a very unstable and competitive labour associational regime. When labour organization was finally consolidated during the late 19th century, it was amidst a transitional phase in ship technology, from wooden-sail to iron-steam. Consequently, two craft union blocks, the carpenters and the metal workers, established a base in the shipyards to compete for shipbuilding labour loyalty and, in turn, dominance of the industry's market for skilled labour. We can see the

<table>
<thead>
<tr>
<th>1942-1945</th>
<th>A. war economy; class organization; state-centred corporatism</th>
<th>A. concentration under giant yards</th>
<th>A. industrial unionism; regional sectoral federation; labour movement consciousness</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B. national military industrialization, martial controls</td>
<td>B. serialistic, large-scale production</td>
<td>B. firm-centred; restricted to non-wage issues; more adversarial</td>
</tr>
<tr>
<td></td>
<td>C. federal-direction; influx of unskilled and female labour; state procurement</td>
<td>C. low-tech ocean going war-/cargo-ships</td>
<td>C. national working-class partisan contestation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1945-1990</th>
<th>A. Fordist-Keynesian dynamic</th>
<th>A. solar: regional core yards-small specialty satellites</th>
<th>A. industrial-craft hybrid; structural pluralism; political quiescence</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B. nation-/province-building, benign labour court regul.</td>
<td>B. factor consolidation at core, serialistic, finer division of labour</td>
<td>B. core-led pattern bargaining; wage and benefits; ritualized adversarial</td>
</tr>
<tr>
<td></td>
<td>C. Canadian corporate; regionalized inter-sectoral; federal naval/provincial ferry/coastal resource procurement</td>
<td>C. specialized production for coastal resource and public sector</td>
<td>C. political lobbying via union federations</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1990-?</th>
<th>A. market globalization; social disintegration; neoliberalism</th>
<th>A. retrenchment to SME, stage-firm networking</th>
<th>A. firm unions &gt; council unionism?; fragmentation &gt; consolidation?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B. federal retrenchment; federal &gt; provincial crisis corporatism</td>
<td>B. firm specialization, high-skill, mechanized</td>
<td>B. firm-centred &gt; district-wide?; redundancy-exit &gt; strategic renewal?; adversarial &gt; collaborative?</td>
</tr>
<tr>
<td></td>
<td>C. province-led reorganization; labour force adjustment; crown procurement &gt; global market</td>
<td>C. high-tech, niche markets</td>
<td>C. state-led tri-partism &gt; joint sectoral governance?</td>
</tr>
</tbody>
</table>
legacy of this institutional foundation in the pluralistic, craft-based, competitive unionism that characterizes the contemporary shipbuilding industry.

BC shipbuilding labour was subsequently caught up in the recurrent continent-wide movements between the 1880s and WWI which sought to replace the pure-and-simple business unionism of the day with a more class conscious syndicalist brand of unionism. However, the buoyant market demand for locally produced ships which always seemed to accompany these upsurges was also inevitably followed by market collapse. With each collapse, shipbuilding labour always reverted back to the sector-transcending craft union organizational model which had proved to be especially suited both to the decentralized and disintegrated production organization and the one-off, specialized output which distinguished BC shipbuilding but even more importantly to the extreme flux to which the industry was prone. This market flux also prevented the industry from emulating the ownership-concentration, production-integration then underway among more vibrant, mass production industries across North America. Consequently, mechanization and, with it, Taylorist-inspired labour force de-skilling did not happen in BC shipbuilding.

Another sudden upsurge of shipyard activity, induced by the WWII emergency, brought the introduction of innovative serialistic production techniques and an influx of lesser skilled workers to BC shipyards. These changes proved amenable to industrial-style labour organization in BC shipbuilding. This new organizational model persisted alongside the traditional craft model when the ended. The reversion to historic pattern of boom followed by bust was averted Cold War fears and statist intervention. Protection, subsidy, and procurement from both federal and provincial governments saved the industry from retrenchment; it also reduced the need for either a modernization of production technology or a concomitant rationalization of labour
relations structures and practices. Instead, a vertically disintegrated core-satellite regional
shipyard complex complemented by a matching labour relations regime composed of a mixture
of hybridized yard industrial unions and sector-transcendent finishing trades was established and
flourished for a few decades on the West coast.

Thus, the BC shipbuilding industry passed through most of the 20th century with its 19th
century structure and practice still largely intact. Shipbuilding labour in large part retained its
craft skill, trade identity, and pluralistic associational structure. Their unions also kept control
over the labour training process and employment-functional demarcation on the job. In
consequence, shipbuilding labour continued to have a relatively high degree of autonomy and
mobility as compared to the situation in other industries. However, their skills and
organizational structures did not keep pace with the technological evolution underway either in
other shipbuilding regions or across the general economy.

The archaic nature of the industry became starkly apparent when the global crisis that
had been systematically destroying other shipbuilding districts around the world finally hit the
BC industry during the late 1980s. The subsequent collapse was swift and almost complete,
leaving only a handful of small yards on the brink of closure. The shell-shocked yard unions
retreated to their individual strongholds to compete over the remaining trickle of repair work and
to negotiate redundancy agreements with government and employers, while the outfitting crafts
turned their attention to fending off the far more serious attack on their representational rights in
the still buoyant construction industry.

However, the fact that labour still had its organizational structure intact when the
provincial state undertook the networking of the remnant shipbuilding industry under its
'revitalization' strategy and, more importantly, its accompanying institution renewal process was
a mixed blessing. On the one hand, shipbuilding workers already had the associational
autonomy to allow, and the craft pride to encourage, their participation in the apprenticeship
revival and skill upgrading process required in conjunction with the HSS construction project.
Furthermore, pre-association also gave labour an institutional advantage in readily assuming
many of the other labour functions derivative of network production organization. On the other
hand, shipbuilding labour's retention of the organizational fractiousness and the behavioural
passivity of the past presented an obstacle to its full assumption of these institutional functions.

Thus, even with the best intentions, shipbuilding labour will still have to undertake
considerable organizational reform if it hopes to more fully participate in the renewed
shipbuilding institutional governance regime in accord with the possibilities outlined in the
preceding discussion of the ideal model. Relaxation of shipbuilding jurisdictional boundaries
among the unions and the creation of an umbrella sectoral council would both increase labour's
functional flexibility and strengthen its collective voice in relations with employers and
government. The inclusion of all the unions in an industry council could simultaneously
increase the trans-sectoral trades' interest in the future of BCSSR while perhaps giving the
shipyard-based workers the formal means to access employment in other industrial sectors
during slack periods in shipbuilding. This pragmatic combination of the old and the new would
serve to insulate labour somewhat until some future time when the employment generating
capacity of the revitalized shipbuilding industry is more assured.

However, the timely realization of this kind of reform is problematic. In the case of the
metal-building trades, they already have a sector council in which such a jurisdictional
relaxation could be undertaken. Yet, there is little incentive for their international headquarters
or for their local business agents to entertain such changes in the interests of an industry that
generates so few jobs for their members. In the case of the yard-based unions, there is some incentive for organizational consolidation, as it would give yard labour a stronger, unified voice and also facilitate their mobility among the networked firms in the industry. Furthermore, an inclusive shipyard union would also have more resources to help their members deepen and broaden their functional competency in response to the needs of the revitalized district. Yet, the yard unions lack an inter-union forum in which such a consolidation could even be contemplated. Beyond these challenges in the traditional industry, the unions also have to begin organizing their peers among both the auxiliary service branches of the industry as well as among the newer marine vessels sub-sector if they hope to be involved in their institution building processes.

Failing a reorganization initiative from within the shipbuilding unions, either the ferry corporation-shipyard consortium or the tripartite marine industry council will inevitably insist on reforms of labour's functional demarcations as well as related union jurisdictional rationalization in the name of inter-yard production collaboration and operational flexibility. If the unions resist, the provincial labour board could exercise its authority to effect this outcome. However, the ensuing reduction in union credibility would militate against labour's assertion of a right to share with employers and the state in future sectoral policy-making and governance. Even more ominously, labour obstreperousness could prompt another government, less committed to sector renewal, to simply abandon the revitalization project, thereby sealing the fate of the remnant yards and their historic unions.
3.2.2. Reman: Corporatised Industrial Relations and Structural Change

BC woodworkers adoption of the industrial union model during the 1930s, and the IWA's subsequent participation in industry-wide collective bargaining during the early 1940s provided the impetus for subsequent regulatory reforms of the forest industry by the provincial government. Its rationalization of the industry and its continuing role in stabilizing input factor markets during the long post-war boon which followed allowed for the institutional entrenchment of Fordist-style industrial relations in the primary sector. Woodworkers readily adapted to and flourished under this regime as it came to thoroughly dominate the political economy of the province thereafter. Consequently, when the crisis of the 1980s threatened to unravel this regime, the IWA fought strenuously to preserve it. To this end, the union leadership forged a strategic partnership with the major forest corporations which, in turn, helped the union insinuate itself into the exclusive 'corporatist' forest policy-making forums established by the state and business.

This 'reactive conservatism' helps to explain the IWA's ambivalent reaction to the emergence to prominence of the dynamic remanufacturing sub-sector of the primary solid-wood processing industry. Although Reman promised a surfeit of higher skilled and more interesting jobs to replace those being lost to automation and sub-contracting in the primary sector, it also embodied a model of production organization and relational behaviour which was antithetical to the post-war Fordist norms to which the union had become accommodated. Thus, while the local level union mounted an aggressive organizing drive among independent remanners to replenish its shrinking base in the primary sector, the union centre allied itself with the majors to block state regulatory reforms intended to stimulate value-added sectors such as Reman.
Table 6.3. The Solid-Wood Industry: Fordist and Post-Fordist Institutions

<table>
<thead>
<tr>
<th>Environment</th>
<th>Primary Sector</th>
<th>Remanufacturing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environment</td>
<td>Primary Sector</td>
<td>Remanufacturing</td>
</tr>
<tr>
<td>A. continentalism; capital-labour accord; productivity partners</td>
<td>&gt; inter-reg’nal comp.; capital flight; defensive partners</td>
<td>A. open, competitive, global; community embeddedness; collaborative, entrepreneurial</td>
</tr>
<tr>
<td>B. resource-based prov-building, factor stabilization</td>
<td>&gt; rent seeking, supply-side pol’s, meso-corporatism</td>
<td>B. bipartite service supply, multipartite regulatory reform C. internal/credit/market; primary-derivative, intra-firm, district-train.; local-global niche markets</td>
</tr>
<tr>
<td>C. industrial capital; internalized lab. mar.; N.A. mass market</td>
<td>&gt; finance capital; tripartite training; targeted specialty</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>District Technology</th>
<th>A. vertical integration &gt; sectoral retrenchment</th>
<th>A. firm specialization, spatial agglomeration, exchange networks</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. mechanized, Taylorist</td>
<td>&gt; automated, skill-upgrading</td>
<td>B. mechanized, flexible polyvalency C. reprocessing, local service, stage processing</td>
</tr>
<tr>
<td>C. stand.-commodity</td>
<td>&gt; value-added</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Labour's Relations</th>
<th>A. sector-industrial; centralized; Fordist</th>
<th>A. branch-plant unionization/indep. organ.?; firm/local/central contestation; central hostility/local acceptance</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. regional pattern; productivity-based; ritualized adversarial</td>
<td>&gt; de-stabilized; flexibilized; collaborative</td>
<td>B. firm-centred; pattern barg., some firm-level innovation; some local flexibility</td>
</tr>
<tr>
<td>C. multi-tier union and political labour movement</td>
<td>&gt; IWA-corporate exclusivist regional front</td>
<td>C. no union role in district-level organizations or in their external relations</td>
</tr>
</tbody>
</table>

The IWA's contemporary organizational lethargy and institutional conservatism is a consequence of its past success. IWA strategic militancy in advancing labour's progressive agenda during the crisis-transition era of the 1930s and early 1940s was instrumental in the development of the principal features of the post-war industrial relations model adopted not only in BC forests but in other core industries across Canada. Forest workers acquired collective bargaining power and institutional legitimacy by fully accommodating their organizational structure and relational practice to the Fordist industrial system instituted by the provincial state in the wake of the preceding struggle. By collaborating in this transformation, the IWA emerged
with a harmonious collective bargaining partnership with the forest corporations which allowed
labour to share in the gains accruing from the exploitation of the burgeoning North American
mass consumer market for forest products. In turn, the IWA used its premier position in this
core provincial industry to dominate the provincial labour movement. With labour's political
wing threatening to win control of the provincial legislature, the political right and their business
allies were eager to keep labour in general, and forest workers in particular, placated thereby
implicating the IWA even more in the dominant institutional order.

Unfortunately, the IWA's thorough incorporation of Fordist organizational and relational
norms has created obstacles to the organization of Reman labour. The union leadership's
hostility to the independent sector has fuelled employer resistance to the local level organizing
drive. Yet, the IWA's historic hegemony over labour in the solid-wood sector and its
representational toehold among independent has also deterred other unions from attempting to
enter Reman. The historic reliability of the primary sector as a source of experienced wood
processors has left little need for a Reman based HTR, the existence of which might have
spurred labour association. The recent moves to create such a regime, as symbolized by the joint
state-employer creation of BC Wood, may provide such an impetus in the future. In the
meantime, the majority of Reman workers remain unorganized and, consequently, largely
marginalized from the institution building process currently underway in the sector. IWA failure
to realize a labour relations' associational regime in Reman to complement the sector's emerging
institutional structure will, in turn, retard labour force development, institutional elaboration,
and overall market performance.

In order to avoid this eventuality, the union leadership will have to accept that the
production techniques and relational norms represented in the independent Reman sector may
very well supersede the post-war forest regime. This acquiescence to change may, in turn, help
to reconcile independent Reman employers to the union's presence. The union's representational
coverage of Reman would further facilitate inter-firm factor exchange, production collaboration,
and dynamic development.

Such an attitudinal shift should be more forthcoming as the union leadership composition
changes in consequence of both continuing membership erosion in the primary sector due to
automation, market shrinkage and fibre base fall-down, and accelerated union recruitment in the
value-added sector, especially among the independent Reman firms. The union's presence in the
majors' specialty mills and in some of the independent plants has increased the members'
familiarity with and acceptance of the operational logic of the independent Reman sector. The
ensuing-attitudinal change is reflected in the union's willingness to negotiate addenda to the
regional master agreements which allow more plant-level flexibility. Furthermore, the union's
recent participation with employers and state agencies in new apprenticeship training programs
and in other forest industry related educational initiatives demonstrate that it could also
contribute to the development of a HTR in Reman as well.

The forest industry is notable for the extremely influential role which the provincial state
plays in its operation. Consequently, the state could apply a combination of 'hard' and 'soft'
incentives to spur IWA adaptation to Reman. Hard incentives such as legislative reforms
favouring Reman at the expense of the primary sector would force the union to either
accommodate itself to reman or see its fortunes decline precipitously in tandem with the primary
sector. Soft incentives such as state elaboration of Reman's service infrastructure and ongoing
policy-making dialogue with Reman-based associations would encourage labour associational
involvement in these activities. In either case, further development of complementary relational
structures and behaviours, and further elaboration of organized labour’s role in Reman institutions should follow in due course as predicted in the ideal-typical model discussed earlier. As it did during the 1930s and 1940s, the IWA could once again become an important actor in the institutionalization of a new production and relational model in the BC forest industry. However, whether or not this organizational "transposition" (Genschel, 1993) occurs in time for labour to garner a significant collective role in Reman institution building must remain an open question.

3.2.3. BCMPI: Regulatory Impediments to Labour Institutional Assertion

Ironically, the delay in the emergence of the BC motion picture industry out of its chronic underdevelopment until the 1970s, may have allowed it to take more advantage of the ensuing opportunities for dynamic growth that arose thereafter. By not taking off during the era when Fordist industrial norms were dominant, the marginal little film community in BC avoided the premature institutionalization of production and relational norms which might have interfered with its subsequent exploitation of the disintegration of the Hollywood studio system and the spatial dispersion of film production. Instead, the institutional vacuum was filled with organizations and inter-personal behavioural patterns which were especially suited to contemporary market conditions and to the network model.

When American film producers first ventured out of the Hollywood studio backlots, BC film craftspeople seized this opportunity to break out of the underdevelopment trap by soliciting investment from a completely new source and producing film for an uncustomary market. The local technicians union led the way in luring Hollywood commercial production north through
### BC Motion Picture Industry

<table>
<thead>
<tr>
<th>Foundational Conditions</th>
<th>Contemporary Trends</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I. Environment</strong></td>
<td></td>
</tr>
<tr>
<td>A. dispersion of Hollywood production; dismantling of studio-system labour accord; transitional flux</td>
<td>A. internationalization of film industry multi-level organizational networking; cosmopolitan pluralism</td>
</tr>
<tr>
<td>B. federal cultural nationalism/provincial boosterism</td>
<td>B. federal protection of 'national champions'/provincial service provision, superintendence of regional industry</td>
</tr>
<tr>
<td>C. local industrial/public sector/Hollywood; itinerant free-lance technicians; private commercial/local TV/NA screen</td>
<td>C. local, national, and international private and public co-productions; full-spectrum indigenous labour pool; global multi-media</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>II. District Technology</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A. sub-contracting satellite</td>
<td>A. district horizontal integration/inter-nodal networks</td>
</tr>
<tr>
<td>B. technical service support</td>
<td>B. flexibly-specialized artisan-firms</td>
</tr>
<tr>
<td>C. one-off/low-budget</td>
<td>C. output intensification and diversification</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>III. Labour's Relations</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A. film-technician union; autonomous local of American 'international'; union entrepreneurialism</td>
<td>A. motion picture craft-guilds; district-wide confederal council; strategic inter-union collaboration</td>
</tr>
<tr>
<td>B. project-based contracts; pay-and-benefits; informal flexibility</td>
<td>B. multi-partite master agreements; complex, extensive, continuous relations; institutionalised cooperation</td>
</tr>
<tr>
<td>C. local union-Hollywood producer exchange</td>
<td>C. multi-tier/-partite network partnerships</td>
</tr>
</tbody>
</table>

Intensive promotion of BC labour's skill, flexibility, competitiveness and, most importantly, its self-organizing capacity. Similarly, the film technicians' appeal to the entrepreneurial instincts of the provincial government helped elicit state assistance in selling the nascent service industry to foreign investors. The BC film industry's union-led thrust into the highly competitive international commercial film production industry stood in sharp relief against the central Canadian film investment community's appeal to the federal government for subsidization and protection.

BC film labour's collective initiative was instrumental in its capture of the dominant role in guiding the district's subsequent evolution into the largest film production centre in Canada.
In spite of increasing public and private sector political and financial investment in the regional industry, labour has continued to dominate institutional governance and strategic policy-making in the district through the boom years. Similarly, the film unions' leading role in shaping district work and relational norms has reverberated to labour's benefit. The particular characteristics of network production organization that have emerged in the provincial film industry are in accord with the interests and values of BC film workers. There exists an environment in which film workers retain a great deal of control over the performance of their work, have high employment mobility across the district, and possess extensive opportunities for career development. Yet, this individual professional autonomy is complemented with the security that comes from membership in solidaristic organizations embedded in a stable institutional structure. As envisioned under the ideal network model, local craftspeople have come to realize their personal occupational potential through the unions' instrumental role in embedding them in the film community.

As the expansion of district capacity has allowed for deeper and more diverse involvement in the global film industry, BC film unions have also played an important role in building complementary trans-district relational networks. They provide a medium for the local film community to engage in collaborative film production ventures with other film-makers around the globe. The unions' role as inter-district envoy helps to ensure that these trans-district production projects are not undertaken at the expense of local labour standards. As the BCMPI matures and these inter-district exchanges proliferate, the film unions' role in policing labour standards will hopefully lay the groundwork for the institutionalization of international labour relations conventions for the emerging global motion picture industry.

Despite the impact of market liberalization, the state continues to be an important
regulatory medium between the market and society. Only now it is the regional state, rather than the national state, that is taking the lead in orchestrating adaptation to market contingencies. More importantly, its role in the BC film industry reflects a very different mode of economic development policy and industrial relations strategy than that emanating from the national state. While it is beyond the scope of this study, the possible repercussions on our regional society of public-private interaction between the sub-national state and networked sector-districts in bringing about the development of networked industrial districts warrants further investigation.

4. Conclusion: The Ideal versus the Reality of Organized Labour in the Network Model

The emergence of the network model of production organization represents a radical departure from the Fordist structures and relational norms which dominated the post-war developed political-economies. In place of the hierarchically ordered nationally concentrated production complexes which typified production organization during the Fordist era, the new model is characterized by regionally embedded complexes of small, independent, specialized firms. Despite the vertical disintegration of production organization, the production of sophisticated goods for the open and competitive international market requires high factor mobility among complementary firms in these industrial districts. In order to both mitigate the 'transaction costs' associated with network factor exchange and promote complementary production relations, producer groups with common interests build associative structures to regularize trust-based exchange relations. As production collaboration grows, these district-wide associational structures go on to assume many of the activities and functions which had formerly been undertaken within the old hierarchical corporate structure, including intra-district labour relations and service provision, and external economic and political relations.
As was demonstrated in the theoretical model, labour's skill profile, its associational proclivities, and its organization activities are key to the functional integrity and performance of networked districts. By associating district-wide and collaborating with other district producer groups and service agencies, labour can simultaneously increase its stature in the district and enhance the district's competitive performance. Thus, labour's potential power under the emergent network model goes far beyond what it managed to garner under Fordism.

However, the actual character and function of organized labour in each of the case studies varies substantially from the theoretical ideal. Only in the BCMPI did labour approach the ideal, and even here regulatory and relational residuals from a previous era threaten the future elaboration of labour's institutional role. While shipbuilding workers' retention of 19th century craft traditions should actually be a boon to the revitalization of the BCSSR, the accompanying tradition of organizational fractiousness and strategic somnolence has allowed the state and employers to dominate the industrial restructuring process. Finally, the equivocation of the powerful IWA toward the independent Reman sector has detracted from, more than it has contributed to, the concerted effort to build a viable network regime in this potentially dynamic industry.

Labour's collective response in each case and its variation from the ideal model is due to the fact that none of the sector-districts emerged out of an institutional vacuum. The variable character and behaviour of labour revealed in each of the case studies is largely a product of traditions originating during differing eras, and only partially modified during subsequent stages of development. Thus, in the case of shipbuilding, revitalization is being undertaken upon the foundations of an industry, and of unions, born before the province joined Confederation. Labour's ability to quickly adapt to this change is circumscribed by the cumulative weight of
over one hundred years of organization-building and institutional-practice. In the solid-wood sector, the original marginalization of remanning from the mainstream primary forest sector caused the former to develop production organizational practices quite different from those of the latter. Fearing the potential impact of Reman on the forest industry, the IWA leadership used its influence to not only hinder the development of the independent Reman sector but to fetter local-level labour organizational engagement with the flexible, decentralized independent remanners. Finally, even the post-Fordist BC film industry has been negatively affected detrimentally by structures and practices emanating from an earlier era. These emanations stand in the way of labour's full realization of its potential under the network model.

These historical legacies helped determine the role played by labour in inaugurating flexible-specialization in each nascent district and in formalizing network relations in each case. Perhaps more significantly, they set a long-term pattern for labour's production function, organizational characteristics, and institutional power in each case as well. Barring unforeseen events, labour's current role during the foundational stage in the institutional development of these three networked districts is probably indicative of what kind of long-term role it will secure for itself under this new model. While changing market and regulatory environments can provide the conditions for the inauguration of new production regimes, as we have seen it is considerably more difficult to change institutional patterns once they are set.
CHAPTER SEVEN: SUMMARY AND CONCLUSION

I. Introduction

The destabilization of the Fordist mode of economic development by a combination of system shocks and regulatory changes from the 1960s through the 1980s has prompted a general shift away from many of the defining production organization structures and relational norms of Fordism, and experimentation by economic actors with innovative forms. The small firm collaborative networks, exemplified by the so-called Marshallian Industrial Districts of the Third Italy, are a notable manifestation of this phenomenon. By balancing inter-firm competitiveness with cooperation, small specialty firms in these network agglomerations are able to successfully compete in the open market place. The impressive performance of these MID's inspired scholarly research into the peculiar constitutional ordering of the relations among those involved in these sector-district networks. The paucity of research into the particular role organized labour might play in network institutional governance prompted might focus on this aspect of this new production model. I sought to identify the functions which unions actually assume in these districts, the affect of this activity on district performance, and the overall impact of these relational regimes on the encompassing political economy. This information, in turn, would help to determine the relative importance of organized labour's role to the establishment and functioning of the network model.

Interest in labour's role under this post-Fordist production model is warranted by the well founded perception that the dismantling of Fordism has had a negative impact on labour's organizational power and influence in the new political economy. Despite this institutional diminution, I do not believe that the advanced market economies either can or should attempt to re-establish some kind of national or multi-national neo-Fordist socio-economic accord, at least
in the near future. However, I also do not believe that the only alternative to Fordism is a regression to some kind of Darwinian neo-Taylorism as depicted in some of the more pessimistic scenarios.

My claims regarding the unlikelihood of either of these trajectories are especially applicable in the case of Canada. On the one hand, the ongoing deregulation of the domestic economy, its inexorable integration with the continental market, and the overall liberalization of the global trade and investment market in which it operates, is rapidly eroding any likelihood of a resurrection of its version of Fordist-Keynesianism. On the other hand, the Canadian electorate's continuing attachment to the core values of the welfare state, relatively high labour costs, and our ongoing shift to a so-called post-industrial economy makes a Taylorist mass production strategy a non-starter. Instead, small, open, and advanced economies such as Canada's must focus on the production of high quality specialty goods for niche export markets.

This strategy is especially applicable for the British Columbia regional economy as it manifests these qualities to an even greater degree than the national industrial heartland. While BC's post-war economy once thrived on the direct and indirect returns from the bulk export of minimally processed natural resources, this development strategy has been undermined by resource depletion, rising production costs, and competition from emergent producers elsewhere. In response, both the traditional sectors and newer industries have attempted to add more value to the province's natural and human resource base and to focus more upon the production for export of higher quality goods. Regionally-based state agencies have assisted this shift through their provision of support services to innovative sectors and the encouragement of collaboration among complementary firms. Once a bastion of Fordism, the historically powerful provincial labour movement has also contributed to this effort: indirectly through its political branch in
government and directly through the activities of many of those unions in these innovative networked sectors.

While I was interested in the state's input into this process, I was more concerned with labour's role as an organized actor within these collaborative structures, specifically its role in the production process, in general, and its relative importance to network performance, in particular. It turned out that despite sharing a common regulatory regime and regional locale, the three networked sector-districts chosen for analysis had very different degrees and types of union involvement in production organization, service provision, and institutional governance. The source of this variation from both my ideal construct and from each other was sought through an examination of the unique structural and relational legacy which labour in each industry brought forward from the past to the contemporary situation. This institutional legacy helped shape labour's organizational presence, functions, and impact in each case.

However, the findings from my study are not simply of importance to these three sectors only. The institutional role that labour garners in this production model should have implications for labour's place in the encompassing society which emerges around the network production model should it persist and diffuse. Evidence of this institutional interdependency and of the specific outcomes in the case of different production models was evinced through my preliminary survey of labour's historical role in market production since its re-emergence in Europe during the Medieval era up through its evolution to the current model. Therefore, I will begin the summary of my findings in this dissertation and of the conclusions drawn there from with the historical review of labour's role in the sequential evolution of production organization for the market.
2. Findings

2.1. From Guildism to Networks.

My historical review identified three successive and distinctive modes of production organization which preceded the emergence of the contemporary network form of production for the market: the holistic production mode of the feudal artisanal workshop, the dispersed production of the early-modern putting-out system, and the vertically integrated and concentrated capitalist factory. Immediate above each production system rose three equally distinctive industrial relational regimes: communal artisan and merchant guilds, rural domestic associations and urban merchant-trading companies, and national labour and employer associations. Each of these relational regimes provided an institutional foundation upon which overriding state authorities could fashion long-term economic development strategies: the insulated urban market, imperial mercantilism, and national industrial capitalism. Certain state forms were established to "articulate" (Crouch, 1993) the various economic, social, and political institutions of society around these development strategies: the republican city-state, the new national monarchies, and the liberal-democratic nation-state. Those societies which led in this constitutionalizing process often gained an initial competitive advantage over rivals. However, their hegemony ended, and new institution building cycles began anew, when economic 'followers' adopted innovative production systems, molded complementary industrial relations structures, created coherent development strategies, and constitutionalized the whole under new state models, all of which allowed for the re-ignition of the dynamic growth formerly provided by the old development model. These innovator states were usually positioned on the margin of the old core, leading economy which allowed them to absorb the benefits and lessens from proximity yet left them less fettered by the leader's institutional constraints.
In contrast to the Kondratieff cycle of fifty to sixty years, these development cycles span several centuries because, rather than being based simply on changes in leading industrial sectors, they encompass entire macro-economic institutional structures. They also differ from the regulatory regimes of Regulation Theory in that they are based on distinct production logics, such as the factory system, rather than merely upon variations in a production system, such as the Fordist version of the factory model. Consequently, the emergence of the new network system of production organization should present fresh opportunities for the creation of entirely new institutional structures, in general, and for producer groups, especially labour, to develop new roles in the production system and in the institutions which are built upon it.

Starting at the guildist era, we saw that labour provided the entrepreneurial initiative for the re-emergence of production for the market in Europe. By assuming the risk associated with investment of their savings and energy into craft workshops, the urbanized artisan was able to retain control of both the commodity fabrication process and the returns from workshop sales. By subsequently organizing themselves into inclusive communal guilds, the various artisanal crafts were able to collectively regulate their market and perpetuate the craft, while counterbalancing the economic and political power of the merchant-traders who continued to control inter-urban trade. Organizational cohesion and market influence, in turn, gave the craft guilds a platform from which to project their power onto the town governments which regulated socio-economic relations among the various communal corporations. In the process, the guilds helped to moderate the emergent bourgeoisie's celebration of individual freedom and economic competition with the ideals of collectivism and interdependency brought with them from the feudal manor. The craft guilds thereby helped to infuse the medieval city republics with many of its core value of personal autonomy, social equity, and responsible government, some of
which we have only recently and partially reinstated.

Nevertheless, the development of guildism was also accompanied by changes in the encompassing environment which would eventually undermine and destroy guildism. The inter-urban commercial confederations created by the merchants weakened localized craft influence over the market. The commercialization of agricultural regions in the vicinity of market towns encouraged merchant-traders to sub-contract commodity processing function to domestic workers unbound by craft-guild regulations. The ensuing market competition between guild-workshop and merchant-jobber eroded the mutualistic bonds among workshop-master, journeyman, and apprentice. The subsequent rise to power of the new monarchies brought an end to the sovereignty of the city-republic and its communal market: the political economic base upon which craft-guild coherence and strength rested.

These changes substantially eroded labour's influence over market-based production. The putting-out system gave control over both production organization and final product sales to the merchant-jobber, leaving domestic labour with control over processing and with ownership of the workplace and tools. Similarly the emergence of larger workshops to serve the larger regional markets brought about a gradual usurpation by the employer-master of control over production. However, labour responded to this decline in market power with autonomous organization in both town and country: domestic labour banded together in producer and retail cooperatives to counter the power of the merchants; guild journeymen associated to exercise collective influence over the labour market.

The rise in the relative power of merchant capital was reflected in the new regional states' devotion to mercantilist economic policies and the collaboration of capital and state in the destruction of the rural and urban feudal remnants. The national sovereign's extinguishment of
craft-guild regulatory privileges and the merchant's abiding desire for more control over the market, in turn, encouraged the reconcentration and reintegration of the production process by industrial capital under the factory system. However, now the obligation of the factory employer to his employee extended no further than the wage-labour contract, in return for which the worker renounced any claim to use, own, or profit from his/her output. The employers' concomitant simplification of labour functions simultaneously expanded the available labour pool, further reduced labour's influence over production, and undermined skilled labour's bargaining power. The subsequent mechanization, followed by the automation, of the factory's production process further advanced this trend, culminating in the Fordist assembly-line in which labour became a mere adjunct of the machine.

In consequence, feudal notions of reciprocating social rights and duties decisively gave way to liberal individualism. The concomitant rise of industrial capital was reflected in the political realm with aristocratic privilege giving way, incrementally in some cases and abruptly in others, to rule by property owners. Lockean notions of property in the person and in labour output were conveniently ignored, thereby disenfranchising labour both economically and politically. Labour responded by collective organization in both realms.

On the economic front, we saw how the transformation of journeymen's association into craft unions gave them increased leverage over the labour market. Then, as employers' pursuit of the logic of factory production organization inexorably eroded craft integrity, the increasingly ineffectual and irrelevant craft union organizational model was replaced by the industrial labour union. Giving up on the futile attempt to stem labour's proletarianization, the industrial union instead celebrated and exploited social polarization, demanding a fair share of the returns from production in return for its subordination in lieu of socialism.
On the political front, labour movement pressure on the street and in the legislature brought legal recognition of labour collective bargaining rights, state regulation of the workplace, and social welfare legislation. In some cases, labour even managed to use democratic means to gain control of government. However, this was of little consequence as the liberal state lacked effective means to regulate either capital or the market.

Thus, neither branch of labour could halt the evolution of the factory model toward greater concentration of capital and integration of production. The former allowed fewer corporations to dominate labour, consumer, and financial markets, and the state. The latter further degraded labour skill and worker influence at the point of production. By rallying its economic and political power, industrial capital managed to keep organized labour at bay, at least until the catharsis of depression and war almost brought both down capitalism and liberal democracy together.

To save their system, employers and the state had to formally include labour in the institutional governance of the market-based political-economy. The legitimization of labour's collective activity in both the economic and the political spheres provided the stability and predictability which the mass-production/consumption 'regime of accumulation' needed for this penultimate version of factory production to survive and flourish. A complementary 'mode of regulation' was established by the state to encourage the "societalization" (Jessop, 1995) of Fordist relational norms throughout national institutions during the trente glorieux of the post-war era.

However, while Fordism gave organized labour input into macro-economic policy-making, workers continued to have little substantive influence at the micro-level. The employer continued to exercise ultimate control over investment and planning, production organization
and processing, and returns from output. The degradation of work and the alienation of workers continued to increase under automation, and to spread as the corporate model was diffused across both the private and the public sectors. This progressive disempowerment of labour on the job did not provide a very secure foundation for labour's collective institutional power under Fordism.

It was therefore not surprising that the social accord underpinning Fordism proved to be so fragile, especially where labour was weakest. When the macro-economic performance of this regime faltered during the 1970s, it proved to be remarkably easy for national ruling elites to, first, suspend labour's collective bargaining rights and, then, begin to withdraw labour's social 'rights'. In combination with the subsequent liberalization of national markets and of international trade and investment flows, this liberal revisionism fatally undermined the equilibrium of the mass-production/-consumption Fordist development model. The productivity-based collective bargaining accord between the industrial unions and the big corporations collapsed and, where possible, employers abrogated on their institutionalized partnership with organized labour.

As had been the case under previous production systems, all of these changes in the social, political, and economic environment also challenged the supremacy of the horizontally concentrated-vertically integrated corporate version of the factory production model. Its hierarchical command structure, detailed division of labour, and standardized production output was found wanting by the market, by employers and employees, and by industrial organization analysts. However, a reversion toward a pure market-based system of factor exchange is not necessarily a better alternative to the corporate model. A more appropriate response to contemporary conditions might be for the omni-competent corporation to vertically disintegrate
the production process among satellite sub-contractors, and for the specialized small firm to horizontally integrate its production through informal collaboration with complementary firms. The adoption by many western corporations of the Japanese solar model of production organization, the formation of strategic international partnerships among sectoral corporate groups, and the emergence of dynamic small firm industrial districts provides mounting evidence of the viability of the network production model.

In conjunction with these changes in production organization, we have seen complementary developments at the political level. The decline in the economic efficacy of the national state and the concomitant disintegration of national economies has brought an increase in activity by sub-national government in economic policy-making at the sectoral level of the economy. However, in this post-Fordist environment, this activity has been focussed on the supply-side rather than on the demand-side of the economy. Thus, rather than attempting to reduce competition and insulate producer groups from the market, these meso-level policies strive to make local industry globally competitive through capital and labour infrastructure development and service provision.

In light of all of these findings, the prospect put forward by many Regulation theorists for the establishment of a neo-Fordist mode of regulation is unfeasible, futile, and unjustifiable. If their prescription is motivated by a concern for labour, then it is unwarranted. Labour had little objective interest in the emergence of the factory model of production organization which served to dehumanize work and disempower workers. It also had little input or interest in the developmental of the bureaucratized command structures which were built upon it. My case studies sought to prove that the eclipse of this production model and the emergence of an alternative provides a welcome opportunity for labour to improve its status in the production
process, to capture a significant organizational role in the governance of industrial relations, and to secure a requisite place in the institutional structures governing the encompassing political economy.

The detailed examination of the staged articulation of each of the production models helped to explain the basis upon which labour acquired its particular organizational function at each level of the encompassing institutional system. Labour's ultimate status seemed to spring from and be reflective of its original role in the process whereby innovative production systems were first introduced. This foundational role helped determine labour's power at the point of production, its associational predispositions, its role in industrial relations governance, and its influence in economic policy-making and societal governance. The emergence of the network form of production organization prompted a similar exploration of the basis for labour's institutional role under the network model.

2.2. The Network Production Model: The Findings from the Three Case Studies

2.2.1. Labour's Role in Revitalizing the BCSSR and its Relational Structures

Labour organizations were shown to have had a curious relationship with the British Columbia Shipbuilding and Ship Repair Industry since its inauguration in the mid-19th century. On the one hand, they have long regulated the supply of labour to the industry and the conditions of work in the yards, almost since the local industry's birth. On the other hand, they have generally striven to maintain their organizational transcendence of and to minimize their occupational dependence upon this highly cyclical industry. While this latter strategy has helped shipbuilding workers and their organizations weather extreme flux in the industry's economic fortunes, it has also attenuated their organizations' concern with the industry's long-term fate,
and engendered labour indifference to employer and state strategies concerning the industry's future. Thus, even though labour has exerted a tremendous influence on production organization in the industry, its organizations have seldom taken the initiative to articulate or promote particular industrial policies specifically attuned to labour's concerns.

This history helps to explain the minimal interest among the unions involved in shipbuilding in assuming a larger role in guiding the contemporary reorganization of the BCSSR into a networked industry. Thus only one union, the former core yard union, accepted the invitation from the provincial ferry corporation-contractor to participate alongside their sub-contracting employers in the new sectoral council. As hypothesized in my discussion of the network model's High-skill Training Regimen, union participation in the sector's skill upgrading and accreditation process provides an institutional springboard for labour involvement in other governance functions - should labour choose to seize the opportunity.

Shipbuilding labour's institutional influence in the emerging district could also be stronger if the yard unions and the metal trades rationalized their fractious organizational structures or re-instituted the coordinated collective bargaining regime once used in the now dismantled core yards. However, they have not even established an inclusive umbrella organization to discuss such reforms. Furthermore, despite the collapse of the old industry and the lack of surety regarding the future of the HSS strategy, the unions have not diversified their base by recruitment in either the more vigorous auxiliary support sector or the dynamic undersea and motor-yacht marine vessel sub-sectors.

This unfortunate institutional legacy has consequently substantially abridged labour's collective influence among the various state agencies and employer groups involved in the new collaborative structures established in both the traditional sectors as well as the other marine
vessel sectors. Continued lack of institutional initiative from labour risks its long-term marginalization from the sectoral structures which will eventually be put into place to regulate industrial relations and guide the shipbuilding industry's subsequent development. Furthermore, labour's limited involvement in the shipbuilding revitalization process may slow or even block the industry's adaptation to contemporary market challenges. The ensuing lack of vitality may weaken the state's long-term commitment to it, leading to the ultimate demise of this historically significant industry. While the province will consequently be deprived of the spin-offs from an internationally competitive, high-tech marine industry, labour will lose what could have been an important institutional medium to allow it to better manage its transition to post-Fordism.

2.2.2. The IWA's Difficult Adaptation to the Post-Fordist Forest Industry

This case-study showed how the historic success of the IWA in institutionally embedding labour in the post-war BC solid-wood processing sector helped to exacerbate the impact of the 1980s crisis on this Fordist industry. The IWA did manage to further cement its relational partnership with the majors in the wake of the crisis and, thereby, secure its place in the corporatist forest policy-making regime during the ensuing era of regulatory reform. However, this short-term victory for the union may have hurt the long-term prospects of labour. The union's dubious strategy has alienated it from other forest industry unions and from progressive sections of the provincial labour-left movement, helped to sabotage the state-initiated policy reforms intended to promote the industry's shift to more skilled, labour intensive, value-added wood processing, and left the union marginalized from the institution building process currently underway in the dynamic independent Reman sector. This latter outcome has left the majority of Reman workers without either a collective voice in contract bargaining or in other
institutional activities in this networked industry.

The IWA leadership's hostile reaction to the growth of the independent Reman sector can be explained in large part by the union's total assimilation of Fordist industrial relations structural and relational norms. Consequently, the skill profile, production organization, and market orientation of the post-Fordist Reman industry is completely alien to the IWA leadership's worldview, which associates Reman with the disintegrated, decentralized, unstable, and non-unionized industry which existed before the Fordist transformation; thus, the IWA leadership's denigration of the independent Reman sector as mom-and-pop-shops.

The institutional entrenchment of Fordism in the primary sector also helps to explain why innovations in solid wood production organization, output, and markets were initiated on the periphery of the primary sector. Peripheralization left these innovators free of the institutional constraints of the primary sector, and largely immune to union interference in their molding of a flexible, polyvalent workforce, and the establishment of informal, personalized labour relations. Nevertheless, the traditional forest industry has not been able to fully insulate itself from the impact of some of the same market forces which gave birth to the independent Reman sector. Restrictions on lumber exports to the core American market and competition from other forest regions, erosion of the provincial fibre base - with a concomitant decline in fibre quality and an increase in fibre price - and increasing demands upon this base from other forest user groups, have all undermined the institutional foundations of the traditional industry.

We have seen how the primary industry's struggle to adapt to these pressures has provided the IWA with some experience of the features which networked-based labour unions would normally confront. For example, the union is collaborating with the state and employers in the establishment of new education, training, and apprenticeship programs in solid wood.
New addenda to the regional master agreements, originating from the specialty mills, have helped acclimatize the local level union to post-Fordist production practices. Regular factor exchange relationships between the majors and Reman custom processors have encouraged IWA organization of these plants and attempts at signing special Reman agreements. And, layoffs in the primary sector have prompted many IWA locals to mount an organizing drive among the independent specialty Reman firms.

These experiences have not only helped the IWA to retain its place in the traditional industry, they have also improved its chances of more fully inserting itself into the Reman sector. The latter outcome is vital for the union's successful transition to post-Fordism, as Reman is the technological leader in this process. Union insertion into Reman would not only provide labour with an organizational vehicle for participation in the Reman industry associations and service institutions, it would provide the sector as a whole with a powerful organizational interlocutor with state industrial policy-makers. A reversion to its activist roots would also provide the forest dependent communities scattered across the province with an institutional means to weave a mutual support socio-economic relational network among themselves. Finally, an organizational presence in what is still the principal industry in the province would help to ensure that organized labour retained a role in devising and managing the post-Fordist economic development process in BC.

2.2.3. Labour’s Institutional Embeddedness in the BCMPI

In contrast to the other two cases, labour was the mid-wife to the birth of a networked organizational structure in the British Columbia Motion Picture Industry. Since its unions have continued to dominate film production in the region and the encompassing institutional regime,
film labour continues to deserve much of the credit for the subsequent increase and diversification in the district's output, and the further elaboration of its local and international relational structures. Despite the intensification of state and capital investment in the sector-district in the wake of this growth, labour has maintained its dominant position in district institutions. Consequently, BCMPI workers have the most intensive and extensive network institutional role of labour in any of the three sector-districts analyzed in this study. Nevertheless, there are still residual impediments to labour exercise of optimal influence in the district which could ultimately threaten its continuing institutional pre-eminence.

The prescient role of the pioneering BC motion picture unions in establishing the institutional infrastructure for motion picture production in the province translated into a labour role far beyond the one which I sketched in the ideal-typical network model. This achievement originated in labour's timely entrepreneurial response to the changes in the market environment which brought about the disintegration of the Hollywood studio system and the dispersion of some motion picture production activity away from LA. In lieu of either domestic public or private investor interest, BC film workers seized upon this development in the American film industry to attract production money north. Since this initial success, both public service agencies and indigenous private investors have deferred to labour's leadership in guiding the industry's subsequent development, and external investors have continued to remain silent partners in the film production process. Local film unions have therefore been able to continue to dominate the district's institutional structures.

Labour's institutional influence is operational at four levels of the industry. First, the individual film unions provide film workers with occupational security and fulfilment, collective control over the local labour market, and input into district industrial policy-making. In return,
members support the entrepreneurial behaviour of their unions. Second, district unions cooperate with each other in personnel training and development, district marketing and promotion, collective bargaining and project servicing, and industrial policy-making and implementation. District-wide labour solidarity is thereby elicited and labour's collective power is enhanced. Third, the unions collaborate with local production and service firms, and with public officials and service agencies. This tripartite district-level collaboration increases community consciousness and trust. Fourth, and finally, the local unions have helped to cultivate links between the district and other film-making centres across the globe. Competition in the international arena is thereby somewhat mitigated by non-exploitative inter-district collaboration. In sum, labour has taken the lead in developing those features, such as individual autonomy and collective self-governance, labour solidarity and industrial collaboration, and community embeddedness and international enmeshment, which are fundamental to the optimal performance of the network model.

Nevertheless, the case-study also revealed the presence of structural and relational features at all four levels of activity which could threaten labour's continuing institutional pre-eminence. First, the pioneer unions have not provided an adequate reception to novice film craftspeople. Second, local unions have not eliminated inter-union jurisdictional rivalry and competition, nor are all the unions included within the district labour umbrella organization. Third, there is still no inclusive, district-based body with the authority to regulate inter-organizational relations, develop and implement district industrial policy, or represent the collective interests of the production community to external actors. Finally, contradictions between regional and national policy-makers' conceptions of the appropriate structure and function of the film industry in Canada continue to plague relations among district groups and
between the district and other film centres. The state, especially at the provincial level, could work with labour and employers in ameliorating some of these problems through appropriate regulatory reforms and, if the local film unions continue to be as strategically prescient and institutionally innovative as they have been in the past, labour should be able to thereby continue to lead in the resolution of these problems.

2.3. Labour's Role in the Network Model: Theoretical Ideal versus Institutional Reality

The introduction of networked production structures and practices into these three industries has seen a considerable expansion and elaboration in the role of organized labour in service provision and in industrial relations governance from what labour would generally have been accorded during the Fordist era. In order to identify the objective structural basis for this role change, I developed a theoretical model in which I discussed both the impetus for and the means to labour acquisition of an expansive institutional role under an idealized network model. This construct assumed the prior existence of a small firm industrial district, a service oriented state, and an unorganized work-force. The latter assumption was in deference both to the secondary role in network governance generally accorded to organized labour by much of the scholarly literature on this model, and to the continuing influence of free agency assumptions regarding economic actors among strategic choice oriented industrial relations theorists. Labour in my model was consequently free to organize or not, to become institutionally active or not.

However, by drawing upon the findings of the accumulated research on network organization regarding labour production functions and skill characteristics, I showed that there is a compelling need and inexorable impulse for labour to organize in order to engage in self-interested institutional activity within networked production complexes. This impetus springs
from the imperative need for the presence of what I termed a High-skill Training Regimen (HTR) to provide the nascent MID with a highly skilled, flexible workforce in order to maintain its competitive dynamism in the open market. Labour association flows out of the establishment and ongoing operation of this regimen. I then showed how labour's abiding interest in this program would spur its formal association thereby allowing it to exercise collective influence over training, credentialling and placement, career development and occupational mobility, and remuneration and working conditions. The latter activity, in particular, would, in turn, likely prompt district employer association for collective bargaining purposes, as well as state involvement in industrial relations regulation, both of which would thereby advance network institutional development.

Further drawing upon the network literature's description of the skill characteristics of labour and the production characteristics of firms in these districts, I elaborated upon the ideal structural characteristics of a hypothetical network union organization. I claimed that a multi-tiered, confederal union structure would allow some functional autonomy at each level and branch of district organized labour, while nevertheless promoting optimal labour mobility and preserving labour solidarity across the district. In accord with the district-centric nature of the network model, the district-level would necessarily be the locus of union activity from which both the specific needs of workers and the larger requirements of the industry could be serviced. With regard to the latter, the labour association could serve as a medium for the collection and diffusion of information concerning such things as new product lines, innovative manufacturing techniques, and market changes. District-level organizational strength would also provide a medium for both labour and overall district interaction with relevant external economic, political, and social actors. Labour could thereby influence inter-district exchange patterns,
sectoral industrial policy-making, and community social development. More importantly, labour
could garner a significant, enduring institutional role in the encompassing society
commensurable with its foundational role in the network district.

However, the actual case-study analysis revealed a significant variation in the
institutional activity of labour among the three sector-districts and between these three cases and
my ideal construct. This activity ranged from labour's seizure of the initiative to establish a
viable film production industry in BC and subsequent guidance of the elaboration of network
institutional structures in the BCMPI, to the generally passive role of the shipbuilding unions in
the establishment and development of networked production and policy-making structures in the
revitalized BCSSR, to the ambivalent response of the powerful IWA toward the dynamic Reman
industry. The film unions' entrepreneurialism has given labour a dominant place in the district's
institutions; the shipbuilding unions' apathy has allowed the state and employers to dominate
district policy-making; and, the IWA's reactive conservatism has left labour marginalized from
Reman institutional development.

The explanation for this variable response could not be primarily external, since the three
sectors share similar regulatory and market environments. It might be suggested that the
explanation lies in the difference in the level of internal development within each networked
sector-district, especially in the key area of labour skill. For example, the independent Reman
sector's access to and reliance upon surplus labour from the primary sector might serve to delay
an internally generated union organization drive. However, it does not explain the failure of the
hegemonic union in solid-wood from using its power to effect labour organization among the
generally small independent Reman firms. The fact that Reman and the other two networked
sectors already had a union presence induced me to look to labour relational institutional
legacies in each sector for explanation for current variations in union institutional activity.

The organizational structure and relational behaviour of labour in each of the three contemporary industries was shaped by the unique regulatory, market, ideological, and technological conditions existing at the time when formal industrial relations were initiated. The subsequent institutional stabilization of these relations created impediments to further substantive changes in structure and practice over the course of each industry's development. Instead, environmental pressures and technological innovations tended to evoke incremental adaptation rather than wholesale institutional replacement of the relational regime in each industry.

Thus, the contemporary behaviour of the shipbuilding unions is derivative of the organizational structure and relational practice adopted by labour at the time of the emergence of the BC industry during the last half of the 19th century. The Gomperist metal-building trades continue to be primarily interested in dominating the labour market in their particular trade, showing little concern for the specific future of the shipbuilding sector since it generates only a fraction of their work. Furthermore, their focus on traditional processing functions also limits their interest in the unfamiliar skill-profiles of the other marine sub-sectors. Even the dramatic boost given to Fordist-style industrial unionism by the last war had limited long-term impact; the loss of Local I's base with the recent closure of the core yards left yard workers fractured among five isolated unions. Nevertheless, the persistence of craft traditions among the hybrid yard unions has encouraged at least some participation by them in the current skill upgrading activity. Despite their lack of overt involvement at this time, the transcendent metal-building trades may eventually become more receptive to this process. Both labour groups also have a tradition to draw upon from the times during war when they banded together to protect their interests.
In the case of the IWA, the Fordist legacy has had a considerably different impact on its adaptation to the network model. On the one hand, the sectoral concentration of this industrial union seems to have exacerbated its alarm over changes within the solid-wood sector, highlighted by the emergence of the highly unconventional Reman industry. On the other hand, the representational hegemony and institutional power, consequent to its central role in introducing Fordist-style industrial relations to the province, gave the union the power to impede changes in forest policy which would help the industry move into a post-Fordist mode. Having little experience with other kinds of labour relations regimes since the post-war institutionalization of Fordism, the IWA was reluctant to change its practices to accommodate the needs of the independent Reman sector. Nevertheless, its institutional embeddedness in the primary sector does give the union the security to experiment with innovative practices inspired at least in part by Reman. More importantly, its derivative power in the forest policy-making and regulation system gives it the leverage to fully colonize Reman and the capacity to create and stabilize network bonds in the industry.

Only the pioneering film unions enjoyed a relatively clean institutionally slate upon which to initiate and develop network production relations in the BCMPI. Furthermore, the initial lack of local investor interest and state involvement in the nascent industry allowed labour to seize a role in institutional governance beyond even the optimal one envisioned in my ideal model. However, local film union institutional capacity was still negatively affected by organizational and regulatory legacies of the Fordist era. These legacies are reflected in the recent introduction of pre-network style collective bargaining structures and practices into the industry as well as the continuing absence of an inclusive organizational umbrella for labour either just in this district or across the sector.
The application of historical institutional methodology to the case-studies showed that labour organizational structures and relational practices persist over time. Institutional inertia limits labour's ability to adapt in a timely and optimal fashion to market induced change. Unlike the idyllic situation in my hypothetical construct, labour in each of the three sectors examined had to make do with pre-network institutional norms and attempt to adapt them to the network model. Nevertheless, some union presence in each sector has given labour an organizational head start in seizing the opportunity provided by the introduction of a new production model to assume new roles and behaviours unlike those experienced under previous relational regimes. More precisely, the nature of production under the network model has allowed organized labour to expand its relational activity beyond the traditional one of periodically (re-) negotiating wage and benefit packages to include activities once reserved exclusively to employers and the state. This extension of labour's role in both production and governance should, in turn, give labour significantly more influence in determining the overall performance of the networked industrial district. Finally, this new relational regime should have a significant impact on the elaboration of post-Fordist economic, social, and political institutions in the encompassing environment.

3. Organized Labour's Role in the Network Model:

Its Impact on Labour, Industry, and Society

We have seen that organized labour's service function in networked production structures is potentially much more extensive than what had been the case in the past, especially during the Fordist era. It extends far beyond the traditional union responsibility for negotiating contracts governing employee remuneration and working conditions, to include such things as labour training and development, internal labour market regulation, intra-firm service provision,
sectoral policy-making, and extra-district intermediation. As noted, this activity is a vital contribution to the functioning of the network production model. Nevertheless, this activity alone can still be viewed as merely secondary to the primary task of establishing and institutionally stabilizing those inter-firm production structures and practices which define the network model and provide it with a competitive edge over either the hierarchical or market production organizational models during the contemporary post-Fordist era. However, by looking at organized labour's functions more deeply, we can see that labour also plays an important role in the primary network instituting function.

As the discussion in the introductory chapter and the evidence extracted from the case-studies revealed, the network production model is one in which small specialized firms collaborate in the production of marketable goods. The cultivation of trust-based factor exchange relationships is critical to the operational performance of the sector-district. Reciprocally, inter-firm trust is generated out of serialistic exchange patterns within the district. Network labour is not important only an important contributor to this production process, it also one of the production factors exchanged in networked districts. The union service functions noted above can therefore be viewed in a different light.

My study showed that labour unions can be instrumental in embedding labour in networked districts and in promoting trust-based collaborative relations in the district. Through its involvement in the high-skill training regimen and ongoing career development, organized labour helps to provide the individual worker with the functional autonomy and occupational security which serves as a functional base for district-wide flexible-specialization. Concomitantly, the negotiation and enforcement of district-wide collective agreements ensures that labour is fairly and consistently compensated for its flexibility, thereby creating an
environment conducive to trust-based collaboration not only between management and labour but also among district firms. Union involvement in district institutions also helps to normalize and stabilize network relational structures and behaviours. Finally, organized labour's extra-district relations provide a means to establish network-like exchange relations with other districts. Consequently, rather than being merely an externally-based secondary actor, organized labour is a key actor in the creation and maintenance of those characteristics which network theorists argue are the foundation of the networked production organizational model.

It follows that through its involvement in these core activities, organized labour can have a critical impact on the overall market performance of the networked sector-district. Labour's facilitation of flexible specialization allows firms to respond more quickly to market changes. Organized labour's role in formalizing trust-based collaboration helps the district garner greater collective economies of scale and scope. Finally, labour involvement in forging and regulating inter-district networks helps to ensure that post-Fordist competition evolves within labour friendly conventions.

Organized labour's activity within the networked district can also have a positive impact on the encompassing community. The dynamic stability which labour promotes in the sector-district should contribute to the ability of the local-regional economy to manage and adapt to the disruptive and difficult transition to post-Fordism. Regional planning authorities can have both more control over indigenous economic development and increased leverage in the assertion of regional interests in national and international economic forums. The network district's dense institutional structure also provides regional authorities with a variety of resources to draw upon in designing and delivering services to industry. Government officials can also unburden themselves of the detailed supervision of district relations through their
delegation of this responsibility to district-based institutions. The concomitant infusion of the values and norms of the network industrial district into the encompassing community might also encourage the development of more participatory, democratic, egalitarian, and cooperative political-economic structures in this society. Finally, the networked district's links with other sector-districts should help the autonomous local community immerse itself within the global community.

If the emergence of the network model represents a fundamental break from the factory-based technological trajectory, then the implications of my findings on the encompassing political economy will be broad and deep. I will therefore conclude by noting some areas related to my study, and bearing on these broader questions, which warrant further research from the aspect of labour's role in consciously shaping and benefiting from this process.

4. The Network Model and Post-Fordist Development

Various parts of my study touched upon the general impact of the crisis and decline of the Fordist development model on the broader economic, social, and political realms of regional, national, and international society. The reader has thereby been somewhat familiarized with some of the general themes in the 'after-Fordism' debate. By placing my findings concerning the network model within the context of these developments, I can identify several areas requiring further research.

In the economic realm, I noted that observers have detected a trend in production organization away from the integrated corporate model toward more vertically and horizontally disintegrated production complexes. Any attendant increase in production unit vulnerability and isolation has, in turn, been offset through their cultivation of collaborative relations with
complementary production units. The foremost exemplars of this phenomenon are the spatially agglomerated small-firm networks wherein trust-based exchange is the norm.

The social realm has also seen developments which mirror those in industry. There has been a shift in the structure and focus of interest group activity away from the national level to both the international and the local, what Thomas Courchene terms "glocalization" (1995). These groups are usually more locally embedded, informally structured, and member directed than the centralized, hierarchical and bureaucratic professional organizations of the Fordist era. Nevertheless, these local bodies are often linked strategically linked with like-minded groups at local, regional, national, and international levels. Concomitantly, there has been increasing willingness on the part of the fiscally constrained, retrenching state to delegate more responsibility for the design, delivery and, in certain cases, the funding of specialized services to many of these grass-roots, voluntary organizations.

Finally, the unlimited political sovereignty of the Westphalian nation-state has been considerably attenuated in the last few decades. There is now a more nuanced dispersion of political authority among a multi-tiered complex of state and quasi-state institutions and, concomitantly, the centralized unitary nation-state ideal has been decisively displaced by the dispersed overlapping "semi-sovereign" (Katzenstein, 1987) federal state model. This shift has helped to reverse the Fordist era imperative of concentrated political (and economic) power at the national-centre. In its place, we have seen a devolution of state authority, particularly over the market, both up to the international, regional and global, level and down to the sub-national, regional and local, level. Furthermore, with the increasing importance of the metropolitan region to the contemporary globalizing market, there has been an increase in direct 'diplomacy' among cities at regional, national, and global levels. These political trends are consistent with
those in the economic and social realms.

Cumulatively, these structural changes should engender a complementary change in people's Weltanschauung and in the ideals which they expect to see expressed in the institutional forms governing human relations. It is therefore not surprising that political theorists have recently propounded "associational" theories of organization and institutional governance for after-Fordism. Included under this school are such concepts as "associational democracy" (Cohen and Rogers, 1992), "associative democracy" (Hirst, 1994), "associational socialism" (Hirst, 1990a, 1990b), "critical associationalism" (Walzer, 1992), and "liberal associationalism" (Mouffe, 1993). These models of political governance are inspired at least to some degree by the organizational structures and institutional regimes emanating from the network model of industrial production. Their epistemology also brings to mind many features of the pre-modern economic institutions discussed earlier in my study such as the specialized artisanal workshop and the sub-contractual domestic system, the guildist and mercantilist corporate structures which sat over them, and the city-based trade confederations and multi-tier pre-Westphalia governmental structures in which they operated. Associational theory also draws upon the ideas of such 19th proponents of cooperative economic organization as P-J Proudhon and Robert Owen, the turn of the century research by Emile Durkheim on secondary associational governance, the inter-war proposals of GDH Cole and Harold Laski regarding what they termed guild socialism, and the more recent analysis of neo-corporatist models of industrial relations governance. All of this work shares an interest in attenuating the class polarization and social conflict attendant to the rise and spread of the factory model of production for the market.

The combination of the emergence of network forms of industrial organization, concomitant changes in the larger economic, social, and political realms of post-Fordism, and
the positing of associational models of governance may indicate that we are witnessing the incremental institutional articulation of a new integrated model of production organization, economic development, and political governance. In order for this process to come to fruition, there would have to be a diffusion of the association model across and through the various levels of the economy, society, and state. From the perspective of my area of research, evidence for such a diffusion might be evinced where particular networked sectors interact with other sections of the economy, with various levels of the state, and with the encompassing society. Thus, the ensuing interaction of struggling Fordist-era industrial sectors with more dynamic networked sector-districts might encourage the former to attempt to emulate the latter. The diffusion across jurisdictional boundaries of such concepts in production organization and institutional governance is much easier in this era of globalization. Finally, such changes in broader areas of public policy making and in political discourse might signal the beginning of a broad societalization of network concepts of relational governance.

Whether or not all of this comes to pass and, furthermore, whether or not the network-associational governance model goes on to garner hegemonic stature can only be guessed at this time. However, the possibilities arising from this eventuality, particularly in the case of labour, should encourage further investigation of these issues and others raised by my study.
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APPENDICES

Appendix A: Union Official, Union Council Interview Format

1. Job Description:
   a. Could you give me a description of your own job?
   b. What committee or programs are you directly involved in which include representatives of
      the employers at the sectoral, as opposed to the firm, level? (If there are several of these; what
      are the names, composition, origin, source of funding, purpose, activities and personal
      evaluation of each?)
   c. Which of these committees or programs involve relations with government representatives?

2. Policy Mandate:
   a. In your non-collective bargaining relations with employer representatives at the sectoral level,
      what is the mandate of your union?
   b. In the relations between these committees and programs involving government relations,
      what is the mandate of your union?

3. Policy Goals, Instruments and Formation:
   a. Is there an overriding goal of this activity?
   b. What are the present subsidiary goals of this activity?
   c. Are these recent goals or are they of long-standing duration?
   d. What was the origin of these policy goals?
   e. Could you describe the process by which these policy goals were established.
      i) How would you rate the importance of organizational staff in formulating these goals?
      ii) How important was the role of individual locals in formulating these policy goals?
      iii) ... other organizations, government or the public?

4. Background of the Sector:
   a. What have been the major changes in the sector in the last 10, 20 years in:
      i) the structure of the sector, i.e. composition, base of ownership and control?
      ii) union influence over the sector or individual employer or firm activity?
      iii) resource base, i.e. supply, character, competition with other for resource base?
      iv) market focus, access and competition?
      v) labour skill, training, input into production process?

5. Sectoral Problems:
   a. From your perspective, what do you believe are the major problems of the sector?
   b. Do you think that:
      i) individual employers (or firms) would agree with this assessment? If so, do you think they
         are willing to work with the union to resolve them?
      ii) Do you think that all of the locals (unions) would agree with you? If so, do you think that
         they are willing to cooperate with the employers to address these problems?
      iii) Do you think the provincial government would agree with your assessment?
   c. Do you think these problems exist because of failures of:
      i) the sector's employers to act wisely?
      ii) the union(s) to act wisely?
iii) provincial government policies?
iv) federal government policies?
d. Do you think these problems exist because of other, external factors?
e. Do you consider:
i) the state of labour relations in the sector to be a problem?
ii) the structure of the sector to be a problem, i.e. composition, size, concentration, base of
ownership and control?
iii) the structure and/or the degree of influence of the union organization in the sector to be a
problem?
iv) the employer's flexibility or adaptability to be a problem?
v) the regulation of the sector by government to be a problem?
vi) the level of technological innovation to be a problem?
vii) market access to be a problem?
viii) competition over resource base to be a problem?

6. Sectoral-Government Relations:
a. How frequently does this organization meet with members of the provincial government?
i) Who initiates these meetings?
ii) What types of issues dominate these meetings?
iii) What position in the provincial government do your contacts usually have?
b. How frequently does this organization meet with members of the federal government?
i) Who initiates these meetings?
ii) What types of issues dominate these meetings?
iii) What position in the federal government do your contacts usually have?
c. What has been the reception of:
i) provincial officials to the proposals raised by this organization at these meetings?
ii) What has been the reception of federal officials to the proposals raised by this organization
at these meetings?
d. Are the meetings with:
i) provincial officials ad hoc, temporary, issue-driven meetings or are they regular, formalized
meetings?
ii) federal officials ad hoc, temporary, issue-driven meetings or are they regular, formalized
meetings?
e. Given a choice, would you prefer to deal with provincial or federal officials at these
meetings? Why?
f. Do you believe that your this organization could initiate a major policy and expect success
without the cooperation of:
i) the provincial government?
ii) the federal government?
g. How would you rate the ability of the sector to resist pressure from the provincial government
to:
i) change the behaviour of the sector?
ii) restructure the sector?
iii) change labour relations policies in the sector?
h. How would you rate the ability of the sector to resist pressure from the federal government to:
i), ii), iii)?
i. Focusing on the outcome of these meetings, what policy proposals have been agreed upon and implemented?
   i) What role has the provincial government played in the implementation process? The federal government?
   ii) What role has the union played in the implementation process?
   iii) At what level of the industry are joint employer-union committees established to implement the process?

j. Has(have) this(these) joint committees met with any other non-governmental groups; other sectoral groups or organizations; foreign officials or organizations?
   i) At whose initiative were these meeting held?
   ii) What was the outcome?
   iii) What value do you see in these contacts?
   iv) Do you see them increasing and becoming formalized or are they a temporary phenomenon? Why?

7. Future Directions:
   a. What do you foresee the sector looking like 10, 20 years from now? What kind of changes can we expect in:
      i) the structure of the sector, i.e. the composition, size, base of ownership and control?
      ii) the market focus, access, competition?
      iii) labour relations in the sector?
      iv) the role of the union in the sector?
      vi) the role of the union in the firm?
      vii) relations with other interest groups?
   b. (If the answer to the above is "I don't know.")
      i) What would you like the sector to look like 10, 20 years from now?
      ii) Will this require a strong effort by the union(s) to change its relationship with the employers or firms? With its membership?
      iii) Will this require a strong effort by employers or firms to cooperate with each other in rationalization, marketing, dealing with the government?
      iv) What will be required of the provincial government? Of the federal government?
   c. What do you think is the future of cooperative policy-making and implementation relations between unions, employers and the provincial government? The federal government?
      i) Do you think this will be a positive or negative development?
   d. What role should other interest groups have in developing sectoral policy?

8. Conclusion:
   In closing, I would like to talk to you about other people that I should speak to on these matters. They may already be on my list, but it would be very helpful if you could identify 3 or 4 of the most important people involved in policy development and industrial relations between your union, the employer and government.
   Thank you for giving up the time for this interview.
Appendix B: Sectoral Firm/Employer Association Interview Format

(introduction: explanation of research project, purpose of interview and subject focus)

1. **Job Description:**
   a. Could you give me a description of your own job?
   b. What programs or committees are you directly involved with involving representatives of union(s) in the sector or of government?

2. **Organization Description**
   a. Firm:
      i) Size by output and employment, output and market, history
      ii) Factor exchange relations with other firms: inter-/extra-district
   b. Association:
      i) When was your organization established?
      ii) By whom or what organization(s)?
      iii) What was its mandate and criteria of operation?
      iv) What was its membership composition? Types of firms, coverage of the sector?
      v) How is the organization funded?
      vi) How are members represented in the association? Decisions made?

3. **Policy Goals, Instruments and Formation:**
   a. Is there an overriding goal of the organization?
   b. What are the present subsidiary goals of the organization?
   c. (If the organization is not of very recent creation) Are these recent goals or are they of long-standing duration?
   d. What was the origin of these policy goals?
   e. Could you describe the process by which these policy goals were established.
      i) How would you rate the importance of organizational staff in formulating these goals?
      ii) How important was the role of individual firms, and employers in formulating these policy goals?
   f. In what ways has your organization attempted to achieve these goals?
   g. What have been the main obstacles to the achievement of these policy goals?
      i) Has the organizational structure of the industry or divisions over policy goals among the membership been a problem?
      ii) Has a division of responsibility among multiple industry associations been a problem to goal fulfilment?

4. **Background of the Sector:**
   a. What have been the major changes in the sector during the last 20 years in:
      i) the structure of the sector, i.e. composition, base of ownership and control?
      ii) labour relations and union influence in the sector?
      iii) the production process in the sector, i.e. technology, innovation, labour-capital ratio?
      iv) labour skill, training, input into production process?
      v) market focus, access and competition?
      vi) resource base: supply and competition with other users?
5. Sectoral Problems:
   a. From your perspective, what do you believe are the major problems of the sector?
   b. Do you think that:
      i) individual employers (or firms) would agree with this assessment? If so, do you think they are willing to work together to resolve them?
      ii) the union(s) would agree with you? If so, do you think that they are willing to cooperate with the employers to address these problems?
      iii) the provincial government would agree with your assessment? ...the federal government?
   c. Do you think these problems exist because of failures of:
      i) the sector's employers to act wisely?
      ii) the union to act wisely?
      iii) provincial government policies?
      iv) federal government policies?
   d. Do you think these problems exist because of other, external factors?
   e. Do you consider the following to be problematic for the sector:
      i) the structure of the sector, i.e. composition, size, concentration?
      ii) base of ownership and control?
      iii) the level of technological innovation?
      iv) labour relations in the sector?
      v) the work-force's flexibility or adaptability?
      vi) the regulation of the sector by government?
      vii) market focus, access and competition?
      viii) competition over the resource base?

6. Employer-Union Relations:
   a. How frequently do you meet, on behalf of your organization and outside of collective bargaining, with representatives of the union(s) in the sector?
   b. What positions in the union(s) do these officials occupy?
   c. Are these meetings ad hoc, issue-driven meetings or are they regular, formalized meetings?
   d. What types of issues dominate these meetings?
   e. Focusing on the outcome of these meetings, what have been some of the substantive policy outcomes of these meetings?
   f. Does the organization have the authority to make binding decisions on behalf of its members?
   g. Once taken and accepted by a majority of the member firms, can all firms in the association be obligated to abide by these decisions?
   h. What role does the organization play in implementing these decisions?
   j. Do you believe that the firm/association could initiate a major policy change in the sector without the collaboration of the union(s)?
   k. What is your evaluation of these relations with the union?
   l. How do they affect the performance of the sector; the climate of labour relations?

7. Employer-State Relations:
   a. How frequently do you meet, on behalf of your organization, with officials of the provincial government?
   b. Who initiates these meetings?
   c. What types of issues dominate these meetings?
d. What position in the provincial government do your contacts usually have?
e. Are these meetings ad hoc, temporary, issue-driven meetings or are they regular, formalized meetings?
f. What proportion of these meetings have union representatives from the sector present?
g. What has been the reception of provincial officials to the proposals raised by your organization at these meetings?
h. Focusing on the outcome of these meetings, what policy proposals have been agreed upon and implemented?
i. What role has the employer association played in the implementation process?
j. Do you believe that the provincial government could initiate a major policy change affecting the sector and expect success without the cooperation of your organization?
k. How would you rate the ability of the sector to resist pressure from the provincial government to:
   i) change the behaviour of the sector?
   ii) restructure the sector?
   iii) change labour relations policies in the sector?

k. Do you consider:
   i) the union to be more supportive of provincial government proposals or of employer proposals at these meetings?
   ii) the Federal government (questions i) to xii).

l. Given a choice, would you prefer to deal with provincial or federal officials at these meetings? Why?

8. Other Relations:
a. Has your organization and the union met jointly with any other governmental agencies in other provinces or in other countries, or with international organizations?
   i) At whose initiative were these meetings held?
   ii) What was the outcome of these meetings?
   iii) Are these meetings ad hoc, temporary, issue-driven meetings or are they regular, formalized meetings?
b. Has your organization and the union(s) met jointly with any non-governmental industry or public interest groups?
c. At whose initiative were these meetings held?
d. What was the outcome of these meetings?
e. How would you evaluate this joint employer-union approach to other organizations?
f. Do you see this activity increasing or is it a temporary phenomenon? Why?

9. Future Directions:
a. What do you foresee the sector looking like 20 years from now? What kind of changes can we expect in:
   i) the structure of the sector, i.e. the composition, size, base of ownership and control?
   ii) the market focus, access, competition?
   iii) relations among firms in the sector?
   iv) labour relations in the sector?
   v) relations with government? Any switch in jurisdictional control, change in level of intervention, regulation?
vi) the role of employees in the firm?
vii) relations with other interest groups?
b. (If the answer to the above is "I don't know.")
   i) What would you like the sector to look like 20 years from now?
   ii) Will this require a strong effort by employers or firms to cooperate with each other in rationalization, marketing, dealing with the government?
   iii) Will this require a strong effort by the union to change its relationship with the employers or firms? With its membership?
   iv) What will be required of the provincial government? Of the federal government?
c. What do you think is the future of cooperative policy-making and implementation relations between employers, unions and government?
   i) Do you think this will be a positive or negative development?
d. What role should other interest groups have in developing sectoral policy?

10. Conclusion:
   In closing, I would like to talk to you about other people that I should speak to on these matters. They may already be on my list, but it would be very helpful if you could identify 3 or 4 of the most important people involved in policy development and industrial relations with between your sector, its union(s) and government.
   Thank you for giving up this time for this interview.
Appendix C: Sectoral Organization/Service Agency Interview Format

1. **Job Description:**
   a. Could you give me a description of your own job?
   b. What programs are you directly involved with involving relations between the employers and the union(s), and between these two and government representatives?

2. **Policy Mandate:**
   a. When was your organization established?
   b. By whom or what organization?
   c. What was its mandate; criteria of operation?
   d. What was its membership composition?
      i) employer representation, coverage of sector?
      ii) employee (union?) representation?
      iii) government representation?
   e. How is the organization funded?
   f. How are members represented?
   g. How are decisions made?

3. **Policy Goals, Instruments and Formation:**
   a. Is there an overriding goal of the organization?
   b. What are the present subsidiary goals of the organization?
   c. (If the organization is not of very recent creation) Are these recent goals or are they of long-standing duration?
   d. What was the origin of these policy goals?
   e. Could you describe the process by which these policy goals were established.
      i) How would you rate the importance of organizational staff in formulating these goals?
      ii) How important was the role of individual firms, employers, and the union(s) in formulating these policy goals?
      iii) ... other organizations, government or the public?

4. **Background of the Sector:**
   a. What have been the major changes in the sector in the last 10, 20 years in:
      i) the structure of the sector, i.e. composition, base of ownership and control?
      ii) union influence over the sector or individual employer or firm activity?
      iii) resource base, i.e. supply, character, competition with other for resource base?
      iv) market focus, access and competition?
      v) labour skill, training, input into production process?

5. **Sectoral Problems:**
   a. From your perspective, what do you believe are the major problems of the sector?
   b. Do you think that:
      i) individual employers (or firms) would agree with this assessment? If so, do you think they are willing to work together to resolve them?
      ii) the union(s) would agree with you? If so, do you think that they are willing to cooperate with the employers to address these problems?
iii) Do you think the provincial government would agree with your assessment?
c. Do you think these problems exist because of failures of:
i) the sector's employers to act wisely?
ii) the union to act wisely?
iii) provincial government policies?
iv) federal government policies?
d. Do you think these problems exist because of other, external factors?
e. Do you consider:
i) the state of labour relations in the sector to be a problem?
ii) the structure of the sector to be a problem, i.e. composition, size, concentration, base of
ownership and control?
iii) the union's(s') flexibility or adaptability to be a problem?
iv) the regulation of the sector by government to be a problem?
v) the level of technological innovation to be a problem?
v) market access to be a problem?
vii) competition over resource base to be a problem?

6. Sectoral-Government Relations:
a. How frequently do you meet, on behalf of your organization with members of the provincial
government?
i) Who initiates these meetings?
ii) What types of issues dominate these meetings?
iii) What position in the provincial government do your contacts usually have?
b. How frequently do you meet, on behalf of your organization, with members of the federal
government?
i) Who initiates these meetings?
ii) What types of issues dominate these meetings?
iii) What position in the federal government do your contacts usually have?
c. What has been the reception of:
i) provincial officials to the proposals raised by your organization at these meetings
ii) federal officials to the proposals raised by your organization at these meetings?
d. Are these meetings with:
i) provincial officials ad hoc, temporary, issue-driven meetings or are they regular, formalized
meetings?
ii) federal officials ad hoc, temporary, issue-driven meetings or are they regular, formalized
meetings?
e. Given a choice, would you prefer to deal with provincial or federal officials at these
meetings? Why?
f. Do you believe that your organization could initiate a major policy and expect success
without the cooperation of:
i) the provincial government?
ii) the federal government?
g. How would you rate the ability of the sector to resist pressure from the provincial government
to:
i) change the behaviour of the sector?
ii) restructure the sector?
iii) change labour relations policies in the sector?

h. How would you rate the ability of the sector to resist pressure from the federal government to:
i), ii), iii)?

i. Focusing on the outcome of these meetings, what policy proposals have been agreed upon and implemented?

i) What role has the provincial government played in the implementation process? The federal government?

ii) What role have individual employers or firms in the sector played in the implementation process?

iv) At what level of the industry are joint employer-union committees been established to implement the process?

j. Has your organization met with any other non-governmental groups; other sectoral groups or organizations; foreign officials or organizations?

i) At whose initiative were these meetings held?

ii) What was the outcome?

iii) What value do you see in these contacts?

iv) Do you see them increasing and becoming formalized or are they a temporary phenomenon? Why?

7. Future Directions:

a. What do you foresee the sector looking like 10, 20 years from now? What kind of changes can we expect in:

i) the structure of the sector, i.e. the composition, size, base of ownership and control?

ii) the market focus, access, competition?

iii) labour relations in the sector?

iv) relations among employers in the sector?

v) the role of the union(s)?

vi) the role of employees in the firm?

vii) relations with other interest groups?

b. (If the answer to the above is "I don't know.")

i) What would you like the sector to look like 10, 20 years from now?

ii) Will this require a strong effort by employers or firms to cooperate with each other in rationalization, marketing, dealing with the government?

iii) Will this require a strong effort by the union to change its relationship with the employers or firms? With its membership?

iv) What will be required of the provincial government? Of the federal government?

b. What do you think is the future of cooperative policy-making and implementation relations between employers or firms and unions and government?

i) Do you think this will be a positive or negative development?

d. What role should other interest groups have in developing sectoral policy?

8. Conclusion:

In closing, I would like to talk to you about other people that I should speak to on these matters. They may already be on my list, but it would be very helpful if you could identify 3 or 4 of the most important people involved in policy development and industrial relations with between your sector, its union(s) and government.